

CONSOLIDATED FINANCIAL STATEMENTS

THE CORPORATION OF THE CITY OF WINDSOR

DECEMBER 31, 2013



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Windsor

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

Management's Responsibility for the Consolidated 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.

Auditors' 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 our 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, we consider 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 consolidated financial position of the Corporation of the City of Windsor as at December 31, 2013, and its consolidated results of operations and the changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

July 21, 2014
Windsor, Canada

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THE CORPORATION OF THE CITY OF WINDSOR
Consolidated Statement of Financial Position
Year ended December 31, 2013
(\$000's)

	2013 \$	2012 \$
Financial Assets		
Cash and temporary investments	172,040	162,652
Investment in government business enterprises [note 4 (a)]	473,730	447,945
Taxes and payments-in-lieu of taxes receivable [note 1 (b) (iii)]	37,326	38,929
Trade and other receivables	54,358	59,199
Total Financial Assets	737,454	708,725
Financial Liabilities		
Accounts payable and accrued liabilities	79,005	98,556
Accrued interest on long-term liabilities	1,866	1,944
Net long-term liabilities [note 5 (a)]	109,650	114,825
Employee future benefit liabilities [note 6 (b)]	410,981	370,934
Deferred revenue [note 8 (b)]	14,606	3,714
Landfill post closure liability [note 7]	12,153	13,447
Total Financial Liabilities	628,261	603,420
Net Financial Assets	109,193	105,305
Non-Financial Assets		
Tangible capital assets [schedule 2]	1,979,464	1,984,759
Inventory and assets held for resale	2,280	2,781
Prepaid expenses	11,945	12,160
Total Non-Financial Assets	1,993,689	1,999,700
Accumulated Surplus [note 8 (a)]	2,102,882	2,105,005

Commitments and contingencies [notes 3, 6(a), 9, 11 and 13]

The accompanying notes and schedules are integral parts of these consolidated financial statements.

THE CORPORATION OF THE CITY OF WINDSOR
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2013
(\$000's)

	2013	2012
	\$	\$
Revenues [note 10, schedule 1]		
Net municipal property taxes and payments-in-lieu of taxes	309,390	307,061
User charges	147,676	147,633
Provincial and federal transfers	185,643	214,918
Revenue from other municipalities	20,503	21,234
Other	47,847	35,451
Change in equity in government business enterprises [note 4 (a)]	25,785	43,347
Total Revenues	736,844	769,644
Expenses [note 10, schedule 1]		
General government	52,825	52,425
Protection to persons and property	158,305	152,173
Transportation services	104,697	101,515
Environmental services	61,575	63,904
Health services	11,515	10,876
Social and family services	235,733	237,142
Recreation and culture	57,216	56,394
Planning and development	8,474	16,717
Total Expenses	690,340	691,146
Annual Surplus before Tangible Capital Assets Assumed by the Province	46,504	78,498
Tangible Capital Assets Assumed by the Province [note 1 (b) (vi)]	48,627	-
Annual (Deficit) Surplus	(2,123)	78,498
Accumulated surplus, beginning of year	2,105,005	2,026,507
Accumulated surplus, end of year	2,102,882	2,105,005

The accompanying notes and schedules are integral parts of these consolidated financial statements.

THE CORPORATION OF THE CITY OF WINDSOR
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2013
(\$000's)

	2013 \$	2012 \$
Annual (Deficit) Surplus	(2,123)	78,498
Acquisition of tangible capital assets [schedule 2]	(118,142)	(124,752)
Amortization of tangible capital assets [schedule 2]	71,839	70,974
Loss on disposal of tangible capital assets	2,238	1,267
Proceeds on sale of tangible capital assets	733	430
Tangible capital assets assumed by the Province	48,627	-
Net change in deferred expenses	-	5,187
Net change in inventory and assets held for resale	501	11
Net consumption of prepaid expenses	215	(1,243)
Change in net financial assets	3,888	30,372
Net financial assets, beginning of period	105,305	74,933
Net financial assets, end of period	109,193	105,305

The accompanying notes and schedules are integral parts of these consolidated financial statements.

THE CORPORATION OF THE CITY OF WINDSOR
Consolidated Statement of Cash Flows
Year ended December 31, 2013
(\$000's)

	2013	2012
	\$	\$
Cash provided by (used in):		
Operating and Other Activities:		
Annual (deficit) surplus	(2,123)	78,498
Amortization of tangible capital assets	71,839	70,974
Loss on disposal of tangible capital assets	2,238	1,267
Tangible capital assets assumed by the Province	48,627	-
Decrease in taxes and payments-in-lieu of taxes receivable	1,603	3,156
Decrease in trade and other receivables	4,841	6,405
Decrease in deferred expenses	-	5,187
Decrease in inventory and assets held for resale	501	11
Decrease (increase) in prepaid expenses	215	(1,243)
(Decrease) increase in accounts payable and accrued liabilities	(19,551)	6,958
Decrease in accrued interest on long-term liabilities	(78)	(788)
Increase in employee future benefit obligations	40,047	30,673
Increase in deferred revenue	10,892	3,714
Decrease in landfill post closure liability	(1,294)	(322)
Net cash provided by operating and other activities	157,757	204,490
Capital Activities:		
Proceeds on sale of tangible capital assets	733	430
Cash used to acquire tangible capital assets	(118,142)	(124,752)
Net cash used in capital activities	(117,409)	(124,322)
Financing Activities:		
Net long-term liabilities repaid	(5,175)	(26,833)
Net cash used in financing activities	(5,175)	(26,833)
Investing Activities:		
Increase in investment in government business enterprises	(25,785)	(43,347)
Net cash used in investing activities	(25,785)	(43,347)
Increase in cash and temporary investments	9,388	9,988
Cash and temporary investments, beginning of year	162,652	152,664
Cash and temporary investments, end of year	172,040	162,652

The accompanying notes and schedules are integral parts of these consolidated financial statements.

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

1. Summary of significant accounting policies and reporting practices

(a) Reporting entity

These consolidated statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to City Council and which are owned or controlled by the City of Windsor ("the City").

(i) Consolidated entities

In addition to the general City departments, the reporting entity includes the following where deemed material:

Windsor Police Services
Roseland Golf and Curling Club Limited
Transit Windsor
Windsor Chartabus Limited
The Corporation of the City of Windsor Public Library Board
Windsor-Essex Community Housing Corporation
Downtown Windsor Business Improvement Association
Ford City Business District
Via Italia-Erie Street Business Improvement Area
Ottawa Street Business Improvement Area
Olde Riverside Town Centre Business Improvement Area
Walkerville Business Improvement Area
Wyandotte Towne Centre Business Improvement Area
Olde Sandwich Towne Business Improvement Area
Pilette Village Business Improvement Area

The Essex-Windsor Solid Waste Authority ("EWSWA"), a joint partnership with the County of Essex, is consolidated on the basis of one half of the total operations and financial position of the total entity.

