



City of
Peterborough

To: **Members of the Finance Committee**

From: **Richard Freymond**
Commissioner of Corporate and Legislative Services

Meeting Date: **October 13, 2020**

Subject: **Report CLSFS20-044**
Treasurer's Report, 2019 Consolidated Financial Report, 2019
Trust Funds Financial Statement and Five-Year Review

Purpose

A report to recommend the Treasurer's Report, 2019 Consolidated Financial Report, the 2019 Trust Funds Financial Statement, and Five Year Review be received, that underlying accounting policies be approved, and the 2019 Financial Report be received and submitted to the Province of Ontario.

Recommendations

That Council approve the recommendations outlined in Report CLSFS2019-044 dated October 13, 2020, of the Commissioner of Corporate and Legislative Services as follows:

- a) That Report CLSFS20-044, Treasurer's Report, 2019 Consolidated Financial Report, the 2019 Trust Funds Financial Statement and Five Year Review be received as information.
- b) That the underlying accounting policies as detailed in the Notes to the Financial Statements be approved.
- c) That the Treasurer's Report, 2019 Consolidated Financial Report and 2019 Trust Funds Financial Statement as received, be submitted to the Province of Ontario.

Budget and Financial Implications

There are no additional budget and financial implications of receiving this report.

Background

Each year the City must undergo an external audit mandated by Section 296.1 of the **Municipal Act, 2001**. The audit involves the City’s external Auditor, Baker Tilly KDN LLP, conducting the audit in accordance with Canadian generally accepted auditing standards. Those standards require that they plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. The audit also involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements as well as assessing the accounting principles used and significant estimates made by management. The audit also evaluates the overall financial statement presentation.

The Treasurer’s Report and Five Year Review are supplementary to the financial statements. They are used to summarize, highlight and evaluate the financial health of the City and confirm its ability to meet future obligations. Although there is no separate audit report attached to these reports, they are generated from the same information used to compile the year-end financial statements.

Submitted by,

Richard Freymond
Commissioner of Corporate and Legislative Services

Contact Name:

Yvette Peplinskie
Manager of Financial Services
Phone: 705-742-7777 Ext. 1862
Toll Free: 1-855-738-3755
Fax: 705-876-4607
E-mail: yveplinskie@peterborough.ca

Attachments:

Appendix A - Treasurer’s Report on the 2019 Financial Report for the City of
Peterborough

Appendix B - City of Peterborough – Five Year Review

Appendix C - Consolidated Financial Report Including Trust Funds Financial Statement



City of
Peterborough

500 George Street North, Peterborough, ON K9H 3R9

October 13, 2020

To: The Mayor and Members of Council
Inhabitants and Ratepayers of the City of Peterborough

Treasurer's Report on the 2019 Financial Statements for the Corporation of the City of Peterborough

Introduction

I am pleased to present the Financial Statements for the Corporation of the City of Peterborough (the City) for the period ending December 31, 2019. This report provides taxpayers, residents and other stakeholders the opportunity to evaluate the annual financial health of the City and confirm its ability to meet its obligations.

The Budget Process

The development of the budget is an accountability process, two key documents are prepared – an operating budget and a capital budget. The budget documents show what the City plans to do with its financial resources over the coming fiscal year. Council approved the 2019 Capital and Operating Budget on January 28, 2019

The Operating Budget is prepared on a modified cash basis and provides for the day-to-day expenses of the City for items such as salaries, wages, benefits, utilities, building maintenance and supplies. The Capital Budget is a multi-year plan for the acquisition and rehabilitation of capital assets. Once complete, the capital plan specifies the future financial resources required to finance the project, references any commitments made, the effect it will have on any future operating budgets, provides project details, justification and any other information necessary to make informed decisions. Both budgets are closely linked and impact each other.

As part of the Budget process, the Operating Budget is re-stated into a format that conforms to Public Sector Accounting Standards. Those standards require that all Inter-fund transfers be eliminated, debt principal be removed and the effects of unfunded liabilities such as employee future benefits and landfill closure and post closure costs be included.

Financial Statements

The accompanying consolidated financial statements are the responsibility of the management of the City. As with all Ontario municipalities, they have been prepared in accordance with the accounting principles and guidelines of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The statements include all organizations that are accountable for the administration of their financial affairs and resources to Council, and are owned or controlled by the City. These organizations make up what is known as the reporting entity. Some organizations are fully consolidated whereas others are proportionately consolidated meaning only a percentage of the organization is accounted for. The partially consolidated boards are a result of partnership agreements with the County of Peterborough whereby the City's pro rata share of each of the assets (including tangible capital assets); liabilities, revenues and expenditures are combined on a line-by-line basis in the financial statements. As a government business enterprise, the City of Peterborough Holdings Inc. is accounted for on a Modified Equity basis, which means that the accounting principles of the organization are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated.

Chart 1 provides a summary of the organizations included in the reporting entity.

Chart 1 - The Reporting Entity

Full Consolidation	Proportionate Consolidation	Modified Equity Basis
<ul style="list-style-type: none"> • City of Peterborough • Peterborough Public Library • Peterborough Downtown Business Improvement Area • The Village Business Improvement Area • Peterborough Housing Corporation • Peterborough Utilities Commission 	<ul style="list-style-type: none"> • Fairhaven (66%) • Peterborough Public Health (57%) • Greater Peterborough Area Economic Development Corporation (60%) • Peterborough County-City Waste Management Facility (50%) 	<ul style="list-style-type: none"> • City of Peterborough Holdings Inc.

External Audit

The financial statements have been audited by the City's external auditors, Baker Tilly KDN LLP in accordance with Generally Accepted Auditing Standards. The auditors

have expressed an unqualified opinion that these statements present fairly the financial position of the City. In addition, separate audit examinations have been completed for all of the local boards and agencies and reports have been rendered to their oversight bodies. The auditors are also responsible for advising management and the Finance Committee of City Council of any control or operational issues that may have been identified during the audit. As such, they must be independent and communicate independence in accordance with Canadian professional requirements.

Fund Accounting

The City uses different funds as the basis of recording and reporting all financial transactions. Each of the funds represents a grouping of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Three types of funds are used: operating funds, capital funds and reserve funds. The transactions and balances of these funds have been consolidated to report the overall financial position and financial activities of the City. The Statement of Financial Position is calculated at a very specific date in time, December 31, whereas the Statement of Operations and Accumulated Surplus summarizes the transactions that have occurred throughout the fiscal year.

Results of Operations

The consolidated Statement of Operations and Accumulated Surplus reports the City's changes in economic resources and accumulated surplus on a comparative basis.

During 2019, the City recorded consolidated revenues of \$352.7 million (2018 - \$340.5 million).

A summary of the key revenue variances is shown on Chart 2:

Chart 2 - Consolidated Revenues

	2019		2018		Variance Increase (Decrease)
	\$		\$		\$
Property taxation	132,591,532	37.6%	127,598,532	37.5%	4,993,000
Taxation from other governments	3,511,163	1.0%	3,320,762	1.0%	190,401
User fees and service charges	76,610,087	21.7%	74,265,166	21.8%	2,344,921
Government grants and other municipalities	110,982,252	31.5%	109,714,219	32.2%	1,268,033
Development levies and contributions from developers	5,316,454	1.5%	6,887,484	2.0%	(1,571,030)
Licenses, permits, royalties and rents	3,616,005	1.0%	3,466,330	1.0%	149,675
Fines and other charges	1,948,275	0.6%	2,179,647	0.6%	(231,372)
Penalties and interest on taxes	776,927	0.2%	751,827	0.2%	25,100
Investment income	3,451,000	1.0%	3,236,719	1.0%	214,281
Donations and contributed tangible capital assets	358,454	0.1%	1,616,067	0.5%	(1,257,613)
Loss on disposal of tangible capital assets	-	0.0%	-	0.0%	-
Casino and gaming revenue	3,228,101	0.9%	705,606	0.2%	2,522,495
Other	2,282,073	0.6%	1,789,227	0.5%	492,846
Income from government business enterprise	8,052,000	2.3%	5,003,000	1.5%	3,049,000
Total Consolidated Revenues	352,724,323	100.0%	340,534,586	100.0%	12,189,737

Revenues increased \$12.2 million due to several factors:

- The net property taxation levy was \$4.9 million higher than the previous year in part due to higher supplementaries amounting to \$0.3 million and a planned increase in the tax rate guideline of 2.34% or \$4.5 million.
- User fees and service charges were higher by \$2.3 million over the previous year. Contributing factors to that are a higher level of recoveries related to tangible capital asset projects (\$1.0 million), transit and parking fees (\$0.5 million), higher sewer surcharge collections (\$0.6 million). Peterborough Housing collected more rents totaling \$0.2 million.
- Government grants increased by \$1.3 million. Additional Federal Gas Tax funding of \$2.7 million and National Disaster Mitigation Program funding of \$0.6 million were recognized in 2019. These increases were offset by decreases of \$1.3 million in Public Transit Infrastructure Funding for multi-year transit projects, and changes to funding for various Social Services programs.
- Development levies and contributions from developers were \$1.5 million lower than the previous year due to lower development charge utilization as a result of capital spending.
- Donations and contributed capital assets were lower than the previous year as the City assumed 1 subdivision in 2018 and none in 2019.

- Casino Gaming Revenue increased by \$2.5 million as 2019 was the first full year of the revenue sharing agreement with Shorelines Gaming.
- The net earnings from City of Peterborough Holdings were \$3.0 million higher due to increased revenues from electricity generation.

Consolidated expenses totaled \$321.0 million (2018 - \$304.3 million).

A summary of the key expense variances is shown on Chart 3:

Chart 3 - Consolidated Expenses

	2019		2018		Variance Increase (Decrease)
	\$		\$		\$
General government	16,466,225	5.1%	15,400,393	5.1%	1,065,832
Protection services	55,171,901	17.2%	54,486,949	17.9%	684,952
Transportation services	47,915,668	14.9%	43,335,522	14.2%	4,580,146
Environmental services	45,049,090	14.0%	39,177,583	12.9%	5,871,507
Health services	12,803,784	4.0%	12,503,301	4.1%	300,483
Social and family services	84,777,435	26.4%	83,632,035	27.5%	1,145,400
Social housing	20,804,117	6.5%	20,637,074	6.8%	167,043
Recreation and cultural services	30,312,815	9.4%	29,609,789	9.7%	703,026
Planning and development	7,719,011	2.5%	5,515,149	1.8%	2,203,862
Total Consolidated Expenses	321,020,046	100.0%	304,297,795	100.0%	16,722,251

Expenses increased \$16.7 million due to several factors:

- General Government expenses were \$1.1 million higher in 2019. Differences included \$1.6 million increase in salaries, wages and benefits expense for the Employee Future Benefits liability based on the actuarial report, and a decrease of \$0.5 million in contractual services expense for professional fees and election expenses which were included in 2018 but did not occur in 2019.
- Transportation services related costs increased by \$4.6 million. Differences included a \$0.8 million variance in salaries and wages, of which the majority is attributed to the transit service which continued to face increased costs related to coverage of sick and vacation absences. Various other expenditures including vehicle fuel and airport property management were \$1.3 million higher, as well as increased contracted services for lot preparation at the airport of \$0.6 million, loss on disposal of tangible capital asset of \$0.5 million and amortization of \$1.4 million in excess of 2018.

