

Consolidated Financial Statements

City of Guelph

December 31, 2020

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City of Guelph

December 31, 2020

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City of Guelph

Consolidated statement of financial position as at December 31, 2020 (\$'000's)

	2020 \$	2019 (Restated - Note 26) \$
Financial assets		
Cash	67,501	54,871
Investments (Note 3)	377,252	354,607
Taxes receivable	5,027	5,096
Accounts receivable	30,211	28,328
Loans and notes receivable	1,336	186
Investment in Guelph Junction Railway Limited (Note 4)	10,871	10,421
Investment in Guelph Municipal Holdings Inc. (Note 5)	89,381	89,411
	581,579	542,920
Liabilities		
Accounts payable and accrued liabilities	45,520	54,123
Accrued interest payable	1,137	1,190
Vacation and other employee benefits payable	9,436	7,862
Developer agreement deferred revenue	1,979	2,161
Other deferred revenue	24,937	24,627
Deferred contributions (Note 7)	109,768	90,304
Employee future benefits (Note 9)	46,246	41,811
Debt (Note 10)	102,417	116,485
Obligation under capital lease (Note 11)	1,972	246
Landfill post-closure liability (Note 12)	3,387	4,520
Other long-term liabilities (Note 13)	10,031	10,177
Liability for contaminated sites (Note 18)	24,050	26,000
	380,880	379,506
Net financial assets	200,699	163,414
Non-financial assets		
Tangible capital assets (Note 14)	1,170,605	1,159,903
Inventory	2,122	1,844
Prepaid expenses	2,342	4,006
	1,175,069	1,165,753
Contingencies (Note 19)		
Commitments and guarantees (Note 20)		
Accumulated surplus (Note 15)	1,375,768	1,329,167

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

City of Guelph

Consolidated statement of operations and accumulated surplus year ended December 31, 2020 (\$'000's)

	2020 Budget (Note 22) \$	2020 Actual \$	2019 Actual (Restated - Note 26) \$
Revenues			
Taxation			
Property taxation (Note 2)	260,492	259,036	250,316
Penalties and interest on taxes	1,307	1,826	1,359
	261,799	260,862	251,675
User charges	113,417	99,928	111,372
Contributed subdivision assets	5,680	5,681	4,607
Contributions			
Government of Canada	15,179	18,472	12,455
Province of Ontario	60,472	68,252	63,883
Municipal	4,544	5,249	5,019
Developers	21,174	6,984	18,196
Other contributions	556	1,071	960
Other revenue (Note 6)	27,101	24,448	58,517
Total revenues	509,922	490,947	526,684
Expenses			
General government	31,075	38,287	32,959
Protection services	87,560	94,293	90,795
Transportation services	62,952	68,541	72,087
Environmental services	73,532	81,422	81,561
Health services	32,222	41,108	35,441
Social and family services	44,306	43,642	45,896
Social housing	24,211	25,519	23,664
Recreation and cultural services	44,312	45,037	50,897
Planning and development	8,913	6,497	6,896
Total expenses	409,083	444,346	440,196
Excess of revenues over expenses for the year	100,839	46,601	86,488
Accumulated surplus - beginning of year	1,277,443	1,329,167	1,242,679
Accumulated surplus, end of year	1,378,282	1,375,768	1,329,167

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

City of Guelph

Consolidated statement of change in net financial assets
 year ended December 31, 2020
 (\$000's)

	2020 Budget (Note 22)	2020 Actual	2019 Actual (Restated - Note 26)
	\$	\$	\$
Excess of revenues over expenses for the year	100,839	46,601	86,488
Amortization of tangible capital assets	52,500	54,233	53,050
Acquisition of tangible capital assets	-	(59,491)	(88,841)
Acquisition of leased tangible capital assets	-	(2,086)	-
Contributed subdivision assets	(5,680)	(5,681)	(4,607)
(Gain) loss on disposal of tangible capital assets	(142)	(1,090)	1,396
Proceeds from disposal of tangible capital assets	-	3,413	2,447
Change in inventory and prepaid expenses	-	1,386	(21)
Increase in net financial assets for the year	147,517	37,285	49,912
Net financial assets, beginning of year	123,495	163,414	113,502
Net financial assets, end of year	271,012	200,699	163,414

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

City of Guelph

Consolidated statement of cash flows year ended December 31, 2020 (\$'000's)

	2020 \$	2019 (Restated - Note 26) \$
Operating activities		
Excess of revenues over expenses for the year	46,601	86,488
Items not affecting cash:		
Amortization of tangible capital assets	54,233	53,050
(Gain) loss on disposal of tangible capital assets	(1,090)	1,396
Contributed subdivision assets	(5,681)	(4,607)
Government business enterprise earnings	(3,535)	(34,006)
Employee future benefits expenses	4,435	4,492
Landfill post-closure cost	(1,133)	85
Contaminated sites (recovery) cost	(1,950)	(1,000)
Changes in non-cash working capital:		
Taxes receivable	69	152
Accounts receivable	(1,883)	(4,376)
Developer agreement deferred revenue	(182)	702
Inventory and prepaid expenses	1,386	(21)
Accounts payable and accrued liabilities	(8,603)	(133)
Accrued interest payable	(53)	297
Vacation and other employee benefits payable	1,574	235
Other deferred revenue	310	2,300
Other long-term liabilities	(146)	(2,866)
Net change in deferred contributions	19,464	25,919
Cash provided by operating activities	103,816	128,107
Capital and investing activities		
Acquisition of tangible capital assets	(59,491)	(88,841)
Proceeds from disposal of tangible capital assets	3,413	2,447
Dividend from Guelph Municipal Holdings Inc. (Note 5)	3,035	15,625
Dividend from Guelph Junction Railway Limited (Note 4)	80	80
Change in loans and notes receivable	(1,150)	2,458
Net investment (acquisitions) disposals	(22,645)	(75,432)
Cash used by capital and investing activities	(76,758)	(143,663)
Financing activities		
Net (repayment) issuance of debt principal	(14,068)	20,547
Principal repayments on capital lease	(360)	(248)
Cash (used in) provided by financing activities	(14,428)	20,299
Increase in cash for the year	12,630	4,743
Cash, beginning of year	54,871	50,128
Cash, end of year	67,501	54,871

