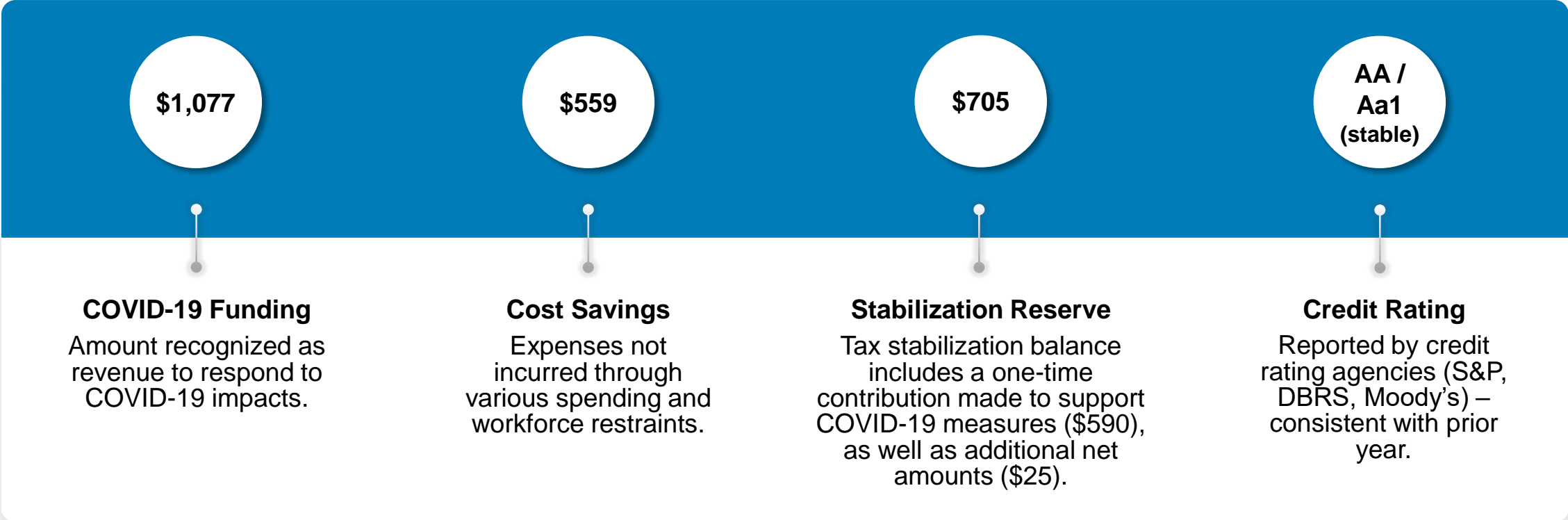


Year-End 2020: Our Story

Presentation to Audit Committee

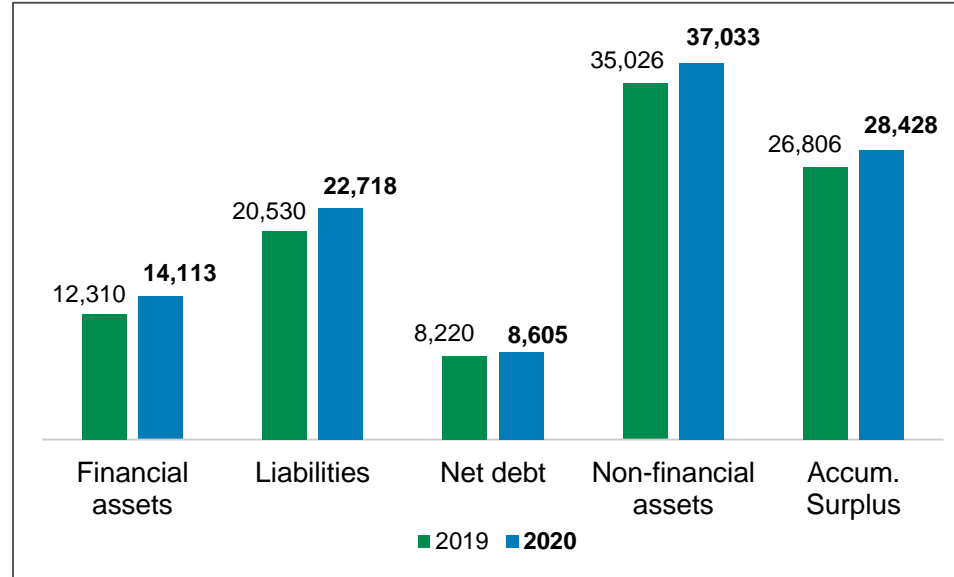