- Environmental Services costs were \$5.9 million higher. The increase included the change in the liability for the landfill closure and post closure liability of \$5.1 million in 2019 based on the most recent actuarial report. Other increases in 2019 included \$0.3 million in amortization expense, and \$0.5 million in contracted services for the recycling collection contract and other professional services for landfill operations.
- Social and family services costs were \$1.1 million higher as programs changed due to provincial funding and initiative changes. During 2019 the Addiction Services program ended, and additional funding was received for EarlyON, Childcare Expansion, and Core programs.
- Planning and development costs were \$2.2 million higher in 2019. This is due to increased expenses related to property acquisitions and improvements.

The annual surplus amounts to \$31.7 million (2018 - \$36.2 million). This surplus indicates that the revenues raised during the year covered the cost of services provided, including the annual cost of using capital assets to provide those services.

Under current reporting standards, the City has an annual amortization charge of \$35.0 million (2018 - \$33.1 million). The amortization charge represents the cost of depreciating tangible capital assets over their useful life. The amortization charge is less than the City's current level of capital spending of \$61 million (2018 - \$78.0 million). The Statement of Operations reflects the annual amortization and the surplus that results, which is used to help finance the cost of capital acquisition.

Financial Position

Net financial assets of \$60.4 million (2018 - \$52.7 million), the difference between the City's financial assets and its financial liabilities, is a measure of the resources that the City has to finance future operations.

The net financial asset position is an indicator that the revenues raised during the year were sufficient to cover both the operating and capital spending that took place during the year. The increase of \$7.7 million in the net financial asset position resulted primarily from revenues being in excess of operating expenses by \$31.7 million and amortization of tangible capital assets of \$35.0 million to finance the acquisition of tangible capital assets totaling \$61.3 million. For a more detailed accounting, refer to the Statement of Change in Net Financial Assets on Page 7 of the Consolidated Financial Report.

The accumulated surplus of \$889.2 million (2018 - \$857.5 million) represents the sum of the net financial assets of the City plus the City's capital assets at historic depreciated values and is shown on Chart 4. The accumulated surplus under the current reporting model represents the net resources (both financial and physical) that the City can use to provide future services.

The accumulated surplus consists of individual fund surpluses (deficits), unfunded amounts, reserve and reserve funds and other components and is comprised of the following:

Chart 4 - Analysis of Accumulated Surplus

	2019 \$	2018 \$
Surplus City of Peterborough		
Operating surplus before consolidated entities	121,542	125,566
Unexpended financing	10,451,767	9,436,684
	10,573,309	9,562,250
Consolidated Entities		
Peterborough Public Health	84,855	94,580
The Village Business Improvement Area	19,747	19,761
Greater Peterborough Area Economic Development Corporation	32,838	35,992
Peterborough Downtown Business Improvement Area	26,496	222,042
Peterborough Utilities Commission	4,561,836	6,068,470
Peterborough Public Library Board	-	-
	4,725,772	6,440,845
Unfunded amounts		
Employee benefits	(30,279,373)	(29,603,154)
Solid waste landfill closure and post-closure	(12,513,137)	(7,431,889)
Accrued interest on long term debt	(717,650)	(843,534)
	(43,510,160)	(37,878,577)
Inventory held for resale	2,956,481	3,044,816
Equity in government business enterprise (below)	97,813,000	95,548,000
Invested in Tangible Capital Assets		
Tangible capital assets net book value	826,286,571	801,483,768
Unfinanced capital	(11,060,234)	(2,293,038)
Short and long term debt	(126,862,545)	(137,734,581)
	688,363,792	661,456,149
Reserve Funds and Reserves		
Discretionary reserve funds	34,392,143	29,246,536
Reserves	93,894,769	90,084,810
	128,286,912	119,331,346
Accumulated Surplus	889,209,106	857,504,829

The equity in government business enterprise is comprised of the following:

	2019	2018
	\$	\$
Investment in government business enterprise (Note 8)	103,563,000	101,298,000
Short term advances due on demand converted to shares	(5,750,000)	(5,750,000)
Equity in government business enterprise (above)	97,813,000	95,548,000

Conclusion

The level of capital spending throughout 2019 remained high at \$61.3 million and is a direct result of the Debt Management and Capital Financing Plan approved by Council on April 23, 2012. That Plan provides additional funding for capital projects, however, the demand still outweighs available funds as the City struggles to keep up with the need to maintain and replace aging capital infrastructure as well as requests for expansion.

With respect to day-to-day operations, like most Ontario municipalities, the City of Peterborough continues to struggle to provide a reasonable level of service to its rate-payers while keeping tax rate increases to a minimum.

At the end of 2019, the City was well positioned financially for the future. However, subsequent to the year-end, the COVID-19 pandemic began, and has had a significant impact on the City's finances throughout 2020 as has been reported to Council.

Submitted by,

Richard Freymond
Treasurer

CITY OF PETERBOROUGH

FIVE YEAR REVIEW

(All dollar values in thousands except per capita figures)

	2019	2018	2017	2016	2015
CURRENT PROGRAM ACTIVITY					
Consolidated Revenues					
Taxation	132,592	127,599	123,099	118,905	114,700
Taxation from other governments	3,511	3,321	2,946	3,090	3,070
Fees and service charges	76,610	74,265	67,763	67,295	65,078
Government grants and other Municipalities	110,982	109,714	103,032	97,290	93,415
Development levies	5,316	6,887	5,529	3,979	4,442
Investment and other revenue	23,713	18,749	28,706	16,493	16,477
	352,724	340,535	331,075	307,052	297,182
Expenses	321,020	304,298	296,799	284,128	275,639
Growth in accumulated surplus	31,704	36,237	34,276	22,924	21,543
NET LONG TERM LIABILITIES					
For general municipal activities	119,573	134,545	123,875	118,310	106,919
For municipal enterprises	1,917	2,190	2,464	2,738	615
	121,490	136,735	126,339	121,048	107,534
General municipal activities - net long term liabilities as % of CVA	1.3%	1.5%	1.4%	1.4%	1.3%
CURRENT CHARGES FOR NET LONG TERM LIABILITIES					
General municipal activities and for municipal enterprise	19,454	18,626	19,621	17,304	12,835
CURRENT VALUE ASSESSMENT (CVA) - TAXABLE					
Residential and farm	7,986,800	7,667,093	7,343,416	7,050,785	6,820,112
Commercial and industrial	1,382,328	1,280,505	1,248,605	1,267,350	1,246,702
	9,369,128	8,947,598	8,592,021	8,318,135	8,066,814
Percentage increase from previous year	4.71%	4.14%	3.29%	3.12%	3.03%
Commercial / industrial CVA as percentage of total	14.8%	14.3%	14.5%	15.2%	15.5%

CITY OF PETERBOROUGH

FIVE YEAR REVIEW

(All dollar values in thousands except per capita figures)

	2019	2018	2017	2016	2015
VALUE OF BUILDING PERMITS ISSUED					
Residential	62,537	89,661	78,682	75,583	63,305
Commercial	9,985	23,678	29,716	14,732	17,126
Industrial	8,783	14,744	2,706	25,758	4,616
Institutional	78,009	59,170	38,703	29,431	23,907
	159,314	187,253	149,806	145,503	108,954
Percentage increase (decrease) from previous year	-14.9%	25.0%	3.0%	33.5%	-35.6%
TAX LEVY AND ARREARS					
Tax levy					
Current year's tax levy - municipal and education combined	165,084	159,474	155,105	152,661	147,859
Percentage increase over previous year	3.5%	2.8%	1.6%	3.2%	5.9%
Tax arrears					
Total arrears (excluding Allowance for Doubtful Accounts)	4,221	4,354	4,521	5,037	6,020
Percentage increase (decrease) over previous year	-3.1%	-3.7%	-10.2%	-16.3%	-19.5%
Tax arrears as a percentage of current tax levy	2.6%	2.7%	2.9%	3.3%	4.1%
POPULATION & SIZE					
Estimated Population (Updated for 2016 Census)	82,094	82,094	82,094	82,094	78,700
Area in acres	16,639	16,639	16,639	16,639	16,639
PER CAPITA INFORMATION					
CVA - Taxable	114,127	108,992	104,661	101,325	102,501
Expenses	3,910	3,707	3,615	3,461	3,502
Net long-term debt for general municipal activities and municipal enterprise	1,480	1,666	1,539	1,475	1,366
Tax arrears	51	53	55	61	76

CITY OF PETERBOROUGH

FIVE YEAR REVIEW

(All dollar values in thousands except per capita figures)

