Consolidated financial statements of

City of Guelph

December 31, 2013

City of Guelph

December 31, 2013

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Deloitte LLP
4210 King Street East
Kitchener ON N2P 2G5
Canada

Tel: 519-650-7600
Fax: 519-650-7601
www.deloitte.ca

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the
City of Guelph

We have audited the accompanying financial statements of City of Guelph, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Guelph as at December 31, 2013 and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Charted Professional Accountants, Chartered Accountants
Licensed Public Accountants
June 23, 2014

City of Guelph

Consolidated statement of financial position
as at December 31, 2013
('000's)

	2013	2012
	$	$
Financial assets		
Cash	**27,347**	47,953
Investments (Note 3)	**174,425**	116,006
Taxes receivable	**4,109**	5,353
Accounts receivable	**20,707**	28,604
Loans and notes receivable	**1,624**	900
Investment in Guelph Junction Railway Inc. (Note 4)	**6,453**	6,225
Investment in Guelph Municipal Holdings Inc. (Note 5)	**72,428**	76,367
	307,093	281,408
Liabilities		
Accounts payable and accrued liabilities	**52,555**	29,037
Accrued interest payable	**695**	742
Vacation and other employee benefits payable	**4,990**	5,668
Developer agreement deferred revenue	**4,123**	1,911
Other deferred revenue	**14,640**	12,574
Deferred contributions (Note 6)	**61,627**	40,454
Employee future benefits (Note 8)	**28,622**	26,568
Debt (Note 9)	**102,077**	112,012
Obligation under capital lease (Note 10)	**153**	162
Landfill post-closure liability (Note 11)	**4,580**	5,050
Other long-term liabilities (Note 12)	**1,553**	396
	275,615	234,574
Net financial assets	**31,478**	46,834
Non-financial assets		
Tangible capital assets (Note 13)	**968,086**	966,325
Inventory	**1,819**	1,967
Prepaid expenses	**1,956**	1,672
	971,861	969,964
Contingencies (Note 18)		
Commitments and guarantees (Note 19)		
Accumulated surplus (Note 14)	**1,003,339**	1,016,798

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

City of Guelph

Consolidated statement of operations and accumulated surplus
year ended December 31, 2013
('000's)

	2013 Budget (Note 21)	2013 Actual	2012 Actual
	$		$
Revenues			
Taxation			
Property taxation (Note 2)	**192,355**	**192,593**	184,138
Property taxation - Downtown Guelph Business Association	**460**	**460**	424
Penalties and interest on taxes	**1,413**	**1,239**	1,319
	194,228	**194,292**	185,881
User charges	**83,884**	**84,193**	79,609
Contributed subdivision assets	**-**	**6,525**	20,744
Contributions			
Government of Canada	**6,879**	**5,784**	4,115
Province of Ontario	**24,576**	**48,019**	48,572
Municipal	**2,972**	**3,742**	3,054
Developers	**6,663**	**4,073**	9,930
Other	**3,767**	**666**	834
	128,741	**153,002**	166,858
Other			
Investment income	**3,301**	**5,124**	6,006
Donations	**369**	**584**	600
Sales of equipment, publications	**4,161**	**4,452**	4,955
Recoveries	**2,290**	**8,232**	11,011
Licences and permits	**3,307**	**3,196**	2,811
Provincial Offenses Act revenues	**3,636**	**3,281**	3,813
Other fines	**1,023**	**942**	874
(Loss) gain on disposal of tangible capital assets	**5,095**	**(2,186)**	642
Loss from Government Business Enterprises	**-**	**(4,488)**	(1,618)
	23,182	**19,137**	29,094
Total revenues	**346,151**	**366,431**	381,833
Expenses			
General government	**27,852**	**37,205**	22,040
Protection services	**71,763**	**71,413**	68,977
Transportation services	**50,014**	**72,950**	58,074
Environmental services	**62,569**	**68,493**	65,971
Health services	**28,267**	**24,402**	22,411
Social and family services	**43,157**	**41,849**	43,773
Social housing	**21,264**	**20,282**	17,200
Recreation and cultural services	**35,803**	**36,221**	36,651
Planning and development	**5,544**	**7,075**	7,097
Total expenses	**346,233**	**379,890**	342,194
Excess of (expenses over revenues) revenues over expenses for the year	**(82)**	**(13,459)**	39,639
Accumulated surplus, beginning of year	**1,016,798**	**1,016,798**	977,159
Accumulated surplus, end of year	**1,016,716**	**1,003,339**	1,016,798

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

City of Guelph

Consolidated statement of change in net financial assets
year ended December 31, 2013
('000's)

	2013 Budget (Note 21)	2013 Actual	2012 Actual
		$	$
Excess of (expenses over revenues) revenue over expenses for the year	**(82)**	**(13,459)**	39,639
Amortization of tangible capital assets	**39,475**	**43,285**	41,192
Acquisition of tangible capital assets	**(57,652)**	**(41,429)**	(49,797)
Contributed subdivision assets	**-**	**(6,525)**	(20,744)
(Loss) gain on disposal of tangible capital assets	**5,095**	**2,186**	(642)
Proceeds on disposal of tangible capital assets	**-**	**722**	1,211
Acquistion of inventory	**-**	**(1,819)**	(1,967)
Consumption of inventory	**-**	**1,967**	2,162
Acquisition of prepaid expenses	**-**	**(1,956)**	(1,672)
Use of prepaid expenses	**-**	**1,672**	565
(Decrease) increase in net financial assets for the year	**(13,164)**	**(15,356)**	9,947
Net financial assets, beginning of year	**46,834**	**46,834**	36,887
Net financial assets, end of year	**33,670**	**31,478**	46,834

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

City of Guelph

Consolidated statement of cash flows
year ended December 31, 2013
('000's)

	2013	2012
	$	$
Operating activities		
Excess of (expenses over revenues) revenues over expenses for the year	**(13,459)**	39,639
Items not affecting cash:		
Amortization of tangible capital assets	**43,285**	41,192
Loss (gain) on disposal of tangible capital assets	**2,186**	(642)
Contributed subdivision assets	**(6,525)**	(20,744)
Allowance on asset backed investment	**(160)**	(369)
Unrealized gain on interest rate swap contracts	**(453)**	(129)
Loss from Government Business Enterprises	**4,488**	1,618
Employee future benefit expenses	**2,054**	(978)
Landfill post-closure recovery	**(470)**	(650)
Changes in non-cash working capital:		
Taxes receivable	**1,244**	2,587
Accounts receivable	**7,897**	5,901
Developer agreement receivable/deferred revenue	**2,212**	1,999
Inventory	**148**	195
Prepaid expenses	**(284)**	(1,107)
Accounts payable and accrued liabilities	**23,971**	(12,377)
Accrued interest payable	**(47)**	(52)
Vacation and other employee benefits payable	**(678)**	93
Other deferred revenue	**2,066**	1,505
Other long-term liabilities	**1,157**	396
Cash provided by operating	**68,632**	58,077
Capital and investing activities		
Acquisition of tangible capital assets	**(41,429)**	(49,797)
Proceeds from disposal of tangible capital assets	**722**	1,211
Investment in Guelph Municipal Holdings Inc.	**(777)**	-
Change in loans and notes receivable	**(724)**	415
Net investment acquisitions	**(58,259)**	(403)
Cash used by capital and investing	**(100,467)**	(48,574)
Financing activities		
Proceeds from debt issuance	**-**	10,220
Repayment of debt principal	**(9,935)**	(19,563)
Net change in obligation under capital lease	**(9)**	28
Net change in deferred contributions	**21,173**	14,669
Cash provided by financing	**11,229**	5,354
(Decrease) increase in cash for the year	**(20,606)**	14,857
Cash, beginning of year	**47,953**	33,096
Cash, end of year	**27,347**	47,953

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

1. Significant accounting policies

The consolidated financial statements of the Corporation of the City of Guelph (the "City") have been prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the City are as follows:

Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenses and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of those City functions or entities which have been determined to comprise a part of the aggregate City operations based upon control exercised by the City, except for the City's government businesses which are accounted for on the modified equity basis of accounting.