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

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

1. Significant Accounting Policies

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

Reporting entity

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

Consolidated entities

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

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

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

Proportionately consolidated entities

The City reports only its share of assets, liabilities and results of operations of any government partnerships in which it participates. The City participates in the Wellington-Dufferin-Guelph Public Health Unit to the extent of 46.3% (2019 – 46.3%) based on population, as stated in agreement with the other participants. In 2018, the proportionate share of each obligated municipality was realigned to the 2016 census.

Modified equity basis entities

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

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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1. Significant Accounting Policies (continued)

Basis of accounting

Accrual basis of accounting

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

Taxes receivable and related revenues

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

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

Reserves and reserve funds

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

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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1. Significant Accounting Policies (continued)

Basis of accounting (continued)

Deferred revenue and deferred contributions

Deferred revenues and deferred contributions represent property taxes, user charges and fees, developer contributions and other grant revenues which have been collected but for which the related services or expenses have yet to be incurred. These revenues have certain restrictions and will be recognized in the fiscal year the services are performed, or expenses incurred. Development charges, federal and provincial gas tax grants, funds received for parkland dedication restricted under the Planning Act, and funds received in relation to the Ontario Building Code Act which together make up Deferred Contributions, are interest bearing and current year interest earned on these amounts is added to deferred revenue and recognized as revenue when eligible expenses are incurred.

Tangible capital assets

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

Asset	Useful Life (Years)
Land improvements	20 - 75
Buildings	10 - 75
Machinery and equipment	3 - 25
Vehicles	5 - 15
Sanitary sewers infrastructure	50 - 80
Storm sewer infrastructure	15 - 80
Transportation infrastructure	20 - 80
Waterworks infrastructure	5 - 80

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

- b) Land purchased for service delivery purposes is recorded as a tangible capital asset at cost. Any land cost premium incurred or discount received related to expropriation will be included as part of the asset to be constructed and amortized over its' useful life.
- c) Tangible capital assets received as contributions are recognized at their fair value at the date of receipt, and correspondingly recognized as revenue in that period. Similarly, contributions of assets to a third party are recorded as an expense equal to the net book value of the tangible capital asset as of the date of transfer.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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1. Significant Accounting Policies (continued)

Basis of accounting (continued)

Tangible capital assets (continued)

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

Employee future benefit obligations

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

The cost of plan amendments related to prior period employee services are accounted for in the period of the plan amendment. Actuarial gains and losses on the accrued benefit obligation arise from differences between the actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net actuarial gains or losses are amortized over the estimated average remaining service life.

Government transfers

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

Investment income

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

Contaminated sites

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 relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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1. Significant Accounting Policies (continued)

Basis of accounting (continued)

Use of estimates

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

2. Taxation revenues

a) *Taxation collected on behalf of school boards*

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

	2020	2019
	\$	\$
Taxation revenue collected - school boards	67,834	67,060
Requisitions	(67,834)	(67,060)
Net levy for the year	-	-

b) *Taxation revenue by major tax class*

2020	Taxes (own purpose) \$	Payments in lieu \$	Supplem- entary taxes \$	Rebates & write-offs \$	2020 total \$
Residential	170,006	30	2,581	(287)	172,330
Multit-Residential	17,817	-	80	(205)	17,692
Commercial	44,568	3,977	1,108	(2,343)	47,310
Industrial	18,962	210	99	(1,073)	18,198
Pipelines	604	-	4	-	608
Farmlands	15	-	-	-	15
Managed Forests	3	-	-	-	3
Other	-	2,971	149	(882)	2,238
Total tax revenue	251,975	7,188	4,021	(4,790)	258,394

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Notes to the consolidated financial statements

December 31, 2020

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2. Taxation revenues (continued)

b) Taxation revenue by major tax class (continued)

2019	Taxes (own purpose) \$	Payments in lieu \$	Supple- mentary taxes \$	Rebates & write-offs \$	2019 total \$
Residential	161,763	28	2,687	(136)	164,342
Residential	16,892	-	249	(232)	16,909
Commercial	42,902	3,680	991	(633)	46,940
Industrial	18,044	211	144	(511)	17,888
Pipelines	591	-	12	-	603
Farmlands	13	-	-	-	13
Managed forests	3	-	-	-	3
Other	-	2,847	161	(11)	2,997
Total tax revenue	240,208	6,766	4,244	(1,523)	249,695

3. Investments

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

	2020		2019	
	Market \$	Cost \$	Market \$	Cost \$
Short-term investments	190,761	189,405	152,470	150,163
Long-term investments	195,015	187,847	205,395	204,444
	385,776	377,252	357,865	354,607

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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4. Investment in Guelph Junction Railway Limited

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

	2020	2019
	\$	\$
Financial position		
Current assets	2,072	1,802
Property, plant and equipment	13,435	12,659
Total assets	15,507	14,461
Current liabilities	956	2,101
Long-term debt	1,413	-
Deferred capital contributions	2,267	1,939
Total liabilities	4,636	4,040
Net assets	10,871	10,421
Results of operations		
Revenues	3,984	4,713
Operating expenses	3,454	3,621
Net income	530	1,092
Retained earnings, beginning of year	10,421	9,409
Dividend to City of Guelph (Note 4.b)	(80)	(80)
Retained earnings, end of year	10,871	10,421

a) Related party transactions

The City pays certain expenses and receives certain revenues on behalf of the Railway for which the Railway reimburses the City periodically through the year. During the year, these net expenses reimbursed to the City amounted to \$505 (2019 - \$405). Included in loans and notes receivable is an amount owing from the Railway of \$865 (2019 - \$344) related to the reimbursement of these current year net expenses.

