

Financial Statements of

**THE CORPORATION OF  
THE CITY OF WINDSOR**

December 31, 2015



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CONSOLIDATED FINANCIAL STATEMENTS

THE CORPORATION OF THE CITY OF WINDSOR

DECEMBER 31, 2015



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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, 2015, 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, 2015, 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

August 22, 2016  
Windsor, Canada

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Consolidated Statement of Financial Position**  
**Year ended December 31, 2015**  
**(\$000's)**

	2015	2014
	\$	\$
	[restated - note 1 (b) (viii)]	
<b>Financial Assets</b>		
Cash and temporary investments	258,369	200,711
Investment in government business enterprises [note 4 (a)]	513,352	488,903
Taxes and payments-in-lieu of taxes receivable [note 1 (b) (iii)]	32,760	36,787
Trade and other receivables	50,195	56,428
<b>Total Financial Assets</b>	<b>854,676</b>	<b>782,829</b>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	78,083	71,837
Accrued interest on long-term liabilities	1,699	1,781
Net long-term liabilities [note 5 (a)]	98,211	104,121
Employee future benefit liabilities [note 6 (b)]	481,211	435,169
Deferred revenue [note 8 (b)]	37,102	23,621
Landfill post closure liability [note 7]	13,438	14,612
Inactive contaminated sites liabilities [note 1 (b) (viii) ]	6,289	6,289
<b>Total Financial Liabilities</b>	<b>716,033</b>	<b>657,430</b>
<b>Net Financial Assets</b>	<b>138,643</b>	<b>125,399</b>
<b>Non-Financial Assets</b>		
Tangible capital assets [schedule 2]	1,985,389	1,977,892
Inventory and assets held for resale	2,353	2,589
Prepaid expenses	7,663	8,610
<b>Total Non-Financial Assets</b>	<b>1,995,405</b>	<b>1,989,091</b>
<b>Accumulated Surplus [note 1 (b) (viii) and 8 (a)]</b>	<b>2,134,048</b>	<b>2,114,490</b>

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, 2015**  
**(\$000's)**

	2015	2014
	\$	\$
	[restated - note 1 (b) (viii)]	
<b>Revenues [note 10, schedule 1]</b>		
Net municipal property taxes and payments-in-lieu of taxes	308,937	302,988
User charges	148,810	145,165
Provincial and federal transfers	202,118	197,171
Revenue from other municipalities	19,943	20,092
Other	40,251	36,858
Change in equity in government business enterprises [note 4 (a)]	24,449	15,173
<b>Total Revenues</b>	<b>744,508</b>	<b>717,447</b>
<b>Expenses [note 10, schedule 1]</b>		
General government	56,332	55,133
Protection to persons and property	170,419	153,217
Transportation services	103,080	102,020
Environmental services	64,882	69,333
Health services	12,115	12,158
Social and family services	247,644	239,977
Recreation and culture	63,146	59,883
Planning and development	7,332	7,829
<b>Total Expenses</b>	<b>724,950</b>	<b>699,550</b>
<b>Annual Surplus</b>	<b>19,558</b>	<b>17,897</b>
Accumulated surplus, beginning of year [note 1 (b) (viii)]	2,114,490	2,096,593
<b>Accumulated surplus, end of year</b>	<b>2,134,048</b>	<b>2,114,490</b>

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, 2015**  
**(\$000's)**

	2015	2014
	\$	\$
	[restated - note 1 (b) (viii)]	
Annual Surplus	19,558	17,897
Acquisition of tangible capital assets [schedule 2]	(82,656)	(80,640)
Amortization of tangible capital assets [schedule 2]	73,672	72,402
Loss on disposal of tangible capital assets	94	7,428
Proceeds on sale of tangible capital assets	1,393	2,382
Net change in inventory and assets held for resale	236	(309)
Net consumption of prepaid expenses	947	3,335
Change in net financial assets	13,244	22,495
Net financial assets, beginning of period	125,399	102,904
Net financial assets, end of period	138,643	125,399

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, 2015**  
**(\$000's)**

	2015	2014
	\$	\$
Cash provided by (used in):		
Operating and Other Activities:		
Annual surplus	19,558	17,897
Amortization of tangible capital assets	73,672	72,402
Loss on disposal of tangible capital assets	94	7,428
Decrease in taxes and payments-in-lieu of taxes receivable	4,027	539
Decrease (increase) in trade and other receivables	6,233	(2,070)
Decrease (increase) in inventory and assets held for resale	236	(309)
Decrease in prepaid expenses	947	3,335
Increase (decrease) in accounts payable and accrued liabilities	6,246	(7,168)
Decrease in accrued interest on long-term liabilities	(82)	(85)
Increase in employee future benefit liabilities	46,042	24,188
Increase in deferred revenue	13,481	9,015
(Decrease) increase in landfill post closure liability	(1,174)	2,459
Net cash provided by operating and other activities	169,280	127,631
Capital Activities:		
Proceeds on sale of tangible capital assets	1,393	2,382
Cash used to acquire tangible capital assets	(82,656)	(80,640)
Net cash used in capital activities	(81,263)	(78,258)
Financing Activities:		
Net long-term liabilities repaid	(5,910)	(5,529)
Net cash used in financing activities	(5,910)	(5,529)
Investing Activities:		
Increase in investment in government business enterprises	(24,449)	(15,173)
Net cash used in investing activities	(24,449)	(15,173)
Increase in cash and temporary investments	57,658	28,671
Cash and temporary investments, beginning of year	200,711	172,040
Cash and temporary investments, end of year	258,369	200,711