Consolidated entities

In addition to the City departments, the reporting entity includes the following:

Guelph Public Library Board
Guelph Police Services Board
Downtown Guelph Business Association
The Elliott

All interfund assets, liabilities, revenues and expenses have been eliminated. The Elliott's fiscal year ends March 31, which does not coincide with the City's fiscal year end. The Elliott has been consolidated using the fiscal year ending March 31, 2013.

Proportionately consolidated entities

The City reports only its share of assets, liabilities and results of operations of any government partnerships in which it participates. The City participates in the Wellington-Dufferin-Guelph Public Health Unit to the extent of 45.9% (2012 – 45.2 %) based on population, as stated in agreement with the other participants.

Modified equity basis entities

The investments in Guelph Municipal Holdings Inc. and Guelph Junction Railway Company are accounted for on a modified equity basis, consistent with the public sector accounting standards for the treatment of government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated. Under the modified equity basis of accounting, the carrying value of the investment in subsidiaries is adjusted to reflect the City's share of the net asset change of the investee.

Basis of accounting

Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting except for revenues generated under the Provincial Offences Act which are accounted for on the cash basis. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that gave rise to the revenues; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services or the creation of an obligation to pay.

1. Significant accounting policies (continued)

Basis of accounting (continued)

Taxes receivable and related revenues

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by the City Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings.

Taxation revenues are recorded at the time the tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded as a reduction of tax revenue when the result of the appeal process is reasonably certain. The City is entitled to collect interest and penalties on overdue taxes and these revenues are recorded in the period the interest and penalties are levied. Tax revenue is recorded net of reductions including rebates. Taxes receivable are reported net of any expense or allowance for doubtful accounts.

Reserves and reserve funds

Certain amounts, as approved by City Council, are set aside in reserves and reserves funds for future operating and capital purposes. Reserve Funds are interest bearing and the current year earned interest is accounted for as an adjustment within accumulated surplus.

Deferred revenue and deferred contributions

Deferred revenues and deferred contributions represent property taxes, user charges and fees, developer contributions and other grant revenues which have been collected but for which the related services or expenses have yet to be incurred. These revenues have certain restrictions and will be recognized in the fiscal year the services are performed, or expenses incurred.

Tangible capital assets

(i) 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, of the tangible capital assets are amortized on a straight-line basis over their estimated lives as follows:

Land improvements	- 20 to 75 years
Buildings	- 10 to 75 years
Machinery and equipment	- 3 to 25 years
Vehicles	- 5 to 15 years
Sanitary sewers infrastructure	- 50 to 80 years
Storm sewer infrastructure	- 15 to 80 years
Transportation infrastructure	- 20 to 80 years
Waterworks infrastructure	- 5 to 80 years

The City has various capitalization thresholds, so that individual tangible capital assets of lesser value are expensed, unless the assets have significant value collectively (pooled assets). Examples of pools are desktop and laptop computers, police equipment, traffic signals, streetlights, and fire equipment.

(ii) Land purchased for service delivery purposes is recorded as a tangible capital asset at cost. Any land cost premium incurred or discount received related to expropriation will be included as part of the asset to be constructed and amortized over its' useful life.

(iii) Tangible capital assets received as contributions are recognized at their fair value at the date of receipt, and correspondingly recognized as revenue in that period. Similarly, contributions of assets to a third party are recorded as an expense equal to the net book value of the tangible capital asset as of the date of transfer.

1. Significant accounting policies (continued)

Basis of accounting (continued)

Tangible capital assets (continued)

(iv) Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of the asset are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Employee future benefit obligations

The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions of mortality and termination rates, retirement age and expected inflation rates.

Past service costs from plan amendments, if any, are deferred and amortized on a straight-line basis over the average remaining service life of active employees at the date of the amendment. Actuarial gains and losses on the accrued benefit obligation arise from differences between the actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net actuarial gains or losses over 10% of the benefit obligation is amortized over the average remaining service life of active employees.

Government transfers

Government transfers are recognized as revenues by the City in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions or programs to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

Investment income

Investment income earned on available funds and loans receivable are reported as revenue in the period earned. Investment income earned on deferred contributions is recorded as an increase to deferred contributions.

Use of estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowance for asset backed investments, valuation allowances for receivables, certain accrued liabilities and obligations related to employee future benefits, landfill post closure liability and the carrying value of tangible capital assets. Actual results could differ from these estimates.

Adoption of new accounting standards

As at January 1, 2013 the City adopted Public Sector Accounting Handbook Section PS 3410 "Government transfers". There was no impact on the financial statements as a result of the adoption of this new standard.

Future accounting changes

Effective for fiscal periods beginning on or after April 1, 2014, all governments will be required to adopt PSAB Section 3260, Liability for Contaminated Sites. This standard provides guidance on how to account for and report a liability associated with the remediation of contaminated sites, defines which activities would be included in the liability for remediation, establishes when to recognize and how to measure a liability for remediation and provides guidance on financial statement presentation and disclosure.

1. Significant accounting policies (continued)

Future accounting changes (continued)

Effective for fiscal periods beginning on or after April 1, 2015, all governments will be required to adopt PSAB Section 2601, Foreign Currency Translation, PSAB Section 3450 Financial Instruments and PSAB Section 1201 Financial Statement Presentation. This standard provides guidance on how to account for and report on financial instruments and related revenue and expenditures and also provides guidance on financial statement presentation and disclosure.

The City is currently in the process of evaluating the potential impact of adopting these standards.

2. Taxation revenue

a) Taxation collected on behalf of school boards

The net taxation levies collected on behalf of the school boards are comprised of the following:

	2013	2012
	$	$
Taxation	**61,942**	60,879
Payments in lieu	**3**	2
	61,945	60,881
Requisitions	**(61,945)**	(60,881)
Net levy for the year	-	-

Included in accounts receivable are levies owed from the school boards totaling $4 (2012 - $316).

b) Taxation revenue by major tax class

2013	**Taxes - own purpose**	**Payments in lieu**	**Supplem-entary taxes**	**Rebates & Write-offs**	**2013 Total**
	$	**$**	**$**	**$**	**$**
Residential	**121,218**	**26**	**2,017**	**(215)**	**123,046**
Multi-Residential	**13,865**	**-**	**21**	**(366)**	**13,520**
Commercial	**31,527**	**4,269**	**1,823**	**(834)**	**36,785**
Industrial	**18,066**	**139**	**435**	**(1,530)**	**17,110**
Pipelines	**524**	**-**	**12**	**-**	**536**
Farmlands	**18**	**-**	**-**	**10**	**28**
Managed Forests	**2**	**-**	**-**	**-**	**2**
Other	**-**	**1,705**	**-**	**(139)**	**1,566**
Total tax revenue	**185,220**	**6,139**	**4,308**	**(3,074)**	**192,593**

2. Taxation revenue (continued)

b) Taxation revenue by major tax class (continued)

2012	Taxes - own purpose	Payments in lieu	Supplem-entary taxes	Rebates & Write-offs	2012 Total
	$	$	$	$	$
Residential	113,358	13	2,858	(122)	116,107
Multi-Residential	12,933	-	-	(163)	12,770
Commercial	30,202	4,279	1,423	(948)	34,956
Industrial	19,030	131	256	(1,342)	18,075
Pipelines	500	-	16	-	516
Farmlands	12	-	-	10	22
Managed Forests	2	-	-	-	2
Other	24	1,666	-	-	1,690
Total tax revenue	176,061	6,089	4,553	(2,565)	184,138

3. Investments

Investments are recorded at cost. The cost and market values are as follows:

	2013		2012	
	Market	**Cost**	Market	Cost
	$	**$**	$	$
Short-term investments	**76,314**	**76,000**	58,061	57,755
Long-term investments	**98,134**	**98,425**	59,482	58,251
	174,448	**174,425**	117,543	116,006

In 2009, a restructuring plan was implemented to convert frozen short-term asset-backed commercial paper to long-term notes of various classes with terms matching the maturity of the underlying assets. As a result of the exchange, the City recorded the new carrying value (increase of $64) but recognized the highly speculative nature of any ultimate payment of principal at maturity by recording a provision for impairment. The impairment is recorded net of the cost of the long-term investments and is estimated to be 10% of the investment cost or $213 (2012 - 18% or $373).