All interfund assets, liabilities, revenues and expenses have been eliminated.

(ii) Entities included on a modified equity basis

Certain subsidiary corporations are accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for a Government Business Enterprise ("GBE"). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with 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.

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

1. Summary of significant accounting policies and reporting practices (continued)

The entities accounted for under this method are:

Windsor Canada Utilities Ltd. ("WCUL")
Windsor-Detroit Tunnel Corporation ("WDTC")
Windsor Utilities Commission ("WUC")
Your Quick Gateway (Windsor) Inc. ("YQG")

(iii) Non-consolidated entity

The following joint local board and municipal enterprise is not consolidated:
Windsor-Essex County Health Unit.

(iv) Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements. Amounts due to/from school boards are reported on the consolidated statement of financial position as accounts payable and accrued liabilities/trade and other receivables.

(v) Trust funds

Trust funds and their related operations administered by the City are not consolidated, but are reported separately on the trust funds' statement of continuity and statement of financial position.

(b) Basis of accounting

(i) PSAB recommendations

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

(ii) Accrual basis of accounting

These consolidated financial statements have been prepared on an accrual basis except for Provincial Offences Administration. Under this basis, revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are accounted for in the period the goods and services are acquired.

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

1. Summary of significant accounting policies and reporting practices (continued)

(iii) 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 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 tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is reasonably certain. The City has established a tax appeals reserve fund to provide funding to help offset the results of any future appeal decisions. The City is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied. Tax revenue is recorded net of reductions. Taxes receivable are reported net of any expense or allowance for doubtful accounts.

(iv) Accounts receivable

Accounts receivable are reported net of any allowance for doubtful accounts.

(vi) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

Asset classification and amortization schedule	
Classification	Useful Life (Years)
Land	Infinite
Land improvements	10 – 75
Buildings and building improvements	10 – 60
Vehicles, machinery and equipment	3 – 35
Water and wastewater infrastructure	25 – 100
Roads infrastructure	25 – 100
Airport	6 – 40

The landfill has an estimated service capacity of 8,000,000 tonnes and is being amortized using the units of production method based on capacity used during the year.

Contributed assets

Contributed assets are recognized at their fair market value as of the date of contribution to the City.

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

1. Summary of significant accounting policies and reporting practices (continued)

Tangible capital assets assumed by the Province

As part of the construction of the Rt. Hon. Herb Gray Parkway, the Ministry of Transportation of Ontario has assumed certain roads infrastructure tangible capital assets of the City having a net book value of \$48,627.

Works of art and historical treasures

The City owns both works of art and historical treasures. These items have cultural, aesthetic or historical value and are worth preserving perpetually. Works of art and historical treasures are not recognized as tangible capital assets pursuant to the guidelines of PSAB Section 3150.

(vii) Employee future benefit liabilities

The City has adopted the accrual method of accounting for employee future benefits as required by PSAB. 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 rate.

Past service costs from plan amendments, if any, are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. Actuarial gains and losses on the accrued benefit liability arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit liability. The excess of the net actuarial gains or losses are amortized over the average remaining service period of active employees, which is 13.3 years (2012 – 14.2 years).

(c) Provincial Offences Act

The City, under the authority of Part X of the Provincial Offences Act (“POA”), provides for and administers the POA courts in the Windsor-Essex Court Service Area, arranges for court support, has carriage of Part 1 prosecutions and associated appeals, and is responsible for the collection of related fines and fees. In accordance with policies adopted by other Provincial Offences offices and as a result of the nature of business activities, revenue is recognized on a cash basis.

(d) Use of estimates

The preparation of the consolidated 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 allowances for receivables, certain accrued liabilities and obligations related to employee future benefits, the carrying value of tangible capital assets and the valuation of contingencies.

Actual results could differ from these estimates.

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

1. Summary of significant accounting policies and reporting practices (continued)

(e) Future accounting changes

Effective for fiscal periods beginning on or after April 1, 2016, all governments will be required to adopt PSAB Section 3450, Financial Instruments and Section 2601, Foreign Currency Translation. Section 3450, provides guidance on how to account for financial instruments including derivatives. Section 2601, provides guidance on how to account for and report transactions that are denominated in foreign currency in government financial statements.

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.

The City is in the process of assessing the impact on the consolidated financial statements of the adoption of these standards.

2. Operations of school boards

The taxation and requisitions of the school boards are comprised of the following:

	2013	2012
	\$	\$
Taxation received or receivable	66,616	65,002
Requisitions	66,841	66,698
<u>Amount due from school boards</u>	<u>(225)</u>	<u>(1,696)</u>

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

3. Contribution to non-consolidated joint board

The following contribution was made by the City to this non-consolidated joint board:

	2013	2012
	\$	\$
<u>Windsor-Essex County Health Unit</u>	<u>2,437</u>	<u>2,266</u>

The City is contingently liable for its share, which is approximately 14%, of any deficits which may arise.

4. Government Business Enterprises (“GBE”)

The consolidated financial statements of the City include, on a modified equity basis, the following GBE:

Windsor Canada Utilities Ltd. (“WCUL”)

WCUL is a wholly owned subsidiary of the City. WCUL is a holding company which wholly owns two subsidiaries: Enwin Utilities Ltd. and Enwin Energy Ltd. Through these subsidiaries, WCUL is responsible for the transmission and distribution of electricity, maintenance of the area’s powerlines, as well as the marketing of retail and wholesale utility services and products.

Windsor-Detroit Tunnel Corporation (“WDTC”)

WDTC is a wholly owned subsidiary of the City. WDTC owns and manages the portion of the Windsor-Detroit Tunnel situated in Canada.

Windsor Utilities Commission (“WUC”)

WUC is a wholly owned commission of the City engaged largely in the treatment and distribution of the area’s potable water.

Your Quick Gateway (Windsor) Inc. (“YQG”)

YQG is a wholly owned subsidiary of the City which provides management services for the Windsor airport.