	2019	2018	2017	2016	2015
RATES OF TAXATION					
Municipal tax rates					
Residential	1.2497420%	1.2568950%	1.2564280%	1.2544830%	1.2361920%
Multi-residential	2.4335100%	2.4474390%	2.4465290%	2.4427420%	2.4071250%
New Multi-residential	1.2497420%	1.2568950%	1.2564280%	1.2544830%	1.2361920%
Commercial	1.8996390%	1.9356810%	1.9852820%	2.0073300%	2.0028160%
Commercial Vacant	1.3297470%	1.3549770%	1.3896980%	1.4051340%	1.4019720%
Industrial	2.0460780%	2.1440110%	2.2294060%	2.3120120%	2.3631050%
Industrial Vacant	1.3299510%	1.3936070%	1.4491140%	1.5028080%	1.5360180%
Pipeline	1.5879220%	1.5970110%	1.5964170%	1.5939460%	1.5707060%
Farmlands	0.3124360%	0.3142240%	0.3141070%	0.3136210%	0.3090480%
Education tax rates					
Residential	0.1610000%	0.1700000%	0.1790000%	0.1880000%	0.1950000%
Multi-residential	0.1610000%	0.1700000%	0.1790000%	0.1880000%	0.1950000%
New Multi-residential	0.1610000%	0.1700000%	0.1790000%	0.1880000%	0.1950000%
Commercial	1.2900000%	1.3400000%	1.3884420%	1.3884420%	1.4163160%
Commercial Vacant	1.0965000%	0.9380000%	0.9719094%	0.9719094%	0.9914210%
Industrial	1.2900000%	1.3400000%	1.3900000%	1.5000000%	1.5300000%
Industrial Vacant	1.0642500%	0.8710000%	0.9035000%	0.9750000%	0.9945000%
Pipeline	1.0300000%	1.0900000%	1.1400000%	1.1800000%	1.1900000%
Farmlands	0.0402500%	0.0425000%	0.0447500%	0.0470000%	0.0487500%
Combined municipal and education tax rates					
Residential	1.4107420%	1.4268950%	1.4354280%	1.4424830%	1.4311920%
Multi-residential	2.5945100%	2.6174390%	2.6255290%	2.6307420%	2.6021250%
New Multi-residential	1.4107420%	1.4268950%	1.4354280%	1.4424830%	1.4311920%
Commercial	3.1896390%	3.2756810%	3.3737240%	3.3957720%	3.4191320%
Commercial Vacant	2.4262470%	2.2929770%	2.3616074%	2.3770434%	2.3933930%
Industrial	3.3360780%	3.4840110%	3.6194060%	3.8120120%	3.8931050%
Industrial Vacant	2.3942010%	2.2646070%	2.3526140%	2.4778080%	2.5305180%
Pipeline	2.6179220%	2.6870110%	2.7364170%	2.7739460%	2.7607060%
Farmlands	0.3526860%	0.3567240%	0.3588570%	0.3606210%	0.3577980%

Corporation of the City of Peterborough
Consolidated Financial Statements
At December 31, 2019

Table of Contents

Management Report	1
Independent Auditor's Report for the Consolidated Financial Statements	2
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Change in Net Financial Assets	7
Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule of Tangible Capital Assets	39
Schedules of Segment Disclosure	40
Independent Auditor's Report for the Trust Fund Statements	42
Statement of Continuity and Statement of Financial Position	45
Note to the Trust Funds Financial Statements.....	46

The Corporation of the City of Peterborough For The Year Ended December 31, 2019

Management Report

The accompanying consolidated financial statements of the Corporation of the City of Peterborough, and all the information in this annual report, are the responsibility of management and have been reviewed by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The City maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the City's assets are appropriately accounted for and adequately safeguarded.

City Council is responsible for ensuring that management fulfills its responsibilities for financial reporting. Council, through the Finance Committee, reviews the City's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the City of Peterborough. The Finance Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external independent auditors' report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the City. Baker Tilly KDN LLP has full and free access to Council and the Finance Committee.

Mayor _____

Date _____

Chief Administrative Officer _____

Date _____

Treasurer _____

Date _____

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Peterborough

Opinion

We have audited the consolidated financial statements of the Corporation of the City of Peterborough and its local boards (the City), which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows 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 consolidated financial position of the City as at December 31, 2019, and the results of its consolidated operations and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the City 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 consolidated financial statements, management is responsible for assessing the City'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 City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's 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 City'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 City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the City 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.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
October 26, 2020

Appendix C
CORPORATION OF THE CITY OF PETERBOROUGH

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	2019 \$	2018 \$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	63,968,230	61,844,519
Taxes receivable (Note 4)	2,509,290	3,044,683
Accounts receivable (Note 5)	40,059,826	37,506,702
Inventory held for resale	2,967,510	3,056,622
Investments (Note 6)	92,100,742	94,554,042
Other receivables (Note 7)	777,701	900,706
Investment in Government Business Enterprise (Note 8)	103,563,000	101,298,000
	305,946,299	302,205,274
LIABILITIES		
Short term debt (Note 9)	5,373,000	1,000,000
Accounts payable and accrued liabilities	42,102,118	43,374,711
Deferred revenue (Note 10)	3,989,178	4,158,258
Solid waste landfill closure and post-closure (Note 11)	12,513,137	7,431,889
Deferred revenue - obligatory reserve funds (Note 12)	27,068,824	24,579,303
Employee benefits (Note 13)	32,937,424	32,211,219
Long term debt (Note 14)	121,489,545	136,734,581
	245,473,226	249,489,961
NET FINANCIAL ASSETS	60,473,073	52,715,313
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 15)	826,286,571	801,483,768
Prepaid expenses	1,553,656	2,419,755
Inventory of supplies	895,806	885,993
	828,736,033	804,789,516
ACCUMULATED SURPLUS (Note 16)	889,209,106	857,504,829

The accompanying notes are an integral part of this financial statement.

Appendix C
CORPORATION OF THE CITY OF PETERBOROUGH

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For The Year Ended December 31, 2019

	Budget 2019 \$ (Unaudited)	2019 \$	2018 \$
REVENUES			
Property taxation	132,172,158	132,591,532	127,598,532
Taxation from other governments	3,160,577	3,511,163	3,320,762
User fees and service charges	78,216,299	76,610,087	74,265,166
Government grants and other municipalities	106,543,055	110,982,252	109,714,219
Development levies and contributions from developers	6,601,599	5,316,454	6,887,484
Licenses, permits, royalties and rents	3,333,699	3,616,005	3,466,330
Fines and other charges	2,350,000	1,948,275	2,179,647
Penalties and interest on taxes	700,000	776,927	751,827
Investment income	2,804,237	3,451,000	3,236,719
Donations and contributed tangible capital assets	91,000	358,454	1,616,067
Casino and gaming revenue	4,000,000	3,228,101	705,606
Other	1,346,787	2,282,073	1,789,227
Income from government business enterprise (Note 8)	-	8,052,000	5,003,000
TOTAL REVENUES	341,319,411	352,724,323	340,534,586
EXPENSES			
General government	18,807,223	16,466,225	15,400,393
Protection services	54,181,140	55,171,901	54,486,949
Transportation services	42,935,335	47,915,668	43,335,522
Environmental services	43,244,736	45,049,090	39,177,583
Health services	13,552,143	12,803,784	12,503,301
Social and family services	87,235,144	84,777,435	83,632,035
Social housing	22,803,709	20,804,117	20,637,074
Recreation and cultural services	28,724,183	30,312,815	29,609,789
Planning and development	5,298,918	7,719,011	5,515,149
TOTAL EXPENSES	316,782,531	321,020,046	304,297,795
ANNUAL SURPLUS	24,536,880	31,704,277	36,236,791
ACCUMULATED SURPLUS, beginning of year	857,504,829	857,504,829	821,268,038
ACCUMULATED SURPLUS, end of year (Note 16)	882,041,709	889,209,106	857,504,829

The accompanying notes are an integral part of this financial statement.

Appendix C
CORPORATION OF THE CITY OF PETERBOROUGH

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For The Year Ended December 31, 2019

	Budget 2019 \$ (Unaudited)	2019 \$	2018 \$
Annual Surplus	24,536,880	31,704,277	36,236,791
Amortization of tangible capital assets	32,117,098	35,009,675	33,062,132
Net book value of tangible capital assets transferred from Sunshine Homes Non-Profit Inc.	-	-	(2,748,244)
Proceeds on disposal of tangible capital assets	-	1,212,888	2,028,240
Loss (Gain) on disposal of tangible capital assets	-	311,055	(770,235)
Acquisition of tangible capital assets	(65,553,700)	(61,336,421)	(78,315,408)
Change in prepaid expenses	-	866,099	(1,213,546)
Change in inventory of supplies	-	(9,813)	(141,280)
CHANGE IN NET FINANCIAL ASSETS	(8,899,722)	7,757,760	(11,861,550)
NET FINANCIAL ASSETS, beginning of year	52,715,313	52,715,313	64,576,863
NET FINANCIAL ASSETS, end of year	43,815,591	60,473,073	52,715,313

The accompanying notes are an integral part of this financial statement.

Appendix C
CORPORATION OF THE CITY OF PETERBOROUGH

CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2019

	2019 \$	2018 \$
OPERATIONS		
Annual Surplus	31,704,277	36,236,791
Non-cash charges to/(revenue from) operations:		
Amortization	35,009,675	33,062,132
Loss/(gain) on disposal of tangible capital assets	311,055	(770,235)
Income from government business enterprise	(8,052,000)	(5,003,000)
Change in solid waste landfill closure and post-closure	5,081,248	368,969
Change in employee benefits and other liabilities	726,205	344,365
Contributed tangible capital assets	(213,600)	(1,370,783)
Change in non-cash working capital (Note 17)	98,520	9,635,896
Net increase in cash related to operations	64,665,380	72,504,135
CAPITAL		
Proceeds on disposal of tangible capital assets	1,212,888	2,028,240
Purchased tangible capital assets	(61,122,821)	(76,944,625)
Net decrease in cash related to capital	(59,909,933)	(74,916,385)
INVESTING		
Proceeds from portfolio investments	34,903,740	36,617,515
Purchase of portfolio investments	(32,450,440)	(29,980,726)
Dividends received from government business enterprise	5,787,000	5,669,000
Net increase in cash related to investing	8,240,300	12,305,789
FINANCING		
Long term debt issued	4,373,000	21,824,000
Long term debt principal repayment	(15,245,036)	(14,176,764)
Net increase in cash related to financing	(10,872,036)	7,647,236
NET CHANGE IN CASH AND TEMPORARY INVESTMENTS	2,123,711	17,540,775
CASH AND TEMPORARY INVESTMENTS, beginning of year	61,844,519	44,303,744
CASH AND TEMPORARY INVESTMENTS, end of year	63,968,230	61,844,519

The accompanying notes are an integral part of this financial statement.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

The City of Peterborough is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Municipal Affairs Act and related legislation.

1. Significant Accounting Policies

The consolidated financial statements of The Corporation of the City of Peterborough (the "City") are the representations of management prepared in accordance with accounting principles for local governments as established by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants Canada (CPA Canada).

The focus of PSAB financial statements is on the financial position of the City and the changes thereto. The Consolidated Statement of Financial Position includes all the assets and liabilities of the City. Financial assets are those assets that could provide resources to discharge existing liabilities or finance future operations. Net financial assets represent the municipal position and consist of the difference between financial assets and liabilities. This provides information about the City's overall future revenue requirements and its ability to finance activities and meet its obligations.