4. Investment in Guelph Junction Railway Company

The City of Guelph owns 100% of Guelph Junction Railway Company (the "Railway"). The following table provides condensed supplementary financial information for the year ended December 31:

	2013	2012
	$	$
Financial position		
Current assets	**726**	1,028
Property, plant and equipment	**8,154**	8,166
Total assets	**8,880**	9,194
Current liabilities	**475**	759
Long-term debt	**1,053**	1,274
Deferred capital contributions	**899**	936
Total liabilities	**2,427**	2,969
Net assets	**6,453**	6,225
Results of operations		
Revenues	**2,242**	2,087
Operating expenses	**2,014**	1,812
Net income	**228**	275
Retained earnings, beginning of year	**6,272**	5,997
Retained earnings, end of year	**6,500**	6,272

Related party transactions

The City pays certain expenses and receives certain revenues on behalf of the Railway for which the Railway reimburses the City periodically through the year. During the year, these net expenses reimbursed to the City amounted to $243 (2012 - $1,483). Included in accounts receivable is an amount owing from the Railway of $19 (2012 - $343) related to the reimbursement of these current year net expenditures. Additional payments in 2013 of $50 (2012 - $50) were made to the City to repay the amount owing from prior years. The total amount owing to the City at year end is $45 (2012 - $95) and is included as part of loans and notes receivable.

The Railway also paid the City $23 (2012 - $23) in office rent and administration fees. These transactions were made in the normal course of business and have been recorded at the exchange amounts.

5. Investment in Guelph Municipal Holding Inc.

The City of Guelph owns 100% of Guelph Municipal Holdings Inc.("GMHI") which owns 100% of the shares of Guelph Hydro Inc. ("GHI"), which in turn owns 100% of Guelph Hydro Electric Systems Inc. and 100% of Envida Community Energy Inc.. The following table provides condensed supplementary financial information for GMHI for the year ended December 31:

	2013	2012
	$	$
Financial position		
Current assets	**45,636**	50,057
Property, plant and equipment	**139,414**	130,798
Intangible assets	**351**	314
Deferred charges	**40**	40
Future income taxes	**5,801**	6,885
Total assets	**191,242**	188,094
Current liabilities	**29,302**	24,933
Customer deposits and deferred revenue	**16,388**	13,509
Long-term debt	**64,575**	65,237
Employee future benefits	**8,549**	8,048
Total liabilities	**118,814**	111,727
Total shareholder's equity	**49,193**	48,576
Net assets	**23,235**	27,791
Total investment	**72,428**	76,367
Results of operations		
Revenues	**168,841**	147,542
Cost of sales	**145,253**	119,872
Operating expenses	**26,925**	26,738
Income taxes	**(299)**	(125)
Total expenses	**171,879**	146,485
Net (loss) income	**(3,038)**	1,057
Retained earnings, beginning of year	**27,791**	29,684
Dividends	**(1,518)**	(2,950)
Retained earnings, end of year	**23,235**	27,791

Related party transactions

GHI pays certain expenses and receives certain revenues on behalf of the City related to customer water billings for which GHI remits to the City bi-monthly. During the year, these net revenues received amounted to $48,138 (2012 - $44,478). Amounts owing to the City related to these transactions total $8,876 (2012 - $8,613) and are included in accounts receivable.

Dividend income was received from GMHI of $1,518 (2012 - $2,950) and is reported as part of investment income. These transactions were made in the normal course of business and have been recorded at the exchange amounts.

During the year the year, the City purchased 777 common shares of GMHI for $1,000 per share.

6. Deferred contributions

The following funds have statutory restrictions and as such are classified as deferred contributions:

	Beginning balance 2013	2013 Inflows	2013 Outflows	Ending balance 2013
	$	$	$	$
Development charges	27,557	25,741	8,156	45,142
Grants	10,655	10,105	7,980	12,780
Other	2,242	1,502	39	3,705
	40,454	37,348	16,175	61,627

The development charges are restricted for use to fund growth related capital expenditures in accordance with the Development Charges Act. The deferred grants include federal gas tax funds, provincial gas tax funds, infrastructure stimulus funds, federal public transit funds and Ontario bus replacement funds. Each of the grants has a specified set of restrictions that outlines how the funds can be utilized. The other deferred contributions include funds received for parkland dedication as restricted under the Planning Act and funds received in relation to the Ontario Building Code Act.

7. Pension agreement

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of the 1,871 (2012 – 1,848) members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The multi-employer plan is valued on a current market basis for all plan assets.

The amount contributed to OMERS for 2013 is $12,547 (2012 - $11,111) for current service and is reported as an expense on the consolidated statement of operations and accumulated surplus.

As at December 31, 2013, the City has no obligation under the past service provisions of the OMERS agreement.

As at December 31, 2013 the OMERS plan is in a deficit position of $8.6 billion (2012 - $9.9 billion), which will be addressed through temporary contribution rate increases, benefit reductions, and investment returns.

8. Employee future benefits

Employee future benefits are current costs of the City to its employees and retirees for benefits earned but not taken as at December 31, and consist of the following:

	2013	2012
	$	$
Workplace Safety and Insurance ("WSIB")	**4,692**	3,867
Sick leave	**8,775**	8,288
Post retirement benefits	**15,155**	14,413
	28,622	26,568

8. Employee future benefits and other liabilities (continued)

a) Liability for Workplace Safety & Insurance ("WSIB")

The City is a Schedule II employer under the Workplace Safety and Insurance Act. As a Schedule II employer, the City assumes the liability for any award made under the Act. A comprehensive actuarial valuation of the future liability for WSIB benefits was conducted as at December 31, 2012 and has been extrapolated to estimate the liability for the 2013 through 2015 period. The next required valuation will be as of December 31, 2015.

The significant actuarial assumptions adopted in estimating the City's WSIB liabilities are as follows:

- Discount rate — 4% (2012 - 5%)
- Expected future WSIB payments per lost time injury — 49% (2012 - 52%)
- Health care inflation — CPI plus 4% (2012 - CPI plus 4%)
- WSIB Administration Rate — 36% (2012 - 22%)
- Lost time injury count — 51 (2012 - 46)

Information about the City's WSIB liability is as follows:

	2013	2012
	$	$
Accrued benefit obligation, beginning of year	**4,359**	4,153
Plan amendment	**468**	-
Current service cost	**771**	735
Interest	**208**	208
Benefits paid	**(772)**	(737)
Accrued benefit obligation, end of year	**5,034**	4,359
Unamortized net actuarial loss	**(342)**	(492)
	4,692	3,867

Information about the City's WSIB expenses recognized in the period is as follows:

	2013	2012
	$	$
Plan amendment	**468**	-
Current period benefit cost	**771**	735
Amortization of losses	**150**	112
Interest expense	**208**	208
	1,597	1,055

A reserve in the amount of $1,663 (2012 - $2,246) has been accumulated to fund this liability.

b) Liability for sick leave

Under the sick leave benefit plan, unused sick leave can accumulate for certain employees and these employees may become entitled to a cash payment when they leave the City's employment.