The Railway paid the City \$55 (2019 - \$55) in office rent and administration fees. These transactions were made in the normal course of business and have been recorded at the exchange amounts.

In 2015, the City entered into a long-term loan agreement with Guelph Junction Railway Limited for the purpose of reconstructing a bridge within City limits. The total amount of the loan was \$1,710 repayable monthly through blended principal and interest payments which started January 2016 at 3.395%. At year end \$1,469 (2019 - \$1,520) was outstanding and included in loans and notes receivable. In 2020 principal and interest payments were \$50 and \$51 respectively (2019 - \$49, \$53). The loan agreement was renewed effective January 1, 2021 for a 5 year term.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

4. Investment in Guelph Junction Railway Limited (continued)

b) Dividend to Shareholder

On May 7, 2020, the Board of Directors declared a dividend of \$80 based on the income earned in the year ended December 31, 2020. The dividend was paid on July 1, 2020.

5. Investment in Guelph Municipal Holding Inc.

The City of Guelph owns 100% of Guelph Municipal Holdings Inc. ("GMHI"). Prior to January 1, 2019 GMHI owned 100% of Guelph Hydro Electric Systems Inc. ("GHESI"), and prior to June 30, 2019, GMHI owned 100% of GMHI Development Corporation ("DevCo").

On January 1, 2019, GMHI sold its shares of GHESI to Alectra Inc. ("Alectra") for consideration of 4.63% of Alectra's shares.

On June 30, 2019, GMHI and DevCo were amalgamated, leaving one combined entity: GMHI.

GMHI owns 4.63% of Alectra and has representation on the Board of Directors and has therefore been assessed as having significant influence over Alectra. GMHI has accounted for its investment in Alectra using the equity method as prescribed by International Financial Reporting Standards (IFRS).

The 2019 comparatives include transactions related to the sale of GHESI.

In 2019, GMHI recorded a \$46,002 gain on sale of GHESI, and \$5,648 in deferred tax expense, for a net impact on the total comprehensive income of GMHI in 2019 being \$40,354. In 2020, GMHI received additional proceeds of disposition totaling \$731 from the carryback of GHESI losses to Alectra net income which resulted in a refund that was split with GMHI in accordance with the amalgamation agreement.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

5. Investment in Guelph Municipal Holding Inc. (continued)

The following table provides condensed supplementary financial information for GMHI for the year ended December 31:

	2020	2019
	\$	\$
Financial position		
Current assets	1,724	404
Due from related parties	1,777	2,545
Investment in Alectra Inc.	100,943	101,109
Total assets	104,444	104,058
Accounts payable and accrued liabilities	599	183
Deferred tax liability	14,464	14,464
Total liabilities	15,063	14,647
Shareholder's equity	89,381	89,411
Results of operations		
Revenue		
Investment revenue	3,473	2,269
Gain on disposal of investment in GHESI	731	46,002
Other revenue	65	35
Electricity sales	210	255
Total revenue	4,479	48,561
Expenses		
GMHI operations and management	627	656
District energy wind down costs	847	506
Income taxes	-	5,648
Total expenses	1,474	6,810
Net income (loss)	3,005	41,751
Retained earnings, beginning of year	21,881	4,921
Dividend to City of Guelph (note a)	(3,035)	(15,625)
Refundable portion of deferred tax liability	-	(8,837)
Other	-	(329)
Retained earnings, end of year	21,851	21,881
Shareholder's Equity		
Share capital	67,530	67,530
Retained earnings, end of year	21,851	21,881
Shareholder's equity	89,381	89,411

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Notes to the consolidated financial statements

December 31, 2020

(\$000's)

5. Investment in Guelph Municipal Holding Inc. (continued)

a) *Related party transactions*

In 2020, GMHI received electricity sales revenue from the City in the amount of \$60 (2019 - \$78). GMHI paid the City \$90 (2019 - \$90) in fees for administering GMHI's legal, financial, and operations activities, and \$173 (2019 - \$103) in water and electricity costs. Amounts owing to the City related to these transactions in 2020 totaled \$152 (2019 - \$113).

Dividends received from GMHI during the year were \$3,035 (2019 - \$15,625).

These transactions were made in the normal course of business and have been recorded at the exchange amounts.

The following summarizes the Corporation's related party transactions, recorded at the exchange amounts and balances with GMHI for the year ended December 31:

b) *Events after the reporting period*

In 2020, GMHI transitioned out of the Hanlon Creek district energy operation through conversion of two existing customers to conventional heating and cooling, and selling the district energy assets. GMHI continues to own and operate the district energy system in the downtown area servicing the two existing customers and continues to consider options available for these remaining contracts.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

6. Other revenue

Other revenue consists of the following:

	2020 Budget \$	2020 Actual \$	2019 Actual (Restated - Note 26) \$
Investment income	7,811	7,083	7,453
Donations	316	322	677
Sales of equipment, publications	2,664	1,935	4,221
Recoveries	4,651	4,646	5,650
Licences and permits	4,170	3,470	3,918
Provincial Offences Act revenues	2,717	1,632	2,845
Other fines	1,250	735	1,143
(Loss) gain on disposal of tangible capital assets	142	1,090	(1,396)
Government business enterprises earnings	3,380	3,535	34,006
	27,101	24,448	58,517

7. Deferred contributions

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

	Beginning balance 2020 \$	Inflows \$	Outflows \$	Ending balance 2020 \$
Development charges	63,001	23,801	10,041	76,761
Grants	17,165	11,565	8,277	20,453
Other	10,138	2,459	43	12,554
	90,304	37,825	18,361	109,768

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

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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8. Pension agreement

The City and its consolidated entities make contributions to the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer plan, on behalf of the 2,351 (2019 - 2,285) members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The multi-employer plan is valued on a current market basis for all plan assets.