Reporting Entity

These consolidated financial statements reflect the assets, liabilities, sources of financing, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These financial statements include the following fully consolidated local entities:

1. Peterborough Public Library Board
2. Peterborough Downtown Business Improvement Area
3. The Village Business Improvement Area
4. Peterborough Housing Corporation
5. Peterborough Utilities Commission

The City has several partnership agreements in place with The Corporation of the County of Peterborough and as such, consistent with generally accepted accounting treatment for government partnerships, the following local boards are accounted for on a proportionate consolidation basis whereby the City's pro rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. These include:

1. Fairhaven 2019 – 66% (2018 – 66%)
2. Peterborough Public Health 2019 – 57% (2018 – 57%)
3. Greater Peterborough Area Economic Development Corporation 2019 – 60% (2018 – 60%)

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

4. Peterborough County-City Waste Management Facility 2019 - 50% (2018 – 50%)

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

City of Peterborough Holdings Inc. is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated.

Trust Funds

Trust funds and their related operations administered by the City are not included in these consolidated financial statements but are reported on separately on the Trust Fund's Statement of Continuity and Statement of Financial Position.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. With the exception of the Peterborough Utilities Commission that uses the declining balance basis at a rate of 5% per annum, the cost, less residual value, if any, of the tangible capital assets are amortized on a straight-line basis over the expected useful life of the assets, as follows:

Land improvements	10-50 years
Buildings and leaseholds	10-60 years
Vehicles, machinery and equipment	2-30 years
Books and materials	7 years
Roads and sidewalks	10-100 years
Water, storm and waste water systems	5-100 years

Assets under construction are not amortized. When assets under construction are put in service they are transferred to the appropriate tangible capital asset classification.

Tangible capital assets received as contributions are recorded at their fair value at the date of transfer and are also recorded as revenue.

Historical treasures and works of art held by the City are not included as tangible capital assets.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

Recognition of Revenue and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events took place that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

a. **Obligatory Reserve Funds**

The City receives development charge contributions and payments in lieu of parkland under the authority of provincial legislation and City by-laws, The Building Code, Federal Gasoline Tax Revenues, Federal Public Transit Funds under Municipal Funding Agreements with the Association of Municipalities of Ontario and Provincial Gasoline Tax Revenues. By their nature, these funds are restricted in their use and until applied to applicable qualifying projects are recorded as deferred revenue. Amounts applied to qualifying projects are recorded as revenue in the fiscal period they are earned.

b. **Government Transfers**

Government transfers are recognized in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

c. **Taxation and Related Revenues**

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Municipal tax rates are established annually by City Council, incorporating amounts to be raised for local services. The City is required to collect on behalf of the local school boards in respect of education taxes based on rates established by the Province. Taxation revenues are recorded at the time tax billings are issued. A normal part of the assessment process is the issue of supplementary assessment rolls that provide updated information with respect to changes in property assessment. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are reasonably determined and are shared with the school boards as appropriate.

The City is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

d. **Investment Income**

Investment income earned on surplus funds, (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balance.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

e. User Fees and Service Charges

User fees and service charges are recognized in the period in which the revenue relates.

f. Casino and Gaming Revenue

Casino and Gaming revenue is recognized in the period in which the events giving rise to the transfer took place, provided the transfer is authorized, eligibility requirements, if any, have been met, and a reasonable estimate of the amount can be made.

Deferred Revenue

Deferred revenue generally represents user charges, grants and fees which have been received but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for the provision of services. They have useful lives beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year combined with the annual surplus provides the change in net financial assets for the year.

Forgivable Loans

Forgivable loans are granted by the City based on specific criteria and funding agreements. These forgivable loans are not included in the financial statements as repayment criteria are exceedingly rare. Revenue is recognized when the loan is issued and an amount equal to the loan amount expensed when the loan is granted.

Pensions and Employee Benefits

The City accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined benefit plan. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits for members of the Peterborough Professional Firefighter's Association are accrued when they are vested and subject to pay out when an employee leaves the City's employ.

Other post-employment benefits are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

Use of Management Estimates

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made complex or subjective judgements (often as a result of matters that are inherently uncertain) include, among others: allowance for uncollectible taxes, accounts payable, solid waste landfill closure and post-closure liability, employee future benefits, contaminated sites and other liabilities, useful lives of tangible capital assets and amortization. Actual results may differ from these and other estimates, the impact of which would be recorded in future periods.

Financial Instruments

The City's financial instruments consist of cash and temporary investments, taxes receivable, accounts receivable, investments, other receivables, short term debt, accounts payable and accrued liabilities and long term debt. It is management's opinion that the fair value of its financial instruments is not materially different from their carrying value unless otherwise noted.

a. Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The City holds bonds, other marketable securities, loans and other receivables and has issued long term debt that may be impacted by interest rate risk. Management attempts to mitigate this risk through its investment and debt policies.

b. Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The City has limited exposure to credit risk as significant amounts are due from government agencies. Trade receivables are made up of a number of customers which minimizes concentrations of credit risk.

c. Foreign Currency Risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The City holds bank accounts in U.S. dollars and does not use derivative instruments to reduce exposure to foreign currency risk. The exposure to foreign currency risk is not significant.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

2. Cash and Temporary Investments

This figure is comprised of the following:

	2019 \$	2018 \$
Petty cash and cash floats	46,574	47,714
Temporary investments	2,000,000	4,000,000
Unrestricted cash	51,522,239	48,342,785
Restricted cash	10,399,417	9,454,020
	63,968,230	61,844,519

3. Transfers to the School Boards

During 2019, the City made property tax transfers to the School Boards. The amounts collected and remitted amounted to \$30,036,513 (2018 - \$29,848,505). These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

4. Taxes Receivable

This figure is comprised of the following:

	2019 \$	2018 \$
Current year's levies	2,467,218	2,622,761
Previous year's levies	984,637	1,113,942
Prior year's levies	1,147,945	1,014,590
Penalties and interest	843,494	878,392
	5,443,294	5,629,685
Allowance for uncollectible taxes	(2,934,004)	(2,585,002)
	2,509,290	3,044,683

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

5. Accounts Receivable

This figure is comprised of the following:

	2019 \$	2018 \$
Government of Canada	9,404,141	10,232,424
Government of Ontario	5,493,014	4,667,177
Other municipalities and school boards	1,608,277	899,907
User charges and other receivables	23,554,394	21,707,194
	40,059,826	37,506,702

6. Investments

The investments have a cost of \$92,100,742 (2018 - \$94,554,042) at the end of the year. Investments consist of bonds, banker's acceptances and other principal guaranteed marketable securities as well as positions in The One Investment Program equity and bond portfolios. Any discount or premium on the purchase price is amortized over the life of the investment. The figure approximates market value.

7. Other Receivables

This figure is comprised of the following:

	2019 \$	2018 \$
Peterborough Lakers Lacrosse Association	-	12,000
Peterborough Lawn Bowling Club	145,000	170,000
Market Hall Performing Arts Incorporated	389,940	389,940
Peterborough Rugby Union Football Club	107,761	139,624
Peterborough Youth Soccer Club	120,000	169,142
Kinsmen Minor Football League Inc.	15,000	20,000
	777,701	900,706

The interest rate on the Peterborough Lawn Bowling Club and Market Hall Performing Arts Incorporated loans are prime less 0.25%. The interest rate on the Peterborough Rugby Union Football Club loan is fixed at 2.75%. The remaining loans with a value of \$135,000 (2018 - \$201,142) approved by Council to qualifying community groups have been made on an interest free basis.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

8. Investment in Government Business Enterprise

City of Peterborough Holdings Inc.

City of Peterborough Holdings Inc. ("the Company") was established in 1999 to hold the shares of subsidiary companies created to meet the re-organizational requirements under the provincial government's Electricity Competition Act. The subsidiary companies of City of Peterborough Holdings Inc. in 2019 are:

1. Peterborough Utilities Services Inc.;
2. Peterborough Distribution Inc.;
3. PUG Services Corp.;
4. Peterborough Utilities Inc., and its wholly owned subsidiaries:
Campbellford-Seymour Electricity Generation Inc., Lily Lake Solar Inc., Trent Energy Inc., LFG Power Corporation, London Street Power Corporation, Trent Rapids Power Corporation, Peterborough Utilities Solar Inc., Peterborough Utilities Hydro Inc., Meter Services Peterborough Inc., and Peterborough Utilities Hydro 24 Inc.
5. Peterborough Solar Projects Corporation;

All of the above companies, with the exception of Peterborough Solar Projects Corporation are wholly owned by City of Peterborough Holdings Inc., which, in turn, is wholly owned by the Corporation of the City of Peterborough. The City of Peterborough owns 51% of Peterborough Solar Projects Corporation.

The investment in Government Business Enterprise is comprised of the following investment in City of Peterborough Holdings Inc.:

	2019 \$	2018 \$
Investment in shares	60,098,410	60,098,410
Retained earnings:		
Beginning balance	41,199,590	41,865,590
Net earnings	8,052,000	5,003,000
Less dividends	(5,787,000)	(5,669,000)
	43,464,590	41,199,590
	103,563,000	101,298,000

At its meeting dated December 12, 2016, Council of the City of Peterborough confirmed their intention to sell substantially all of the assets of Peterborough Distribution Inc. to Hydro One Inc. This sale would impact the investment in Government Business Enterprise, dividends and income in future fiscal periods. The decision was approved by the Ontario Energy Board subsequent to the year-end on, April 30, 2020 and the sale was finalized August 1, 2020.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

The following table provides condensed financial information in respect of City of Peterborough Holdings Inc. for its fiscal years ending December 31.

Financial Position:

	2019 \$	2018 \$
Current assets	141,994,000	141,348,000
Capital and intangible assets	176,686,000	173,341,000
Deferred tax assets	3,596,000	4,789,000
Total Assets	322,276,000	319,478,000
Current liabilities	80,599,000	80,582,000
Other long term liabilities	122,918,000	123,214,000
Deferred tax liabilities	15,196,000	14,384,000
Total Liabilities	218,713,000	218,180,000
Shareholder's Equity		
Share capital	60,098,000	60,098,000
Accumulated other comprehensive income	(1,496,000)	(1,551,000)
Retained earnings	44,961,000	42,751,000
	103,563,000	101,298,000
Total Liabilities and Shareholder's Equity	322,276,000	319,478,000

Results of Operations:

	2019 \$	2018 \$
Revenue	44,183,000	40,556,000
Discontinued revenue	108,509,000	106,575,000
Total revenue	152,692,000	147,131,000
Expenses	36,169,000	36,695,000
Discontinued expenses	105,993,000	103,630,000
Total expenses	142,162,000	140,325,000
Net income continuing operations	8,014,000	3,861,000
Net income discontinued operations	2,516,000	2,945,000
Total net income before provision for corporate income taxes	10,530,000	6,806,000
Provision for corporate income taxes	2,533,000	2,035,000
Income of government business enterprise	7,997,000	4,771,000

During the year the City received dividends totalling \$5,787,000 (2018 - \$5,669,000). The City has received net proceeds to auditor's report date on the sale of discontinued operations of \$59,744,252.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

9. Short term debt

In 2017, the City of Peterborough obtained a short term advance from Infrastructure Ontario at an annual interest rate of 1.95%. During 2019, the City of Peterborough obtained additional short term advances from Infrastructure Ontario at a variable interest rate. The balance outstanding as at December 31, 2019 is \$4,763,000 (2018 - \$1,000,000). The short term debt also includes \$610,000 that Peterborough Housing Corporation borrowed from The Township of Havelock-Belmont-Methuen at an annual interest rate of 2.24%.

