



**CORPORATION OF THE
COUNTY OF PETERBOROUGH**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

**CORPORATION OF THE
COUNTY OF PETERBOROUGH**

CONSOLIDATED FINANCIAL STATEMENTS

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CORPORATION OF THE COUNTY OF PETERBOROUGH

For The Year Ended December 31, 2019

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the County of Peterborough are the responsibility of management and have been approved by Council.

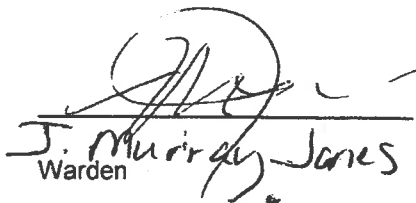
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen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

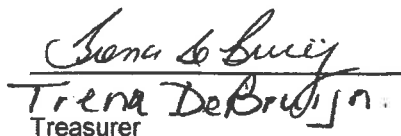
The County maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the County's assets are appropriately accounted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

The County's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the County's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the County of Peterborough. Council meets periodically with management, as well as the external auditor, 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 financial statements and the independent auditor's 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 County. Baker Tilly KDN LLP has full and free access to Council.


J. Murray-Jones
Warden


Treana DeBruin
Treasurer

June 24, 2020

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Corporation of the County of Peterborough (the County), 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 County 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 County 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 County'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 County or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the County'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 County'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 County'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 County 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 County 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 26, 2020

**CORPORATION OF THE
COUNTY OF PETERBOROUGH**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	43,159,977	34,648,705
Investments (note 2)	10,095,323	9,798,747
Accounts receivable	3,112,801	3,683,117
Long term debt assumed by Fairhaven	790,116	1,380,754
TOTAL FINANCIAL ASSETS	57,158,217	49,511,323
LIABILITIES		
Accounts payable and accrued liabilities	8,910,930	6,237,417
Deferred revenue - obligatory reserve funds (note 3)	9,232,371	6,559,340
Deferred revenue - other	128,999	14,466
Long term debt (note 4)	3,833,759	4,724,298
Landfill closure and post-closure liability (note 5)	5,454,953	5,230,586
Employee future benefits payable (note 7)	694,700	640,500
TOTAL LIABILITIES	28,255,712	23,406,607
NET FINANCIAL ASSETS	28,902,505	26,104,716
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	120,769,774	116,480,546
Prepaid expenses	1,127,795	1,120,383
TOTAL NON-FINANCIAL ASSETS	121,897,569	117,600,929
ACCUMULATED SURPLUS (note 10)	150,800,074	143,705,645

The accompanying notes are an integral part of these financial statements

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

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Property taxation	43,946,659	44,271,950	41,900,349
User charges	3,086,032	3,481,285	3,601,518
Government of Canada	10,000	29,104	73,683
Province of Ontario	9,843,043	10,638,175	9,808,363
Other municipalities	6,046,606	5,833,854	6,263,405
Provincial Offences Act charges recovered	540,019	465,100	505,225
Investment income	355,654	1,033,831	763,955
Donations	3,000	104,049	165,098
Federal gas tax earned	1,692,246	1,692,246	1,747,662
Provincial gas tax earned	44,161	42,223	43,393
Development charges earned	1,565,000	1,543,134	417,900
TOTAL REVENUES	67,132,420	69,134,951	65,290,551
EXPENSES			
General government	7,343,922	6,576,925	6,219,552
Protection services	155,305	147,081	130,775
Transportation services	19,611,441	19,253,843	19,785,202
Environmental services	5,908,846	5,875,018	5,540,962
Health services	18,302,020	17,699,901	17,498,357
Social and family services	2,659,931	2,590,978	2,787,888
Social housing	6,337,408	6,303,433	5,805,474
Recreation and cultural services	1,213,789	1,549,271	1,293,357
Planning and development	2,229,994	2,044,072	2,168,684
TOTAL EXPENSES	63,762,656	62,040,522	61,230,251
ANNUAL SURPLUS	<u>3,369,764</u>	7,094,429	4,060,300
ACCUMULATED SURPLUS - beginning of year		143,705,645	139,645,345
ACCUMULATED SURPLUS - end of year		150,800,074	143,705,645

