

CORPORATION OF THE COUNTY OF PETERBOROUGH

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

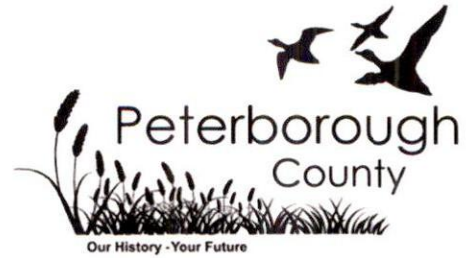
**CORPORATION OF THE COUNTY OF
PETERBOROUGH**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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CORPORATION OF THE COUNTY OF PETERBOROUGH

For The Year Ended December 31, 2021

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.

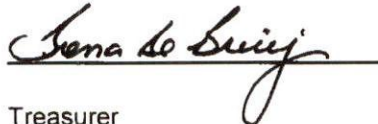
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen 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.


Warden
Treasurer

June 29, 2022

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, 2021, 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, 2021, 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
August 30, 2022



CORPORATION OF THE COUNTY OF PETERBOROUGH

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	48,315,658	43,166,021
Investments (note 2)	11,499,529	11,375,587
Accounts receivable	5,642,721	4,016,897
Long term debt assumed by Fairhaven	-	162,855
TOTAL FINANCIAL ASSETS	65,457,908	58,721,360
LIABILITIES		
Accounts payable and accrued liabilities	9,872,764	12,018,850
Deferred revenue - obligatory reserve funds (note 3)	8,778,937	5,553,589
Deferred revenue - other	1,575,294	1,593,977
Long term debt (note 4)	2,395,617	2,890,800
Landfill closure and post-closure liability (note 5)	5,885,939	5,680,489
Employee future benefits payable (note 7)	840,169	756,900
TOTAL LIABILITIES	29,348,720	28,494,605
NET FINANCIAL ASSETS	36,109,188	30,226,755
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	138,776,954	132,453,378
Prepaid expenses	1,374,204	1,114,517
TOTAL NON-FINANCIAL ASSETS	140,151,158	133,567,895
ACCUMULATED SURPLUS (note 10)	176,260,346	163,794,650

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF PETERBOROUGH

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Property taxation	48,614,954	48,693,076	47,247,915
User charges	3,678,199	4,345,083	3,279,274
Government of Canada	1,203,235	401,010	126,829
Province of Ontario	11,830,036	14,651,659	12,824,156
Other municipalities	5,861,875	6,983,109	6,299,906
Provincial Offenses Act - fines	378,855	137,237	224,883
Investment income	360,000	408,675	562,458
Donations	97,700	110,305	95,421
Developer contributions earned	1,449,784	1,316,646	4,503,802
Federal gas tax earned	1,769,166	1,769,166	3,439,908
Provincial gas tax earned	45,161	45,161	40,516
TOTAL REVENUES	75,288,965	78,861,127	78,645,068
EXPENSES			
General government	7,501,331	7,083,083	6,622,514
Protection services	162,458	142,010	140,449
Transportation services	18,810,567	20,011,486	20,917,008
Environmental services	7,207,463	7,150,543	6,605,270
Health services	19,178,706	20,770,115	19,510,975
Social and family services	2,534,966	2,159,933	2,631,435
Social housing	6,053,495	5,643,380	6,094,592
Recreation and cultural services	1,337,170	1,093,726	1,075,587
Planning and development	2,375,167	2,341,155	2,052,662
TOTAL EXPENSES	65,161,323	66,395,431	65,650,492
ANNUAL SURPLUS	<u>10,127,642</u>	12,465,696	12,994,576
ACCUMULATED SURPLUS - beginning of year		163,794,650	150,800,074
ACCUMULATED SURPLUS - end of year		176,260,346	163,794,650