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

4. Government Business Enterprises (continued)

(a) Investment in GBE

The City has investments in GBE totalling \$473,730 (2012 - \$447,945), which is comprised of the following:

	2013	2012
	\$	\$
WCUL	149,601	138,658
WDTC	141,341	142,141
WUC	181,246	166,856
YQG	1,542	290
	<u>473,730</u>	<u>447,945</u>

A continuity of the investment in GBE is as follows:

	WCUL	WDTC	WUC	YQG	2013	2012
	\$	\$	\$	\$	Total	Total
					\$	\$
Opening investment	138,658	142,141	166,856	290	447,945	404,598
Dividends declared	(4,000)	(1,000)	-	-	(5,000)	(5,000)
Current income	14,943	200	14,390	1,252	30,785	34,477
Current change in investment	10,943	(800)	14,390	1,252	25,785	29,477
Change in opening equity and contributed surplus	-	-	-	-	-	13,870
Closing investment	<u>149,601</u>	<u>141,341</u>	<u>181,246</u>	<u>1,542</u>	<u>473,730</u>	<u>447,945</u>

(b) Supplementary information of GBE

(i) WCUL

	2013	2012
	\$	\$
Financial position		
Current assets	61,119	60,221
Property, plant and equipment	205,057	193,616
Work in progress and other assets	23,463	25,378
Total assets	<u>289,639</u>	<u>279,215</u>
Current liabilities	36,435	37,863
Long-term liabilities	103,603	102,694
Total liabilities	140,038	140,557
Shareholders' equity	149,601	138,658
Total liabilities and equity	<u>289,639</u>	<u>279,215</u>

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

4. Government Business Enterprises (continued)

	2013	2012
	\$	\$
Results of operations		
Revenue from distribution of electricity	270,801	260,368
Services provided to Windsor Utilities Commission	18,703	12,105
Other revenue	6,686	7,302
Total revenue	296,190	279,775
Cost of electrical energy	225,153	208,106
Other net expenses	56,094	55,783
Total expenses	281,247	263,889
Net income	14,943	15,886

Related party transactions

The following transactions are in the normal course of operations and are measured at the exchange amount, which is the cost of consideration established and agreed to by the related parties:

- On November 6, 2012 WCUL and WUC entered into a Water System Operating Agreement ("WSOA"), whereby WCUL agreed to provide services to WUC with respect to certain finance, administration, human resource, management and other support services. Pursuant to the terms of the WSOA, WUC has transferred all employees of WUC to WCUL.
- WCUL provides sewer surcharge billing and collecting and street lighting for the City. The total amount charged to the City and included in other revenue for the year ended December 31, 2013 was \$3,396 (2012 - \$3,754).
- WCUL collects and remits the sewer surcharge on behalf of the City. The total amount owing to the City at December 31, 2013 relating to sewer surcharge was \$5,438 (2012 - \$4,977).
- The amounts due from related parties which are included in current assets consist of:

	2013	2012
	\$	\$
Due from Windsor Utilities Commission	900	749

- The amounts due from related parties which are included in work in progress and other assets consist of:

	2013	2012
	\$	\$
Due from Windsor Utilities Commission	6,986	7,808

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

4. Government Business Enterprises (continued)

- The amounts due to related parties which are included in current liabilities consist of:

	2013	2012
	\$	\$
Due to Windsor Utilities Commission	-	1,282
Due to the Corporation of the City of Windsor (net)	5,288	4,146
	<u>5,288</u>	<u>5,428</u>

(ii) WDTC

	2013	2012
	\$	\$
Financial position		
Current assets	11,423	8,885
Property, plant and equipment	132,186	134,445
Total assets	<u>143,609</u>	<u>143,330</u>
Current liabilities	2,268	1,189
Shareholders' equity	141,341	142,141
Total liabilities and equity	<u>143,609</u>	<u>143,330</u>
Results of operations		
Tolls	8,107	8,328
Other revenues	804	735
Total revenues	<u>8,911</u>	<u>9,063</u>
Operating expenses	8,711	7,782
Net income	<u>200</u>	<u>1,281</u>

Related party transactions

The following transactions are in the normal course of operations and are measured at the exchange amount, which is the cost of consideration established and agreed to by the related parties:

- WDTC utilizes financial, secretarial, project management and administrative services provided by the City. The total amount of fees paid for the year ending December 31, 2013 is \$320 (2012 - \$307).
- The amounts due from related parties which are included in current assets consist of:

	2013	2012
	\$	\$
Due from Corporation of the City of Windsor	<u>30</u>	<u>-</u>

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

4. Government Business Enterprises (continued)

- The amounts due to related parties which are included in current liabilities consist of:

	2013	2012
	\$	\$
<u>Due to Corporation of the City of Windsor</u>	<u>1,062</u>	<u>95</u>

(iii) WUC

	2013	2012
	\$	\$
Financial position		
Current assets	42,983	40,286
<u>Property, plant and equipment</u>	<u>215,683</u>	<u>202,540</u>
<u>Total assets</u>	<u>258,666</u>	<u>242,826</u>
Current liabilities	11,511	8,816
<u>Long-term liabilities</u>	<u>65,909</u>	<u>67,154</u>
<u>Total liabilities</u>	<u>77,420</u>	<u>75,970</u>
<u>Accumulated surplus</u>	<u>181,246</u>	<u>166,856</u>
<u>Total liabilities and surplus</u>	<u>258,666</u>	<u>242,826</u>
Results of operations		
Retail water sales	43,760	43,765
<u>Other revenues</u>	<u>9,693</u>	<u>9,152</u>
<u>Total revenues</u>	<u>53,453</u>	<u>52,917</u>
Cost of production	15,618	15,221
<u>Operating and other net expenses</u>	<u>23,445</u>	<u>26,539</u>
<u>Total expenses</u>	<u>39,063</u>	<u>41,760</u>
<u>Net income</u>	<u>14,390</u>	<u>11,157</u>

Related party transactions

The following transactions are in the normal course of operations and are measured at the exchange amount, which is the cost of consideration established and agreed to by the related parties:

- The City provides support for capital water main projects and road repairs to WUC. The total amount charged to WUC for the year ending December 31, 2013 was \$7,477 (2012 - \$7,561).