10. Deferred Revenue

This figure is comprised of the following:

	2019 \$	2018 \$
Rents, user fees and service charges	1,359,298	1,540,647
Tickets, events and site deposits	1,393,589	1,926,014
Social and family services related	644,924	291,464
Government funding	591,367	400,133
	3,989,178	4,158,258

11. Solid waste landfill closure and post closure

The solid waste landfill closure and post closure liability of \$12,513,137 (2018 - \$7,431,889) is for closure and post closure costs of the Peterborough County-City Waste Management Facility, The Harper Road closed landfill site and the Nelson closed landfill site. During 2010, the Peterborough County-City Waste Management Facility currently referred to as the North Fill Area received waste for the first time. The site referred to as the South Fill Area (SFA) reached full capacity in 2012 at which time the North Fill Area (NFA) began to receive the balance of waste and will continue for at least 15 years.

The net present value of estimated closure and post closure costs for the Peterborough County-City Waste Management Facility as at December 31, 2019 is \$12,607,890 (2018 - \$12,397,620). The estimated total expenses represent the sum of the discounted future cash flows using an inflation factor of 2.25% (2018 - 2.25%), discounted at a rate of 5% (2018 - 5%). As the ownership of the facility is shared equally between the County and City of Peterborough, the liability recorded in these financial statements represents 50% of the estimated actual liability pro-rated on the basis of capacity used at the site. Estimated utilization of existing site capacity of the SFA at December 31, 2019 is 100% (2018 - 100%) and at the NFA is 57% (2018 - 50%).

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

The net present value of estimated closure and post closure costs for the Harper Road closed landfill site as at December 31, 2019 is \$5,315,180 (2018 - \$1,193,150). The estimated total expenses represent the sum of the discounted future cash flows using an inflation factor of 2.25% (2018 – 2.25%), discounted at a rate of 5% (2018 - 5%). Estimated utilization of existing site capacity at December 31, 2019 is 100% (2018 - 100%).

The net present value of estimated closure and post closure costs for the Nelson closed landfill site as at December 31, 2019 is \$1,756,850 (2018 - \$1,058,700). The estimated total expenses represent the sum of the discounted future cash flows using an inflation factor of 2.25% for 2019 (2018 – 2.25%), discounted at a rate of 5% for 2019 (2018 - 5%). Estimated utilization of existing site capacity at December 31, 2019 is 100% (2018 - 100%).

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a period of 174 years for the Peterborough County-City Waste Management Facility. The monitoring and inspection period for the Harper Road closed landfill site and the Nelson closed landfill site extends over a period of 25 years. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity. The estimated change in liability would be recognized prospectively, when determined.

12. Deferred Revenue - Obligatory Reserve Funds

A requirement of the public sector accounting board of Chartered Professional Accountants Canada Public Sector Accounting Handbook is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances, these funds may possibly be refunded.

This figure is comprised of the following:

	2019 \$	2018 \$
Development charges	13,789,623	14,015,924
Parkland fees and subdivider contributions	689,093	638,379
Building code	783,480	1,194,462
Federal gasoline tax	10,715,717	7,386,121
Provincial gasoline tax	507,323	392,245
Other obligatory funds	583,588	952,172
	27,068,824	24,579,303

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

The continuity of deferred revenue – obligatory reserve funds is comprised of the following:

	2019 \$	2018 \$
Balance – beginning of year	24,579,303	21,131,255
Add amounts received:		
Development charges received	4,598,357	5,419,038
Parkland fees and subdivider contributions	126,064	164,168
Building code permits and other revenues	1,512,268	2,062,519
Provincial gasoline tax	1,889,867	1,833,086
Federal gasoline tax	10,022,993	5,013,213
Other obligatory funds received	-	942,773
Investment income	562,122	347,919
	18,711,671	15,782,716
Less amounts utilized:		
Development charges earned	5,073,912	4,551,301
Parkland fees and subdivider contributions earned	90,000	-
Building code permits earned	1,923,250	1,904,943
Provincial and Federal gasoline tax earned	9,134,988	5,878,424
	16,222,150	12,334,668
Balance – end of year	27,068,824	24,579,303

13. Employee Benefits

The City provides certain employee benefits that require funding in future periods. An actuarial valuation of these liabilities has been performed and the amounts are recorded in the Consolidated Statement of Financial Position.

This figure is comprised of the following:

	2019 \$	2018 \$
Accrued benefit obligation, beginning of year	33,836,097	30,315,541
Actuarial loss due to updated valuation	(2,060,767)	3,238,400
Current period benefit expense	2,450,887	1,921,973
Interest	1,093,754	971,180
Benefit payments	(2,834,486)	(2,611,000)
Accrued benefit obligation, end of year	32,485,485	33,836,094
Unamortized actuarial gain/(loss)	451,939	(1,624,875)
Employee benefits and other liabilities, end of year	32,937,424	32,211,219

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimate. There were no changes in the assumptions and related percentages from 2018 to 2019 for the discount rate, inflation rate and salary increases. The following represents the more significant assumptions made:

	Benefits Payable for Early Retirees	Life Insurance	Worker's Compensation	Sick Leave
Inflation rate	2%	2%	2%	2%
Level of salary increases	3%	3%	3%	3%
Interest discount rate	3.6%	3.6%	3.4%	3.6%

Retirement Benefits

Full-time employees of the City are provided with Health Care and Dental benefits while active. Certain benefits are also provided in early retirement if the retiree is eligible to receive an OMERS pension. The benefits cease on the retiree's 65th birthday.

Life Insurance

Full-time employees of the City are provided with Life Insurance of two times salary while they are active employees. This coverage terminates at retirement. However, the member is provided with the option to continue the Life Insurance at a reduced amount until death and the member pays the required premium.

Workers' Compensation

Under the Workplace Safety and Insurance Act, the City is a self-insured employer (Schedule II) and remits payments to the WSIB as required to fund disability payments. The liability recorded by the City has been determined by a full actuarial review completed as of December 31, 2017, with projections for 2018 to 2020.

Liability for Vested Sick Leave

Fire Services and Fairhaven employees may vest a portion of their unused sick leave and earn entitlement to a cash payment when they leave the City's employment. Other employee groups have opted to join a new plan that does not have a vesting feature. The accrued benefit obligation and the net periodic benefit cost were determined by a full actuarial review completed as of December 31, 2017, with projections for 2018 to 2020.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

Vacation Pay Entitlements

Vacation pay entitlements are based on employees' years of service. Current obligations total \$3,365,133 (2018 - \$3,215,988) of which \$2,658,051 (2018 - \$2,608,065) does not need to be recovered in future periods or has been funded in the current or previous periods.

14. Long Term Debt

The long term debt reported on the Consolidated Statement of Financial Position has been approved by the Ontario Municipal Board or the Council of the City of Peterborough. Interest rates on outstanding debt range from 1.86% to 6.25% (2018 – 1.80% to 6.45%)

Future year's repayment obligations are comprised of the following:

	2020 to 2024 \$	2025 to 2029 \$	2030 Onward \$	Total \$
From general revenues	74,365,349	30,966,670	16,157,526	121,489,545

The long term debt issued in the name of the City have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by The Ministry of Municipal Affairs and Housing. Interest on long-term debt amounted to \$3,883,267 (2018 - \$4,448,629).

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

15. Tangible Capital Assets

This figure is comprised of the following:

	Net Book Value	
	2019 \$	2018 \$
General		
Land and land improvements	125,981,738	124,329,766
Buildings and leaseholds	153,379,754	135,827,833
Machinery and equipment	13,987,253	13,173,814
Vehicles	22,254,760	23,136,827
Books and materials	1,786,688	1,710,046
Infrastructure		
Land and land improvements	26,405,338	26,430,186
Buildings	28,027,439	29,097,278
Machinery and vehicles	257,833	331,082
Roadways and sidewalks	149,839,878	139,128,709
Storm sewer system	62,910,728	57,464,079
Wastewater system	76,050,769	76,705,896
Water system	90,401,737	85,542,041
	751,283,915	712,877,557
Assets under construction	75,002,656	88,606,211
Total tangible capital assets	826,286,571	801,483,768

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During 2019, there was \$311,055 representing loss on sale of assets (2018 gain - \$770,235). No interest was capitalized in 2019 (2018 - \$Nil). Assets contributed to the City were capitalized at their fair value on the date of acquisition and amounted to \$213,600 (2018 - \$1,370,783).

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

Tangible capital assets by function are comprised of the following:

	Net Book Value	
	2019 \$	2018 \$
General government	43,982,476	42,801,282
Protection to persons and property	15,261,178	16,606,683
Transportation services	240,864,432	212,200,138
Environmental services	279,956,936	269,380,482
Health services	5,080,771	5,228,165
Social and family services	7,482,752	7,961,936
Social housing	36,220,035	37,370,011
Recreation and cultural services	96,093,162	94,264,924
Planning and development	26,342,174	27,063,936
Assets under construction	75,002,655	88,606,211
Total tangible capital assets	826,286,571	801,483,768

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

16. Accumulated Surplus

This figure is comprised of the following:

	2019 \$	2018 \$
Surplus City of Peterborough		
Operating surplus before consolidated entities	121,542	125,566
Unexpended financing	10,451,767	9,436,684
	10,573,309	9,562,250
Consolidated Entities		
Peterborough Public Health	84,855	94,580
The Village Business Improvement Area	19,747	19,761
Greater Peterborough Area Economic Development Corporation	32,838	35,992
Peterborough Downtown Business Improvement Area	26,496	222,042
Peterborough Utilities Commission	4,561,836	6,068,470
Peterborough Public Library Board	-	-
	4,725,772	6,440,845
Unfunded amounts		
Employee benefits	(30,279,373)	(29,603,154)
Solid waste landfill closure and post-closure	(12,513,137)	(7,431,889)
Accrued interest on long term debt	(717,650)	(843,534)
	(43,510,160)	(37,878,577)
Inventory held for resale	2,956,481	3,044,816
Equity in government business enterprise (below)	97,813,000	95,548,000
Invested in Tangible Capital Assets		
Tangible capital assets net book value	826,286,571	801,483,768
Unfinanced capital	(11,060,234)	(2,293,038)
Short and long term debt	(126,862,545)	(137,734,581)
	688,363,792	661,456,149
Reserve Funds and Reserves		
Discretionary reserve funds	34,392,143	29,246,536
Reserves	93,894,769	90,084,810
	128,286,912	119,331,346
Accumulated Surplus	889,209,106	857,504,829