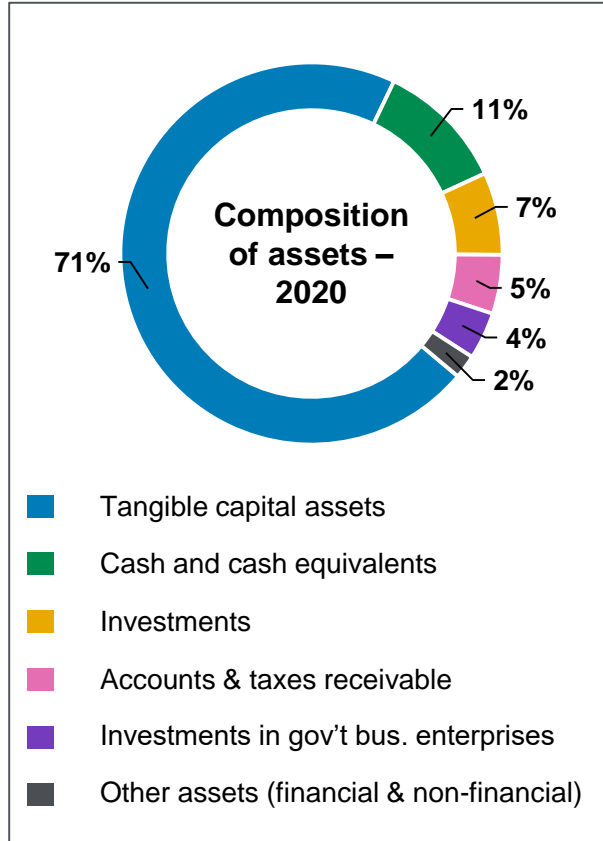
July 7, 2021

Our year: Financial highlights of 2020



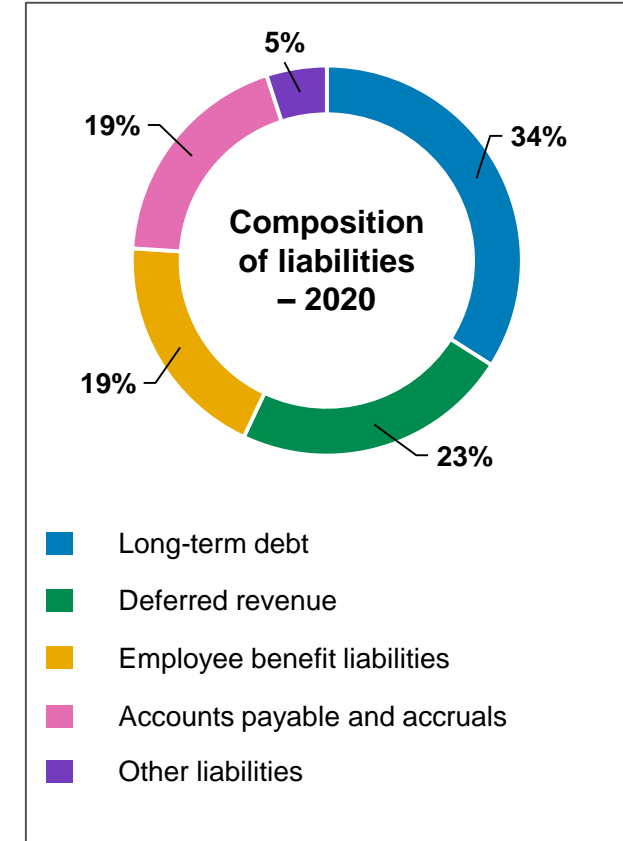
*: All amounts are stated in \$ millions.