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS	10,127,642	12,465,696	12,994,576
Amortization of tangible capital assets	6,941,443	7,884,713	6,941,443
Purchase of tangible capital assets	(22,426,718)	(14,310,736)	(18,651,177)
Loss/(gain) on disposal of tangible capital assets	-	(154,700)	7,890
Proceeds on sale of tangible capital assets	-	257,147	18,240
Change in prepaid expenses	-	(259,687)	13,278
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(5,357,633)	5,882,433	1,324,250
NET FINANCIAL ASSETS - beginning of year	30,226,755	30,226,755	28,902,505
NET FINANCIAL ASSETS - end of year	24,869,122	36,109,188	30,226,755

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	12,465,696	12,994,576
Items not involving cash		
Amortization of tangible capital assets	7,884,713	6,941,443
Loss/(gain) on disposal of tangible capital assets	(154,700)	7,890
Change in landfill closure and post-closure liability	205,450	225,536
Change in employee future benefits payable	83,269	62,200
Change in non-cash assets and liabilities		
Accounts receivable	(1,625,824)	(904,096)
Prepaid expenses	(259,687)	13,278
Accounts payable and accrued liabilities	(2,146,086)	3,107,920
Deferred revenue - obligatory reserve funds	3,225,348	(3,678,782)
Deferred revenue - other	(18,683)	1,464,978
Net change in cash from operating activities	19,659,496	20,234,943
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(14,310,736)	(18,651,177)
Proceeds on disposal of tangible capital assets	257,147	18,240
Net change in cash from capital activities	(14,053,589)	(18,632,937)
INVESTING ACTIVITIES		
Purchase of investments	(1,841,211)	(2,873,409)
Change in long-term debt assumed by Fairhaven	162,855	627,261
Proceeds on disposal of investments	1,717,269	2,717,268
Net change in cash from investing activities	38,913	471,120
FINANCING ACTIVITIES		
Debt principal repayments	(495,183)	(942,959)
NET CHANGE IN CASH	5,149,637	1,130,167
CASH - beginning of year	43,166,021	42,035,854
CASH - end of year	48,315,658	43,166,021

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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% (2020 - 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. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. 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.

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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.

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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:

	2021	2020
	\$	\$
Guaranteed investment certificates, maturity dates from June 6, 2022 to July 13, 2030, interest rates ranging from 1.6% to 2.5% per annum.	10,415,785	9,294,055
Money market fund	1,046,348	1,043,216
Cash held in investment accounts	37,396	1,038,316
	11,499,529	11,375,587

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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:

	2021	2020
	\$	\$
Development charges	5,966,426	4,456,285
Federal gas tax	2,773,461	1,054,302
Provincial gas tax	39,050	43,002
	8,778,937	5,553,589

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

	2021	2020
	\$	\$
Balance - beginning of year	5,553,589	9,232,371
Add amounts received:		
Development charges	2,791,146	2,470,376
Federal gas tax	3,469,916	1,692,246
Provincial gas tax	40,846	41,007
Interest	54,413	101,815
	6,356,321	4,305,444
Less transfer to operations:		
Development charges earned	1,316,646	4,503,802
Federal gas tax earned	1,769,166	3,439,908
Provincial gas tax earned	45,161	40,516
	3,130,973	7,984,226
Balance - end of year	8,778,937	5,553,589

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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:

	2021	2020
	\$	\$
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.	-	162,855
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.	2,395,617	2,727,945
	2,395,617	2,890,800

- (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 \$140,031 (2020 - \$188,249).

- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2022	349,834	120,082	469,916
2023	368,261	101,655	469,916
2024	387,660	82,256	469,916
2025	408,080	61,836	469,916
2026	429,576	40,340	469,916
	1,943,411	406,169	2,349,580
2027	452,206	17,711	469,917
	2,395,617	423,880	2,819,497

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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 \$5,885,939 (2020 - \$5,680,489). 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 \$3,587,487 (2020 - \$2,772,640) 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, 2021 is \$12,987,140 (2020 - \$12,812,060). The estimated total expenses represent the sum of the discounted future cash flows using an inflation factor of 2.25% (2020 - 2.25%), discounted at a rate of 5% (2020 - 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% (2020 - 100%) and at the North Fill Area is 72% (2020 - 65%).

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 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 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 2021 were \$1,141,758 (2020 - \$1,446,369).