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

The equity in government business enterprise is comprised of the following:

	2019 \$	2018 \$
Investment in government business enterprise (Note 8)	103,563,000	101,298,000
Short term advances due on demand converted to shares	(5,750,000)	(5,750,000)
Equity in government business enterprise (above)	97,813,000	95,548,000

17. Change in Non-Cash Working Capital

The change in the non-cash working capital is comprised of the following:

	2019 \$	2018 \$
Taxes receivable	535,393	563,561
Accounts receivable	(2,553,124)	(3,418,519)
Inventory held for resale	89,112	972,604
Other receivables	123,005	106,858
Accounts payable and accrued liabilities	(1,272,593)	7,957,589
Deferred revenue	(169,080)	1,360,581
Deferred revenue – obligatory reserves	2,489,521	3,448,048
Prepaid expenses	866,099	(1,213,546)
Inventory of supplies	(9,813)	(141,280)
	98,520	9,635,896

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

18. Expenses by Object

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are comprised of the following:

	Budget 2019 \$ (Unaudited)	2019 \$	2018 \$
Salary, wages and employee benefits	123,813,725	123,721,345	119,459,300
Interest on long term debt	7,082,376	3,883,267	4,448,629
Materials	42,043,075	45,388,081	40,702,790
Contracted services	51,432,708	54,043,366	48,900,833
Rents and financial expenses	2,149,054	2,464,173	2,127,061
External transfers	58,144,495	56,199,084	56,367,285
Amortization	32,117,098	35,009,675	33,062,132
(Gain) loss on disposal of tangible capital assets	-	311,055	(770,235)
	316,782,531	321,020,046	304,297,795

19. Partnerships with the County of Peterborough

Certain services are provided by joint local boards established in partnership with the County of Peterborough. Under the agreements created at the time each board was established, decisions related to the financial and operating activities are shared, neither partner is in a position to exercise unilateral control. Operations of each board are included in these financial statements based on the share of net operating expenses contributed by the City during the fiscal period being reported. The following provides a brief description of the nature and purpose of each entity and condensed financial information.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

Fairhaven

Fairhaven is dedicated to serving the continuum of long-term care needs of Peterborough City and County by providing innovative programs and services to clients in a caring environment that upholds dignity and promotes quality of life.

Financial Position:

	2019		2018	
	Total \$	City Portion \$	Total \$	City Portion \$
Financial assets	4,641,631	3,094,421	4,166,894	2,777,929
Liabilities	7,752,292	5,168,195	9,204,504	6,136,336
Net financial liabilities	(3,110,661)	(2,073,774)	(5,037,610)	(3,358,407)
Non-financial assets	10,729,524	7,153,017	11,497,750	7,665,167
Accumulated surplus	7,618,863	5,079,243	6,460,140	4,306,760

Results of Operations:

	2019		2018	
	Total \$	City Portion \$	Total \$	City Portion \$
Revenues	24,181,669	16,121,112	24,106,649	16,071,099
Expenses	23,022,946	15,348,631	22,402,563	14,935,042
Annual surplus	1,158,723	772,481	1,704,086	1,136,057

Fairhaven has incurred long-term debt as a result of a mandated rebuild by the Ministry of Health and Long-Term Care. Fairhaven will finance the annual debenture payments through a Ministry of Health and Long-Term Care annual contribution of \$955,752 for twenty years and contributions from the City and County for eighteen years in the amounts of \$709,939 and \$342,745 respectively.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

Peterborough Public Health

Peterborough Public Health strives to enable people and the community to be as healthy as possible. Peterborough Public Health is a not-for-profit organization, which provides accessible, community based programs, and services that promote, protect and restore health.

Financial Position:

	2019		2018	
	Total	City Portion	Total	City Portion
	\$	\$	\$	\$
Financial assets	4,243,199	2,418,624	3,763,799	2,145,365
Liabilities	5,760,588	3,283,535	5,538,223	3,150,805
Net financial liabilities	(1,517,389)	(864,911)	(1,774,424)	(1,005,440)
Non-financial assets	8,927,833	5,088,865	9,204,203	5,246,396
Accumulated surplus	7,410,444	4,223,954	7,429,779	4,240,956

Results of Operations:

	2019		2018	
	Total	City Portion	Total	City Portion
	\$	\$	\$	\$
Revenues	12,549,151	7,153,015	13,161,126	7,501,842
Expenses	12,568,486	7,164,037	12,758,022	7,272,073
Annual surplus/(deficit)	(19,335)	(11,022)	403,104	229,769

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

Greater Peterborough Area Economic Development Corporation (Operating as Peterborough and the Kawarthas Economic Development “PKED”)

PKED promotes economic development in the Greater Peterborough area, with the co-operation and participation of available community resources, by encouraging, facilitating and supporting community strategic planning and increasing self-reliance, investment and job creation within the community.

Financial Position:

	2019		2018	
	Total	City Portion	Total	City Portion
	\$	\$	\$	\$
Financial assets	605,377	363,226	524,386	314,632
Liabilities	368,867	221,320	317,871	190,723
Net financial assets	236,510	141,906	206,515	123,909
Non-financial assets	128,125	76,875	163,387	98,032
Accumulated surplus	364,635	218,781	369,902	221,941

Results of Operations:

	2019		2018	
	Total	City Portion	Total	City Portion
	\$	\$	\$	\$
Revenues	2,438,944	1,463,366	2,497,283	1,498,370
Expenses	2,444,211	1,466,526	2,574,952	1,544,971
Annual (deficit)/surplus	(5,267)	(3,160)	(77,669)	(46,601)

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

Peterborough County-City Waste Management Facility

On July 1, 2002, the City and County of Peterborough entered into an agreement to jointly develop and operate a waste disposal facility. The Facility will receive non-hazardous waste from the County and City in accordance with the applicable regulations and the Certificate of Approval issued by the Ministry of the Environment and Energy to develop, operate and close the Facility. All revenues and expenses related to the development, management, closure, post-closure care and monitoring of the Facility are shared equally by both organizations.

Included in the Statement of Financial Position is an amount due to/(from) the County of Peterborough of \$169,400 (2018 – \$287,527).

Results of Operations:

	2019		2018	
	Total \$	City Portion \$	Total \$	City Portion \$
Revenues	3,607,068	1,803,534	3,333,099	1,666,549
Expenses	3,830,373	1,915,187	3,679,574	1,839,787
Net expenses	(223,305)	(111,653)	(346,475)	(173,238)

20. Pension Agreements

The City is a member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff and part-time staff that meet specific eligibility requirements. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on length of credited service and average earnings.

The Actuarial Opinion contained in the 2019 Annual Report disclosed total actuarial liabilities of \$106.4 billion in respect of benefits accrued for service with actuarial assets of \$103 billion indicating an actuarial deficit of \$3.4 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficit are a joint responsibility of Ontario Municipal Organizations and their employees. As a result, the Corporation of the City of Peterborough does not recognize any share of the OMERS pension surplus or deficit.

The City's share of the annual contribution to the pension plan for current service is charged to operations in the year in which the contribution is made. For 2019, the current service cost amounted to \$11,085,672 (2018 - \$10,735,813).

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

21. Municipal Child Care Grants and Subsidies

The City of Peterborough provides child care services at five locations within the City: Peterborough Child Care, Pearson Child Care, and the Before and After School Programs located at Edmison Heights, King George and Westmount public schools. The City receives various grants and subsidies from the Province of Ontario to assist with the operations of the programs or assistance for families to cover the child care fees. The following represents grants and subsidies received in the current year.

	Fee Subsidy	Fee Stabilization	General Operating Grant	Repairs and Maintenance	Total
	\$	\$	\$	\$	\$
Peterborough Child Care	221,256	2,551	99,537	9,069	332,413
Pearson Child Care	232,667	2,307	113,590	-	348,564
School Age Programs	77,773	1,214	45,045	-	124,032
	531,696	6,072	258,172	9,069	805,009

22. Trust Funds

Trust funds administered by the Corporation of the City of Peterborough amounting to \$452,164 (2018 - \$338,384) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. Due to the fact that balances are held in trust by the Corporation for the benefit of others, they are not presented as part of financial position or financial activities.

23. Budget Figures

The budget approved by the City for the year is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

24. Lease Commitments

The City has entered into an operating lease agreement. The following table provides information on the minimum lease payments:

	Total
2020	2,814,289
2021	2,814,289
2022	2,814,289
2023	2,814,289
2024	2,814,289
Thereafter	3,283,338
Total minimum lease payments	17,354,784
Less: payments assumed by sub-lessee	17,354,784
	-

On October 30, 2000 the City committed to lease an office building, associated land and leaseholds for a 25-year term. The estimated lease payments shown above include basic rent and base operating costs.

The City in turn has an agreement to sublease the premises to General Motors Financial of Canada, Ltd (formerly known as Americredit Financial Services of Canada Ltd.). the terms of which expire July 30, 2026. Although there are provisions in the sublease agreement to terminate the lease prior to this date, the above table assumes that the sublease will continue to July 30, 2026. It is the City's expectation that the sublease will remain in place for the duration of the 25 years.

25. Contingent Assets

The Corporation of the City of Peterborough has initiated a lawsuit against a general contractor. The outcome of the litigation is not determinable at the audit report date and as such, no accrual or recognition of this asset has been made in these financial statements. The City records settlements as assets in the period they are likely to occur. Although it is possible that assets may arise in other instances for which no accruals have been made, the City does not believe that the outcome of this litigation will have a material effect on its financial position.

Corporation of the City of Peterborough**Trust Funds - Note to the Financial Statements****For The Year Ended December 31, 2019**

26. Contingent Liabilities

The Corporation of the City of Peterborough, in the course of operations is subject to claims, lawsuits and contingencies. The City records settlements as liabilities in the period they are reasonably determined. Although it is possible that liabilities may arise in other instances for which no accruals have been made, the City does not believe that such an outcome will significantly impair its operations or have a material adverse effect on its financial position.

On May 4, 2007, Bill 233, the Workplace Safety and Insurance Amendment Act (Presumptions for Firefighters), 2007, received Royal Assent. The Act provides for the eligibility of firefighters, and fire investigators, to receive compensation when they were deemed to have been subjected to certain illnesses and/or injuries sustained since January 1, 1960. The Act presumes that certain conditions, illnesses or injuries were work-related unless it can be demonstrated that the condition, illness or injury was a result of a non-work related incident, or was hereditary.