Financial position: Where we are



Overall:

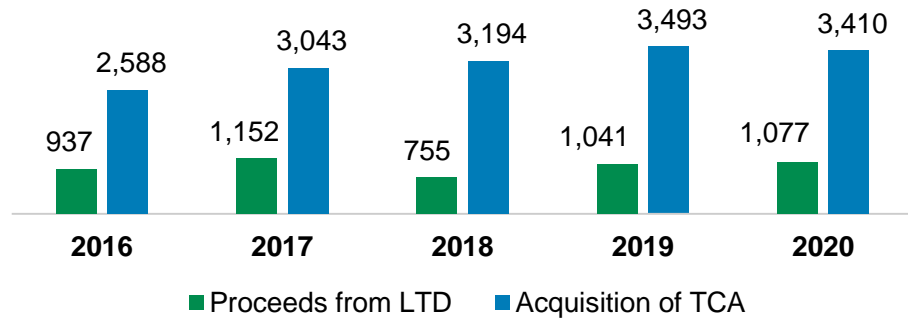
- Continued to acquire tangible capital assets for service delivery
- Established reserves & discretionary reserve funds to respond to financial pressures caused by COVID 19



Financial position: Relationship between tangible capital assets and debt

Relationship between tangible capital assets (TCAs) and long term debt (LTD)

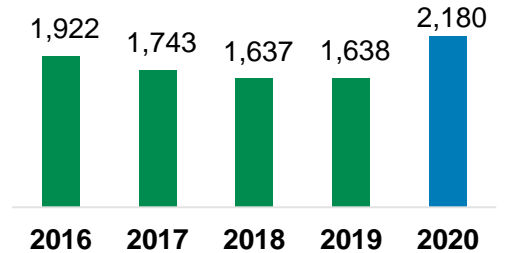
The City's LTD has been used to acquire TCAs:



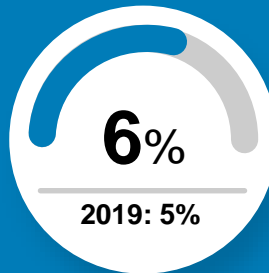
On average, debt represents **32%** of capital expenditures that are incurred to acquire the City's TCAs.

The City's TCAs are acquired to support service delivery and sustainable initiatives.

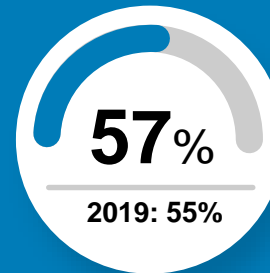
Our sinking funds



The City maintains sinking funds in order to finance debt repayments at maturity.



6% of the City's revenues are used to pay for debt service costs (interest, principal repayments).