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
COUNTY OF PETERBOROUGH**



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

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS	3,369,764	7,094,429	4,060,300
Amortization of tangible capital assets	6,446,262	6,558,483	6,872,548
Purchase of tangible capital assets	(14,313,939)	(10,927,855)	(7,230,600)
Loss/(gain) on disposal of tangible capital assets	-	36,919	(15,327)
Proceeds on sale of tangible capital assets	-	43,225	69,311
Change in prepaid expenses	-	(7,412)	(207,349)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(4,497,913)	2,797,789	3,548,883
NET FINANCIAL ASSETS - beginning of year	26,104,716	26,104,716	22,555,833
NET FINANCIAL ASSETS - end of year	21,606,803	28,902,505	26,104,716

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
COUNTY OF PETERBOROUGH**



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

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	7,094,429	4,060,300
Items not involving cash		
Amortization of tangible capital assets	6,558,483	6,872,548
Loss/(gain) on disposal of tangible capital assets	36,919	(15,327)
Change in landfill closure and post-closure liability	224,367	188,917
Change in employee future benefits payable	54,200	51,361
Change in non-cash assets and liabilities		
Accounts receivable	570,316	428,579
Prepaid expenses	(7,412)	(207,349)
Accounts payable and accrued liabilities	2,673,513	(3,782,143)
Deferred revenue - obligatory reserve funds	2,673,031	2,577,926
Deferred revenue - other	114,533	14,466
Net change in cash from operating activities	19,992,379	10,189,278
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(10,927,855)	(7,230,600)
Proceeds on disposal of tangible capital assets	43,225	69,311
Net change in cash from capital activities	(10,884,630)	(7,161,289)
INVESTING ACTIVITIES		
Purchase of investments	(4,998,600)	(4,679,520)
Change in long-term debt assumed by Fairhaven	590,638	556,030
Proceeds on disposal of investments	4,702,024	4,500,000
Net change in cash from investing activities	294,062	376,510
FINANCING ACTIVITIES		
Debt principal repayments	(890,539)	(840,923)
NET CHANGE IN CASH	8,511,272	2,563,576
CASH - beginning of year	34,648,705	32,085,129
CASH - end of year	43,159,977	34,648,705

The accompanying notes are an integral part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and 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 County and which are owned and controlled by the County. These consolidated financial statements include:

- Peterborough County-City Waste Management Facility - 50% (2018 - 50%)

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust funds

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

(c) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	20 years
Buildings	50 years
Machinery and equipment	5-15 years
Roads and bridges	6-50 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

Works of art and historical treasures are not included in tangible capital assets.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of revenues 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 occurred 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.

Property taxation

The County establishes the tax rates annually based on the amount required to be raised. These tax rates are used to levy amounts to the lower tier municipalities based on their annual assessment. Adjustments to the lower tier levy amounts for additions to and reductions in assessment are reported in the financial statements when amounts can be reasonably determined.

Government funding

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

Other revenue

User charges are recognized as revenue in the year the goods and services are provided.

Investment income is recorded when earned.

Federal and Provincial gas tax and development charges are recognized in the period in which the related expenditures are recorded.

Fines levied under the Provincial Offenses Act 1997 are recognized when the funds are received.

Donations are recorded as received, or as receivable if the amount can be reasonably estimated and if collection is reasonably assured.

(e) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the County because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the County unless they are sold.

(f) Reserves

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Deferred revenue

Deferred revenue represents grants, user charges and fees which have been collected 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.

