

2019 Financial Results

Audit Committee

May 11, 2020



Agenda

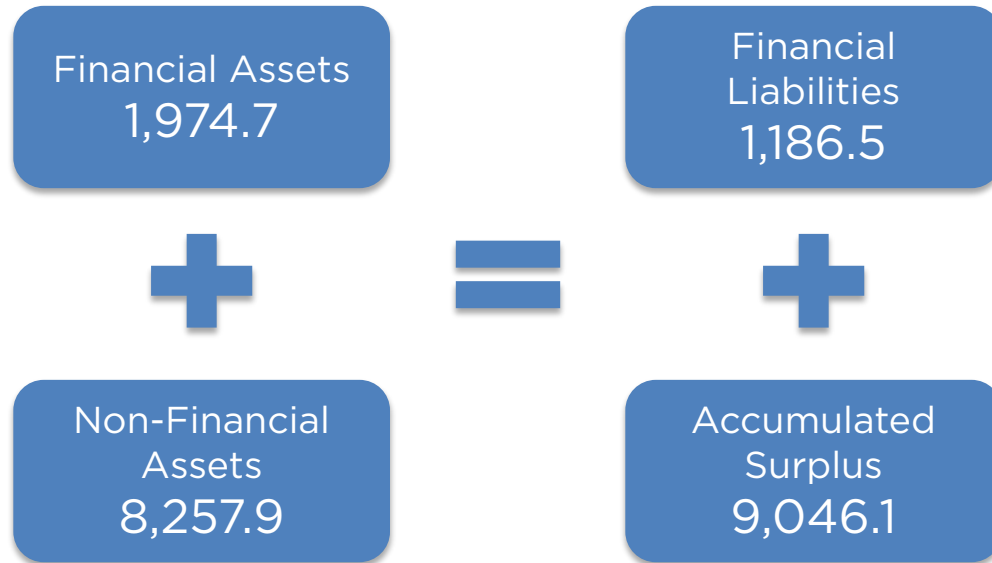
1. Financial Statements vs. Budget Book
2. Financial Assets
3. Non-Financial Assets
4. Financial Liabilities
5. Accumulated Surplus
6. Living Arts Centre
7. Revenues
8. Expenses
9. Q&A

Financial Statements vs. Budget Book

- City's Financials presented on an accrual basis, different than the annual budget approved by Council
- Amortization is not included in the budget
- Enersource, LAC and BIA financials
- Employment related liabilities