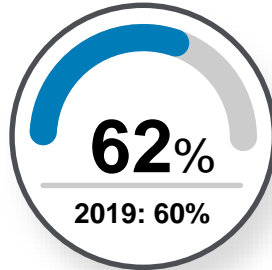


Comparison between total debt and operating revenues

- Metric ranges from 0% to >200% for rating agencies

Financial position: Indicators to consider

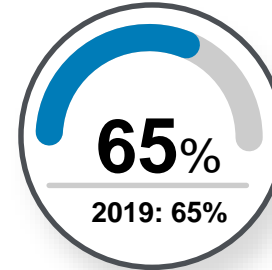
Financial assets as a % of liabilities



Status: stable

- Needs to be monitored

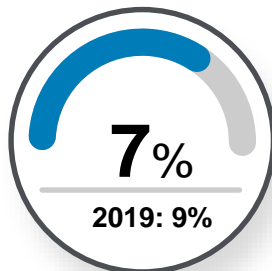
Net book value of TCAs as a % of cost



Status: stable

- Capital investments are being made to support service delivery

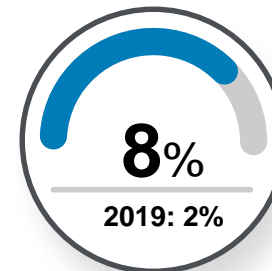
Average annual growth rate of net debt



Status: stable

- Increases as more capital investments are made

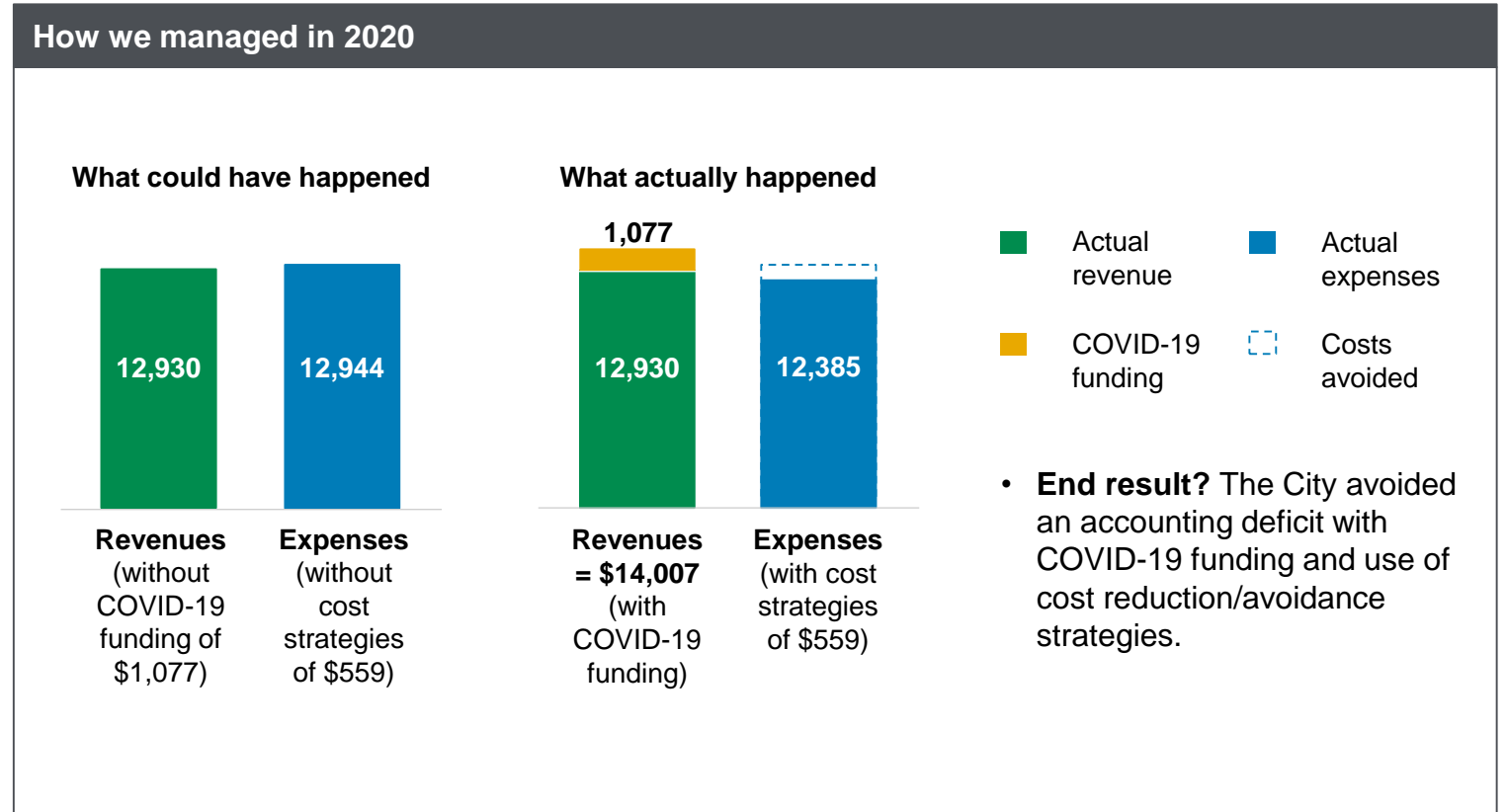
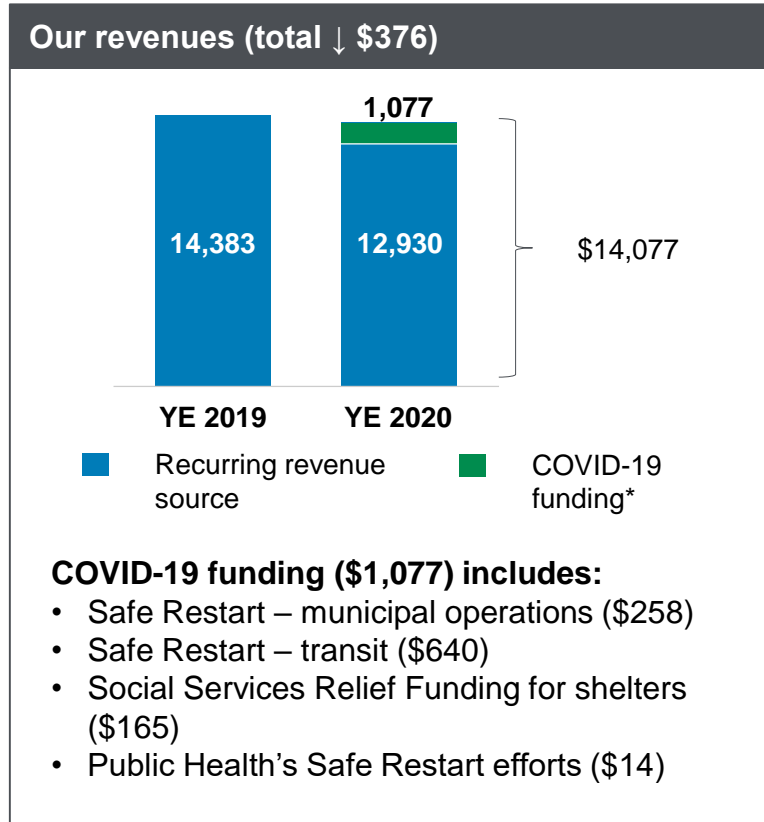
Uncommitted reserves to expenses