A comprehensive actuarial valuation was completed as of December 31, 2012 and extrapolated for the 2013 year end. The next required valuation will be as of December 31, 2015.

8. Employee future benefits and other liabilities (continued)

b) Liability for sick leave (continued)

The significant actuarial assumptions adopted in estimating the City's sick leave liabilities are as follows:

- Discount rate — 4.75% (2009 - 5%)
- Inflation rate — 2% (2009 - 2%)
- Future salaries — 3.5% per year (2009 – 3.5%)

Information about the City's sick leave liability is as follows:

	2013	2012
	$	$
Accrued benefit obligation, beginning of year	**10,303**	12,401
Current service cost	**678**	982
Interest	**485**	591
Plan amendment	-	(2,777)
Benefits paid	**(842)**	(894)
Accrued benefit obligation, end of year	**10,624**	10,303
Unamortized net actuarial loss	**(1,849)**	(2,015)
	8,775	8,288

During 2012, the CUPE 241 and 1946 collective bargaining unions ratified a new contract that eliminated the accumulated sick leave benefit. As a result, the City obtained an updated actuarial valuation for sick leave for these two plans as of December 31, 2012. This plan amendment resulted in a reduction to the sick leave obligation of $2,777 in 2012.

Information about the City's sick leave expenditures recognized in the period are as follows:

	2013	2012
	$	$
Current period benefit cost	**678**	982
Amortization of net actuarial (gain) loss	**166**	164
Plan amendment	**-**	(2,777)
Interest expense	**485**	591
	1,329	(1,040)

There are currently reserves totaling $8,201 (2012 - $7,701) available to fund this liability.

c) Post retirement benefits

The City provides dental and health care benefits between the time an employee retires under OMERS, or retires at a normal retirement age, up to the age of 65.

The significant actuarial assumptions adopted in estimating the City's liabilities are as follows:

- Discount rate — 4.75% (2009 – 5.0%)
- Consumer price index — 2.0% (2009 - 2.0%)
- Prescription Drugs Trend Rate — 7.67% reducing 4.0% per year to reach 4.0% per year starting in 2019 (2009 – no change)
- Dental and other Medical Trend Rates — 4.0% (2009 – 4.0%)

8. Employee future benefits and other liabilities (continued)

c) Post retirement benefits (continued)

Information about the City's employee post-retirement benefits are as follows:

	2013	2012
	$	$
Accrued benefit obligation, beginning of year	**15,765**	15,250
Current service cost	**716**	670
Interest	**746**	720
Benefits paid	**(843)**	(875)
Accrued benefit obligation, end of year	**16,384**	15,765
Unamortized net actuarial loss	**(1,229)**	(1,352)
	15,155	14,413

Information about the City's employee future benefit expenses recognized in the period are as follows:

	2013	2012
	$	$
Current period benefit cost	**716**	670
Amortization of net actuarial loss	**123**	123
Interest expense	**746**	720
	1,585	1,513

A comprehensive actuarial valuation was completed as of December 31, 2010, and extrapolated for the 2013 year end. The next required valuation will be as of December 31, 2013.

There are currently reserves totaling $1,298 (2012 – $1,624) available to fund this liability.

9. Debt

a) The debt is comprised of the following components:

	2013	2012
	$	$
Operating line of credit - bearing interest at prime	**800**	800
Debentures - repayable at rates ranging from 0.095% to 5.237% and maturing from 2014 through 2031	**80,502**	89,151
Long-term loans - repayable at rates ranging from prime to 6.38% and maturing from 2015 through 2025	**18,406**	19,607
Banker's acceptance, interest at 4.83% fixed through a swap transaction, plus a stamping fee of 1.25% for a total of 6.08% repayable quarterly, maturing 2015 with option to refinance for an additional ten years, net of transaction costs	**2,369**	2,454
	102,077	112,012

9. Debt (continued)

Included in accounts payable and accrued liabilities is $1,132 (2012 - $1,818) representing the fair market value of the interest rate swap facilities.

All debt is payable in Canadian dollars. Refer to schedule 3 for further details.

b) The debt is repayable in the following periods and will be funded through the following revenue sources:

	General taxation	User pay and other	Developer contributions	Total
	$	$	$	$
2014	6,501	1,961	1,781	10,243
2015	6,711	3,937	1,817	12,465
2016	6,924	1,460	1,854	10,238
2017	16,540	1,483	1,926	19,949
2018	6,476	1,535	1,999	10,010
Thereafter	29,162	7,939	2,071	39,172
	72,314	18,315	11,448	102,077

c) Total charges during the year for debt are as follows:

	2013	2012
	$	$
Principal repayments	**9,935**	19,563
Interest	**4,157**	4,552
	14,092	24,115

10. Obligation under capital lease:

A consolidated entity of the City has financed certain equipment through a capital lease arrangement as follows:

	2013	2012
	$	$
2013	**-**	55
2014	**91**	55
2015	**55**	55
2016	**55**	55
2017	**5**	5
Total minimum lease payments	**206**	225
Less amount representing interest at 8.5%	**(53)**	(63)
Present value of net minimum capital lease payments	**153**	162

Interest of $18 (2012 - $13) relating to capital lease obligations has been included in interest expense.

11. Landfill post-closure liability

The City owns one landfill site. This landfill site was closed in 2003. The liability for post-closure costs has been reported on the consolidated statement of financial position. The liability was calculated based upon the present value of estimated post-closure costs discounted to December 31, 2013 at a factor of 3.5% (2012 – 3.5%) per annum. Post-closure care is estimated to be required for 35 years from the date of site closure.

The estimated expenditures for post-closure care as at December 31, 2013 are $4,580 (2012 - $5,050).

There are no reserve funds established to fund this liability as at December 31, 2013, as the City is funding this cost annually through the budget process.

12. Other long-term liabilities

The City offers three tax-increment based grant ("TIBG") programs in the areas of Heritage Redevelopment, Brownfield Redevelopment and Downtown Development.

The tax-increment based grants are approved individually by Council and require annual reporting and property tax payment by the applicant in order for the City to pay a grant installment. The agreements have two identifiable phases: i) grant pre-approval and construction phase; ii) grant approval and payment phase.

The City has four TIBG agreements that are in the grant payment phase:

a) TIBG Agreements

	2013	**2012**
	$	**$**
Heritage Redevelopment	**1,553**	**396**

b) The TIBG's are repayable in the following periods:

	2013	2012
	$	$
2013	**-**	98
2014	**319**	98
2015	**213**	98
2016	**217**	98
2017	**126**	2
2018	**129**	2
Thereafter	**549**	-
	1,553	396

13. Tangible capital assets

				2013
Cost	Balance, beginning of year	Additions	Disposals	Balance, end of year
	$	$	$	$
Land and land improvements	**73,109**	**4,929**	**(98)**	**77,940**
Buildings	**268,034**	**19,506**	**(1,687)**	**285,853**
Machinery and equipment	**128,586**	**14,417**	**(5,059)**	**137,944**
Assets under capital lease	**227**	**75**	**-**	**302**
Vehicles	**62,642**	**8,446**	**(5,377)**	**65,711**
Infrastructure				
Sanitary sewers & waste water	**260,988**	**4,021**	**-**	**265,009**
Storm water	**180,998**	**4,856**	**-**	**185,854**
Transportation	**373,491**	**11,537**	**-**	**385,028**
Waterworks	**220,659**	**5,309**	**-**	**225,968**
Assets under construction	**29,336**	**(25,142)**	**-**	**4,194**
	1,598,070	**47,954**	**(12,221)**	**1,633,803**