2019 Financial Overview (\$ millions)

Statement of Financial Position

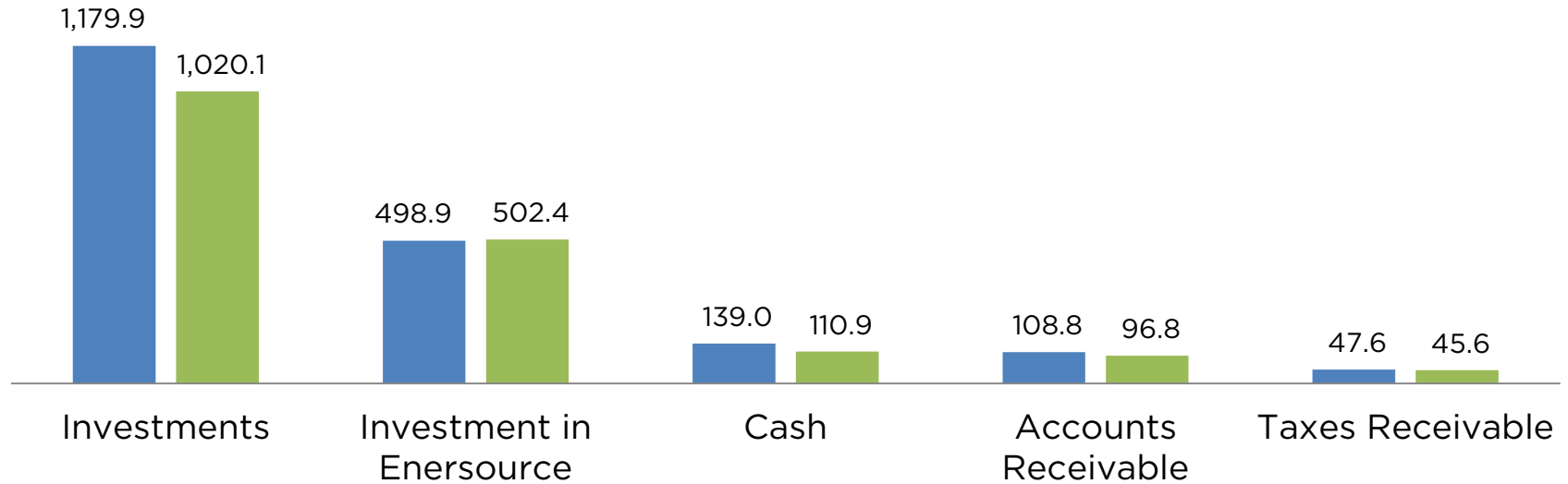


Statement of Operations



Financial Assets (\$1,974.7 million)

■ 2019 ■ 2018



Investment in Enersource Corporation

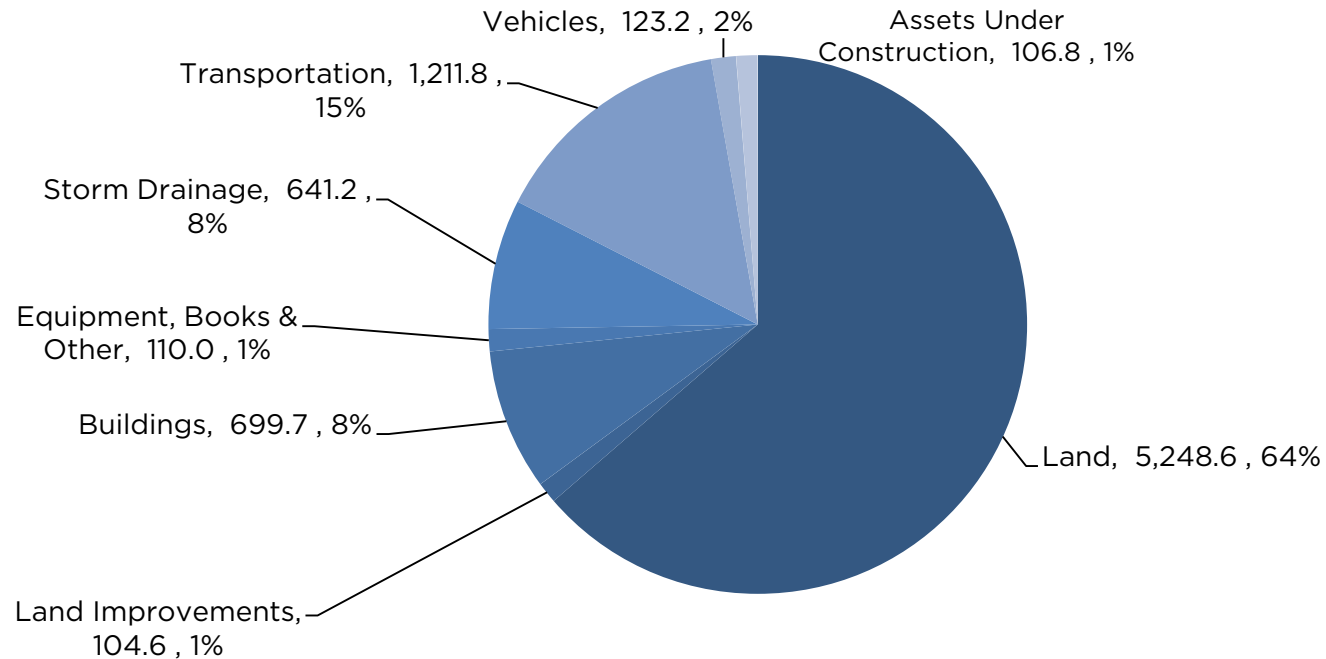
(\$million)	2019	2018
Opening Balance	502.4	485.0
Share of Net Income in Enersource Corp.	10.8	30.3
Share of gain recognized on Alectra's amalgamation with GHESI	1.3	-
City's Share of Divided	(15.7)	(12.9)
Closing Balance	498.8	502.4