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, 2015**  
**(\$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, 2015**  
**(\$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 or from school boards are reported on the consolidated statement of financial position as accounts payable and accrued liabilities or 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, 2015**  
**(\$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) Trade and other receivables**

Trade and other receivables 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:

<b>Asset classification and amortization schedule</b>	
<u>Classification</u>	<u>Useful Life (Years)</u>
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, 2015**  
**(\$000's)**

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

**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 (2014 – 13.3 years).

**(viii) Inactive contaminated sites liabilities**

The City adopted Public Sector Accounting Board Standard *PS 3260 Liability for Contaminated Sites* in 2015 retroactive to January 1, 2014. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use. The liability represents the estimated cost to remediate inactive sites to within the environmental standard.

The adoption of PS 3260 has been applied retroactively and prior periods have been restated. The adoption of PS 3260 has changed amounts reported in the prior period as follows:

<b>Accumulated surplus at January 1, 2014:</b>	
Accumulated surplus, as previously reported	\$2,102,882
<u>Inactive contaminated site liabilities at January 1, 2014</u>	<u>\$6,289</u>
<u>Accumulated surplus, as restated</u>	<u>\$2,096,593</u>

**(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.

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

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

(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 and contaminated sites, the carrying value of tangible capital assets and the evaluation of contingencies.

Actual results could differ from these estimates.

2. **Operations of school boards**

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

	<b>2015</b>	<b>2014</b>
	\$	\$
Taxation received or receivable	61,721	64,965
<u>Requisitions</u>	<u>61,954</u>	<u>67,389</u>
<u>Amount due from school boards</u>	<u>(233)</u>	<u>(2,424)</u>

3. **Contribution to non-consolidated joint board**

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

	<b>2015</b>	<b>2014</b>
	\$	\$
<u>Windsor-Essex County Health Unit</u>	<u>2,706</u>	<u>2,633</u>

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

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**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.

**(a) Investment in GBE**

The City has investments in GBE totalling \$513,352 (2014 - \$488,903), which is comprised of the following:

	<b>2015</b>	<b>2014</b>
	\$	\$
WCUL	159,790	150,242
WDTC	142,212	141,479
WUC	207,174	193,303
YQG	4,176	3,879
	<u>513,352</u>	<u>488,903</u>

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**4. Government Business Enterprises (continued)**

A continuity of the investment in GBE is as follows:

	<b>WCUL</b>	<b>WDTC</b>	<b>WUC</b>	<b>YQG</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>Total</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening investment	150,242	141,479	193,303	3,879	488,903	473,730
Dividends declared	(4,000)	(2,000)	-	(2,000)	(8,000)	(7,000)
Current income	13,548	2,733	13,871	2,297	32,449	22,173
Current change in investment	9,548	733	13,871	297	24,449	15,173
Closing investment	159,790	142,212	207,174	4,176	513,352	488,903

**(b) Supplementary information of GBE**

**(i) WCUL**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Financial position</b>		
Current assets	73,049	60,899
Property, plant and equipment	219,179	206,707
Other assets	80,791	84,130
<b>Total assets</b>	<b>373,019</b>	<b>351,736</b>
Current liabilities	41,294	35,172
Long-term liabilities	171,935	166,322
Total liabilities	213,229	201,494
Shareholders' equity	159,790	150,242
<b>Total liabilities and equity</b>	<b>373,019</b>	<b>351,736</b>

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**4. Government Business Enterprises (continued)**

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Results of operations</b>		
Revenue from distribution of electricity	299,473	286,639
Services provided to Windsor Utilities Commission	20,503	20,561
Other revenue	8,758	7,802
<u>Total revenue</u>	<u>328,734</u>	<u>315,002</u>
Cost of electrical energy	248,714	238,692
Other net expenses	66,472	69,669
<u>Total expenses</u>	<u>315,186</u>	<u>308,361</u>
<u>Net income</u>	<u>13,548</u>	<u>6,641</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:

- 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 management, administrative services, construction operations, and maintenance 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, 2015 was \$5,368 (2014 - \$5,080).
- WCUL collects and remits the sewer surcharge on behalf of the City. The total amount owing to the City at December 31, 2015 relating to sewer surcharge was \$5,696 (2014 - \$5,492).
- The amounts due from related parties which are included in current assets consist of:

	<b>2015</b>	<b>2014</b>
	\$	\$
<u>Due from Windsor Utilities Commission</u>	<u>3,114</u>	<u>1,186</u>

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

	<b>2015</b>	<b>2014</b>
	\$	\$
<u>Due from Windsor Utilities Commission</u>	<u>56,520</u>	<u>57,342</u>

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**4. Government Business Enterprises (continued)**

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

	2015	2014
	\$	\$
<u>Due to the Corporation of the City of Windsor (net)</u>	<u>5,103</u>	<u>4,116</u>

**(ii) WDTC**

	2015	2014
	\$	\$
<b>Financial position</b>		
Current assets	17,896	13,192
<u>Property, plant and equipment</u>	<u>127,286</u>	<u>129,600</u>
<u>Total assets</u>	<u>145,182</u>	<u>142,792</u>
Current liabilities	2,970	1,313
<u>Shareholder's equity</u>	<u>142,212</u>	<u>141,479</u>
<u>Total liabilities and equity</u>	<u>145,182</u>	<u>142,792</u>
<b>Results of operations</b>		
Tolls	10,497	8,837
<u>Other revenues</u>	<u>955</u>	<u>917</u>
<u>Total revenues</u>	<u>11,452</u>	<u>9,754</u>
<u>Operating expenses</u>	<u>8,719</u>	<u>8,616</u>
<u>Net income</u>	<u>2,733</u>	<u>1,138</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, 2015 is \$291 (2014 - \$344).
- The amounts due to related parties which are included in current liabilities consist of:

	2015	2014
	\$	\$
<u>Due to the Corporation of the City of Windsor</u>	<u>1,047</u>	<u>32</u>

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

4. **Government Business Enterprises (continued)**

(iii) **WUC**

	2015	2014
	\$	\$
<b>Financial position</b>		
Current assets	37,343	37,599
Property, plant and equipment and sinking fund	243,357	231,730
<b>Total assets</b>	<b>280,700</b>	<b>269,329</b>
Current liabilities	9,899	10,930
Long-term liabilities	63,627	65,096
<b>Total liabilities</b>	<b>73,526</b>	<b>76,026</b>
<b>Total equity</b>	<b>207,174</b>	<b>193,303</b>
<b>Total liabilities and equity</b>	<b>280,700</b>	<b>269,329</b>
<b>Results of operations</b>		
Retail water sales	47,243	45,895
Other revenues	11,035	10,768
<b>Total revenues</b>	<b>58,278</b>	<b>56,663</b>
Cost of production	16,728	16,934
Operating and other net expenses	27,679	27,672
<b>Total expenses</b>	<b>44,407</b>	<b>44,606</b>
<b>Net income</b>	<b>13,871</b>	<b>12,057</b>

**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, 2015 was \$10,426 (2014 - \$10,477).
- The amounts due from related parties which are included in current assets consist of:

	2015	2014
	\$	\$
<b>Due from the Corporation of the City of Windsor</b>	<b>-</b>	<b>675</b>

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**4. Government Business Enterprises (continued)**

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

	2015	2014
	\$	\$
Due to Enwin Utilities Ltd.	3,114	1,186
Due to the Corporation of the City of Windsor	3,028	5,687
	<u>6,142</u>	<u>6,873</u>

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

	2015	2014
	\$	\$
Due to Enwin Utilities Ltd.	4,520	5,342

**(iv) YQG**

	2015	2014
	\$	\$
<b>Financial position</b>		
<b>Total assets</b>	<u>5,985</u>	<u>4,942</u>
Total liabilities	1,809	1,063
Shareholder's equity	4,176	3,879
<b>Total liabilities and equity</b>	<u>5,985</u>	<u>4,942</u>
<b>Results of operations</b>		
Airport operating revenues	4,306	4,132
Management fees and other revenues	1,638	1,307
<b>Total revenues</b>	<u>5,944</u>	<u>5,439</u>
<b>Operating and other expenses</b>	<u>3,647</u>	<u>3,102</u>
<b>Net income</b>	<u>2,297</u>	<u>2,337</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:

- YQG provides airport management services to the City. The total amount of management fees received for the year ending December 31, 2015 is \$324 (2014 - \$324).