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

4. Government Business Enterprises (continued)

- The amounts due from related parties which are included in current assets consist of:

	2013	2012
	\$	\$
Due from Enwin Utilities Ltd.	-	1,282
Due from the Corporation of the City of Windsor	955	89
	<u>955</u>	<u>1,371</u>

- The amounts due to related parties which are included in current liabilities consist of:

	2013	2012
	\$	\$
Due to Enwin Utilities Ltd.	900	749
Due to the Corporation of the City of Windsor	3,643	4,430
	<u>4,543</u>	<u>5,179</u>

- The amounts due to related parties which are included in long-term liabilities consist of:

	2013	2012
	\$	\$
Due to Enwin Utilities Ltd.	<u>6,986</u>	<u>7,808</u>

(iv) YQG

	2013	2012
	\$	\$
Financial position		
Total assets	<u>3,576</u>	<u>2,350</u>
Total liabilities	2,034	2,060
Shareholders' equity	1,542	290
Total liabilities and equity	<u>3,576</u>	<u>2,350</u>
Results of operations		
Airport operating revenues	3,823	3,492
Management fees and other revenues	1,171	1,130
Total revenues	<u>4,994</u>	<u>4,622</u>
Operating and other expenses	<u>3,742</u>	<u>3,469</u>
Net income	<u>1,252</u>	<u>1,153</u>

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

4. Government Business Enterprises (continued)

Related party transactions

The following transactions are in the normal course of operations and are measured at the exchange amount, which is the cost of consideration established and agreed to by the related parties:

- YQG provides airport management services to the City. The total amount of management fees received for the year ending December 31, 2013 is \$324 (2012 - \$324).
- Amounts owing to the City relate mainly to capital purchases which are to be reimbursed as well as pension funding received from the City in 2013. The amounts due to related parties which are included in total liabilities are non-interest bearing and consist of:

	2013	2012
	\$	\$
<u>Due to the Corporation of the City of Windsor</u>	<u>781</u>	<u>86</u>

5. Net long-term liabilities

- (a) The balance of the net long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2013	2012
	\$	\$
Total long-term liabilities	109,650	114,825
<u>Less amount repayable from user fees</u>	<u>(95,105)</u>	<u>(98,919)</u>
<u>Net amount repayable from general taxation</u>	<u>14,545</u>	<u>15,906</u>

The amount repayable from user fees is comprised of:

	2013	2012
	\$	\$
Essex-Windsor Solid Waste Authority (see below)	33,051	33,158
Sewer Surcharge fund	31,753	33,431
Transit Windsor	1,711	1,796
<u>Windsor-Essex Community Housing Corporation</u>	<u>28,590</u>	<u>30,534</u>
<u>Total long-term liabilities repayable by user fees</u>	<u>95,105</u>	<u>98,919</u>

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

5. Net long-term liabilities (continued)

At December 31, 2013, the net long-term liability as reported on the financial statements, which the City is responsible for 50% of EWSWA consists of:

	2013	2012
	\$	\$
Debenture Payable	66,102	66,317
Accrued Interest	1,967	1,973
	<u>68,069</u>	<u>68,290</u>

The City has assumed no debt from other municipalities.

- (b) Of the net long-term liabilities in (a) of this note, \$34,313 in principal payments are repayable from 2014 to 2018, \$38,646 from 2019 to 2023 and \$36,691 thereafter.

These amounts will require funding in those periods and are summarized as follows:

	2014-2018	2019-2029	Thereafter	Total
	\$	\$	\$	\$
From general municipal revenues	8,230	6,315	-	14,545
From user fees	26,083	32,331	36,691	95,105
	<u>34,313</u>	<u>38,646</u>	<u>36,691</u>	<u>109,650</u>

- (c) Approval of the Ontario Municipal Board or a Treasurer's Certificate relative to the Authorized Repayment Limit of the City has been obtained for the long-term liabilities in (a) issued in the name of the City.
- (d) Total interest expenses for the year for net long-term liabilities which are reported on the consolidated statement of operations and accumulated surplus are as follows:

	2013	2012
	\$	\$
Interest funded from general property taxes	1,020	2,217
Interest funded from user fees	4,657	5,013
	<u>5,677</u>	<u>7,230</u>

The charges for long-term liabilities assumed by non-consolidated entities are not reflected in these statements.

6. Employee benefits

(a) Pension agreements

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

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

6. Employee benefits (continued)

The City accounts for the OMERS plan by expensing contributions in the period in the consolidated statement of operations and accumulated surplus. Any surplus or deficit of the OMERS plan is accounted for by OMERS.

The amount contributed to OMERS for current service for 2013 was \$21,227 (2012 - \$19,086). At December 31, 2013 the OMERS plan is in a deficit position, which is being addressed through rate increases and benefit reductions.

The Transit Windsor contributory pension plan, covering substantially all of its employees, was frozen effective December 31, 1999 with pension benefits for service on and after January 1, 2000 being covered by OMERS. At December 31, 2013 the plan has, for accounting purposes, pension assets of \$3,425 (2012 - \$3,646) and is in a funding deficit of \$5,471 (2012 - \$6,739). As required by the Pension Benefits Standards Act, the City has issued a letter of credit to the pension plan in lieu of making special payments regarding this funding deficit.

(b) Employee future benefit liabilities

Employee future benefit liabilities are future liabilities of the City to its employees and retirees for benefits earned but not taken as at December 31, 2013 and consist of the following:

	2013	2012
	\$	\$
Post retirement benefits	353,243	318,492
Post employment benefits	5,973	6,700
WSIB future benefits	39,677	33,175
Accrued vested sick leave	12,632	13,515
Vacation and vested banked overtime	2,881	2,698
Transit Windsor pension asset	(3,425)	(3,646)
	<u>410,981</u>	<u>370,934</u>

(i) Post retirement and post employment benefits

The post retirement benefit and post employment benefit liabilities are based on an actuarial valuation performed by the City's actuaries. Post employment benefits include amounts accrued under the City's self funded long-term disability policy. The significant actuarial assumptions adopted in estimating the City's liabilities are as follows:

- Discount Rate 4.6% (2012 – 4.0%)
- Health Care Discount Rate: 6.5% (2012 – 6.2%)
grading to 4.5% per annum in 2017

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

6. Employee benefits (continued)

Information about the City's future obligations with respect to post retirement benefits are as follows:

	2013	2012
	\$	\$
Accrued benefit liability at the beginning of the year	318,492	285,137
Current service cost	15,816	14,782
Interest	19,981	19,040
Amortization of actuarial net losses	8,530	8,686
<u>Benefits paid</u>	<u>(9,576)</u>	<u>(9,153)</u>
Accrued benefit liability at the end of the year	353,243	318,492
<u>Unamortized net actuarial losses</u>	<u>57,166</u>	<u>169,906</u>
<u>Accrued benefit obligations at the end of the year</u>	<u>410,409</u>	<u>488,938</u>

The measurement date of the employee future benefits obligation coincides with the City's fiscal year. An actuarial comprehensive valuation was completed as of December 31, 2013 and the next required valuation will be as of December 31, 2016.

(ii) Liability for Workplace Safety and Insurance

The Workplace Safety and Insurance Board ("WSIB") estimates the undiscounted future benefit costs and administrative downloading for the City as a Schedule II employer at December 31, 2013 in the amount of \$39,677 (2012 - \$33,175).