Alectra amalgamation with Guelph Hydro Electric Systems Inc. ("GHESI") reduces Enersource's interest in Alectra from 31% to 29.57%

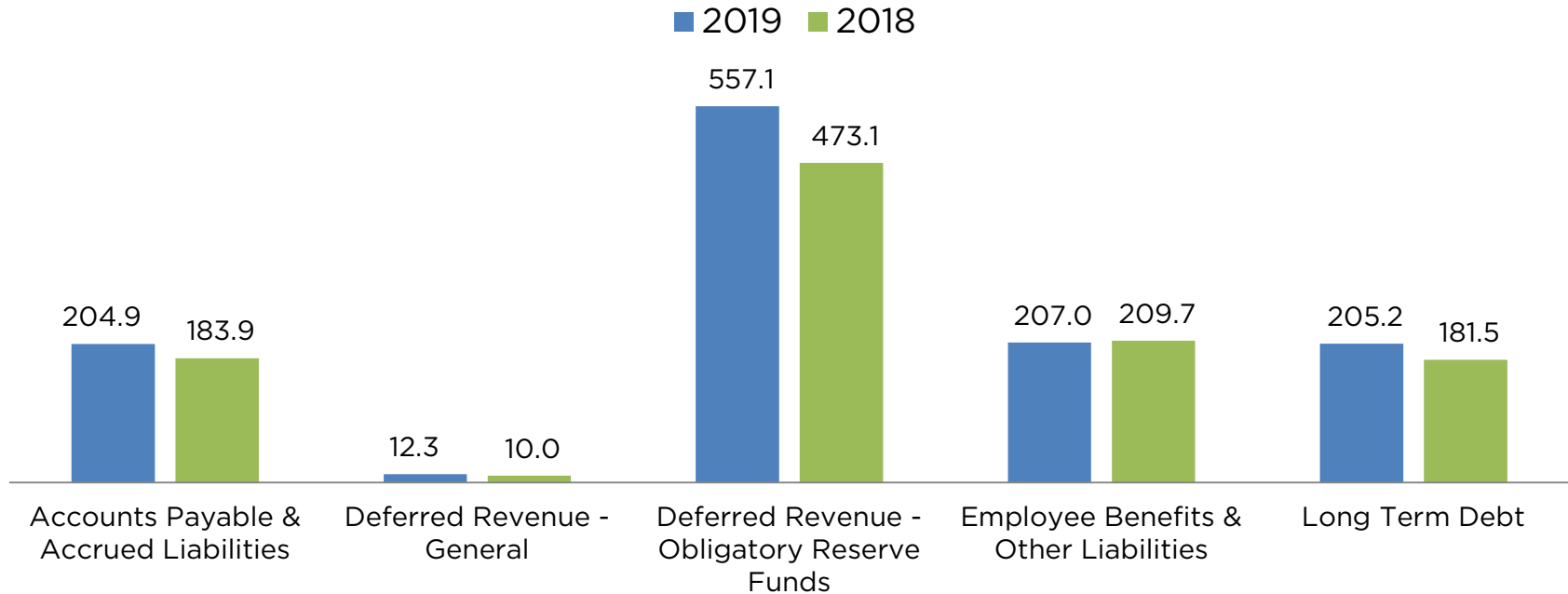


Non-Financial Assets (\$8,257.9 million)