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
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**4. Government Business Enterprises (continued)**

- Amounts owing to the City relate mainly to capital purchases which are to be reimbursed, pension funding received from the City in 2014, and dividends payable. The amounts due to related parties which are included in total liabilities are non-interest bearing and consist of:

	2015	2014
	\$	\$
<u>Due to the Corporation of the City of Windsor</u>	1,030	407

**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:

	2015	2014
	\$	\$
<u>Total long-term liabilities</u>	98,211	104,121
<u>Less amount repayable from user fees</u>	(86,657)	(91,025)
<u>Net amount repayable from general taxation</u>	11,554	13,096

The amount repayable from user fees is comprised of:

	2015	2014
	\$	\$
Essex-Windsor Solid Waste Authority (see below)	32,475	32,827
Sewer Surcharge fund	28,261	30,030
Transit Windsor	1,537	1,625
<u>Windsor-Essex Community Housing Corporation</u>	24,384	26,543
<u>Total long-term liabilities repayable by user fees</u>	86,657	91,025

At December 31, 2015, the net long-term liability as reported on the financial statements, which the City is responsible for 50% of EWSWA consists of:

	2015	2014
	\$	\$
Debenture Payable	64,950	65,653
<u>Accrued Interest</u>	1,933	1,954
	<u>66,883</u>	<u>67,607</u>

The City has assumed no debt from other municipalities.

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**5. Net long-term liabilities (continued)**

(b) Of the net long-term liabilities in (a) of this note, \$35,909 in principal payments are repayable from 2016 to 2020, \$32,802 from 2021 to 2025 and \$29,500 thereafter.

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

	2016-2020	2021-2025	Thereafter	Total
	\$	\$	\$	\$
From general municipal revenues	9,319	2,235	-	11,554
From user fees	26,590	30,567	29,500	86,657
	<u>35,909</u>	<u>32,802</u>	<u>29,500</u>	<u>98,211</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:

	2015	2014
	\$	\$
Interest funded from general property taxes	839	932
Interest funded from user fees	4,298	4,494
	<u>5,137</u>	<u>5,426</u>

**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 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 2015 was \$22,007 (2014 - \$22,415). At December 31, 2015 the OMERS plan is in a deficit position, which is being addressed through managing contribution rates, benefit levels, and investment returns.

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, 2015 the plan has, for accounting purposes, pension assets of \$4,325 (2014 - \$3,821) and is in a funding deficit of \$5,203 (2014 - \$8,755). As required by the Pension Benefits Standards Act, the City has issued a letter of credit to the pension plan and is making special payments regarding this funding deficit.

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**6. Employee benefits (continued)**

**(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, 2015 and consist of the following:

	<b>2015</b>	<b>2014</b>
	\$	\$
Post retirement benefits	411,933	375,290
Post employment benefits	6,781	6,410
WSIB future benefits	53,056	42,986
Accrued vested sick leave	11,585	12,024
Vacation and vested banked overtime	2,181	2,280
<u>Transit Windsor pension asset</u>	<u>(4,325)</u>	<u>(3,821)</u>
	<u>481,211</u>	<u>435,169</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 3.55% (2014 – 3.25%)
- Health Care Discount Rate: 5.5% (2014 – 6.0%)  
grading to 4.5% per annum in 2017

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

	<b>2015</b>	<b>2014</b>
	\$	\$
Accrued benefit liability at the beginning of the year	375,290	353,243
Current service cost	17,675	11,469
Interest	18,909	19,182
Amortization of actuarial net losses	10,311	1,222
<u>Benefits paid</u>	<u>(10,252)</u>	<u>(9,826)</u>
Accrued benefit liability at the end of the year	411,933	375,290
<u>Unamortized net actuarial losses</u>	<u>146,894</u>	<u>193,215</u>
<u>Accrued benefit obligations at the end of the year</u>	<u>558,827</u>	<u>568,505</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.

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**6. Employee benefits (continued)**

**(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. The estimated liability recorded at December 31, 2015 is \$53,056 (2014 - \$42,986).

**(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 2015, an amount of \$1,322 (2014 - \$1,171) 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, 2015 is comprised of the City's proportion of the Regional Landfill closure and post closure expenses of \$2,362 (2014 - \$3,103) and post closure expenses associated with the closed Essex County Landfill #3 of \$11,076 (2014 - \$11,509).

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, 2015 liability for post closure expenditures is based on the annual payment to EWSWA of \$620 (2014 - \$600) and inflation adjusted at 2.0% per annum (2014 - 2.0%) and discounted to December 31, 2015 using a discount rate of 3.55 % (2014 - 3.25%).