(h) Use of estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the County's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The County's significant estimates include:

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs;
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates;
- The values of employee future benefits depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

2. INVESTMENTS

Investments are recorded at cost and consist of the following:

	2019	2018
	\$	\$
Guaranteed investment certificates, maturity dates from July 8, 2020 to November 15, 2025, interest rates ranging from 1.7% to 2.58% per annum.	10,095,323	-
Bank of Nova Scotia bond maturing October 18, 2019, face value \$1,792,681, bearing interest at 3.036% per annum.	-	1,684,690
Guaranteed investment certificates, maturity dates from December 19, 2019 to June 6, 2022, interest rates ranging from 1.7% to 2.5% per annum.	-	8,114,057
	10,095,323	9,798,747

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

3. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the County are summarized below:

	2019	2018
	\$	\$
Development charges	6,421,452	5,571,456
Federal gas tax	2,768,820	949,909
Provincial gas tax	42,099	37,975
	9,232,371	6,559,340

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2019	2018
	\$	\$
Balance - beginning of year	6,559,340	3,981,414
Add amounts received:		
Development charges	2,262,200	2,901,708
Federal gas tax	3,472,457	1,747,662
Provincial gas tax	45,161	69,303
Interest	170,816	90,288
	5,950,634	4,808,961
Less transfer to operations:		
Development charges earned	1,543,134	417,900
Federal gas tax earned	1,692,246	1,747,662
Provincial gas tax earned	42,223	43,393
Provincial transit ridership	-	22,080
	3,277,603	2,231,035
Balance - end of year	9,232,371	6,559,340

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

4. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2019	2018
	\$	\$
Long term debt to finance the Fairhaven facility requiring quarterly payments of principal and interest totalling \$165,323 until March 28, 2021. The debt bears interest at 6.084% per annum.	790,116	1,380,754
Long term debt to finance 310 Armour Road - EMS base requiring bi-annual payments of principal and interest totalling \$234,958 until November 1, 2027. The debt bears interest at 5.20% per annum.	3,043,643	3,343,544
	3,833,759	4,724,298

- (b) The long term debt in (a) issued in the name of the County 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.
- (c) Interest paid during the year on long term debt amounted to \$240,670 (2018 - \$290,285).
- (d) A portion of long-term debt reported in (a) is recoverable from Fairhaven with quarterly payments of \$165,323 (\$661,292 annually).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2020	942,959	188,249	1,131,208
2021	495,183	140,031	635,214
2022	349,834	120,082	469,916
2023	368,261	101,655	469,916
2024	387,660	82,256	469,916
	2,543,897	632,273	3,176,170
2025 to 2027	1,289,862	119,887	1,409,749
	3,833,759	752,160	4,585,919

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

5. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the Peterborough County-City Waste Management Facility is \$5,454,953 (2018 - \$5,230,586). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 174 years after the site is closed. The County has a landfill reserve of \$2,510,140 (2018 - \$2,247,640) and the remaining landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The net present value of estimated closure and post-closure costs as at December 31, 2019 is \$12,607,890 (2018 - \$12,937,620). 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 the 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 the existing site capacity of the South Fill Area at December 31 is 100% (2018 - 100%) and at the North Fill Area is 57% (2018 - 50%).

The site referred to as the North Fill Area received waste for the first time during 2010. The site referred to as the South Fill Area reached its capacity in 2012 at which time the North Fill Area began to receive the balance of the waste and will continue for the next 7 years.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of 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. 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 applicable.

6. PENSION AGREEMENTS

Certain employees of the County are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2019 Annual Report disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets of \$104,290 million indicating an actuarial deficit of \$3,397 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the County does not recognize any share of the OMERS pension surplus or deficit.

The County's required contributions to OMERS in 2019 were \$1,418,607 (2018 - \$1,331,451).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

7. EMPLOYEE FUTURE BENEFITS PAYABLE

The County provides certain employee benefits which will require payments in future periods. The County provides defined benefit plans to pay costs of certain health and other insurance benefits for eligible employees after they retire. The plans are partially funded by a reserve of \$591,532 (2018 - \$591,532). There are no specific assets designated for settling this liability.