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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 \$725,801 (2020 - \$725,801). There are no specific assets designated for settling this liability.

	2021	2020
	\$	\$
Accrued benefit obligation	1,057,725	942,800
Unamortized actuarial gain (loss)	(217,556)	(185,900)
Employee future benefits payable	840,169	756,900

The actuarial valuation as at December 31, 2020 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 2021	5.75%
- decrease over 5 years to	3.75%
Future dental premiums rates	3.75%
Interest rate	3.25%

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:

	2021	2020
	\$	\$
Employee future benefits payable at January 1	756,900	694,700
Current year benefit cost	58,041	53,000
Interest on post-employment benefit liability	32,930	33,600
Amortized actuarial loss (gain)	27,305	23,400
Less: benefit payments	(35,007)	(47,800)
Liability at December 31	840,169	756,900

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

8. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land	4,396,027	4,482,765
Land improvements	2,890,416	2,264,956
Buildings	8,288,120	8,596,543
Machinery and equipment	6,874,724	6,609,898
Infrastructure		
Roads and bridges	103,192,274	99,136,741
	125,641,561	121,090,903
Assets under construction	13,135,393	11,362,475
	138,776,954	132,453,378

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

During the year there were no write-downs of assets (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

	2021	2020
	\$	\$
General government	1,510,011	1,628,524
Protection services	26,929	35,618
Transportation services	120,401,020	114,942,598
Environmental services	6,510,600	6,067,816
Health services	6,349,628	5,758,828
Recreation and cultural services	3,864,037	3,901,070
Planning and development	114,729	118,924
	138,776,954	132,453,378

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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 \$446,152 (2020 - \$965,664 receivable).

	2021		2020	
	Total	County	Total	County
	\$	Portion	\$	Portion
		\$		\$
Operations				
Revenues	4,819,415	2,409,708	3,405,628	1,702,814
Expenditures	4,047,395	2,023,698	3,859,668	1,929,834
Net (loss) from operations	772,020	386,010	(454,040)	(227,020)

During 2021, the Peterborough County-City Waste Management Facility incurred capital expenditures of \$1,655,108 (2020 - \$503,256). The County's portion of the capital expenditures was \$827,554 (2020 - \$251,628).

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
County operations	3,917,183	4,004,749
Unfunded landfill closure and post-closure liability	(5,885,939)	(5,680,489)
Unfunded employee future benefits payable	(840,169)	(756,900)
	<u>(2,808,925)</u>	<u>(2,432,640)</u>
Invested In Capital Assets		
Tangible capital assets - net book value	138,776,954	132,453,378
Long term debt related to capital assets	(2,395,617)	(2,727,945)
	<u>136,381,337</u>	<u>129,725,433</u>
Surplus	<u>133,572,412</u>	<u>127,292,793</u>
Reserves		
Working funds	10,202,259	11,522,120
L.S.R. costs	2,009,524	2,020,699
Waste management	5,514,045	1,442,501
Recycling	1,568,171	1,535,596
Acquisition of capital assets	17,241,276	16,108,768
Recreation programs and facilities	216,012	183,774
Landfill site post-closure costs	3,587,487	2,772,640
Employee future benefits	725,801	725,801
Other	1,623,359	189,958
Total Reserves	<u>42,687,934</u>	<u>36,501,857</u>
	<u>176,260,346</u>	<u>163,794,650</u>

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

11. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2021	2020
	\$	\$
Peterborough Public Health	928,080	1,020,888
Fairhaven	741,142	1,168,877
Peterborough & the Kawarthas Economic Development	745,746	745,746
	<u>2,414,968</u>	<u>2,935,511</u>

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 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Salaries and benefits	24,770,290	25,407,850	23,527,475
Interest charges	140,031	140,031	188,249
Materials	16,151,662	16,570,936	17,336,416
Contracted services	6,410,519	6,502,014	6,742,873
Rents and financial	292,841	288,273	330,137
External transfers	10,454,537	9,756,314	10,576,009
Amortization	6,941,443	7,884,713	6,941,443
Loss (gain) on disposal of tangible capital assets	-	(154,700)	7,890
	<u>65,161,323</u>	<u>66,395,431</u>	<u>65,650,492</u>

13. TRUST FUNDS

Trust funds administered by the County amounting to \$25,983 (2020 - \$84,515) 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 2021 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.