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**8. Municipal position**

**(a) Accumulated surplus**

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Surplus:</b>		
Invested in tangible capital assets	1,887,178	1,873,771
Invested in government business enterprises	513,352	488,903
Unfunded employee future benefit liabilities	(481,211)	(435,169)
Unfunded landfill post closure liabilities	(13,438)	(14,612)
Unfunded inactive contaminated sites liabilities	(6,289)	(6,289)
Other	48,560	35,951
<b>Total surplus</b>	<b>1,948,152</b>	<b>1,942,555</b>
<b>Reserves set aside for specific purpose by Council:</b>		
Working funds	11,840	11,840
Encumbrances	2,335	2,440
Future planning	1,351	367
Post retirement death benefit	79	122
Recreation services	1,253	798
Fire services	429	355
Environmental services	23,721	23,534
Occupational illness	2,828	2,851
Others	1,846	570
<b>Total reserves</b>	<b>45,682</b>	<b>42,877</b>
<b>Reserve funds set aside for specific purpose by Council:</b>		
Replacement of equipment	58,055	52,838
Capital expenditures	38,452	33,980
Insurance	4,134	3,761
Health benefits rate stabilization	4,606	5,101
Sanitary sewer expenditures	12,041	11,130
Budget stabilization	6,260	8,140
Children's fund	682	677
Social housing	6,266	6,763
Recreation	275	358
Transit debt repayment	1,864	1,969
Tax appeals	7,579	4,341
<b>Total reserve funds</b>	<b>140,214</b>	<b>129,058</b>
<b>Total accumulated surplus</b>	<b>2,134,048</b>	<b>2,114,490</b>

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**8. Municipal position (continued)**

**(b) Deferred revenue**

The following funds totalling \$37,102 deferred revenue (2014 – \$23,621) relate to net inflows (outflows) which have statutory restrictions and as such are classified as deferred revenue on the consolidated statement of financial position:

	<b>Beginning balance 2014 \$</b>	<b>2015 Inflows \$</b>	<b>2015 Outflows \$</b>	<b>Ending Balance 2015 \$</b>
Parkland acquisition fund	559	495	520	534
Development charges fund	10,459	8,110	1,698	16,871
Building permit fund (net)	(599)	514	378	(463)
Provincial gas tax fund	394	3,702	3,483	613
Federal gas tax fund	12,416	12,456	7,304	17,568
Federal public transit fund	326	3	-	329
Others	66	1,584	-	1,650
<b>Total deferred revenue</b>	<b>23,621</b>	<b>26,864</b>	<b>13,383</b>	<b>37,102</b>

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) are 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, 2015, the City is committed to making the following payments:

- (a) Contracts for various capital construction projects, at a cost of \$50,500 (2014 - \$42,060) in the aggregate, to be financed generally by pay as you go funding from the operating fund.
- (b) Payments for various operating leases through 2020 of \$1,209 (2014 - \$1,164).
- (c) The City will host the following events: 2016 and 2017 FINA Diving World Series and 2016 FINA World Swimming Championships (25m). The City has committed budgetary funding totaling \$3,450 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, 2015**  
**(\$000's)**

**9. Commitments (continued)**

- (d) The City and YQG have received a commitment from the Federal Economic Development Agency ("FedDev") of \$12,643, of which \$8,540 has been received, towards the construction of a cargo facility comprised of 3 buildings totalling 71,000 square feet (sf). The City and YQG will be responsible for the estimated additional \$3,365 required for construction.

The buildings being constructed on the Airport surplus lands include: 36,000 sf for Federal Express Canada Limited ("FedEx"), 10,000 sf for the University of Windsor Institute for Border Logistics and Security ("IBLS"), and 25,000 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, 2015, there were 11 approved grant applications under the Economic Revitalization CIP, 3 approved grant applications under the Brownfield Redevelopment CIP, and 4 approved grant applications under the Olde Sandwich Towne 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 \$8,751 (2014 - \$6,255).

- (f) The City has agreed to fund \$10,000 towards the transfer and renovations of the Armouries to the University of Windsor for their programs. To date, \$2,000 has been paid based on construction milestones. The City has approved a placeholder of \$8,000 in its capital budget relative to the remaining commitment.
- (g) 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 47 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 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.

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**11. Public liability insurance**

The City is self-insured for general liability claims up to \$250 (2014 - \$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 \$ nil in retroactive assessments in 2015 (2014 - \$1,095). The City has established a reserve fund for self-insurance, which at December 31, 2015 amounted to \$4,134 (2014 - \$3,761).

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

*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

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2015**  
**(\$000's)**

**12. Segmented information (continued)**

*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 \$4,000.
- (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.
- (d) The City is the subject of a class action lawsuit relating to bingo/lottery licence fees. Depending on the outcome of the legal proceedings, the City could incur a liability of up to approximately \$70,000.