Tangible Capital Assets (\$8,245.9 million)

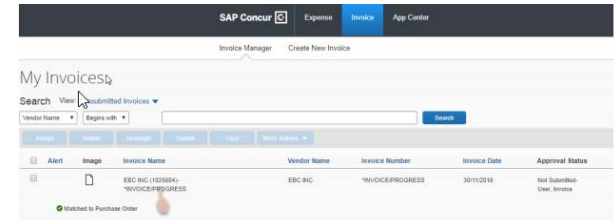


Financial Liabilities (\$1,974.7 million)



SAP Concur Invoice & Expense

- Automates the City's accounts payable workflows
- Increases transparency and visibility of invoices, PCard and out of pocket expenses
- Speeds up time to complete year-end accruals and reporting functions

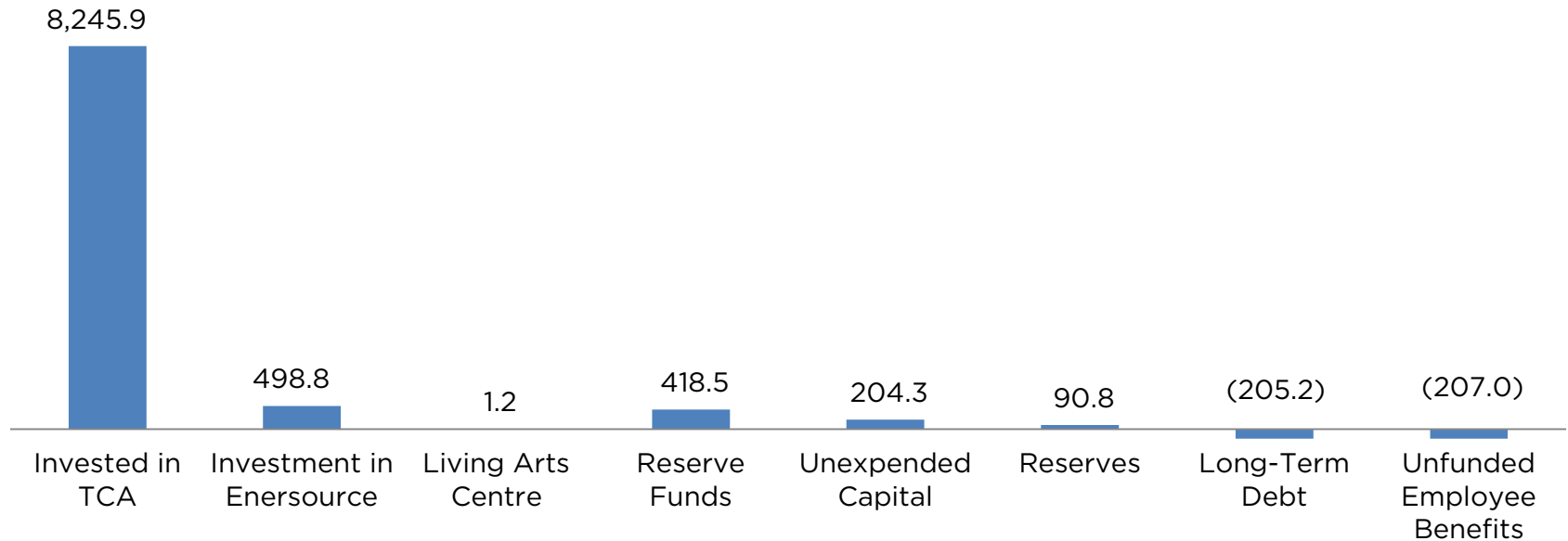


Deferred Revenue-Obligatory Reserve Funds

Item (\$ Million)	2019	2018
Development Charges	182.7	167.1
CIL Parkland	133.0	115.4
CIL Parking	10.1	9.0
Bonus Zoning	2.3	2.7
Provincial Public Transit Funds and Gas Tax	44.6	36.4
Federal Public Transit Funds and Gas Tax	184.3	142.4
Total Deferred Revenue - Obligatory Reserve Funds	557.1	473.1

- Finance revised its accounting treatment of deferred revenues to include unspent capital funds from obligatory reserve funds in consultation with KPMG.
- This required a recast of 2018 financials in this category and developer and other contributions applied on the statement of operations.