	2019	2018
	\$	\$
Accrued benefit obligation	904,000	873,200
Unamortized actuarial gain (loss)	(209,300)	(232,700)
Employee future benefits payable	694,700	640,500

The actuarial valuation as at December 31, 2018 was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group, which was 16 years. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Future health care premiums - first year 2018	8.0%
- decrease over 20 years to	4.0%
Future dental premiums rates	4.0%
Future health benefits - other	4.0%
Interest rate	3.60%

The post-employment benefit is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus. Composition of the liability is as follows:

	2019	2018
	\$	\$
Employee future benefits payable at January 1	640,500	589,139
Current year benefit cost	51,200	49,461
Interest on post-employment benefit liability	32,300	36,200
Amortized actuarial loss (gain)	23,400	15,700
Less: benefit payments	(52,700)	(50,000)
Liability at December 31	694,700	640,500

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

8. TANGIBLE CAPITAL ASSETS

The net book value of the County's tangible capital assets are:

	2019	2018
	\$	\$
General		
Land	4,556,141	4,636,089
Land improvements	2,411,046	2,531,031
Buildings	8,908,714	9,213,761
Machinery and equipment	5,810,678	5,641,306
Infrastructure		
Roads and bridges	94,989,338	92,882,379
	116,675,917	114,904,566
Assets under construction	4,093,857	1,575,980
	120,769,774	116,480,546

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

During the year there were write-downs of assets \$Nil (2018 - \$Nil) and no interest capitalized (2018 - \$Nil).

	2019	2018
	\$	\$
General government	1,687,756	1,778,208
Protection services	35,433	43,410
Transportation services	103,316,848	98,451,251
Environmental services	5,658,522	5,808,222
Health services	5,942,706	5,917,039
Recreation and cultural services	4,005,379	4,355,091
Planning and development	123,130	127,325
	120,769,774	116,480,546

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

9. PARTNERSHIP WITH THE CITY OF PETERBOROUGH

Certain services are provided by joint local boards in partnership with the City 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. The operations of the Peterborough County-City Waste Management Facility ("the Facility") are included in the financial statements based on the share of net operating expenditures contributed by the County during the fiscal period being reported.

The following provides a brief description of the nature and purpose of the consolidated entity and its condensed financial information.

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 receives 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 costs related to the development, management, closure, post-closure care and monitoring of the Facility are shared equally by both municipalities.

Included in accounts payable and accrued liabilities on the Consolidated Statement of Financial Position is an amount payable to the City of Peterborough of \$199,499 (2018 - \$468,583 receivable).

	2019		2018	
	Total \$	County Portion \$	Total \$	County Portion \$
Operations				
Revenues	3,607,068	1,803,534	3,333,099	1,666,550
Expenditures	3,808,301	1,904,151	3,679,574	1,839,946
Net (loss) from operations	(201,233)	(100,617)	(346,475)	(173,396)

During 2019, the Peterborough County-City Waste Management Facility incurred capital expenditures of \$79,311 (2018 - \$281,723). The County's portion of the capital expenditures was \$39,656 (2018 - \$140,862).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus/(Deficit)		
Operations - transportation	-	(370,816)
Unfunded landfill closure and post-closure liability	(5,454,953)	(5,230,586)
Unfunded employee future benefits payable	(694,700)	(640,500)
	(6,149,653)	(6,241,902)
Invested In Capital Assets		
Tangible capital assets - net book value	120,769,774	116,480,546
Long term debt related to capital assets	(3,043,643)	(3,343,544)
Unfinanced capital - transportation	-	(317,081)
	117,726,131	112,819,921
Surplus	111,576,478	106,578,019
Reserves		
Working funds	11,995,140	10,874,633
L.S.R. costs	1,809,606	1,623,427
Waste management	682,191	402,703
Recycling	1,479,146	1,545,131
Acquisition of capital assets	19,818,749	19,477,434
Recreation programs and facilities	129,724	185,574
Landfill site post-closure costs	2,510,140	2,247,640
Employee future benefits	591,532	591,532
Other	207,368	179,552
Total Reserves	39,223,596	37,127,626
	150,800,074	143,705,645