(iii) Accrued vested sick leave

Accrued vested sick leave refers to the balance of unused sick leave credits which is payable to eligible employees of the City upon their retirement. Under the sick leave plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment upon leaving the City's employment. In 2013, an amount of \$1,541 (2012 - \$1,086) has been paid and is reported as an expense on the consolidated statement of operations and accumulated surplus.

7. Landfill post closure liabilities

The liability for landfill post closure costs at December 31, 2013 is comprised of the City's proportion of the Regional Landfill closure and post closure expenses of \$1,808 (2012 - \$2,048) and post closure expenses associated with the closed Essex County Landfill #3 of \$10,345 (2012 - \$11,399).

The Essex County Landfill #3 was closed in 1997 and requires care for an estimated period of 40 years from the date of closure. The December 31, 2013 liability for post closure expenditures is based on the annual payment to EWSWA of \$600 (2012 - \$600) and inflation adjusted at 2.0% per annum (2012 - 2.0%) and discounted to December 31, 2013 using a discount rate of 4.6% (2012 - 4.0%).

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

8. Municipal position

(a) Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2013	2012
Surplus:		
Invested in tangible capital assets	1,869,814	1,869,934
Invested in government business enterprises	473,730	447,945
Unfunded employee future benefit liabilities	(410,981)	(370,934)
Unfunded landfill post closure liability	(12,153)	(13,447)
Other	11,275	21,827
Total surplus	1,931,685	1,955,325
Reserves set aside for specific purpose by Council:		
Working funds	11,840	11,840
Encumbrances	3,570	3,046
Future planning	859	637
Post retirement death benefit	170	258
Recreation services	700	724
Fire services	338	404
Environmental services	23,056	23,236
Occupational illness	2,910	2,610
Others	447	540
Total reserves	43,890	43,295
Reserve funds set aside for specific purpose by Council:		
Replacement of equipment	51,888	50,451
Capital expenditures	24,965	21,082
Insurance	3,842	3,593
Health benefits rate stabilization	4,154	3,427
Sanitary sewer expenditures	9,884	4,326
Budget stabilization	10,545	9,294
Children's fund	672	627
Social housing	7,111	7,886
Recreation	444	438
Transit debt repayment	2,069	2,165
Tax appeals	11,733	3,096
Total reserve funds	127,307	106,385
Total accumulated surplus	2,102,882	2,105,005

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

8. Municipal position (continued)

(b) Deferred revenue

The following funds totalling \$14,606 deferred revenue (2012 – \$3,714) relate to net inflows (outflows) which have statutory restrictions and as such are classified as deferred revenue on the consolidated statement of financial position:

	Beginning balance 2012 \$	2013 Inflows \$	2013 Outflows \$	Ending Balance 2013 \$
Parkland acquisition fund	196	410	2	604
Development charges fund	2,501	4,910	144	7,267
Building permit fund (net)	(4,876)	5,987	1,186	(75)
Provincial gas tax fund	850	3,605	4,054	401
Federal gas tax fund	3,644	13,323	11,707	5,260
Federal public transit fund	788	9	243	554
Others	611	-	16	595
Total deferred revenue	3,714	28,244	17,352	14,606

The parkland acquisition fund is utilized to fund purchases of parkland and other recreation expenditures. The development charges fund is utilized to fund growth related capital works. The building permit fund is utilized to fund the building permit department. Surpluses or deficits of net building permit income (loss) must be transferred to this fund. In 2012, the City created a reserve fund specifically to offset the deficit in the building permit fund, the activity of which is included above. The Provincial gas tax fund is utilized to fund public transportation programs. The Federal gas tax fund is utilized to fund environmentally sustainable municipal infrastructure projects. The Federal public transit fund is utilized to fund transit infrastructure to increase ridership.

9. Commitments

As at December 31, 2013, the City is committed to making the following payments:

- (a) Contracts for various capital construction projects, at a cost of \$26,745 (2012 - \$22,592) in the aggregate, to be financed generally by pay as you go funding from the operating fund.
- (b) Payments for various operating leases through 2018 of \$1,467 (2012 - \$1,441).
- (c) The City will host or co-host the following events: 2014 Ontario 55+ Summer Games (with the Town of Amherstburg), 2014 Ontario Summer Games, 2014 through 2017 FINA Diving Series, and 2016 FINA World Swimming Championships. The City has committed budgetary funding totaling \$5,600 towards these events. The remaining funding is expected to be achieved via sponsorships, grants, and private contributions.

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

9. Commitments (continued)

- (d) The City and YQG have received a commitment from the Federal Economic Development Agency ("FedDev") of \$12,643 towards the construction of a cargo facility comprised of 3 buildings totalling 72,000 square feet (sf). The City and YQG will be responsible for the estimated additional \$2,436 required for construction.

The buildings to be constructed on the Airport surplus lands include: 35,000 sf for Federal Express Canada Limited ("FedEx"), 10,000 sf for the University of Windsor Institute for Border Logistics and Security ("IBLS"), and 27,000 sf for a future cargo tenant.

- (e) The City has approved Community Improvement Plans ("CIP") that contain financial incentive programs for Brownfield Redevelopment, Economic Revitalization and Olde Sandwich Towne Community Improvement.

The CIPs allow the City to provide grants to property owners/tenants, or to undertake other community improvement activities to further the objectives of each CIP, which would otherwise be prohibited by Ontario's *Municipal Act*. At December 31, 2013, there were eight approved grant applications under the Economic Revitalization CIP and three approved grant applications under the Brownfield Redevelopment CIP. The amount of grant funding is directly tied to the increase in municipal property taxes as a result of assessment growth so there will be no net financial cost to the City. The program will not reduce current revenue levels but forego incremental tax revenue. Grants are paid over a period not to exceed 10 years with the maximum amount of grant funding equal to eligible costs incurred by the applicant.

The estimated value of remaining approved grants is \$1,811 (2012 - \$1,293).

- (f) In January 2011, City Council approved the City's involvement in facilitating a major economic development investment (manufacturing of wind turbine components) within the City. In order to facilitate this investment, the City has completed the purchase, assembly and swap of various parcels of land as well committed to the provision of rail service to the site at an expected cost of \$4,741.
- (g) The City has agreed to fund \$10,000 towards the transfer and renovations of the Armouries to the University of Windsor for their programs. The City has approved a placeholder of \$10,000 in its capital budget relative to this commitment.
- (h) In 2013, the City purchased the land and building which house the Art Gallery of Windsor ("AGW") for \$2,500. The City is obligated to lease a portion of the building to AGW for 49 years at \$1 per year.