**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, 2015**  
**(\$000's)**

2015	Protection to			Social and				Total
	General government	persons and property	Transportation services	Environmental services	Health services	family services	Recreation and culture and development	
<b>Expenses</b>								
Salaries, wages and benefits	37,149	148,505	45,089	14,037	-	54,746	30,228	333,727
Interest	-	839	36	2,901	-	1,361	-	5,137
External transfers	5	1,457	1,072	-	12,115	146,417	335	162,673
Amortization	1,490	3,405	32,186	18,483	-	7,762	10,250	73,672
Goods and services	17,688	16,213	24,697	29,461	-	37,358	22,333	149,741
<b>Total Expenses</b>	<b>56,332</b>	<b>170,419</b>	<b>103,080</b>	<b>64,882</b>	<b>12,115</b>	<b>247,644</b>	<b>63,146</b>	<b>724,950</b>
<b>Revenues excluding taxation</b>								
User charges	8,305	9,695	20,841	61,800	221	31,239	14,795	148,810
Provincial and federal transfers	20,953	5,124	17,529	144	-	157,580	788	202,118
Revenue from other municipalities	51	286	-	2,185	-	16,955	466	19,943
Other	25,042	6,089	3,210	3,880	-	852	489	40,251
Change in equity in government business enterprises	24,449	-	-	-	-	-	-	24,449
<b>Total revenues excluding taxation</b>	<b>78,800</b>	<b>21,194</b>	<b>41,580</b>	<b>68,009</b>	<b>221</b>	<b>206,626</b>	<b>16,538</b>	<b>435,571</b>
Net municipal property taxes and payments-in-lieu of taxes								308,937
<b>Annual (deficit) surplus</b>	<b>22,468</b>	<b>(149,225)</b>	<b>(61,500)</b>	<b>3,127</b>	<b>(11,894)</b>	<b>(41,018)</b>	<b>(46,608)</b>	<b>19,558</b>

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Consolidated Schedule of Segmented Net Revenue - Schedule 1**  
**Year ended December 31, 2015**  
**(\$000's)**

2014	Protection to			Social and				Total
	General government	persons and property	Transportation services	Environmental services	Health services	family services	Recreation and culture and development	
<b>Expenses</b>								
Salaries, wages and benefits	35,834	132,018	41,973	14,687	-	49,062	29,037	306,154
Interest	466	466	38	2,964	-	1,492	-	5,426
External transfers	93	1,453	1,087	-	12,158	141,615	360	158,988
Amortization	1,476	3,392	32,109	18,350	-	7,633	9,349	72,402
Goods and services	17,264	15,888	26,813	33,332	-	40,175	21,137	156,580
<b>Total Expenses</b>	<b>55,134</b>	<b>153,217</b>	<b>102,020</b>	<b>69,333</b>	<b>12,158</b>	<b>239,976</b>	<b>59,884</b>	<b>699,550</b>
<b>Revenues excluding taxation</b>								
User charges	8,528	9,161	21,852	59,722	115	30,237	14,104	145,165
Provincial and federal transfers	17,945	4,174	18,547	243	-	152,476	3,762	197,171
Revenue from other municipalities	47	277	-	2,021	-	17,347	400	20,092
Other	20,012	5,648	5,064	3,244	-	972	1,606	36,858
Change in equity in government business enterprises	15,173	-	-	-	-	-	-	15,173
<b>Total revenues excluding taxation</b>	<b>61,705</b>	<b>19,260</b>	<b>45,463</b>	<b>65,230</b>	<b>115</b>	<b>201,032</b>	<b>19,872</b>	<b>414,459</b>
Net municipal property taxes and payments-in-lieu of taxes								
<b>Annual (deficit) surplus</b>	<b>6,571</b>	<b>(133,957)</b>	<b>(56,557)</b>	<b>(4,103)</b>	<b>(12,043)</b>	<b>(38,944)</b>	<b>(40,012)</b>	<b>17,897</b>

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Tangible Capital Assets - 2015 - Schedule 2**  
**Year ended December 31, 2015**  
**(\$000's)**

<b>2015</b>				
<b>Cost</b>	<b>Balance, beginning of year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance, end of year</b>
Land	270,336	111	(760)	269,687
Landfill and land improvements	167,056	5,833	(479)	172,410
Building and building improvements	637,571	3,980	(1,397)	640,154
Vehicles, machinery and equipment	200,764	9,746	(4,384)	206,126
Water and wastewater infrastructure	826,206	11,449	(138)	837,517
Roads infrastructure	843,989	8,674	(605)	852,058
Airport assets	79,739	77	-	79,816
Assets under construction	138,069	42,786	-	180,855
<b>Total</b>	<b>3,163,730</b>	<b>82,656</b>	<b>(7,763)</b>	<b>3,238,623</b>

<b>Accumulated amortization</b>	<b>Balance, beginning of year</b>	<b>Disposals</b>	<b>Amortization expense</b>	<b>Balance, end of year</b>
Landfill and land improvements	53,305	(339)	3,995	56,961
Building and building improvements	263,055	(1,062)	17,719	279,712
Vehicles, machinery and equipment	115,581	(4,220)	12,530	123,891
Water and wastewater infrastructure	283,278	(126)	15,685	298,837
Roads infrastructure	446,144	(529)	21,351	466,966
Airport assets	24,475	-	2,392	26,867
<b>Total</b>	<b>1,185,838</b>	<b>(6,276)</b>	<b>73,672</b>	<b>1,253,234</b>