Accumulated amortization	Balance, beginning of year	Amortization	Disposals	Balance, end of year
	$	$	$	$
Land and land improvements	**4,217**	**672**	**(2)**	**4,887**
Buildings	**71,141**	**9,234**	**(573)**	**79,802**
Machinery and equipment	**83,364**	**7,726**	**(4,284)**	**86,806**
Assets under capital lease	**68**	**44**	**-**	**112**
Vehicles	**33,130**	**5,857**	**(4,454)**	**34,533**
Infrastructure				
Sanitary sewers & waste water	**124,590**	**4,430**	**-**	**129,020**
Storm water	**45,090**	**2,766**	**-**	**47,856**
Transportation	**186,278**	**7,767**	**-**	**194,045**
Waterworks	**83,867**	**4,789**	**-**	**88,656**
	631,745	**43,285**	**(9,313)**	**665,717**

Net book value	Balance, beginning of year	Balance, end of year
	$	$
Land and land improvements	**68,892**	**73,053**
Buildings	**196,893**	**206,051**
Machinery and equipment	**45,222**	**51,138**
Asset under capital lease	**159**	**190**
Vehicles	**29,512**	**31,178**
Infrastructure		
Sanitary sewers & waste water	**136,398**	**135,989**
Storm water	**135,908**	**137,998**
Transportation	**187,213**	**190,983**
Waterworks	**136,792**	**137,312**
Assets under construction	**29,336**	**4,194**
	966,325	**968,086**

13. Tangible capital assets (continued)

				2012
Cost	Balance, beginning of year	Additions	Disposals	Balance, end of year
	$	$	$	$
Land and land improvements	68,363	4,756	(10)	73,109
Buildings	256,853	11,672	(491)	268,034
Machinery and equipment	109,992	18,553	41	128,586
Assets under capital lease	162	65	-	227
Vehicles	56,291	7,640	(1,289)	62,642
Infrastructure				
Sanitary sewers & waste water	250,937	10,053	(2)	260,988
Storm water	169,823	11,175	-	180,998
Transportation	341,805	31,686	-	373,491
Waterworks	195,512	25,147	-	220,659
Assets under construction	79,542	(50,206)	-	29,336
	1,529,280	70,541	(1,751)	1,598,070

Accumulated amortization	Balance, beginning of year	Amortization	Disposals	Balance, end of year
	$	$	$	$
Land and land improvements	3,568	649	-	4,217
Buildings	61,298	10,133	(290)	71,141
Machinery and equipment	75,953	7,226	185	83,364
Assets under capital lease	32	36	-	68
Vehicles	29,048	5,157	(1,075)	33,130
Infrastructure				
Sanitary sewers & waste water	120,396	4,196	(2)	124,590
Storm water	42,146	2,944	-	45,090
Transportation	179,459	6,819	-	186,278
Waterworks	79,835	4,032	-	83,867
	591,735	41,192	(1,182)	631,745

Net book value	Balance, beginning of year	Balance, end of year
	$	$
Land and land improvements	64,795	68,892
Buildings	195,555	196,893
Machinery and equipment	34,039	45,222
Assets under capital lease	130	159
Vehicles	27,243	29,512
Infrastructure		
Sanitary sewers & waste water	130,541	136,398
Storm water	127,677	135,908
Transportation	162,346	187,213
Waterworks	115,677	136,792
Assets under construction	79,542	29,336
	937,545	966,325

14. Accumulated surplus

The accumulated surplus is comprised of the following components:

	2013	2012
	$	$
Reserves set aside for specific purpose by Council:		
for employee future benefits	**11,162**	11,571
for stabilization and contingency	**12,202**	11,395
for program related purposes	**9,341**	10,883
Reserves set aside by Downtown Guelph Business Association		
for contingency	**-**	17
Reserves set aside by Wellington-Dufferin-Guelph Public Health		
for contingency	**190**	185
Total reserves - Schedule 4	**32,895**	34,051
Reserve funds set aside for specific purpose by Council:		
for capital financing purposes	**123,313**	113,660
Reserves set aside by Wellington-Dufferin-Guelph Public Health		
for capital financing purposes	**4,318**	1,165
Total reserve funds - Schedule 4	**127,631**	114,825
Total reserves and reserve funds	**160,526**	148,876
Invested in tangible capital assets	**968,086**	966,325
Investment in Guelph Municipal Holdings Inc.	**72,428**	76,367
Investment in Guelph Junction Railway Company	**6,453**	6,225
Operating fund	**(63,732)**	(31,535)
Unfunded liabilities		
Net debt & obligation under capital lease	**(102,230)**	(112,174)
Employee future benefits and related liabilities	**(33,612)**	(32,236)
Landfill post closure liability	**(4,580)**	(5,050)
Total	**842,813**	867,922
Accumulated surplus	**1,003,339**	1,016,798

In accordance with the City's policy for reserve funds, interest is earned on the average reserve fund balance for the year at the average internal rate of return earned during the year. In 2013, $2,305 (2012 - $1,836) of interest was earned by the reserve funds and is an increase in reserve and reserve funds.

15. Expenses by object

The following is a summary of the current expenses reported on the consolidated statement of operations and accumulated surplus by the type of expenses:

	2013	2012
	$	$
Salaries, wages and employee benefits	**174,519**	163,609
Interest on debt	**4,157**	4,565
Materials	**56,595**	43,063
Purchased services	**38,412**	28,569
Rents and financial expenses	**9,896**	9,698
External transfers	**53,026**	51,498
Amortization of tangible capital assets	**43,285**	41,192
	379,890	342,194

16. Government partnerships

The City's share of 45.9% (2012 - 45.2%) the results of the Wellington-Dufferin-Guelph Public Health's operations for the year and its financial position at December 31 are included in the consolidated financial statements using proportionate consolidation and include the amounts as follows:

	2013	2012
	$	$
Assets	**7,094**	2,784
Liabilities	**9,992**	1,567
Net financial assets	**(2,898)**	1,217
Tangible capital assets	**7,988**	2,303
Prepaid expenses	**136**	133
Total non-financial assets	**8,124**	2,436
Accumulated surplus	**5,226**	3,653
Revenues	**10,591**	10,092
Expenses	**9,035**	8,041
Excess of revenue over expenses	**1,556**	2,051
Accumulated surplus, beginning of year	**3,653**	1,593
Transfer to reserves	**17**	9
Accumulated surplus, end of year	**5,226**	3,653

During the year, the City contributed $2,749 (2012 - $3,066) towards its share of the costs of the partnership.

16. Government partnerships (continued)

Financing Agreement:

On December 19, 2012, the City, the County of Wellington and the County of Dufferin (the "obligated municipalities") entered into a Financing Agreement with the Wellington-Dufferin-Guelph Public Heath ("Public Health") to finance the cost of building two new Public Health facilities at Chancellors Way, Guelph, and Broadway, Orangeville.

The Financing Agreement allows for quarterly advances of capital by the obligated municipalities to Public Health beginning in January 2013, until the completion of the new facilities. The total amount of the advances will not exceed $24,400. Interest will be calculated annually, commencing on the 1st day of the month following the date of substantial completion of both facilities. The interest rate will be 3.34% per annum, and the term and amortization of the loan will be twenty years. Repayment to the obligated municipalities will commence thirty days following certification by the project's architect of substantial completion of both facilities. The whole or any part of the capital financing under this agreement may be prepaid at any time or times without penalty or bonus.

17. Shared service agreements

Certain programs as mandated by provincial legislation are managed by neighboring municipalities on behalf of the City and certain programs are also managed by the City on behalf of other municipalities.