10. Budget figures

Budget figures have been excluded on the consolidated statement of operations and accumulated surplus as they are not directly comparable to the actual figures due to the requirement to accrue certain expenses in accordance with PSAB reporting requirements. The City does not, in many cases, include these amounts in the annual budget as they do not require immediate funding. Additionally, budgets relating to tangible capital asset purchases have been excluded on the

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

10. Budget figures (continued)

consolidated statement of operations and accumulated surplus, as they are not comparable to actual results. The City's annual capital budget is primarily invested in tangible capital assets which are reflected on the consolidated statement of financial position, while expenses included in the consolidated statement of operations and accumulated surplus include the annual amortization expense relating to those tangible capital assets.

11. Public liability insurance

The City is self-insured for public liability claims up to \$250 (2012 - \$250) for any individual claim. Outside coverage is in place for claims in excess of this amount.

The City is currently insured with the Ontario Municipal Insurance Exchange (OMEX), an insurance reciprocal whose members pool their insurance coverage. As a member of a reciprocal, the City agrees to assume a certain percentage of the entire group's liabilities and losses for the period of time that the City was a member. In the event that an annual premium funding becomes insufficient to cover claims and claim reserves, the reciprocal has the ability to re-assess each member to appropriately fund the difference. The City paid an amount of \$ nil in retroactive assessments in 2013 (2012 - \$ nil). The City has established a reserve fund for self-insurance, which at December 31, 2013 amounted to \$3,842 (2012 - \$3,593).

The City budgets each year for premiums and claims. Any budget excess is credited to the reserve fund. Payment of premiums and claims are shown as expenses on the consolidated statement of operations and accumulated surplus.

12. Segmented information

The City of Windsor is a diversified single tier municipality that provides a wide range of services to its citizens, including police, fire, ambulance, public transit, water and many others. These services are provided by departments and related entities of the City and their activities are reported by segment in these consolidated financial statements.

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. Net municipal property taxes and payments-in-lieu of taxes are allocated to segments based on the net expenses of that segment. The accounting basis used in these segments is consistent with that followed in the preparation of the consolidated financial statements as discussed in Note 1. For additional information, please see the consolidated schedule of segmented net revenue (schedule 1). The City's reportable operating segments and their associated activities are as follows:

General government is comprised of Finance, Administration, Governance, Legal, Human Resources and other activities to support the other segments of the City

Protection to persons and property is comprised of Police, Fire, Conservation Authority, Provincial Offences, and Protective Inspection activities

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(\$000's)

12. Segmented information (continued)

Transportation services is comprised of Public Transportation, Roadway Maintenance, Winter Control, Central Garage, and Airport

Environmental services is comprised of Sanitary and Storm Sewers, Solid Waste Collection and Disposal, and Recycling

Health services is comprised of Ambulance and Public Health services

Social and family services is comprised of Social Services, Social Housing, Child Care, and Assistance to the Aged

Recreation and culture is comprised of Parks, Recreation Facilities, and Libraries

Planning and development is comprised of Planning and Zoning, Commercial and Industrial, and Business Improvement Areas

13. Contingent liabilities

(a) During the normal course of operations, the City is subject to various legal actions, including some which can be substantial. The settlement of the actions that can be reasonably estimated is not expected to have a material effect on the consolidated financial statements of the City. Other legal actions may be at an early stage and therefore the likelihood and magnitude of impact cannot be reasonably determined.

(b) The City is awaiting a re-hearing of the Ontario Municipal Board ("OMB") regarding the expropriation of lands within the Spring Garden Area of Natural and Scientific Interest (ANSI). Depending on the outcome of the legal proceedings, the City could be obligated to pay an additional amount of up to approximately \$20,000.

(c) Construction of a new Huron Lodge Home for the Aged began in 2004. The project was substantially completed in March 2007 in compliance with Ministry of Health requirements. The contractor has registered a lien and claiming damages in the amount of \$4,677. Whether the contractor will recover all, some or none of that amount is undeterminable.

14. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

THE CORPORATION OF THE CITY OF WINDSOR
Consolidated Schedule of Segmented Net Revenue - Schedule 1
Year ended December 31, 2013
(\$000's)

2013	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Recreation and culture	Planning and development	Total
Expenses									
Salaries, wages and benefits	32,262	135,783	44,992	13,006	-	53,961	29,334	3,691	313,029
Interest	510	510	40	3,018	-	1,599	-	-	5,677
External transfers	8	1,457	1,106	-	11,515	137,308	273	2,186	153,853
Amortization	1,412	3,175	33,286	17,951	-	7,554	8,352	109	71,839
Goods and services	18,633	17,380	25,273	27,600	-	35,311	19,257	2,488	145,942
Total Expenses	52,825	158,305	104,697	61,575	11,515	235,733	57,216	8,474	690,340
Revenues excluding taxation									
User charges	12,834	8,993	18,598	63,548	-	29,925	12,582	1,196	147,676
Provincial and federal transfers	12,532	3,731	23,200	-	-	144,225	951	1,004	185,643
Revenue from other municipalities	48	155	-	2,275	-	17,609	416	-	20,503
Other	29,409	6,468	4,075	5,097	-	975	1,193	630	47,847
Change in equity in government business enterprises	25,785	-	-	-	-	-	-	-	25,785
Total revenues excluding taxation	80,608	19,347	45,873	70,920	-	192,734	15,142	2,830	427,454
Tangible capital assets assumed by the Province									(48,627)
Net municipal property taxes and payments-in-lieu of taxes									309,390
Annual (deficit) surplus	27,782	(138,958)	(58,824)	9,345	(11,515)	(42,999)	(42,074)	(5,644)	(2,123)

THE CORPORATION OF THE CITY OF WINDSOR
Consolidated Schedule of Segmented Net Revenue - Schedule 1
Year ended December 31, 2013
(\$000's)

2012	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Recreation and culture	Planning and development	Total
Expenses									
Salaries, wages and benefits	31,260	130,167	42,927	13,520	-	52,905	31,623	3,712	306,114
Interest	1,239	1,102	42	3,064	-	1,783	-	-	7,230
External transfers	-	1,462	1,138	-	10,876	135,229	898	2,079	151,682
Amortization	1,348	3,102	33,865	16,280	-	8,088	8,196	95	70,974
Goods and services	18,578	16,340	23,543	31,040	-	39,137	15,677	10,831	155,146
Total Expenses	52,425	152,173	101,515	63,904	10,876	237,142	56,394	16,717	691,146
Revenues excluding taxation									
User charges	14,325	10,385	19,833	61,309	-	28,434	11,974	1,373	147,633
Provincial and federal transfers	11,022	3,618	27,573	4,237	-	147,374	14,053	7,041	214,918
Revenue from other municipalities	50	281	-	2,619	-	17,848	436	-	21,234
Other	13,710	7,697	5,706	5,515	-	1,748	727	348	35,451
Change in equity in government business enterprises	43,347	-	-	-	-	-	-	-	43,347
Total revenues excluding taxation	82,454	21,981	53,112	73,680	-	195,404	27,190	8,762	462,583
Net municipal property taxes and payments-in-lieu of taxes									307,061
Annual (deficit) surplus	30,029	(130,192)	(48,403)	9,776	(10,876)	(41,738)	(29,204)	(7,955)	78,498