The amount contributed to OMERS for 2020 is \$18,435 (2019 - \$17,141) for current service and is reported as an expense in the consolidated statement of operations and accumulated surplus.

The latest available report for the OMERS plan was as at December 31, 2020. At that time the plan reported a \$3.2 billion actuarial deficit (2019 - \$3.4 billion), based on actuarial liabilities of \$111.8 billion (2019 - \$106.4 billion) and actuarial assets of \$108.6 billion (2019 - \$103.0 billion). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements. As at December 31, 2020, the City has no obligation under the past service provisions of the OMERS agreement.

City of Guelph

Notes to the consolidated financial statements

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9. Employee future benefits and other liabilities

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

	2020 \$	2019 \$
Workplace Safety and Insurance ("WSIB")	13,052	10,462
Sick leave	10,739	10,305
Post retirement benefits	22,455	21,044
	46,246	41,811

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

The City is a Schedule II employer under the *Workplace Safety and Insurance Act*. As a Schedule II employer, the City assumes the liability for any award made under the Act. An actuarial update was completed using information as at December 31, 2018 and extrapolated for the 2020 year end. The next required valuation will be performed in 2022 using information as of December 31, 2021.

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

- Discount rate 3.75% (2019 - 3.75%)
- Expected future WSIB payments per lost time injury 121.00% (2019 - 121.00%)
- Health care inflation CPI plus 2.00% (2019 - CPI plus 2.00%)
- WSIB administration rate 32.00% (2019 - 32.00%)
- Lost time injury count 65 (2019 - 65)

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

	2020 \$	2019 \$
Accrued benefit obligation, beginning of year	18,827	17,185
Current service cost	3,339	3,252
Interest	723	663
Benefits paid	(2,427)	(2,273)
	20,462	18,827
Unamortized net actuarial loss	(7,410)	(8,365)
Accrued benefit obligation, end of year	13,052	10,462

A reserve in the amount of \$3,401 (2019 - \$3,427) has been accumulated to fund this obligation.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

9. Employee future benefits and other liabilities (continued)

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

	2020	2019
	\$	\$
Current period benefit	3,339	3,252
Amortization of net actuarial loss	955	970
Interest expense	723	663
	5,017	4,885

b) Liability for sick leave

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

A comprehensive actuarial valuation was completed using information as at December 31, 2019 and extrapolated for the 2020 year end. The next required valuation will be performed in 2023 using information as of December 31, 2022.

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

- Discount rate 3.50% (2019 - 4.00%)
- Inflation rate 1.75% (2019 - 1.75%)
- Future salaries 2.75% per year (2019 - 2.75%)

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

	2020	2019
	\$	\$
Accrued benefit obligation, beginning of year	12,200	11,083
Current service cost	868	819
Interest	423	436
Benefits paid	(1,105)	(1,174)
	12,386	11,164
Unamortized net actuarial loss	(1,647)	(858)
Accrued benefit obligation, end of year	10,739	10,306

There are currently reserves totaling \$11,086 (2019 - \$10,571) available to fund this obligation.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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9. Employee future benefits and other liabilities (continued)

b) Liability for sick leave (continued)

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

	2020 \$	2019 \$
Current period benefit cost	868	819
Amortization of net actuarial loss	249	169
Interest expense	423	436
	1,540	1,424

c) Post-employment benefits

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

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

- Discount rate 3.50% (2019 – 4.00%)
- Inflation rate 1.75% (2019 – 1.75%)
- Prescription drugs trend rate 6.75% increase for 2020 vs. 2019 reducing by 0.33% per year to reach 3.75% in 2029 vs. 2028 and 3.75% per year thereafter. (2019 – 5.08% increase for 2017 vs. 2016 reducing by 0.33% per year to reach 3.75% in 2020 vs. 2019 and 3.75% per year thereafter)
- Dental and other medical trend rate 3.75% (2019 – 3.75%)

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

	2020 \$	2019 \$
Accrued benefit obligation, beginning of year	28,943	20,899
Current service cost	1,356	1,035
Increase due to plan amendment	-	825
Interest	1,007	831
Benefits paid	(1,716)	(1,310)
Accrued benefit obligation, end of year	29,590	22,280
Unamortized net actuarial loss	(7,135)	(1,235)
	22,455	21,045

The City includes funding for this obligation in it's annual budget.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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9. Employee future benefits and other liabilities (continued)

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

	2020 \$	2019 \$
Current period benefit cost	1,356	1,035
Amortization of net actuarial loss	764	251
Interest expense	1,007	830
	3,127	2,116

A comprehensive actuarial valuation was completed using information as at December 31, 2019 and extrapolated for the 2020 year end. The next required valuation will be performed in 2023 using information as of December 31, 2022.

10. Debt

a) *Debt is comprised of the following components:*

	2020 \$	2019 \$
Operating line of credit - bearing interest at prime, due on demand	-	1,385
Debentures - repayable at rates ranging from 0.95% to 5.237% and maturing from 2021 through 2039	98,891	110,915
Long-term loans - repayable at rate 6.38% and maturing 2025	2,590	3,043
Banker's acceptance, interest at 2.07% fixed through a swap transaction, plus a stamping fee of 0.8% for a total of 2.87%, payable in varying installments of principal and interest, maturing June 25, 2025	936	1,142
	102,417	116,485

Included in accounts payable and accrued liabilities is \$388 (2019 - \$405) representing the fair market value of the interest rate swap facilities.