As a Schedule 2 employer under the Workplace Safety and Insurance Board Act, the City self-insures against claims made under the provisions of this Act. As the City provides fire protection services, certain current and former employees of the City may be eligible to receive awards under the amended Act. At this point in time, it is not practical to determine what exposure, if any, the City has as a result of the amended Act coming to force, and consequently, no amount has been provided for in these financial statements.

27. Contractual Rights

The Corporation of the City of Peterborough (The City) has contractual rights related to receipt of Electronic Games and Live Table Games revenue as described by the Municipality Contribution Agreement (The Agreement) with Ontario Lottery and Gaming Corporation (OLG). The Agreement was signed by the City and OLG on August 14, 2018 and it will continue to be in effect until the earlier of (i) the date on which Casino Games are no longer conducted and managed by OLG in the City at the location, (ii) the date on which any license or permit required to run Casino Games in the City at the location is no longer available or becomes invalid, (iii) the effective date of written notice of termination or (iv) a date mutually agreeable to The City and the OLG. The Agreement entitles The City to receive payments from OLG based on certain percentages of Electronic Games and Live Tables Games revenue on a quarterly basis. Given the nature of the contractual right, quarterly payments are expected to take place and continue for a considerable period in the future. The City records receipt of contractual rights as assets or accruals in the period in which they occur. Although it is possible that assets may arise in other instances for which no accruals have been made, the City does not believe that such outcomes will have a material effect on its financial position.

Corporation of the City of Peterborough**Trust Funds - Note to the Financial Statements****For The Year Ended December 31, 2019**

28. Contaminated Sites

The Corporation of the City of Peterborough in the normal course of operations owns certain contaminated sites. The contamination associated with the sites has been determined or is likely expected to be in excess of environmental standards. A reasonable estimate of the costs to remediate the sites cannot be determined as at the financial statement date; as a result, no liability has been recognized in these financial statements. The City is working toward a valuation for the liability for the contaminated sites.

29. Loan Guarantee

In August 2005, the City of Peterborough entered into an agreement with the Peterborough Family Y.M.C.A. to guarantee the mortgage for the new Y.M.C.A. building to an amount not to exceed \$7,250,000. The balance outstanding on the loan at December 31, 2019 is \$2,398,933 (2018 - \$2,692,383).

30. Provincial Offences Office

Revenues from the POA office consist of fines levied under Parts I and III (including delay penalties) for POA charges filed at 99 Simcoe Street in Peterborough. Offenders may pay their fines at any court office in Ontario, at which time, their receipt is recorded in the Integrated Courts Operation Network system ("ICON") operated by the Province of Ontario. The City of Peterborough recognizes fine revenue when the receipt of funds is recorded by ICON and matched to the offence notice, regardless of the location where payment is made.

Gross and net revenues for the year ended December 31, 2019, amounted to \$1,948,275 (2018 - \$2,179,647) and \$848,722 (2018 - \$927,018) respectively.

The Provincial Offences Office net revenues are jointly shared by the County of Peterborough and the City of Peterborough based on weighted assessments. During 2019, the proportion based on weighted assessment for the City was 45.2% (2018 - 45.5%). Based on this percentage, the City's portion of Net Revenues was \$383,622 (2018 - \$421,793).

Included in the Consolidated Statement of Financial Position is an amount due from/(to) the County of Peterborough of \$74,918 (2018 - \$78,549).

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

31. Segment Information

The Corporation of the City of Peterborough is a diversified municipal government institution that provides a range of services to its residents including police, fire, public transit, community services, solid waste management and recycling. Municipal services are reported by function and their activities are separately disclosed in the segment information.

For each reported segment, revenues and expenses represent both amounts 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 segment financial information. Taxation, payments-in-lieu of taxes and investment income are apportioned based on each segment's net requirements. Revenues are allocated to segments based on amounts originally budgeted, adjusted for Public Sector Accounting Board recommendations or based on the Provincial requirements of the Financial Information Return. Expenses are allocated to segments based on the Provincial requirements for the Financial Information Return.

Interfunctional transfers include an administrative overhead allocation, data processing costs and accounting fees that are allocated based on the original amount budgeted. Interfunctional transfers also include a percentage overhead charge based on the amount of wages allocated to specific recoverable jobs that are undertaken by the public works department. That allocation is based on the percentage originally budgeted. Other internal charges are made for wages and materials used during repair and preventative maintenance activities based on actual costs of the inputs. Other interfunctional charges such as leachate treatment are based on the actual costs of undertaking the testing. Engineering costs are allocated to capital projects based on a percentage of administrative overhead dictated in request for proposals award reports.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

Functions disclosed separately in the segment information are as follows:

General Government

General government consists of the activities of Council and general financial and administrative management of the City and its programs and services.

Protection to Persons and Property

Protection services include police, fire, conservation authority, protective inspection and control, emergency measures and the Provincial Offences Office.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

Transportation Services

The activities of the transportation function include construction and maintenance of the City's roads and bridges, winter control, public transit, parking, street lighting and air transportation.

Environmental Services

The environmental function is responsible for the sanitary sewer system, storm sewers, solid waste collection, and waste disposal and recycling. The Peterborough Utilities Commission provides water treatment and distribution services.

Health Services

The health services function consists of activities of Peterborough Public Health and activities of the land ambulance service that is a shared service with the County of Peterborough.

Social and Family Services

The social and family services function includes general assistance as well as childcare services and assistance to aged persons provided by Fairhaven.

Social Housing Services

The social housing function provides access and administration related to affordable housing in the City including the activities of Peterborough Housing Corporation.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs, library services and information about the City's heritage through the Peterborough Museum and Archives.

Planning and Development Services

The planning and development services function manages commercial, industrial and residential development within the City.

Electric Utility

The electric utility function consists of the equity investment in City of Peterborough Holdings Inc.

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

32. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation adopted in the current year. Annual surplus for the previous year is not affected by this reclassification

33. Subsequent Events

a) On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic and the City of Peterborough declared a State of Emergency on March 23, 2020. The extent of the impact of this outbreak and related containment measures (such as closure of non-essential municipal operations, imposition of quarantines and social distancing) on the City's operations has been significant.

The Provincial government has announced additional funding that will be applied toward funding the lost revenues and additional expenses that have resulted during fiscal 2020. Management expects the City will have adequate cash flow to fund its operations throughout the crisis.

The City can not estimate the length and gravity of the COVID-19 outbreak. If the pandemic continues, it may have a material adverse effect on the City's results in fiscal 2021. The City is continually monitoring and assessing new information and recommendations from health and other levels of government as it becomes available, and will continue to respond accordingly.

No amounts related to the impact of the pandemic have been recorded in these financial statements.

b) Subsequent to year-end, the Ontario Energy Board approved the sale of substantially all of the assets of the Peterborough Distribution Inc. to Hydro One Inc. This sale was finalized August 1, 2020. The negotiated sale price of the assets was \$105 million and is subject to certain adjustments. The net sale proceeds received at the auditor's date are \$59,744,252.

CORPORATION OF THE CITY OF PETERBOROUGH

Appendix C

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For The Year Ended December 31, 2019

	General					Infrastructure								Total \$
	Land and land Improvements	Buildings and leaseholds	Machinery and equipment	Vehicles	Books and materials	Land and land Improvements	Buildings	Machinery and Vehicles	Roadways and sidewalks	Storm sewer system	Wastewater System	Water System	Assets under Construction	
COST														
Balance, beginning of year	159,794,256	263,770,298	33,935,897	45,352,080	3,684,749	26,616,545	58,005,137	2,457,365	258,429,907	81,636,974	115,891,412	172,976,149	88,606,211	1,311,156,980
Add: Additions	750,480	282,948	135,168	-	575,076	-	313,710	-	-	-	-	9,544,779	49,734,260	61,336,421
Less: disposals and retirements	284,593	240,307	213,226	214,186	395,233	-	-	25,842	4,054,444	113,344	59,202	-	5,088	5,605,465
Interfund transfers	4,670,799	25,395,884	3,630,692	2,119,593	-	-	-	37,393	18,208,707	6,768,414	2,501,245	-	(63,332,727)	-
BALANCE, end of year	164,930,942	289,208,823	37,488,531	47,257,487	3,864,592	26,616,545	58,318,847	2,468,916	272,584,170	88,292,044	118,333,455	182,520,928	75,002,656	1,366,887,936
ACCUMULATED AMORTIZATION														
Balance, beginning of year	35,464,490	127,942,465	20,762,083	22,215,253	1,974,703	186,359	28,907,859	2,126,283	119,301,198	24,172,895	39,185,516	87,434,108	-	509,673,212
Add: Amortization	3,484,714	8,020,884	2,895,453	2,934,706	498,434	24,848	1,383,547	110,642	6,586,814	1,254,473	3,130,077	4,685,083	-	35,009,675
Less: disposals and retirements	-	134,280	156,258	147,232	395,233	-	-	25,840	3,143,720	46,052	32,907	-	-	4,081,522
BALANCE, end of year	38,949,204	135,829,069	23,501,278	25,002,727	2,077,904	211,207	30,291,406	2,211,085	122,744,292	25,381,316	42,282,686	92,119,191	-	540,601,365
NET BOOK VALUE	125,981,738	153,379,754	13,987,253	22,254,760	1,786,688	26,405,338	28,027,441	257,831	149,839,878	62,910,728	76,050,769	90,401,737	75,002,656	826,286,571