The 2018 operations deficit of \$370,816 and the 2018 unfinanced capital of \$317,081 were funded in 2019 by a transfer from surplus amounts that had been transferred to the acquisition of capital assets reserve in 2018.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

11. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

The Consolidated Statement of Operations and Accumulated Surplus includes only the contributions made by the County to the following local boards:

	2019	2018
	\$	\$
Peterborough Public Health	928,080	856,953
Fairhaven	1,084,285	1,114,520
Peterborough Economic Development	738,758	780,057
	2,751,123	2,751,530

12. EXPENSES BY OBJECT

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

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
Salaries and benefits	23,677,585	22,787,443	21,967,302
Interest charges	240,670	240,670	290,285
Materials	17,246,608	16,689,032	17,090,610
Contracted services	5,741,606	5,439,956	4,984,699
Rents and financial	312,904	350,861	286,935
External transfers	10,112,021	9,937,156	9,753,199
Amortization	6,446,262	6,558,483	6,872,548
Loss (gain) on disposal of tangible capital assets	(15,000)	36,920	(15,327)
	63,762,656	62,040,521	61,230,251

13. TRUST FUNDS

Trust funds administered by the County amounting to \$87,385 (2018 - \$91,244) 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. As such balances are held in trust by the County for the benefit of others, they are not presented as part of the County's financial position or operations.

14. BUDGET FIGURES

The budget, approved by the County, for 2019 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget 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 amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

15. CONTINGENT LIABILITIES

The County, in the course of its operations, has been named in several lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

16. SEGMENTED INFORMATION

The County of Peterborough is a municipal government organization that provides a range of services to its residents. County services are reported by function and their activities are separately disclosed in the segmented 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 segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

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.

General Government

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

Protection Services

Protection services include emergency measures and the County's share of provincial offences operations provided by the City of Peterborough.

Transportation Services

The activities of the transportation function include construction and maintenance of the County's roads and bridges, winter control, and transit.

Environmental Services

The environmental function is responsible for the County's share of waste disposal operations provided by the City of Peterborough and recycling services to ratepayers.

Health Services

The health services function consists of external transfers to the local Health Unit and the cost of Land Ambulance services shared with the City of Peterborough.

Social and Family Services

The social and family services consist of general assistance to inhabitants, homes for the aged and child care services for the County provided by the City of Peterborough.

16. SEGMENTED INFORMATION, continued

Social Housing

The social housing services consist of affordable housing provided by the City of Peterborough to qualified inhabitants of the County.

Recreation and Cultural Services

The recreation and cultural services function consists of the County's park and Lang Pioneer Village.

Planning and Development

The planning and development services function manages commercial, industrial and residential development and broadband infrastructure within the County.

17. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

18. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social impact.

At the time of approval of these consolidated financial statements, the County has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Additional costs for enhanced facility cleaning and acquisition of personal protective equipment
- Additional labour costs for front line workers
- Temporarily closed most facilities for walk-in access
- Expected decline in investment income
- Working from home requirements have been setup for those able to do so
- Some employees have been laid off and some hirings have been deferred
- Reduced revenues from Provincial Offences Act charges, waste management activities, and other fees and charges.

The County plans to mitigate any additional operating costs with committed Provincial government funding, costs savings in other budget items and tight controls over the operating expenses.

These factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations.