Status: variable

- Indicates reserves that may be available to settle expenses

Financial performance: Our revenues and expenses

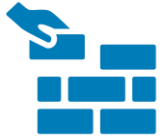


Upcoming changes: Public Sector Accounting Standards

The City’s financial statements will be affected by the following changes in future fiscal periods:

■ Changes with most significant impact	What are the changes?	Which fiscal year is impacted?	How will the financial statements be impacted?
Consolidation of the Toronto Seniors Housing Corporation	<ul style="list-style-type: none"> Establishment of new Agency 	<ul style="list-style-type: none"> Dec. 31, 2021 	<ul style="list-style-type: none"> Consider how the Agency impacts the City’s results
Asset retirement obligations	<ul style="list-style-type: none"> Requires recognition of retirement costs upfront (i.e. more liabilities) 	<ul style="list-style-type: none"> Dec. 31, 2023 	<ul style="list-style-type: none"> Review the City’s future financial commitments when assets are disposed
Financial instruments	<ul style="list-style-type: none"> Requires an additional financial statement Ongoing re-measurement 	<ul style="list-style-type: none"> Dec. 31, 2023 	<ul style="list-style-type: none"> Enhance information regarding how City investments are performing
Revenues, acquired intangibles, and public-private partnerships	<ul style="list-style-type: none"> Identifies specific conditions for revenue recognition Introduces new type of asset (e.g. software) Establishes how to report projects involving the private sector 	<ul style="list-style-type: none"> Dec. 31, 2024 	<ul style="list-style-type: none"> May impact revenue balance accounting Identify and monitor new capital investments

Our future: The path forward



Response
& recovery



Financial
sustainability



Climate
action


Our year, our story: Efforts during unprecedented times – COVID-19

Our 2020 Annual Financial Report contains more than the City’s financial statements. We feature the story of how the city came together during COVID-19.




Management discussion & analysis

- Response to COVID 19
- Annual highlights and achievements
- State of our finances



Climate metrics and disclosures

- Purpose of climate metrics and disclosures
- Changes in 2020



Statistical information

- Demographic and non financial information
- Additional financial details

Thank you