The City's share of revenues and expenses from social service programs managed by Wellington County are as follows:

	2013	2012
	$	$
Revenues		
Social housing	**5,090**	2,905
Child care	**7,271**	7,483
Social services	**11,703**	13,179
	24,064	23,567
Expenses		
Social housing	**19,762**	16,207
Child care	**9,521**	9,934
Social services	**15,651**	17,661
	44,934	43,802
Net expenses	**(20,870)**	(20,235)

The City's share of net expenses for social housing is 81% (2012 - 83%), child care 73% (2012 – 76%) and social services 68% (2012 – 70%).

Additionally, the City paid the County $1,233 (2012 - $1,164) for the City's share of expenses for the operation of Wellington Terrace, a long-term care facility.

The City's share of revenues and expenses from programs managed by the City are as follows:

17. Shared service agreements (continued)

	2013	2012
	$	$
Revenues		
Land Ambulance	**4,098**	4,059
Provincial Offences Act	**1,439**	1,942
	5,537	6,001
Expenses		
Land Ambulance	**8,713**	8,362
Provincial Offences Act	**907**	1,203
	9,620	9,565
Net expenses	**(4,083)**	(3,564)

The City's share of net expenses for land ambulance is 60% (2012 - 61%) and Provincial Offences Act is 46% (2012 – 53%).

The Provincial Offences Act revenues are recorded on a cash basis due to regulatory restrictions. As at December 31, 2013 there are $6,653 (2012 - $6,661) of over-due fines receivable and of this amount $501 (2012 - $324) is considered uncollectable.

The City's share of the net expenses for all the above programs, are included in the consolidated statement of operations and accumulated surplus.

18. Contingencies

a) In 2008, Urbacon Buildings Group Corp. served a Statement of Claim against the City pursuant to the Construction Lien Act seeking damages in excess of $12,000 and punitive and other damages totaling over $7,000. Subsequent to December 31, 2013, the Court ruled that the City was not within its rights to terminate the Urbacon construction contract, and a future court date will be set to determine damages. The City has appealed this decision, and as such disclosures usually required under PS 3300, Contingent Liabilities have not been made as doing so could have an adverse impact to the City.

b) During 2010, a claim was filed against the City seeking damages of $2,000 in relation to development charge disputes. The matter is currently on-going and the next court date is expected to occur in the fall of 2014.

c) From time to time, the City may be involved in other claims in the normal course of business. Management assesses such claims and where considered likely to be material exposure and, where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of likely outcome. The City does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of loss cannot be reasonably estimated. Any settlements or awards under such claims are provided when reasonably determinable.

19. Commitments and guarantees

a) The City has guaranteed a non-revolving facility for Guelph Community Sports which is supported by Council resolution authorizing provision of such guarantee in favour of Guelph Community Sports. The balance of the guaranteed facility is $502 as at August 31, 2013.

19. Commitments and guarantees (continued)

b) The City has commitments totaling $nil (2012 - $2,050) resulting from agreements entered into as part of the Heritage Redevelopment Grant Program. Grant expenses will be recognized upon the applicant meeting all the eligibility criteria.

c) The City has commitments totaling $10,727 (2012 - $3,821) resulting from agreements entered into as part of the Brownfield Tax Increment Based Grant Program. Grant expenses will be recognized in the year of reassessment by MPAC and when all eligibility criteria have been met by the applicant.

d) The City has commitments totaling $19,360 (2012 - $1,507) resulting from agreements entered into as part of the Major Downtown Activation Grant Program. Grant expenses will be recognized in the year of reassessment by MPAC and when all eligibility criteria have been met by the applicant.

f) The City has commitments under a variety of leases and agreements of which the longest expires on June 18, 2088. The minimum lease payments over the next five years are as follows:

	$
2014	742
2015	571
2016	568
2017	472
2018	456
Thereafter	1,691
	4,500

h) Other obligations include:

MacDonald Stewart Arts Centre

The City has committed to operating grants for 2014 totalling $177 (2013 - $179).

Other community grants

The City has committed to providing various grants to organizations in the community totalling $458 (2013 - $435).

20. Local Immigration Partnership

Included in the consolidated statement of operations and accumulated surplus are the activities of the Local Immigration Partnership Program (LIPP) which is a federally funded program for the purpose of creating a more welcoming community for immigrants by focusing efforts on employment services, English language training, community integration/inclusion and community services/programs. During 2013, the City of Guelph received $238 (2012 - $228) of funding from Citizenship and Immigration Canada related to the operation this program.

21. Budget figures

Budgets are established to set tax rates or to finance projects which may be carried out over one or more years. Budget figures have been translated to reflect changes in public sector accounting standards on the consolidated statement of operations and accumulated surplus by adjusting for amortization of tangible capital assets, including the consolidated entities and excluding budgeted amounts for the debt principal repayment and reserve transfers.

22. Segmented information

The City of Guelph is a diversified municipal government institution that provides a wide range of services to its citizens. For management reporting purposes, the City's operations and activities are organized and reported on in two groups: Operating Fund and Capital Fund. These funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Within the operating fund, the City's operations are further defined into the Tax Supported and Non-Tax Supported categories and then segregated in to five service area pillars: Community & Social Services, Operations, Transit and Emergency Services, Planning & Building and Engineering & Environment, Corporate & Human Resources, Finance & Enterprise.

Although City services are provided internally by these defined service areas, for financial reporting, the City has chosen to remain consistent with the Ontario Financial Information Return (FIR) and the nine functional areas that it prescribes. This will allow comparability between our Schedule of Segment Disclosure (Schedules 1 and 2 attached) and several schedules on the FIR that require full segment disclosure of operating expenditures and limited disclosure of operating revenues.

The services that have been separately disclosed in the segmented information are defined by the compositional requirements of the FIR as follows:

General Government

Governance (election management, Council, Council support, Office of the Mayor)

Corporate management (Office of the CAO, finance, corporate communications, legal, corporate properties and real estate and information technology)

Protection services

Police services, fire services, 911 service, court operations, building and structural inspection, parking enforcement, by-law enforcement and animal control

Transportation services

Roadways – including asphalt resurfacing and crack sealing, line painting, sweeping, traffic operations and maintenance of roadside areas, culverts and bridges.

Winter control, street lighting, parking and public transit

Environmental services

Water, Wastewater, storm sewers, and solid waste collection, disposal and recycling

Health services

Land ambulance operations and City's proportionate share of the Health Unit

Social housing

Social housing program costs

Social and family services

General assistance (Ontario Works) and childcare programs, contributions to Wellington Terrace, and The Elliot operations.

Recreation and cultural services

Parks, recreational facilities, recreational programs, libraries, museums, River Run Centre, Sleeman Centre and other cultural services

Planning and development services

Planning and zoning, Committee of Adjustment, tourism, economic development, and Downtown Guelph Business Association operations

23. Comparative figures

Certain 2012 comparative figures have been reclassified in order to present them in a form comparable to those for 2013.