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

15. CONTINGENT LIABILITIES

The County, in the course of its operations, is often named in 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.

CORPORATION OF THE COUNTY OF PETERBOROUGH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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. UNCERTAINTY CAUSED BY COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the County's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the County's operations. The extent of the impact of this outbreak and related containment measures on the County's operations cannot be reliably estimated at this time.

CORPORATION OF THE COUNTY OF PETERBOROUGH

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2021

	General				Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Roads and Bridges		
	\$	\$	\$	\$	\$	\$	\$
COST							
Balance, beginning of year	5,956,426	5,738,298	12,411,403	15,223,572	196,758,284	11,362,475	247,450,458
Add: additions during the year	-	378,105	-	1,835,491	7,188,417	4,908,723	14,310,736
Less: disposals during the year	-	-	-	1,505,492	2,373,037	-	3,878,529
Internal transfers	-	436,753	-	-	2,699,052	(3,135,805)	-
Balance, end of year	5,956,426	6,553,156	12,411,403	15,553,571	204,272,716	13,135,393	257,882,665
ACCUMULATED AMORTIZATION							
Balance, beginning of year	1,473,661	3,473,342	3,814,860	8,613,674	97,621,543	-	114,997,080
Add: additions during the year	86,738	189,398	308,423	1,555,028	5,745,126	-	7,884,713
Less: disposals during the year	-	-	-	1,489,855	2,286,227	-	3,776,082
Balance, end of year	1,560,399	3,662,740	4,123,283	8,678,847	101,080,442	-	119,105,711
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,396,027	2,890,416	8,288,120	6,874,724	103,192,274	13,135,393	138,776,954

CORPORATION OF THE COUNTY OF PETERBOROUGH

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2021

	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	5,659,291	(363,298)	22,113,793	4,245,760	5,271,341	2,779,798	6,143,495	917,677	1,925,219	48,693,076
User charges	1,017,329	1,293	103,463	2,661,863	220,443	-	-	78,445	262,247	4,345,083
Government transfers - operating	45,792	1,093,069	608,826	975,745	11,516,929	-	-	103,533	-	14,343,894
Government transfers - capital	84,013	-	624,762	-	-	-	-	-	-	708,775
Other municipalities	-	-	689,656	1,109,196	5,152,341	-	-	-	31,916	6,983,109
Provincial Offenses Act - fines	-	137,237	-	-	-	-	-	-	-	137,237
Investment income	408,675	-	-	-	-	-	-	-	-	408,675
Donations	-	-	-	-	-	-	-	110,305	-	110,305
Developer contributions earned	26,737	-	1,274,909	-	-	-	-	-	15,000	1,316,646
Federal gas tax earned	-	-	1,769,166	-	-	-	-	-	-	1,769,166
Provincial gas tax earned	-	-	45,161	-	-	-	-	-	-	45,161
Total revenues	7,241,837	868,301	27,229,736	8,992,564	22,161,054	2,779,798	6,143,495	1,209,960	2,234,382	78,861,127
Expenses										
Salaries and benefits	3,783,501	48,564	4,141,945	441,782	15,103,202	-	-	704,223	1,184,633	25,407,850
Interest charges	-	-	24,078	-	113,510	2,443	-	-	-	140,031
Materials	1,849,470	49,949	9,081,508	2,372,519	2,772,897	-	-	277,113	167,480	16,570,936
Contracted services	1,617,854	24,808	9,986	4,077,231	698,320	-	-	2,749	71,066	6,502,014
Rents and financial	138,514	-	192	58	149,482	-	-	27	-	288,273
External transfers	-	10,000	116,638	-	928,080	2,157,490	5,643,380	-	900,726	9,756,314
Amortization	98,224	8,689	6,560,354	258,953	848,879	-	-	109,614	-	7,884,713
Loss (gain) on disposal of tangible capital assets	-	-	15,900	-	(170,600)	-	-	-	-	(154,700)
Internal transfers	(404,480)	-	60,885	-	326,345	-	-	-	17,250	-
Total expenses	7,083,083	142,010	20,011,486	7,150,543	20,770,115	2,159,933	5,643,380	1,093,726	2,341,155	66,395,431
Net surplus/(deficit)	158,754	726,291	7,218,250	1,842,021	1,390,939	619,865	500,115	116,234	(106,773)	12,465,696