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

City of Guelph

Notes to the consolidated financial statements

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10. Debt (continued)

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

	General taxation \$	Discretionary reserve funds \$	User pay, obligatory reserve funds, and other \$	Total \$
2021	-	10,094	2,765	12,859
2022	-	5,135	2,810	7,945
2023	-	5,285	2,858	8,143
2024	-	3,827	1,823	5,650
2025	-	3,811	1,685	5,496
Thereafter	-	39,522	22,802	62,324
	-	67,674	34,743	102,417

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

	2020 \$	2019 \$
Principal repayments	14,068	\$ 13,916
Interest*	3,229	3,249
	17,297	\$ 17,165

11. Obligation under capital lease

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

	2020 \$	2019 \$
2020	-	213
2021	278	39
2022	239	-
2023	239	-
2024	239	-
2025	239	-
2026	1,136	-
Total minimum lease payments	2,370	252
Less amount representing interest at 3.16% and 3.04%	(398)	(6)
Present value of net minimum capital lease payments	1,972	246

Interest of \$23 (2019 - \$12) relating to capital lease obligations has been included in interest expense.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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12. Landfill post-closure liability

The City owns one landfill site. This landfill site was closed in 2003. The liability for post-closure costs has been reported on the unconsolidated statement of financial position. The liability was calculated based upon the present value of estimated post-closure costs discounted to December 31, 2020 at a factor of 3.50% (2019 – 3.75%) per annum. Post-closure care is estimated to be required for 35 years from the date of site closure.

The estimated expenditures for post-closure care as at December 31, 2020 are \$3,387 (2019 - \$4,520).

No reserve funds have been established to fund this liability as at December 31, 2020, as the City is funding this cost annually through the budget process.

13. Other long-term liabilities

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

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

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

a) *TIBG Agreements*

	2020 \$	2019 (Restated - Note 26) \$
Heritage Redevelopment	57	57
Downtown Development	7,411	7,557
Brownfield Strategy	2,563	2,563
	10,031	10,177

b) *The TIBGs are repayable in the following periods:*

	2020 \$	2019 \$
2020	-	1,525
2021	2,884	1,505
2022	1,379	1,379
2023	1,367	1,367
2024	1,361	1,361
Thereafter	3,040	3,040
	10,031	10,177

City of Guelph

Notes to the consolidated financial statements

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14. Tangible capital assets

	2020			
Cost	Balance, beginning of year \$	Additions \$	Disposals \$	Balance, end of year \$
Land and land improvements	95,023	2,578	(2,353)	95,248
Buildings	385,458	7,529	-	392,987
Machinery and equipment	202,009	18,313	(720)	219,602
Assets under capital lease	1,064	2,087	-	3,151
Vehicles	81,123	9,124	(2,481)	87,766
Infrastructure				
Sanitary sewers & waste water	307,655	7,389	-	315,044
Storm water	218,592	4,265	-	222,857
Transportation	446,474	7,145	-	453,619
Waterworks	290,151	4,713	(1,013)	293,851
Assets under construction	45,283	4,115	-	49,398
	2,072,832	67,258	(6,567)	2,133,523
Accumulated amortization				
Land and land improvements	9,920	1,022	(248)	10,694
Buildings	134,222	11,018	-	145,240
Machinery and equipment	132,386	12,581	(593)	144,374
Assets under capital lease	829	220	-	1,049
Vehicles	46,691	6,690	(2,390)	50,991
Infrastructure				
Sanitary sewers & waste water	158,059	3,833	-	161,892
Storm water	65,819	3,352	-	69,171
Transportation	245,338	9,416	-	254,754
Waterworks	119,665	6,101	(1,013)	124,753
	912,929	54,233	(4,244)	962,918
Net book value				
Land and land improvements	\$ 85,103			\$ 84,554
Buildings	251,236			247,747
Machinery and equipment	69,623			75,228
Assets under capital lease	235			2,102
Vehicles	34,432			36,775
Infrastructure				
Sanitary sewers & waste water	149,596			153,152
Storm water	152,773			153,686
Transportation	201,136			198,865
Waterworks	170,486			169,098
Assets under construction	45,283			49,398
	\$ 1,159,903			\$1,170,605

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

14. Tangible capital assets (continued)

Cost	2019			
	Balance, beginning of year \$	Additions \$	Disposals \$	Balance, end of year \$
Land and land improvements	88,010	8,577	(1,564)	95,023
Buildings	336,641	55,168	(6,351)	385,458
Machinery and equipment	189,073	15,479	(2,543)	202,009
Assets under capital lease	1,071	-	(7)	1,064
Vehicles	78,789	4,873	(2,539)	81,123
Infrastructure				
Sanitary sewers & waste water	303,641	4,014	-	307,655
Storm water	211,194	7,398	-	218,592
Transportation	433,078	14,910	(1,514)	446,474
Waterworks	285,243	5,568	(660)	290,151
Assets under construction	67,817	(22,534)	-	45,283
	1,994,557	93,453	(15,178)	2,072,832
Accumulated amortization				
Land and land improvements	8,966	1,111	(157)	9,920
Buildings	129,487	10,108	(5,373)	134,222
Machinery and equipment	122,819	11,937	(2,370)	132,386
Assets under capital lease	593	236	-	829
Vehicles	42,365	6,560	(2,234)	46,691
Infrastructure				
Sanitary sewers & waste water	153,381	4,678	-	158,059
Storm water	62,626	3,193	-	65,819
Transportation	236,717	9,156	(535)	245,338
Waterworks	114,255	6,071	(661)	119,665
	871,209	53,050	(11,330)	912,929
Net book value				
Land and land improvements	79,044			85,103
Buildings	207,154			251,236
Machinery and equipment	66,254			69,623
Assets under capital lease	478			235
Vehicles	36,424			34,432
Infrastructure				
Sanitary sewers & waste water	150,260			149,596
Storm water	148,568			152,773
Transportation	196,361			201,136
Waterworks	170,988			170,486
Assets under construction	67,817			45,283
	1,123,348			1,159,903

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

15. Accumulated surplus

The accumulated surplus is comprised of the following components:

	2020 \$	2019 (Restated - Note 26) \$
Reserves set aside for specific purpose by Council:		
for corporate	28,180	24,814
for program specific	20,656	20,562
for strategic	3,037	(1,474)
Reserves set aside by WDGPH:		
for contingency	429	314
Total reserves - Schedule 4	52,302	44,216
Reserve funds set aside for specific purpose by Council:		
for capital financing	222,322	200,278
Reserve funds set aside by WDGPH:		
for capital financing	395	211
Total reserve funds - Schedule 4	222,717	200,489
Total reserve and reserve funds	275,019	244,705
Invested in tangible capital assets	1,170,605	1,159,903
Investment in Guelph Municipal Holdings Inc.	89,381	89,411
Investment in Guelph Junction Railway Limited	10,421	10,421
Operating fund	6,442	13,543
Unfunded liabilities		
Debt	(102,417)	(116,485)
Liability for contaminated sites	(24,050)	(26,000)
Employee future benefits	(46,246)	(41,811)
Landfill post-closure liability	(3,387)	(4,520)
Total	1,100,749	1,084,462
Accumulated Surplus	1,375,768	1,329,167

In accordance with the City's policy for reserve funds, interest is earned on the average reserve fund balance for the year at the average rate of return earned on investments during the year. In 2020, \$4,384 (2019 - \$4,232) of interest was earned by the reserve funds and is an increase in reserve and reserve funds.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

16. Government partnerships

The City's share of 46.3% (2019 - 46.3%) of the results of the Wellington-Dufferin-Guelph Public Health's (WDGPH) operations for the year and its financial position at December 31 are included in the consolidated financial statements using proportionate consolidation and include the amounts as follows:

	2020 \$	2019 \$
Financial assets	2,578	1,691
Liabilities	3,862	3,788
Net financial assets	(1,284)	(2,097)
Tangible capital assets	9,957	10,354
Prepaid expenses	23	31
Inventory	2	3
Total non-financial assets	9,982	10,388
Accumulated surplus	8,698	8,291
Revenues	14,360	12,777
Expenses	13,953	12,392
Excess of revenues over expenses for the year	407	385
Accumulated surplus, beginning of year	8,290	7,905
Accumulated surplus, end of year	8,697	8,290

During the year, the City contributed \$4,379 (2019 - \$3,946) towards its share of the costs of the partnership. This amount is included in revenue in the table above, but has been eliminated from the statement of operations on consolidation.

Financing Agreement

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

The interest rate is 3.34% per annum, and the term and amortization of the loan is twenty years. Repayment to the obligated municipalities commenced thirty days following certification by the project's architect of substantial completion of both facilities. The whole or any part of the capital financing under this agreement may be prepaid at any time or times without penalty or bonus. The aforementioned loan is included in liabilities in the table above but has been eliminated upon consolidation.

17. Shared service agreements

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

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

17. Shared service agreements (continued)

Social Service Programs

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

	2020 \$	2019 \$
Revenues		
Social housing provincial contributions	8,818	7,521
Child care provincial contributions	11,226	13,494
Social services provincial contributions	9,167	9,771
	29,211	30,786
Expenses		
Social housing	25,485	23,633
Child care	14,558	17,492
Social services	11,923	12,486
	51,966	53,611
Net expenses	(22,755)	(22,825)

The City's share of net expenses for social housing is 84% (2019 - 85%), child care 69% (2019 - 74%) and social services 72% (2019 - 70%).

The revenue and expenses from programs managed by the City on behalf of the City and the County of Wellington are:

Provincial Offences Act Administration

	2020 \$	2019 \$
POA revenues	1,563	2,652
POA expenses	1,611	2,228
Net City (expense) revenue	(48)	424

The City's share of net (expense) revenue from Provincial Offences Act administration in 2020 was 55% (2019 - 56%). Included in the above expenses figure is \$(31) (2019 - \$340) in transfers (from) to the County of Wellington for the County's share of net (expense) revenue from fines collected.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

17. Shared service agreements (continued)

Land Ambulance

	2020	2019
	\$	\$
Land ambulance revenues		
Provincial base	11,409	10,416
Provincial covid-19	1,242	-
Municipal	5,167	4,531
User charges	16	36
Developers	27	(12)
Other contributions	351	369
Other revenue	127	-
	18,339	15,340
Land ambulance expenses		
Expenses	25,917	22,801
Covid-19 expenses	1,255	-
	27,172	22,801
Net City expense	(8,833)	(7,461)

The City's share of net operating expenses for land ambulance in 2020 was 62% (2019 - 63%). Included in the above revenue figures is \$5,167 (2019 - \$4,531) in contributions from the County of Wellington which includes the County's contributions to Land Ambulance capital projects.

The full amount of the revenue and expenses for Land Ambulance and Provincial Offences Act administration are included in the consolidated statement of operations and accumulated surplus.

18. Liability for contaminated sites

The City reports environmental liabilities related to the management and remediation of contaminated sites where the City is obligated or likely obligated to incur such costs. A contaminated sites liability of \$24,050 (2019 - \$26,000) has been recorded based on environmental assessments or estimates for those sites where an assessment has not been conducted.