Accumulated Surplus (\$9,046.1 million)



Living Arts Centre

Item (\$ Thousands)	September 30, 2019
Financial Assets	2,785
Financial Liabilities	2,832
Net Financial Liabilities	57
Non-Financial Assets	1,512
Accumulated Surplus	1,455



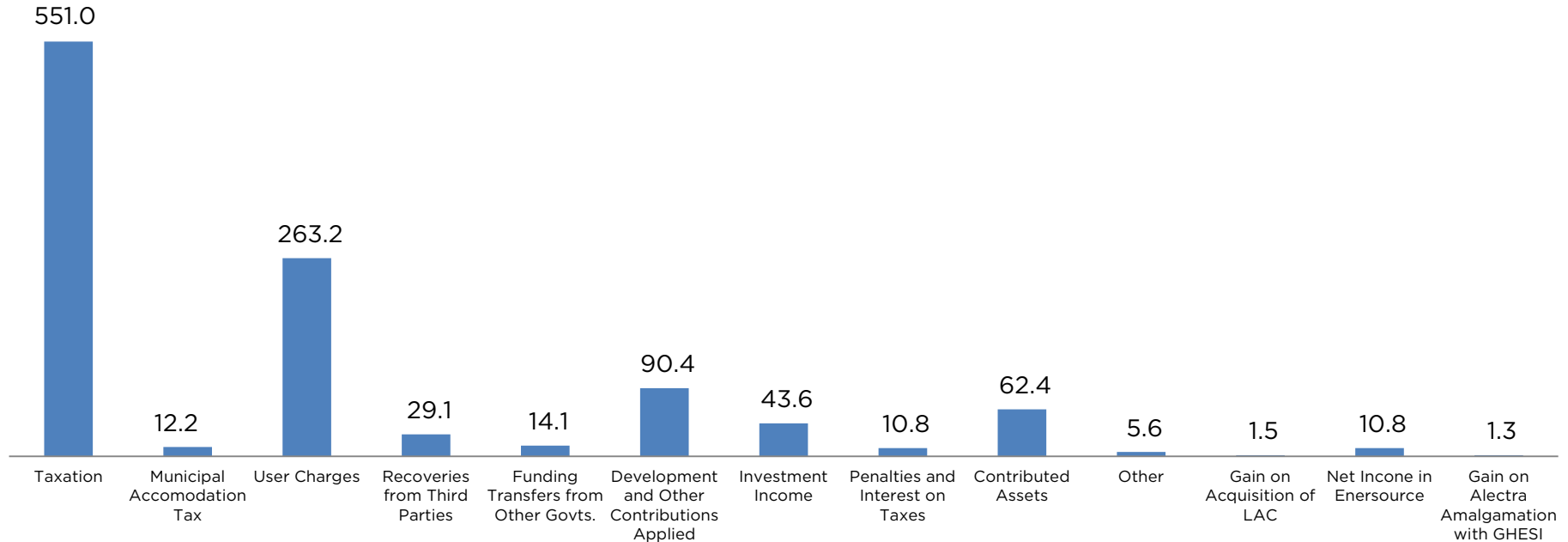
- On September 30th, 2019, the City assumed effective control of the Living Arts Centre.
- On control, the City acquired assets, assumed liabilities and responsibility to provide ongoing operations.