THE CORPORATION OF THE CITY OF WINDSOR
Tangible Capital Assets - 2013 - Schedule 2
Year ended December 31, 2013
(\$000's)

2013				
Cost	Balance, beginning of year	Additions	Disposals	Balance, end of year
Land	272,306	3,871	(486)	275,691
Landfill and land improvements	164,276	2,829	(233)	166,872
Building and building improvements	554,782	8,795	(1,259)	562,318
Vehicles, machinery and equipment	188,361	11,146	(5,898)	193,609
Water and wastewater infrastructure	778,973	34,130	(733)	812,370
Roads infrastructure	883,958	10,782	(82,518)	812,222
Airport assets	78,833	-	-	78,833
Assets under construction	160,995	46,589	-	207,584
Total	3,082,484	118,142	(91,127)	3,109,499

Accumulated amortization	Balance, beginning of year	Disposals	Amortization expense	Balance, end of year
Landfill and land improvements	46,325	(216)	3,964	50,073
Building and building improvements	234,109	(459)	15,851	249,501
Vehicles, machinery and equipment	106,371	(5,826)	11,908	112,453
Water and wastewater infrastructure	253,158	(366)	15,235	268,027
Roads infrastructure	438,034	(32,662)	22,468	427,840
Airport assets	19,728	-	2,413	22,141
Total	1,097,725	(39,529)	71,839	1,130,035

Net book value	Balance, beginning of year	Balance, end of year
Land	272,306	275,691
Landfill and land improvements	117,951	116,799
Building and building improvements	320,673	312,817
Vehicles, machinery and equipment	81,990	81,156
Water and wastewater infrastructure	525,815	544,343
Roads infrastructure	445,924	384,382
Airport assets	59,105	56,692
Assets under construction	160,995	207,584
Total	1,984,759	1,979,464

THE CORPORATION OF THE CITY OF WINDSOR
Tangible Capital Assets - 2012 - Schedule 2
Year ended December 31, 2013
(\$000's)

2012				
Cost	Balance, beginning of year	Additions	Disposals	Balance, end of year
Land	265,691	6,743	(128)	272,306
Landfill and land improvements	147,110	17,227	(61)	164,276
Building and building improvements	539,499	15,427	(144)	554,782
Vehicles, machinery and equipment	187,784	8,029	(7,452)	188,361
Water and wastewater infrastructure	675,418	103,756	(201)	778,973
Roads infrastructure	851,981	41,081	(9,104)	883,958
Airport assets	57,558	21,275	-	78,833
Assets under construction	249,781	(88,786)	-	160,995
Total	2,974,822	124,752	(17,090)	3,082,484

Accumulated amortization	Balance, beginning of year	Disposals	Amortization expense	Balance, end of year
Landfill and land improvements	42,637	(61)	3,749	46,325
Building and building improvements	218,161	(144)	16,092	234,109
Vehicles, machinery and equipment	101,481	(7,069)	11,959	106,371
Water and wastewater infrastructure	239,606	(180)	13,732	253,158
Roads infrastructure	422,668	(7,939)	23,305	438,034
Airport assets	17,591	-	2,137	19,728
Total	1,042,144	(15,393)	70,974	1,097,725

Net book value	Balance, beginning of year	Balance, end of year
Land	265,691	272,306
Landfill and land improvements	104,473	117,951
Building and building improvements	321,338	320,673
Vehicles, machinery and equipment	86,303	81,990
Water and wastewater infrastructure	435,812	525,815
Roads infrastructure	429,313	445,924
Airport assets	39,967	59,105
Assets under construction	249,781	160,995
Total	1,932,678	1,984,759

TRUST FUND FINANCIAL STATEMENTS

THE CORPORATION OF THE CITY OF WINDSOR

DECEMBER 31, 2013



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INDEPENDENT AUDITORS' REPORT

To the Mayor, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Windsor

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the City of Windsor, which comprise the statement of financial position as at December 31, 2013 and the statement of financial activities and continuity of fund balances for the year then ended, and notes, comprising 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Entity's preparation and fair presentation of the 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 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 financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the City of Windsor as at December 31, 2013, and its financial activities for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

July 21, 2014
Windsor, Canada

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THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds

Statement of Financial Position

Year ended December 31, 2013

(\$000's)

	Huron Lodge Residents' Comfort \$	Willistead Furnishings \$	O.H.R.P. Regular \$	O.H.R.P. Rental \$	Chimczuk Bequest \$	Windsor Justice Facility Capital Maintenance \$	Heritage Endowment Fund \$
Assets							
Current assets							
Cash and equivalents	14	46	354	3	5	5,026	443
Short-term investments	-	-	-	-	3,273	-	-
Accounts receivable:							
Repayable	-	-	3	-	-	-	-
Forgivable	-	-	3	-	-	-	-
Other	1	-	-	-	31	-	-
Due from City of Windsor	107	-	-	-	-	5	-
Total current assets	122	46	360	3	3,309	5,031	443
Long term assets (note 2):							
Investments	-	-	-	-	-	-	-
Total assets	122	46	360	3	3,309	5,031	443
Liabilities							
Due to Current Fund City of Windsor	-	-	-	-	-	-	-
Accounts payable	3	-	141	2	-	6	-
Total liabilities	3	-	141	2	-	6	-
Fund balance	119	46	219	1	3,309	5,025	443
Total liabilities and fund balance	122	46	360	3	3,309	5,031	443

The accompanying notes are an integral part of these financial statements.