<b>Net book value</b>	<b>Balance, beginning of year</b>	<b>Balance, end of year</b>
Land	270,336	269,687
Landfill and land improvements	113,751	115,449
Building and building improvements	374,516	360,442
Vehicles, machinery and equipment	85,183	82,235
Water and wastewater infrastructure	542,928	538,680
Roads infrastructure	397,845	385,092
Airport assets	55,264	52,949
Assets under construction	138,069	180,855
<b>Total</b>	<b>1,977,892</b>	<b>1,985,389</b>

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Tangible Capital Assets - 2014 - Schedule 2**  
**Year ended December 31, 2015**  
**(\$000's)**

<b>2014</b>				
<b>Cost</b>	<b>Balance, beginning of year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance, end of year</b>
Land	275,691	1,648	(7,003)	270,336
Landfill and land improvements	166,872	1,715	(1,531)	167,056
Building and building improvements	562,318	79,470	(4,217)	637,571
Vehicles, machinery and equipment	193,609	16,732	(9,577)	200,764
Water and wastewater infrastructure	812,370	14,316	(480)	826,206
Roads infrastructure	812,222	35,326	(3,559)	843,989
Airport assets	78,833	948	(42)	79,739
Assets under construction	207,584	(69,515)	-	138,069
<b>Total</b>	<b>3,109,499</b>	<b>80,640</b>	<b>(26,409)</b>	<b>3,163,730</b>

<b>Accumulated amortization</b>	<b>Balance, beginning of year</b>	<b>Disposals</b>	<b>Amortization expense</b>	<b>Balance, end of year</b>
Landfill and land improvements	50,073	(673)	3,905	53,305
Building and building improvements	249,501	(3,263)	16,817	263,055
Vehicles, machinery and equipment	112,453	(9,363)	12,491	115,581
Water and wastewater infrastructure	268,027	(358)	15,609	283,278
Roads infrastructure	427,840	(2,905)	21,209	446,144
Airport assets	22,141	(37)	2,371	24,475
<b>Total</b>	<b>1,130,035</b>	<b>(16,599)</b>	<b>72,402</b>	<b>1,185,838</b>

<b>Net book value</b>	<b>Balance, beginning of year</b>	<b>Balance, end of year</b>
Land	275,691	270,336
Landfill and land improvements	116,799	113,751
Building and building improvements	312,817	374,516
Vehicles, machinery and equipment	81,156	85,183
Water and wastewater infrastructure	544,343	542,928
Roads infrastructure	384,382	397,845
Airport assets	56,692	55,264
Assets under construction	207,584	138,069
<b>Total</b>	<b>1,979,464</b>	<b>1,977,892</b>

TRUST FUND FINANCIAL STATEMENTS

THE CORPORATION OF THE CITY OF WINDSOR

DECEMBER 31, 2015



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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, 2015 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, 2015, and its financial activities for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

August 22, 2016  
Windsor, Canada

**THE CORPORATION OF THE CITY OF WINDSOR**

**Trust Funds**

**Statement of Financial Position**

**Year ended December 31, 2015**

**(\$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 \$
<b>Assets</b>							
Current assets							
Cash and equivalents	97	56	19	-	-	5,347	453
Short-term investments	-	-	-	-	599	-	-
Accounts receivable:							
Repayable	-	-	-	-	-	-	-
Forgivable	-	-	-	-	-	-	-
Other	-	1	-	-	13	3	-
Due from City of Windsor	-	-	-	-	-	5	-
<b>Total current assets</b>	<b>97</b>	<b>57</b>	<b>19</b>	<b>-</b>	<b>612</b>	<b>5,355</b>	<b>453</b>
Long term assets (note 2):							
Investments	-	-	-	-	-	-	-
<b>Total assets</b>	<b>97</b>	<b>57</b>	<b>19</b>	<b>-</b>	<b>612</b>	<b>5,355</b>	<b>453</b>
<b>Liabilities</b>							
Due to Current Fund City of Windsor	-	-	-	-	34	-	-
Due to Reserve Fund City of Windsor	-	-	19	-	-	-	-
Accounts payable	3	-	-	-	3	55	-
<b>Total liabilities</b>	<b>3</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>37</b>	<b>55</b>	<b>-</b>
Fund balance	94	57	-	-	575	5,300	453
<b>Total liabilities and fund balance</b>	<b>97</b>	<b>57</b>	<b>19</b>	<b>-</b>	<b>612</b>	<b>5,355</b>	<b>453</b>