CORPORATION OF THE CITY OF PETERBOROUGH

Appendix C

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For The Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Recreation and Cultural \$	Planning and Development \$	Electric Utility \$	Total \$
REVENUES											
Property taxation	15,212,361	42,587,957	26,840,582	7,492,821	6,293,482	7,972,995	4,506,174	16,420,254	5,264,906	-	132,591,532
Taxation from other governments	402,839	1,127,774	710,767	198,418	166,658	211,133	119,328	434,826	139,420	-	3,511,163
User fees and service charges	1,372,036	1,542,764	13,570,614	37,003,308	374,733	5,291,082	7,095,424	9,625,130	734,996	-	76,610,087
Government grants and other municipalities	-	4,200,089	13,287,680	2,755,381	5,899,149	71,559,181	12,007,089	308,820	964,863	-	110,982,252
Development levies and contributions from developers	53,496	8,096	2,476,265	863,314	-	-	-	916,300	998,983	-	5,316,454
Licences, permits, royalties and rents	1,014,876	1,958,965	127,766	63,287	-	-	-	451,111	-	-	3,616,005
Fines and other charges	-	1,948,275	-	-	-	-	-	-	-	-	1,948,275
Penalties and interest on taxes	776,927	-	-	-	-	-	-	-	-	-	776,927
Investment income	307,994	862,249	543,422	487,893	171,826	207,149	372,941	390,880	106,646	-	3,451,000
Donations and contributed tangible capital assets	21,859	-	10	232,991	-	-	-	102,881	713	-	358,454
Casino and gaming revenue	3,228,101	-	-	-	-	-	-	-	-	-	3,228,101
Other	156,875	-	-	902,143	70,384	-	290,440	(15,619)	877,850	-	2,282,073
Income from government business enterprise (Note 8)	-	-	-	-	-	-	-	-	-	8,052,000	8,052,000
TOTAL REVENUES	22,547,364	54,236,169	57,557,106	49,999,556	12,976,232	85,241,540	24,391,396	28,634,583	9,088,377	8,052,000	352,724,323
EXPENSES											
Salaries, wages and employee benefits	7,643,532	44,927,161	19,519,498	5,438,415	5,671,084	23,295,607	3,331,322	11,092,266	2,802,460	-	123,721,345
Interest on net long term debt	61,261	76,323	1,737,763	781,361	60,437	196,218	586,902	675,447	33,519	-	4,209,231
Materials	5,672,305	3,499,520	9,787,003	9,319,196	1,832,145	4,103,691	5,159,618	4,324,747	1,689,856	-	45,388,081
Contracted services	2,499,913	1,296,718	6,281,605	16,305,272	4,968,733	4,061,855	10,428,408	4,864,789	3,336,073	-	54,043,366
Rents and financial expenses	155,177	54,583	36,175	551,847	-	800,005	100,594	346,394	93,434	-	2,138,209
External transfers	327,811	1,620,287	-	-	123,991	50,171,845	1,587,568	2,169,945	197,637	-	56,199,084
Amortization	1,803,699	1,511,061	12,877,283	11,709,106	147,394	658,675	1,132,811	5,112,824	56,822	-	35,009,675
Loss/(gain) on disposal of tangible capital assets	143,762	(2,475)	966,880	93,587	-	-	(874,902)	(15,797)	-	-	311,055
Interfunctional transfers	(1,841,235)	2,188,723	(3,290,539)	850,306	-	1,489,539	(648,204)	1,742,200	(490,790)	-	-
TOTAL EXPENSES	16,466,225	55,171,901	47,915,668	45,049,090	12,803,784	84,777,435	20,804,117	30,312,815	7,719,011	-	321,020,046
NET SURPLUS (DEFICIT)	6,081,139	(935,732)	9,641,438	4,950,466	172,448	464,105	3,587,279	(1,678,232)	1,369,366	8,052,000	31,704,277

CORPORATION OF THE CITY OF PETERBOROUGH

Appendix C

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For The Year Ended December 31, 2018

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Recreation and Cultural \$	Planning and Development \$	Electric Utility \$	Total \$
REVENUES											
Property taxation	15,117,541	43,252,807	28,218,413	4,761,590	5,657,435	7,982,419	4,525,481	13,390,118	4,692,728	-	127,598,532
Taxation from other governments	393,435	1,125,658	734,386	123,921	147,235	207,743	117,776	348,479	122,129	-	3,320,762
User fees and service charges	848,209	1,432,422	11,816,372	36,722,419	472,883	5,386,948	7,455,429	9,933,469	197,015	-	74,265,166
Government grants and other municipalities	33,559	3,686,276	9,534,119	5,911,866	6,165,585	71,854,342	11,349,050	355,827	823,595	-	109,714,219
Development levies and contributions from developers	11,766	17,720	1,855,140	2,662,572	-	-	-	1,313,687	1,026,599	-	6,887,484
Licences, permits, royalties and rents	1,007,832	1,934,397	36,863	65,795	-	-	-	417,899	3,544	-	3,466,330
Fines and other charges	-	2,179,647	-	-	-	-	-	-	-	-	2,179,647
Penalties and interest on taxes	751,827	-	-	-	-	-	-	-	-	-	751,827
Investment income	333,183	953,271	621,920	406,079	161,238	205,931	142,377	309,243	103,477	-	3,236,719
Donations and contributed tangible capital assets	21,562	-	1,244,878	124,813	-	-	18,000	206,101	713	-	1,616,067
Casino and gaming revenue	705,606	-	-	-	-	-	-	-	-	-	705,606
Other	172,526	-	-	767,095	126,692	-	301,981	-	420,933	-	1,789,227
Income from government business enterprise (Note 8)	-	-	-	-	-	-	-	-	-	5,003,000	5,003,000
TOTAL REVENUES	19,397,046	54,582,198	54,062,091	51,546,150	12,731,068	85,637,383	23,910,094	26,274,823	7,390,733	5,003,000	340,534,586
EXPENSES											
Salaries, wages and employee benefits	5,560,542	44,628,288	18,737,450	5,328,522	5,576,416	22,744,946	3,201,116	11,081,838	2,600,182	-	119,459,300
Interest on net long term debt	62,811	107,982	1,740,903	866,554	62,373	269,618	612,314	687,737	38,337	-	4,448,629
Materials	5,430,682	3,320,069	9,704,419	4,108,152	1,971,549	3,487,254	6,863,250	4,361,782	1,455,633	-	40,702,790
Contracted services	3,539,767	1,202,558	4,242,494	16,208,263	4,589,078	3,867,680	9,273,536	4,762,411	1,215,046	-	48,900,833
Rents and financial expenses	269,761	50,561	34,999	544,101	16,430	731,425	43,396	330,232	106,156	-	2,127,061
External transfers	547,572	1,639,015	-	-	145,241	50,322,954	1,622,809	2,044,799	44,895	-	56,367,285
Amortization	1,851,205	1,475,053	11,463,135	11,443,212	142,214	653,626	1,143,997	4,834,790	54,900	-	33,062,132
Loss/(gain) on disposal of tangible capital assets	39,431	(90,676)	435,382	186,590	-	-	(1,370,348)	29,386	-	-	(770,235)
Interfunctional transfers	(1,901,378)	2,154,099	(3,023,260)	492,189	-	1,554,532	(752,996)	1,476,814	-	-	-
TOTAL EXPENSES	15,400,393	54,486,949	43,335,522	39,177,583	12,503,301	83,632,035	20,637,074	29,609,789	5,515,149	-	304,297,795
NET SURPLUS (DEFICIT)	3,996,653	95,249	10,726,569	12,368,567	227,767	2,005,348	3,273,020	(3,334,966)	1,875,584	5,003,000	36,236,791

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Peterborough

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the City of Peterborough (the Trust Funds), which comprise the statement of financial position as at December 31, 2019, the statement of continuity 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 Trust Funds as at December 31, 2019, and the continuity of the Trust Funds 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 Trust Funds 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.

In preparing the financial statements, management is responsible for assessing the Trust Funds' 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 Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

Auditor's 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 Trust Funds' 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 Trust Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Trust Funds to cease to continue as a going concern.
- 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.

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
October 26, 2020

Appendix C

CORPORATION OF THE CITY OF PETERBOROUGH

TRUST FUNDS STATEMENT OF CONTINUITY For The Year Ended December 31, 2019

	City Parks \$	Special Holding \$	Safety Patrol \$	Cenotaph Trust \$	Library Trust Funds \$	Morrow Park Trust \$	Parks Hancock Trust \$	Parks Tollington Endowment \$	Fairhaven Special Purpose \$	Residents' Personal Trust \$	2019 \$	2018 \$
ACCUMULATED SURPLUS, beginning of year	126,296	19,495	34,819	21,494	20,729	6,917	34,642	8,672	3,643	61,677	338,384	333,710
REVENUES												
Deposits and grants	-	-	8,800	-	-	-	-	120,000	-	131,645	260,445	125,132
Transfer from Fairhaven	-	-	-	-	-	-	-	-	-	28,123	28,123	33,653
Interest earned	2,802	432	864	253	452	153	768	1,957	76	-	7,757	5,000
	2,802	432	9,664	253	452	153	768	121,957	76	159,768	296,325	163,785
EXPENSES												
Transfers to operations	-	-	-	-	835	-	-	-	-	-	835	-
Withdrawals, purchases	-	-	8,386	19,196	-	-	-	-	-	146,511	174,093	146,096
Residents maintenance	-	-	-	-	-	-	-	-	-	5,829	5,829	9,847
Donation	-	-	-	-	-	-	-	-	-	1,788	1,788	1,668
Transfer to Fairhaven	-	-	-	-	-	-	-	-	-	-	-	1,500
	-	-	8,386	19,196	835	-	-	-	-	154,128	182,545	159,111
ACCUMULATED SURPLUS, end of year	129,098	19,927	36,097	2,551	20,346	7,070	35,410	130,629	3,719	67,317	452,164	338,384

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2019

	City Parks \$	Special Holding \$	Safety Patrol \$	Cenotaph Trust \$	Library Trust Funds \$	Morrow Park Trust \$	Parks Hancock Trust \$	Parks Tollington Endowment \$	Fairhaven Special Purpose \$	Residents' Personal Trust \$	2019 \$	2018 \$
FINANCIAL ASSETS												
Cash	129,098	19,927	36,744	2,551	20,801	7,070	35,410	130,629	3,719	129,396	515,345	345,215
	129,098	19,927	36,744	2,551	20,801	7,070	35,410	130,629	3,719	129,396	515,345	345,215
LIABILITIES AND ACCUMULATED SURPLUS												
Accounts payable	-	-	647	-	-	-	-	-	-	16	663	752
Due to revenue fund/Fairhaven	-	-	-	-	455	-	-	-	-	62,063	62,518	6,079
Accumulated surplus	129,098	19,927	36,097	2,551	20,346	7,070	35,410	130,629	3,719	67,317	452,164	338,384
LIABILITIES AND ACCUMULATED SURPLUS	129,098	19,927	36,744	2,551	20,801	7,070	35,410	130,629	3,719	129,396	515,345	345,215

Corporation of the City of Peterborough

Trust Funds - Note to the Financial Statements

For The Year Ended December 31, 2019

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada (CPA Canada).

Basis of presentation

These trust fund statements reflect the assets, liabilities, sources of financing and expenditures combining trust funds of the City of Peterborough and the following local boards:

1. Peterborough Public Library Board
2. Fairhaven

Basis of Accounting

1. Sources of financing and expenses are reported on the accrual basis of accounting.
2. The accrual basis of accounting recognizes revenues as they become available and measureable. Expenses are recognized as they are incurred and measureable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Use of Estimates

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.