City of Guelph

Consolidated schedule of segment disclosure - Schedule 1

year ended December 31, 2013

(Unaudited)

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Social Housing	Recreation & Cultural Services	Planning and Development	Total
	$	$	$	$	$	$	$	$	$	$
Revenues										
Taxation	194,292	-	-	-	-	-	-	-	-	194,292
User charges	805	1,006	11,941	54,147	29	8,860	-	6,330	1,075	84,193
Contributed subdivision assets	6,525	-	-	-	-	-	-	-	-	6,525
Contributions	756	1,778	8,581	4,122	17,074	22,855	5,090	1,868	160	62,284
Other										
Investment income	4,977	-	-	74	67		-	-	6	5,124
Donations	-	27	-	-	-	29	-	528	-	584
Sales of equipment, publications	2	4	7	2,845	-	76	-	1,512	6	4,452
Recoveries	408	415	5,228	646	-	611	-	795	129	8,232
Licences and permits	72	3,046	-	50	-	-	-	28	-	3,196
Provincial offences act	-	3,281	-	-	-	-	-	-	-	3,281
Other fines	-	942	-	-	-	-	-	-	-	942
Gain (loss) on disposal of tangible capital assets	-	(739)	86	(304)	(87)	1	-	(1,348)	205	(2,186)
Loss from Government Business Enterprises	(4,488)	-	-	-	-	-	-	-	-	(4,488)
	203,349	9,760	25,843	61,580	17,083	32,432	5,090	9,713	1,581	366,431
Expenses										
Salaries, wages and employee benefits	15,778	61,617	28,903	17,580	19,029	8,903	-	19,197	3,512	174,519
Interest on debt	1,003	461	225	1,053	5	598	-	601	211	4,157
Materials	4,416	2,191	32,485	10,703	1,122	1,000	-	4,308	370	56,595
Purchased services	13,803	2,852	3,990	11,032	842	1,729	495	2,657	1,012	38,412
Rents and financial expenses	2,353	186	1,271	3,980	789	43	-	1,233	41	9,896
External transfers	1,622	1,199	-	1,501	65	26,611	19,764	757	1,507	53,026
Internal charges	(5,193)	599	(7,105)	6,588	1,496	1,078	3	2,374	160	-
Amortization of tangible capital assets	3,423	2,308	13,181	16,056	1,054	1,887	20	5,094	262	43,285
	37,205	71,413	72,950	68,493	24,402	41,849	20,282	36,221	7,075	379,890
Excess of revenues over expenses (expenses over revenues)	166,144	(61,653)	(47,107)	(6,913)	(7,319)	(9,417)	(15,192)	(26,508)	(5,494)	(13,459)

City of Guelph

Consolidated schedule of segment disclosure - Schedule 2

year ended December 31, 2012

(Unaudited)

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Social Housing	Recreation & Cultural Services	Planning and Development	Total
	$	$	$	$	$	$	$	$	$	$
Revenues										
Taxation	185,881	-	-	-	-	-	-	-	-	185,881
User charges	252	959	11,888	51,089	32	8,324	-	6,141	924	79,609
Contributed subdivision assets	20,744	-	-	-	-	-	-	-	-	20,744
Contributions	120	1,712	8,899	7,821	16,606	24,526	2,905	3,329	587	66,505
Other										
Investment income	5,922		-	55	14	-	-	-	15	6,006
Donations	-	38	-	-	-	35	-	527	-	600
Sales of equipment, publications	-	1	8	3,429		80		1,422	15	4,955
Recoveries	476	447	7,908	648	-	445	-	934	153	11,011
Licences and permits	65	2,687	-	59	-	-	-	-	-	2,811
Provincial offences act	-	3,813	-	-	-	-	-	-	-	3,813
Other fines	-	874	-	-	-	-	-	-	-	874
Gain (loss) on disposal of tangible capital assets	169	48	(202)	(59)	9	-	-	677	-	642
Loss from Government Business Enterprises	(1,618)	-	-	-	-	-	-	-	-	(1,618)
	212,011	10,579	28,501	63,042	16,661	33,410	2,905	13,030	1,694	381,833
Expenses										
Salaries, wages and employee benefits	12,579	58,286	26,427	17,541	18,012	8,160	-	19,239	3,365	163,609
Interest on debt	1,046	488	252	1,117	5	610	-	675	372	4,565
Materials	1,599	1,949	20,907	10,512	1,162	1,990	23	4,381	540	43,063
Purchased services	5,325	2,943	3,600	9,991	905	1,003	492	2,875	1,435	28,569
Rents and financial expenses	1,983	139	962	3,928	688	617	-	1,339	42	9,698
External transfers	1,592	1,325	-	1,472	12	28,767	16,665	900	765	51,498
Internal charges	(5,435)	848	(5,620)	6,272	1,287	537	-	1,993	118	-
Amortization of tangible capital assets	3,351	2,999	11,546	15,138	340	2,089	20	5,249	460	41,192
	22,040	68,977	58,074	65,971	22,411	43,773	17,200	36,651	7,097	342,194
Excess of revenues over expenses (expenses over revenues)	189,971	(58,398)	(29,573)	(2,929)	(5,750)	(10,363)	(14,295)	(23,621)	(5,403)	39,639

City of Guelph

Consolidated schedule of debt - Schedule 3

December 31, 2013

('000's)

Bylaw	Project description	Term	Maturity date	Interest rates	2013	2012
					$	$
Debentures:						
17536	On behalf of the Elliott	10	15-Sep-14	2.75% to 5.20%	**304**	593
18105	New City Hall	25	28-Aug-31	5.237%	**16,281**	16,815
18105	New POA Court	25	28-Aug-31	5.237%	**4,592**	4,743
18622	Social Services Building Renovation	10	25-Sep-18	3.25% to 4.70%	**1,488**	1,753
18622	Police HQ Renovations	10	25-Sep-18	3.25% to 4.70%	**691**	814
18622	Road Projects - Gordon, Victoria, Cardigan, Clair	10	25-Sep-18	3.25% to 4.70%	**2,923**	3,443
18622	Bus Storage Area Expansion	10	25-Sep-18	3.25% to 4.70%	**100**	118
18622	Organic Waste Facility - Roof Repairs	10	25-Sep-18	3.25% to 4.70%	**273**	322
18898	Road Projects - Gordon, Victoria, Eramosa	10	25-Nov-19	.095 % to 4.60%	**482**	554
18898	South End Station	10	25-Nov-19	.095 % to 4.60%	**4,222**	4,851
18898	New City Hall	10	25-Nov-19	.095 % to 4.60%	**1,457**	1,674
18898	Land Purchase - Library	10	25-Nov-19	.095 % to 4.60%	**538**	619
18898	Public Drop Off Facility	10	25-Nov-19	.095 % to 4.60%	**137**	157
18898	Transit Terminal Road Upgrades	10	25-Nov-19	.095 % to 4.60%	**1,182**	1,358
18898	Watermain Projects - Laird, Arkell, Scout Camp	10	25-Nov-19	.095 % to 4.60%	**4,030**	4,631
18898	Waste Water Treatment Plant Facility Upgrade	10	25-Nov-19	.095 % to 4.60%	**3,704**	4,256
19294	Organic Waste Facility Composter Rebuild	10	9-Nov-21	1.25% to 3.70%	**22,819**	25,424
19294	Civic Museum Renovations	10	9-Nov-21	1.25% to 3.70%	**4,645**	5,176
19294	On behalf of the Elliott	10	9-Nov-21	1.25% to 3.70%	**10,635**	11,850
					80,503	89,151
Other loans:						
	The Elliott Line of Credit	Demand	NA	prime	**800**	800
	The Elliott Bankers Acceptance - SWAP	10	25-Jun-15	6.08%	**2,369**	2,454
	The Elliot Term Loan	5	31-Mar-15	prime	**450**	600
	Mortgage RBC - Sleeman Centre	10	1-May-17	3.04%	**2,722**	3,483
	CIBC Loan - Sleeman Centre - SWAP	18.8	01-Sep-25	6.38%	**5,233**	5,524
	TD Interest only loan - SWAP	5	31-Dec-17	2.105%	**10,000**	10,000
Total Debt					**102,077**	112,012

City of Guelph

Consolidated schedule of reserves and reserve funds - Schedule 4
December 31, 2013
('000's)