Living Arts Centre Consolidation

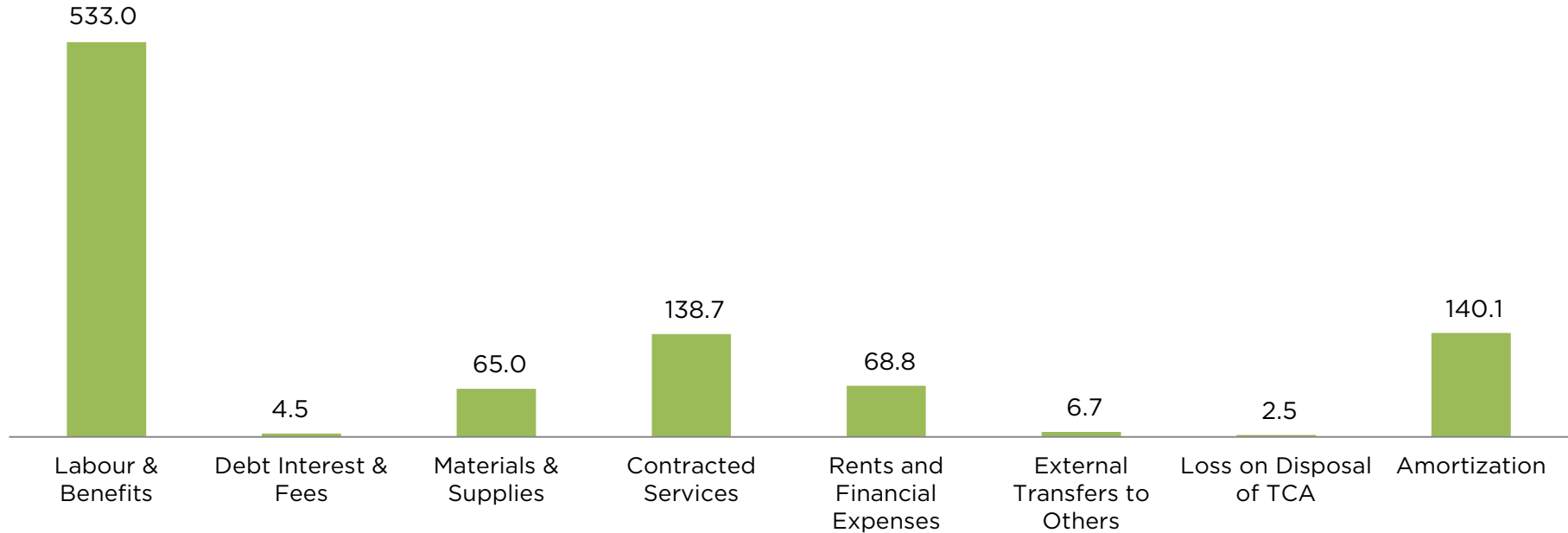
Item (\$ Thousand)	December 31, 2019	Item (\$ Thousand)	September 30, 2019 to December 31, 2019
Financial Assets	2,583	Total Revenues	2,049
Financial Liabilities	2,721	Total Expenses	1,929
Net Financial Liabilities	138	Surplus	120
Non-Financial Assets	1,713	Accumulated Surplus, On Acquisition	1,455
Accumulated Surplus	1,575	Accumulated Surplus, end of year	1,575

- Figures above are included in the City's consolidated financial statements from the date of effective control.
- Accounting for the LAC treated in accordance with Public Sector Accounting Board (PSAB) Standards

2019 Revenues (\$1,095.9 million)



2019 Expenses (\$959.4 million)



Impacts of COVID-19 on City Financials

- The City has sufficient cash balances despite the projected loss of revenues and additional expenses being incurred throughout the pandemic. Cash flows are monitored on a daily basis.
- Likely increase in tax and other receivables as economic conditions deteriorate.
- Ultimate impact on the City's financial position is unknown at this time. Council to continue to be advised as issues and concerns arise.

Questions?