CORPORATION OF THE COUNTY OF PETERBOROUGH



CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2019

	General				Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Roads and Bridges		
	\$	\$	\$	\$	\$	\$	\$
COST							
Balance, beginning of year	5,956,426	5,698,642	12,394,994	12,549,545	183,318,016	1,575,980	221,493,603
Add: additions during the year	-	39,656	16,409	1,483,427	6,050,596	3,337,767	10,927,855
Less: disposals during the year	-	-	-	687,064	892,443	-	1,579,507
Internal transfers	-	-	-	-	819,890	(819,890)	-
Balance, end of year	5,956,426	5,738,298	12,411,403	13,345,908	189,296,059	4,093,857	230,841,951
ACCUMULATED AMORTIZATION							
Balance, beginning of year	1,320,337	3,167,611	3,181,233	6,908,239	90,435,637	-	105,013,057
Add: additions during the year	79,948	159,641	321,456	1,293,406	4,704,032	-	6,558,483
Less: disposals during the year	-	-	-	666,415	832,948	-	1,499,363
Balance, end of year	1,400,285	3,327,252	3,502,689	7,535,230	94,306,721	-	110,072,177
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,556,141	2,411,046	8,908,714	5,810,678	94,989,338	4,093,857	120,769,774

CORPORATION OF THE COUNTY OF PETERBOROUGH



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 Services \$	Planning and Development \$	Consolidated \$
Revenues										
Property taxation	5,787,674	(375,375)	19,132,810	3,569,746	4,455,167	2,589,277	6,255,608	952,377	1,904,666	44,271,950
User charges	754,805	658	125,197	2,087,135	100,998	-	-	185,134	227,358	3,481,285
Government transfers - operating	725,000	-	688,321	707,440	8,456,429	-	-	79,589	-	10,656,779
Government transfers - capital	-	-	-	-	-	-	-	10,500	-	10,500
Other municipalities	-	-	371,532	494,568	4,943,667	-	-	10,000	14,087	5,833,854
Provincial Offences Act charges recovered	-	465,100	-	-	-	-	-	-	-	465,100
Investment income	1,033,831	-	-	-	-	-	-	-	-	1,033,831
Donations	-	-	-	-	-	-	-	104,049	-	104,049
Federal gas tax earned	-	-	1,692,246	-	-	-	-	-	-	1,692,246
Provincial gas tax earned	-	-	42,223	-	-	-	-	-	-	42,223
Development charges earned	-	-	1,543,134	-	-	-	-	-	-	1,543,134
Total revenues	8,301,310	90,383	23,595,463	6,858,889	17,956,261	2,589,277	6,255,608	1,341,649	2,146,111	69,134,951
Expenses										
Salaries and benefits	3,239,147	53,354	4,158,819	518,076	13,017,830	-	-	786,567	1,013,650	22,787,443
Interest charges	-	-	29,753	-	140,263	70,654	-	-	-	240,670
Materials	1,788,382	49,797	9,464,079	2,115,559	1,791,917	670,929	-	627,071	181,298	16,689,032
Contracted services	1,602,807	24,808	11,815	3,021,909	702,834	-	-	5,104	70,679	5,439,956
Rents and financial	153,176	-	706	20	195,887	-	-	989	83	350,861
External transfers	-	10,000	77,761	-	928,080	1,849,395	6,303,433	-	768,487	9,937,156
Amortization	107,926	9,122	5,429,679	219,454	679,771	-	-	112,531	-	6,558,483
Loss (gain) on disposal of tangible capital assets	17,009	-	49,546	-	(29,635)	-	-	-	-	36,920
Internal transfers	(331,523)	-	31,685	-	272,954	-	-	17,009	9,875	-
Total expenses	6,576,924	147,081	19,253,843	5,875,018	17,699,901	2,590,978	6,303,433	1,549,271	2,044,072	62,040,521
Net surplus/(deficit)	1,724,386	(56,698)	4,341,620	983,871	256,360	(1,701)	(47,825)	(207,622)	102,039	7,094,430