Code	Description	2013	2012
		$	$
Reserves:			
	For Employee Future Benefits:		
100	Sick Leave - Fire	**3,799**	3,593
101	Sick Leave - Police	**3,827**	3,558
102	Sick Leave - Library	**362**	328
103	Sick Leave - CUPE 241	**213**	222
330	WSIB	**1,663**	2,246
338	Land Ambulance Severance	**511**	440
212	Early Retiree Benefits	**787**	1,184
		11,162	11,571
	For Stabilization and Contingency:		
131	Employee Benefit Stabilization	**3,260**	3,102
180	Tax Rate Stabilization	**1,894**	1,894
181	Water Rate Stabilization	**2,310**	2,114
182	Waste Water Rate Stabilization	**2,550**	2,342
198	Operating Contingency	**902**	902
191	Human Resource Contingency	**1,286**	1,041
		12,202	11,395
	For Program Related:		
184	Insurance	**1,616**	1,593
119	Affordable Housing	**470**	637
122	Brownfield Strategy	**539**	205
206	Building Operating Maintenance	**62**	62
192	Heritage Redevelopment	**1,084**	950
193	Ontario Municipal Board	**2,130**	3,040
194	Downtown Improvements	**303**	207
195	Election Costs	**536**	441
196	Joint Job Evaluation Committee	**436**	329
345	Westminster Woods	**35**	35
208	Social Housing	**200**	200
197	Human Resource Negotiations	**181**	375
210	Information Technology Licences	**464**	320
211	POA Contingency	**77**	26
205	Community Investment Strategy	**85**	50
179	Strategic Priorities	**1,013**	2,413
358	Downtown TIBG Reserve	**110**	-
		9,341	10,883
Consolidated Entities			
	Reserves - Downtown Guelph Business Association	**-**	17
	Reserves - Wellington-Dufferin-Guelph Public Health	**190**	185
Total Reserves		**32,895**	**34,051**

City of Guelph

Consolidated schedule of reserves and reserve funds - Schedule 4
December 31, 2013
('000's)

Code	Description	2013	2012
		$	$
Reserve Funds:			
111	Fire	**2,164**	1,503
113	Transit	**193**	118
115	Police	**500**	114
116	Waste Management	**1,364**	2,013
118	Computers	**929**	558
121	Play Equipment	**23**	295
124	Operations Fleet	**2,604**	2,161
120	POA Relocation	**700**	790
135	Museum Development	**306**	252
136	McCrae House Development	**160**	142
137	Moon-McKeigan	**16**	14
138	Library Bequests	**238**	196
150	Capital Taxation	**505**	1,644
151	Capital Parking	**1,018**	1,300
152	Capital Waterworks	**33,270**	28,768
153	Capital Wastewater	**41,530**	33,787
154	Capital Strategic Plan	**15**	15
155	Capital Landfill Compensation	**102**	126
156	Capital DC Exemption	**2,852**	2,009
157	Capital Library	**849**	849
158	Capital Police	**3,055**	2,916
159	Accessibility	**472**	514
160	Road Infrastructure	**2,649**	3,440
161	Public Transit Improvements	**1**	21
162	Capital Sleeman Centre	**(35)**	3
164	Capital Roads	**622**	972
165	Capital Stormwater	**257**	237
166	Capital Park Planning	**37**	75
167	Capital Policy Planning	**458**	245
168	Capital Economic Development	**22**	22
169	Capital Operations	**1,122**	445
171	Capital Culture	**280**	171
172	Capital Transit	**1,682**	1,496
173	Capital Fire	**53**	132
175	Capital Corporate Property	**25**	25
176	Capital Info Services	**715**	74
186	Capital Waste Management	**381**	695
189	Capital GSEC	**56**	42
190	Building Life Cycle	**227**	876
200	Investing Ontario Act	**1,055**	1,123
	Carried forward to next page	**102,472**	90,178

City of Guelph

Consolidated schedule of reserves and reserve funds - Schedule 4
December 31, 2013
('000's)

Code	Description	2013	2012
		$	$
	Carried forward from previous page	**102,472**	90,178
331	Road Widening	**993**	973
332	Industrial Land	**1,931**	1,757
340	Capital River Run	**127**	113
341	Locomotive 6167	**1**	1
350	Transportation Demand Management	**21**	21
351	Capital Renewal	**14,820**	14,359
352	Greenhouse Gas	**401**	687
353	Waterworks DC Exempt	**113**	2,469
354	Wastewater DC Exempt	**1,910**	2,491
355	Greening	**58**	57
356	Public Art	**207**	207
357	Brownfield Capital	**259**	347
Consolidated Entities			
	Reserve Funds - Wellington-Dufferin-Guelph Public Health	**4,318**	1,165
Total Reserve Funds		**127,631**	114,825
Total Reserves and Reserve Funds		**160,526**	148,876

City of Guelph

Guelph Public Library Board - Schedule 5
Statement of Revenue and Expense
December 31, 2013
('000's)

	2013 Budget	2013 Actual	2012 Actual
OPERATING FUND			
Revenue			
Grant - Province of Ontario	$ 168	$ 168	$ 168
Donations	51	86	90
Fees and service charges	312	290	307
Sundry revenue	16	16	7
	547	560	572
Expenses			
Administrative and office	8	7	10
Operating supplies	1,309	443	236
Repairs and maintenance	379	390	510
Interest on long-term debt	-	24	26
Consulting and professional fees	40	43	34
Communications	186	157	163
Amortization	-	830	730
Training	34	28	12
Salaries and benefits	5,518	5,456	5,996
Rental and leases	867	842	771
Furniture and equipment	24	11	24
Utilities and taxes	142	119	116
	8,507	8,350	8,628
Net operating deficit	(7,960)	(7,790)	(8,056)
CAPITAL FUND			
Developer contribution revenues	-	-	1
Less: Tangible capital asset acquisitions	(955)	(973)	(1,136)
Net capital deficit	(955)	(973)	(1,135)
Total combined net deficit	(8,915)	(8,763)	(9,191)
Less: net contributions (to)/from reserves	38	(3)	116
Less: debt principal repayments	(80)	(80)	(79)
	(8,957)	(8,846)	(9,154)
City of Guelph share of net deficit	8,957	8,846	9,154
Fund balance, end of year	**$ -**	**$ -**	**$ -**

City of Guelph

Guelph Police Services Board - Schedule 6
Statement of Revenue and Expense
December 31, 2013
('000's)

	2013 Budget	2013 Actual	2012 Actual
OPERATING FUND			
Revenue			
Grants	$ 1,331	$ 1,323	$ 1,351
Gain on sale of tangible capital assets	5	82	65
Other fees and recoveries	791	1,181	1,253
	2,127	2,586	2,669
Expenses			
Amortization	-	939	1,091
Personnel supplies	149	98	175
Professional consulting	961	935	963
Fleet	611	516	545
Repairs and maintenance	292	243	275
Corporate training and development	444	337	346
Rental and lease	65	62	85
Communication	224	215	203
Utilities, taxes and insurance	381	392	358
Banking and other fees	6	5	6
Equipment and furniture	142	113	128
Operating, admin and office supplies	267	211	232
Interest on long-term debt	120	120	132
Salaries and benefits	33,046	32,926	31,195
	36,708	37,112	35,734
Net operating deficit	(34,581)	(34,526)	(33,065)
CAPITAL FUND			
Revenue			
Province of Ontario grants	-	211	(6)
Other revenues	-	87	13
	-	298	7
Expenses			
Tangible capital asset acquisitions	1,795	1,339	1,203
Net capital deficit	(1,795)	(1,041)	(1,196)
Total combined net deficit	(36,376)	(35,567)	(34,261)
Add: net contributions from reserves	335	1,021	570
Less: debt principal repayments	(411)	(411)	(399)
	(36,452)	(34,957)	(34,090)
City of Guelph share of net deficit	(36,452)	(34,957)	(34,090)
Fund balance, end of year	$ -	$ -	$ -