



**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, 2016**

WILKINSON & COMPANY LLP - CHARTERED ACCOUNTANTS

Telephone 613-392-2592 • Toll Free 1-888-713-7283 • Fax 613-392-8512
P.O. Box 400, 71 Dundas Street West, Trenton, Ontario K8V 5R6 • www.wilkinson.net



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, 2016 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 5, 2017

Chartered Professional Accountants
Licensed Public Accountants

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**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016
(UNAUDITED: SEE NOTICE TO READER)**

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	2,697,116	1,232,868
Accounts receivable	2,077,356	1,182,785
Unbilled revenue	1,107,559	870,453
Due from the City of Quinte West	3,235,670	177,931
	9,117,701	3,464,037
LIABILITIES		
Accounts payable and accrued liabilities	2,953,397	2,247,895
Long-term debt	44,237,856	28,556,654
	47,191,253	30,804,549
Net debt	(38,073,552)	(27,340,512)
NON-FINANCIAL ASSETS		
Tangible capital assets	111,767,015	96,908,225
Prepaid expenses	-	217
	111,767,015	96,908,442
MUNICIPAL POSITION		
Accumulated Surplus	73,693,463	69,567,930

**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, 2016**

	Budget (Unaudited) 2016 \$	Actual 2016 \$	Actual 2015 \$
REVENUES			
User fees			
Water	6,731,000	6,963,821	6,455,955
Sewer	6,025,300	6,100,508	5,419,598
Grants	3,744,768	3,051,414	50,000
Other:			
Developer contributions	23,629	360,040	-
Other	552,700	727,032	609,165
Loss on disposal of tangible capital assets	-	(64,817)	(2,101,716)
	17,077,397	17,137,998	10,433,002
EXPENDITURES			
Administration	3,419,980	3,265,686	2,518,063
Amortization	2,875,000	2,666,961	2,677,803
Water treatment plant	203,000	2,190,171	2,154,814
Water distribution	1,300,900	843,081	1,114,195
Water meter service	307,900	232,389	178,556
Sewage treatment plant	1,736,000	3,551,065	3,065,755
Sanitary sewer maintenance	227,900	236,670	154,335
Lateral rodding maintenance	44,200	26,442	46,657
	10,114,880	13,012,465	11,910,178
ANNUAL SURPLUS (DEFICIT)	6,962,517	4,125,533	(1,477,176)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	69,567,930	69,567,930	71,045,106
ACCUMULATED SURPLUS - END OF YEAR	76,530,447	73,693,463	69,567,930

**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, 2016**

	2016 \$	2015 \$
OPERATING TRANSACTIONS		
Annual surplus (deficit)	4,125,533	(1,477,176)
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	2,666,961	2,677,803
Loss on disposal	64,817	2,101,716
	6,857,311	3,302,343
Changes in the level of:		
Increase in accounts receivable	(894,570)	(371,347)
Increase in unbilled revenue	(237,105)	(125,510)
Decrease in inventories	216	121
Decrease (increase) in due to City of Quinte West	(3,057,739)	417,537
Increase in accounts payable and accrued liabilities	705,500	309,291
CASH PROVIDED BY OPERATING TRANSACTIONS	3,373,613	3,532,435
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(17,597,135)	(12,388,408)
Proceeds on disposal of tangible capital assets	6,568	-
CASH USED IN CAPITAL TRANSACTIONS	(17,590,567)	(12,388,408)
FINANCING TRANSACTIONS		
Increase in municipal debt	16,185,000	7,040,000
Repayment of municipal debt	(503,798)	(309,621)
CASH PROVIDED BY FINANCING ACTIVITIES	15,681,202	6,730,379
INCREASE (DECREASE) IN CASH	1,464,248	(2,125,594)
OPENING CASH	1,232,868	3,358,462
CLOSING CASH	2,697,116	1,232,868
REPRESENTED BY:		
Cash	2,697,116	1,232,868

**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, 2016**

	Budget (Unaudited)		
	2016	2016	2015
	\$	\$	\$
Annual surplus (deficit)	6,962,517	4,125,533	(1,477,176)
Acquisition of tangible capital assets	(5,769,768)	(17,597,135)	(12,388,408)
Amortization of tangible capital assets	2,875,000	2,666,961	2,677,803
Loss on disposal of tangible capital assets	-	64,817	2,101,716
Proceeds on sale of tangible capital assets	-	6,568	-
Change in inventory	-	216	121
Increase in net debt	4,067,749	(10,733,040)	(9,085,944)
Net debt - beginning of year	(27,340,512)	(27,340,512)	(18,254,568)
Net debt - end of year	(23,272,763)	(38,073,552)	(27,340,512)