The City's ongoing efforts to assess contaminated sites may result in additional environmental remediation liabilities related to newly identified sites or changes in the assessments. Any changes to the City's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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19. Contingencies

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

20. Commitments and guarantees

a) *Guelph General Hospital*

In 2020 the City committed to making a contribution of \$4,500 to Guelph General Hospital, payable in six equal annual installments of \$750 from 2020 through 2026, with no payment in 2021. As of December 31, 2020 the City has commitments of \$3,750 resulting from this agreement.

b) *Heritage Redevelopment Grant Program*

The City has commitments totaling \$2,901 (2019 - \$2,901) resulting from agreements entered into as part of the Heritage Redevelopment Grant Program. Grant expenses will be recognized upon the applicant meeting all the eligibility criteria.

c) *Brownfield Tax Increment Based Grant Program*

The City has commitments totaling \$7,424 (2019 - \$7,424) resulting from agreements entered into as part of the Brownfield Tax Increment Based Grant Program. Grant expenses will be recognized in the year of reassessment by MPAC and when all eligibility criteria have been met by the applicant.

d) *Major Downtown Activation Grant Program*

The City has commitments totaling \$7,082 (2019 - \$7,082) resulting from agreements entered into as part of the Major Downtown Activation Grant Program. Grant expenses will be recognized in the year of reassessment by MPAC and when all eligibility criteria have been met by the applicant.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

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20. Commitments and guarantees (continued)

e) *City Commitments*

The City has commitments under a variety of leases and agreements of which the longest expires on October 31, 2057. The minimum lease payments over the next five years and thereafter are as follows:

	2020
	\$
2021	1,085
2022	780
2023	755
2024	781
2025	530
Thereafter	275
	4,206

f) *City Grants*

The City has committed to providing various grants to organizations in the community totaling \$2,416 (2019 - \$2,428).

21. Local Immigration Partnership

Included in the consolidated statement of operations and accumulated surplus are the activities of the Local Immigration Partnership Program (LIPP) which is a federally funded program for the purpose of creating a more welcoming community for immigrants by focusing efforts on employment services, English language training, community integration/inclusion and community services/programs. During 2020, the City of Guelph received \$259 (2019 - \$353) of funding from Citizenship and Immigration Canada related to the operation this program.

22. Budget figures

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

23. Comparative figures

Certain 2019 comparative figures have been reclassified in order to present them in a form comparable to those for 2020.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

24. Economic conditions

On March 31, 2020 the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in significant financial, market, and societal impacts in Canada and around the world. During the year ended December 31, 2020, the City experienced COVID-19 related declines in revenues (primarily user charges) and increases costs in selected service areas. The City responded by implementing a variety of cost containment measures, while the Federal and Provincial governments responded by providing funding through the Safe Restart Agreement and additional program specific funding.

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the City's operations and financial position is not known at this time. There remains uncertainty in the upcoming year with respect to user charges revenue and additional pandemic-related costs. Additional government transfers related directly to the impact of COVID-19 have been announced.

25. Subsequent events

Subsequent to year end, the City of Guelph issued debentures for future capital projects in the amount of \$ 50,000.

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City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

26. Prior period adjustments

During 2020, the City adjusted the timing of recording Water, Wastewater, and Stormwater revenue to align with the City's fiscal year. Previously, revenue was recorded on an off-calendar basis and included an amount for receivables related to revenue earned subsequent to year-end.

In 2019, other long-term liabilities and planning and development expense were overstated by \$2,200 related to the timing of payments for the City's TIBG programs.

These adjustments have been applied retrospectively, as detailed below.

	2019 as previously presented	Restatements	Restated as at December 31, 2019
Consolidated statement of financial position			
Accounts receivable	\$ 34,268	\$ (5,940)	\$ 28,328
Other long-term liabilities	(12,377)	2,200	(10,177)
Accumulated surplus, beginning of year	(1,248,100)	5,421	(1,242,679)
Accumulated surplus, end of year	(1,332,907)	3,740	(1,329,167)
Consolidated statement of operations			
User charges	(111,878)	506	(111,372)
Investment income	(7,457)	4	(7,453)
Environmental services expense	81,552	9	81,561
Planning and development expense	9,096	(2,200)	6,896
Consolidated statement of change in net financial assets			
Excess of revenue over expenses for the year	(84,807)	(1,681)	(86,488)
Consolidated statement of cash flows			
Excess of revenue over expenses for the year	(84,807)	(1,681)	(86,488)
Change in accounts receivable	\$ (4,895)	\$ 519	\$ (4,376)

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

27. Segmented information

The City of Guelph is a diversified municipal government institution that provides a wide range of services to its citizens. For management reporting purposes, the City's operations and activities are organized and reported on in two groups: Operating Fund and Capital Fund. These funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Within the operating fund, the City's operations are further defined into the Tax Supported and Non Tax Supported categories and then segregated into four service area pillars: Office of the Chief Administrative Officer, Corporate Services, Infrastructure, Development & Enterprise Services, and Public Services.

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

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

a) *General Government*

- Governance (election management, Council, Council support, Office of the Mayor).
- Corporate management (Office of the CAO, finance, corporate communications, legal, corporate properties and real estate and information technology).

b) *Protection services*

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

c) *Transportation services*

- Roadways – including asphalt resurfacing and crack sealing, line painting, sweeping, traffic operations and maintenance of roadside areas, culverts and bridges.
- Winter control, street lighting, parking and public transit.

d) *Environmental services*

- Water, wastewater, storm sewers, and solid waste collection, disposal and recycling.

City of Guelph

Notes to the consolidated financial statements

December 31, 2020

(\$000's)

27. Segmented information (continued)

e) *Health services*

- Land ambulance operations and City's proportionate share of Public Health.

f) *Social housing*

- Social housing program costs.

g) *Social and family services*

- General assistance (Ontario Works) and childcare programs, contributions to The Elliott operations.

h) *Recreation and cultural services*

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

i) *Planning and development services*

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

City of Guelph

Consolidated schedule of segment disclosure - Schedule 1

year ended December 31, 2020

(\$'000's)