CORPORATION OF THE COUNTY OF PETERBOROUGH

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2020

	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	5,318,324	(348,486)	20,486,575	4,809,633	5,165,576	2,844,629	6,092,770	940,965	1,937,929	47,247,915
User charges	997,078	674	78,931	1,935,163	49,309	-	-	39,872	178,247	3,279,274
Government transfers - operating	200,000	750,183	658,201	749,367	10,413,426	-	-	179,808	-	12,950,985
Other municipalities	-	-	733,026	454,330	5,081,282	-	-	-	31,268	6,299,906
Provincial Offenses Act - fines	-	224,883	-	-	-	-	-	-	-	224,883
Investment income	562,458	-	-	-	-	-	-	-	-	562,458
Donations	-	-	-	-	-	-	-	95,421	-	95,421
Developer contributions earned	-	-	4,503,802	-	-	-	-	-	-	4,503,802
Federal gas tax earned	-	-	3,439,908	-	-	-	-	-	-	3,439,908
Provincial gas tax earned	-	-	40,516	-	-	-	-	-	-	40,516
Total revenues	7,077,860	627,254	29,940,959	7,948,493	20,709,593	2,844,629	6,092,770	1,256,066	2,147,444	78,645,068
Expenses										
Salaries and benefits	3,195,277	52,060	3,972,755	363,983	14,274,315	-	-	635,631	1,033,454	23,527,475
Interest charges	-	-	26,988	-	127,230	34,031	-	-	-	188,249
Materials	1,610,211	45,299	10,974,429	2,096,603	2,130,360	-	-	325,595	153,919	17,336,416
Contracted services	1,861,380	24,808	9,685	3,943,584	821,299	-	-	4,036	78,081	6,742,873
Rents and financial	180,684	-	255	-	148,350	-	-	616	232	330,137
External transfers	-	10,000	77,399	-	1,020,888	2,597,404	6,094,592	-	775,726	10,576,009
Amortization	103,887	8,282	5,797,282	201,100	721,183	-	-	109,709	-	6,941,443
Loss (gain) on disposal of tangible capital assets	-	-	26,130	-	(18,240)	-	-	-	-	7,890
Internal transfers	(328,925)	-	32,085	-	285,590	-	-	-	11,250	-
Total expenses	6,622,514	140,449	20,917,008	6,605,270	19,510,975	2,631,435	6,094,592	1,075,587	2,052,662	65,650,492
Net surplus/(deficit)	455,346	486,805	9,023,951	1,343,223	1,198,618	213,194	(1,822)	180,479	94,782	12,994,576

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, 2021, 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, 2021, 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
August 30, 2022

CORPORATION OF THE COUNTY OF PETERBOROUGH

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	12,373	72,906
Due from County of Peterborough	15,648	13,599
	<u>28,021</u>	<u>86,505</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to recipients	2,038	1,990
TRUST FUND BALANCES	<u>25,983</u>	<u>84,515</u>
	<u>28,021</u>	<u>86,505</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, 2021**

	2021	2020
	\$	\$
BALANCE - beginning of year	84,515	87,385
RECEIPTS		
Interest earned	260	916
Gain (loss) on redemption of investments	-	(822)
Contribution from County of Peterborough	1,954	-
	2,214	94
EXPENSES		
Beneficiary distribution	115	1,764
Trustee and other fees	1,191	1,200
Transfers to registered charities	59,440	-
	60,746	2,964
BALANCE - end of year	25,983	84,515

The accompanying notes are an integral part of these financial statements



CORPORATION OF THE COUNTY OF PETERBOROUGH

TRUST FUND NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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.