CORPORATION OF THE COUNTY OF PETERBOROUGH



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 Services \$	Planning and Development \$	Consolidated \$
Revenues										
Property taxation	5,406,644	(426,116)	17,747,949	3,373,826	4,402,476	2,845,814	5,831,345	895,268	1,823,143	41,900,349
User charges	732,120	1,334	105,861	1,949,057	413,845	-	-	171,710	227,591	3,601,518
Government transfers - operating	-	-	754,138	698,222	8,284,343	-	-	69,009	-	9,805,712
Government transfers - capital	-	-	-	-	26,334	-	-	50,000	-	76,334
Other municipalities	-	-	655,360	625,677	4,980,983	-	-	-	1,385	6,263,405
Provincial Offences Act charges recovered	-	505,225	-	-	-	-	-	-	-	505,225
Investment income	763,955	-	-	-	-	-	-	-	-	763,955
Donations	-	-	-	-	-	-	-	165,098	-	165,098
Federal gas tax earned	-	-	1,747,662	-	-	-	-	-	-	1,747,662
Provincial gas tax earned	-	-	43,393	-	-	-	-	-	-	43,393
Development charges earned	-	-	417,900	-	-	-	-	-	-	417,900
Total revenues	6,902,719	80,443	21,472,263	6,646,782	18,107,981	2,845,814	5,831,345	1,351,085	2,052,119	65,290,551
Expenses										
Salaries and benefits	3,086,101	49,967	3,814,551	513,230	12,794,111	-	-	778,140	931,202	21,967,302
Interest charges	-	-	32,379	-	152,644	105,262	-	-	-	290,285
Materials	1,584,305	37,291	10,188,229	2,196,227	1,808,209	666,556	-	419,004	190,789	17,090,610
Contracted services	1,578,174	26,573	9,554	2,608,893	706,103	-	-	5,992	49,410	4,984,699
Rents and financial	96,088	-	560	28	189,575	-	-	437	247	286,935
External transfers	-	10,000	77,448	2,468	856,953	2,016,070	5,805,474	-	984,786	9,753,199
Amortization	109,398	10,870	5,703,201	220,116	738,416	-	-	90,547	-	6,872,548
Loss (gain) on disposal of tangible capital assets	-	(3,926)	3,981	-	(14,619)	-	-	(763)	-	(15,327)
Internal transfers	(234,514)	-	(44,701)	-	266,965	-	-	-	12,250	-
Total expenses	6,219,552	130,775	19,785,202	5,540,962	17,498,357	2,787,888	5,805,474	1,293,357	2,168,684	61,230,251
Net surplus/(deficit)	683,167	(50,332)	1,687,061	1,105,820	609,624	57,926	25,871	57,728	(116,565)	4,060,300

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the County of Peterborough***Opinion*

We have audited the financial statements of the Trust Fund of the Corporation of the County of Peterborough (the Trust Fund), 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 Fund as at December 31, 2019, and the continuity of the Trust Fund 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 Fund 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 Fund'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 Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund's 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 Fund'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 Trust Fund'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 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 Fund 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 26, 2020

**CORPORATION OF THE
COUNTY OF PETERBOROUGH**



**TRUST FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	17,218	20,320
Investments (note 2)	57,027	54,087
Due from County of Peterborough\	14,957	32,685
	<u>89,202</u>	<u>107,092</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to recipients	1,817	15,848
TRUST FUND BALANCES	<u>87,385</u>	<u>91,244</u>
	<u>89,202</u>	<u>107,092</u>

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
COUNTY OF PETERBOROUGH**



**TRUST FUND
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2019**

	2019	2018
	\$	\$
BALANCE - beginning of year	91,244	127,208
RECEIPTS		
Interest earned	2,024	3,725
Gain (loss) on redemption of investments	-	(261)
Contribution from County of Peterborough	-	2,230
	2,024	5,694
EXPENSES		
Beneficiary distribution	5,038	8,846
Bursary awards	-	250
Trustee and other fees	845	1,273
Donations	-	28,793
Writedown of inventory	-	2,496
	5,883	41,658
BALANCE - end of year	87,385	91,244

The accompanying notes are an integral part of these financial statements

**TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the period and are based on the County's best information and judgment. Actual results could differ from these estimates.

2. INVESTMENTS

Investments, recorded at cost, consist of the following:

	2019	2018
	\$	\$
Scotiastream Bond Trust Fund	38,733	36,691
Scotiastream Corporate Bond Trust Fund	17,163	16,291
Scotiastream Money Market	1,131	1,105
	57,027	54,087
Market Value	56,889	53,013