EWSWA Landfill Expansion Fund \$	Richmond Landing Strip Bond \$	COAHP Revolving Homeownership \$	Windsor Medical Fund \$	MacDonald Trust \$	Willistead Endowment Fund \$	Library Board Donations \$	Total 2013 \$	Total 2012 \$
-	-	128	32	45	6	10	6,112	5,721
-	-	-	-	-	-	-	3,273	3,203
-	-	-	-	-	-	-	3	3
-	-	-	-	-	-	-	3	2
-	-	-	-	-	-	-	32	65
-	-	-	-	-	-	-	112	111
-	-	128	32	45	6	10	9,535	9,105
8,921	2,355	-	-	-	-	-	11,276	10,772
8,921	2,355	128	32	45	6	10	20,811	19,877
-	-	-	-	-	-	-	-	6
-	-	126	-	1	-	-	279	444
-	-	126	-	1	-	-	279	450
8,921	2,355	2	32	44	6	10	20,532	19,427
8,921	2,355	128	32	45	6	10	20,811	19,877

THE CORPORATION OF THE CITY OF WINDSOR
Trust Funds
Statement of Financial Activities and Continuity of Fund Balances
Year ended December 31, 2013
(\$000's)

	Huron Lodge Residents' Comfort \$	Willistead Furnishings \$	O.H.R.P. Regular \$	O.H.R.P. Rental \$	Chimczuk Bequest \$	Windsor Justice Facility Capital Maintenance \$	Heritage Endowment Fund \$
Balance at the beginning of the year	110	23	215	1	3,238	4,517	463
Revenues							
Residents' comfort	191	-	-	-	-	-	-
Interest earned	-	-	4	-	71	61	5
Contributions	-	23	-	-	-	538	-
Total revenues	191	23	4	-	71	599	5
Expenditures							
Payments to residents or estates	182	-	-	-	-	-	-
Purchases of furnishings and capital improvements	-	-	-	-	-	91	-
Other expenses	-	-	-	-	-	-	25
Total expenditures	182	-	-	-	-	91	25
Balance at the end of the year	119	46	219	1	3,309	5,025	443

EWSWA Landfill Expansion Fund \$	Richmond Landing Strip Bond \$	COAHP Revolving Homeownership \$	Windsor Medical Fund \$	MacDonald Trust \$	Willistead Endowment Trust \$	Library Board Donations \$	Total 2013 \$	Total 2012 \$
8,548	2,224	1	32	41	5	9	19,427	18,793
-	-	-	-	-	-	-	191	201
373	131	1	-	1	-	1	648	638
-	-	17	-	2	1	-	581	859
373	131	18	-	3	1	1	1,420	1,698
-	-	-	-	-	-	-	182	216
-	-	-	-	-	-	-	91	482
-	-	17	-	-	-	-	42	366
-	-	17	-	-	-	-	315	1,064
8,921	2,355	2	32	44	6	10	20,532	19,427

THE CORPORATION OF THE CITY OF WINDSOR
Notes to Trust Funds
December 31, 2013

(\$000's)

1. ACCOUNTING POLICIES

Basis of accounting

Revenue and expenditures are reported on the accrual basis of accounting.

2. LONG TERM ASSETS

Long-term assets include total investments of \$11,276 (2012 - \$10,772) reported on the statement of financial position which reflects cost plus accrued interest to the end of the year.

3. ONTARIO HOME RENEWAL PROGRAM (O.H.R.P.)

In 1995, the Province of Ontario discontinued this program for all but special circumstances. The municipalities will continue to act as agents on behalf of the Province with respect to the collection of outstanding receivables.

4. TRUST FUNDS

The trust funds administered by the Corporation as of December 31, 2013 total \$20,532 (2012 - \$19,427) and are comprised of the following:

Huron Lodge Residents' Comfort Trust \$119 (2012 - \$110)

Administers the Home for the Aged residents' monthly spending allowance.

Willistead Furnishings Trust Fund \$46 (2012 - \$23)

Receives various donations, which are utilized to fund furnishings for the City-owned heritage facility.

Ontario Home Renewal Program Trust (OHRP)

- **Regular \$219 (2012 - \$215)**
- **Rental \$1 (2012 - \$1)**

These trust funds represent funds contributed by the Province of Ontario which are loaned to qualifying individuals to be used to make needed repairs to personal residences or rental housing.

Chimczuk Trust \$3,309 (2012 - \$3,238)

Administers a bequest from Mr. Joseph Chimczuk intended to be used to fund a cultural museum.

Windsor Justice Facility Capital Maintenance Trust \$5,025 (2012 - \$4,517)

Administers joint contributions from the City of Windsor and Ontario Realty Corporation to be used for capital maintenance of the Joint Justice Facility.

Heritage Endowment Fund \$443 (2012 - \$463)

This is a fund which derives income for the purpose of capital funding costs associated with conserving eligible heritage properties.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Trust Funds

December 31, 2013

(\$000's)

Essex-Windsor Solid Waste Authority Landfill Expansion Fund \$8,921 (2012 - \$8,548)

This trust fund was established to hold funds paid by MFP Financial Services Limited to the County of Essex and the City in accordance with the settlement dated July 29, 2005. These funds will be utilized for ongoing cell expansions of the EWSWA consistent with the original loan with required payments in 2017 and 2025. The fund balance of the trust fund relates specifically to an amount payable to the EWSWA regarding ongoing future cell expansions.

Richmond Landing Strip Bond Trust \$2,355 (2012 - \$2,224)

This trust fund is established for the purposes of holding the strip bond issued relative to the Richmond Landing Project which is due to mature in 2031. The proceeds of the fund upon maturity of the bond may be used to purchase the leasehold title at the option of the tenant, but in any event, become the property of the City of Windsor.

Canada-Ontario Affordable Housing Program (COAHP) Trust \$2 (2012 - \$1)

This trust fund was established for the purposes of the Canada-Ontario Affordable Housing Program Homeownership Component. Federal funding deposited into the trust account is subsequently transferred to successful recipients. The funding is considered a grant if the recipient maintains ownership of their home for the term of 20 years. If the home is sold prior to the 20 year period, the downpayment assistance (\$8 maximum) is repayable and deposited back into the trust fund to be redistributed to another recipient.

Windsor Medical Fund \$32 (2012 - \$32)

This fund was established in 2008 specifically for the acquisition of significant artifacts within the scope of the Windsor's Community Museum collection.

MacDonald Trust \$44 (2012 - \$41)

The transfer of the Museum function to the City of Windsor from the Windsor Public Library Board was finalized in 2008. The funds in the MacDonald Trust are to be expended on the collection, preservation and display of artifacts in the Francois Baby House.

Willistead Endowment Trust \$6 (2012 - \$5)

This fund was established in 2012 to be used for the benefit of Willistead Manor. The fund is to be used exclusively and in perpetuity for the preservation, restoration, and capital improvement of Willistead Manor and used for any means needed to achieve this purpose. It is intended that the fund be used for infrastructure projects. The minimum capital amount that must be preserved in the fund at all times is set at 50% of the receipted value of life to date contributions to the fund.

Library Board Trusts \$10 (2012 - \$9)

Administers various bequests and donations made to the Windsor Public Library.

5. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.