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

<b>EWSWA Landfill Expansion Fund \$</b>	<b>Richmond Landing Strip Bond \$</b>	<b>COAHP Revolving Homeownership \$</b>	<b>Windsor Medical Fund \$</b>	<b>MacDonald Trust \$</b>	<b>Willistead Endowment Fund \$</b>	<b>Library Board Donations \$</b>	<b>Total 2015 \$</b>	<b>Total 2014 \$</b>
-	-	263	33	37	7	10	6,322	6,672
-	-	-	-	-	-	-	599	3,344
-	-	-	-	-	-	-	-	3
-	-	-	-	-	-	-	-	3
-	-	-	-	-	-	-	17	33
-	-	-	-	-	-	-	5	6
-	-	263	33	37	7	10	6,943	10,061
9,667	2,616	-	-	-	-	-	12,283	11,779
9,667	2,616	263	33	37	7	10	19,226	21,840
-	-	26	-	-	-	-	60	26
-	-	-	-	-	-	-	19	-
-	-	231	-	-	-	-	292	305
-	-	257	-	-	-	-	371	331
9,667	2,616	6	33	37	7	10	18,855	21,509
9,667	2,616	263	33	37	7	10	19,226	21,840

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Trust Funds**  
**Statement of Financial Activities and Continuity of Fund Balances**  
**Year ended December 31, 2015**  
**(\$000's)**

	Huron Lodge Residents' Comfort \$	Willistead Furnishings \$	O.H.R.P. Regular \$	O.H.R.P. Rental \$	Chimeczuk Bequest \$	Windsor Justice Facility Capital Maintenance \$	Heritage Endowment Fund \$
Balance at the beginning of the year	97	52	223	1	3,382	5,428	449
<b>Revenues</b>							
Residents' comfort	178	-	-	-	-	-	-
Interest earned	-	-	3	-	46	59	4
Contributions	-	5	-	1	-	490	-
<b>Total revenues</b>	<b>178</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>46</b>	<b>549</b>	<b>4</b>
<b>Expenditures</b>							
Payments to residents or estates	181	-	-	-	-	-	-
Purchases of furnishings and capital improvements	-	-	-	-	-	677	-
Payments to Province of Ontario	-	-	202	2	-	-	-
Contribution to City of Windsor Capital Fund	-	-	-	-	2,810	-	-
Other expenses	-	-	24	-	43	-	-
<b>Total expenditures</b>	<b>181</b>	<b>-</b>	<b>226</b>	<b>2</b>	<b>2,853</b>	<b>677</b>	<b>-</b>
<b>Balance at the end of the year</b>	<b>94</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>575</b>	<b>5,300</b>	<b>453</b>

<b>EWSWA Landfill Expansion Fund \$</b>	<b>Richmond Landing Strip Bond \$</b>	<b>COAHP Revolving Homeownership \$</b>	<b>Windsor Medical Fund \$</b>	<b>MacDonald Trust \$</b>	<b>Willistead Endowment Trust \$</b>	<b>Library Board Donations \$</b>	<b>Total 2015 \$</b>	<b>Total 2014 \$</b>
9,294	2,485	4	33	44	7	10	21,509	20,532
-	-	-	-	-	-	-	178	176
373	131	2	-	1	-	-	619	656
-	-	26	-	-	-	-	522	524
373	131	28	-	1	-	-	1,319	1,356
-	-	-	-	-	-	-	181	198
-	-	-	-	8	-	-	685	153
-	-	-	-	-	-	-	204	-
-	-	-	-	-	-	-	2,810	-
-	-	26	-	-	-	-	93	28
-	-	26	-	8	-	-	3,973	379
9,667	2,616	6	33	37	7	10	18,855	21,509

# THE CORPORATION OF THE CITY OF WINDSOR

## Notes to Trust Funds

December 31, 2015

(\$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 \$12,283 (2014 - \$11,779) reported on the statement of financial position which reflects cost plus accrued interest to the end of the year.

### 3. TRUST FUNDS

The trust funds administered by the Corporation as of December 31, 2015 total \$18,855 (2014 - \$21,509) and are comprised of the following:

**Huron Lodge Residents' Comfort Trust \$94 (2014 - \$97)**

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

**Willistead Furnishings Trust Fund \$57 (\$2014 - \$52)**

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

**Ontario Home Renewal Program Trust (OHRP)**

- **Regular Snil (2014 - \$223)**
- **Rental Snil (2014 - \$1)**

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

In 1995, the Province of Ontario discontinued this program for all but special circumstances. In 2015, the City and the Province agreed to wrap up these trusts and return any remaining funds to the Province.

**Chimczuk Trust \$575 (2014 - \$3,382)**

Administers a bequest from Mr. Joseph Chimczuk intended to be used to fund a cultural museum. In 2015, funds were utilized to begin the construction of the Chimczuk Museum, with subsequent completion in 2016.

**Windsor Justice Facility Capital Maintenance Trust \$5,300 (2014 - \$5,428)**

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 \$453 (2014 - \$449)**

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, 2015

(\$000's)

**Essex-Windsor Solid Waste Authority Landfill Expansion Fund \$9,667 (2014 - \$9,294)**

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 \$2,616 (2014 - \$2,485)**

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 \$6 (2014 - \$4)**

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 \$33 (2014 - \$33)**

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 \$37 (2014 - \$44)**

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 \$7 (2014 - \$7)**

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 (2014 - \$10)**

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.