	General government \$	Protection services \$	Transportation services \$	Environmental services \$	Health services \$	Social and family services \$	Social housing \$	Recreation and cultural services \$	Planning and development \$	Total \$
Revenues										
Taxation	260,862	-	-	-	-	-	-	-	-	260,862
User charges	1,018	1,187	7,344	77,554	16	9,617	-	2,512	680	99,928
Contributed subdivision assets	5,681	-	-	-	-	-	-	-	-	5,681
Contributions	11,770	3,159	13,287	4,381	28,113	25,932	8,818	3,994	574	100,028
Other revenue										
Investment income	6,867	5	-	111	94	-	-	6	-	7,083
Donations	113	6	-	-	-	-	-	203	-	322
Sales of equipment, publications	(1)	12	8	1,209	-	22	-	685	-	1,935
Recoveries	739	122	1,621	577	-	713	-	492	382	4,646
Licences and permits Provincial Offences	25	3,413	-	23	-	-	-	9	-	3,470
Act revenues	-	1,632	-	-	-	-	-	-	-	1,632
Other fines	-	735	-	-	-	-	-	-	-	735
(Loss) gain on disposal of tangible capital assets	(414)	26	204	(14)	127	-	-	(30)	1,191	1,090
Government business enterprises earnings	3,535	-	-	-	-	-	-	-	-	3,535
	290,195	10,297	22,464	83,841	28,350	36,284	8,818	7,871	2,827	490,947

City of Guelph

Consolidated schedule of segment disclosure - Schedule 1

year ended December 31, 2020

(\$'000's)

	General government \$	Protection services \$	Transportation services \$	Environmental services \$	Health services \$	Social and family services \$	Social housing \$	Recreation and cultural services \$	Planning and development \$	Total \$
Expenses										
Salaries, wages and employee benefits	22,762	80,303	35,155	23,921	31,721	12,132	-	21,915	4,342	232,251
Interest on debt	627	832	815	256	61	283	-	448	12	3,334
Materials	2,163	2,439	11,391	9,278	2,202	1,964	-	3,986	125	33,548
Purchased services	7,830	4,208	5,518	20,328	2,944	1,640	12	4,584	1,634	48,698
Rents and financial expenses	4,937	237	1,171	1,611	295	31	-	1,266	3	9,551
External transfers	4,328	670	-	1,622	-	26,480	25,485	4,080	67	62,732
Internal charges	(9,103)	1,673	(4,004)	7,609	2,172	5	-	1,549	99	-
Amortization of tangible capital assets	4,743	3,931	18,495	16,797	1,713	1,107	22	7,209	215	54,232
	38,287	94,293	68,541	81,422	41,108	43,642	25,519	45,037	6,497	444,346
Excess of revenues over expenses for the year	251,908	(83,996)	(46,077)	2,419	(12,758)	(7,358)	(16,701)	(37,166)	(3,670)	46,601

City of Guelph

Consolidated schedule of segment disclosure - Schedule 2

year ended December 31, 2019

(Restated - Note 26)

(\$000's)

	General government \$	Protection services \$	Transportation services \$	Environmental services \$	Health services \$	Social and family services \$	Social housing \$	Recreation and cultural services \$	Planning and development \$	Total \$
Revenues										
Taxation	251,675	-	-	-	-	-	-	-	-	251,675
User charges	1,144	1,408	16,426	74,721	36	9,836	-	7,089	712	111,372
Contributed subdivision assets	4,607	-	-	-	-	-	-	-	-	4,607
Contributions	1,459	5,007	18,904	9,905	23,991	27,887	7,521	5,117	722	100,513
Other revenue										
Investment income	7,176	3	-	197	73	-	-	4	-	7,453
Donations	5	14	-	-	-	-	-	658	-	677
Sales of equipment, publications	(1)	1	8	1,729	-	98	-	2,385	1	4,221
Recoveries	1,114	189	1,421	714	-	1,006	-	946	260	5,650
Licences and permits	76	3,881	(75)	17	-	-	-	19	-	3,918
Provincial Offences										
Act revenues	-	2,845	-	-	-	-	-	-	-	2,845
Other fines	-	1,143	-	-	-	-	-	-	-	1,143
(Loss) gain on disposal of tangible capital assets	(528)	(753)	(685)	(77)	-	-	-	(123)	770	(1,396)
Government business enterprises earnings	34,006	-	-	-	-	-	-	-	-	34,006
	300,733	13,738	35,999	87,206	24,100	38,827	7,521	16,095	2,465	526,684

City of Guelph

Consolidated schedule of segment disclosure - Schedule 2

year ended December 31, 2019

(Restated - Note 26)

(\$000's)

	General government \$	Protection services \$	Transportation services \$	Environmental services \$	Health services \$	Social and family services \$	Social housing \$	Recreation and cultural services \$	Planning and development \$	Total \$
Expenses										
Salaries, wages and employee benefits	22,227	77,166	37,616	23,591	27,292	10,855	-	26,101	4,394	229,242
Interest on debt	677	691	601	425	77	256	-	503	19	3,249
Materials	750	2,200	14,540	9,475	1,637	1,996	-	5,889	228	36,715
Purchased services	7,420	4,483	5,411	17,969	2,506	1,691	10	4,674	1,740	45,904
Rents and financial expenses	3,706	208	1,484	3,120	236	10	-	1,750	7	10,521
External transfers	2,482	1,035	-	1,577	-	29,978	23,633	2,790	20	61,515
Internal charges	(8,940)	1,745	(4,339)	7,556	2,068	4	-	1,804	102	-
Amortization of tangible capital assets	4,637	3,267	16,774	17,848	1,625	1,106	21	7,386	386	53,050
	32,959	90,795	72,087	81,561	35,441	45,896	23,664	50,897	6,896	440,196
Excess of revenues over expenses for the year	267,774	(77,057)	(36,088)	5,645	(11,341)	(7,069)	(16,143)	(34,802)	(4,431)	86,488

City of Guelph

Consolidated schedule of debt - Schedule 3

December 31, 2020

(\$000's)

Bylaw	Project description	Term	Maturity date	Interest rates	2020 \$	2019 \$
Debentures:						
19294	Organic Waste Facility Composter Rebuild	10	11/9/2021	1.25% to 3.70%	2,984	5,967
19294	Fire - Pumper	10	11/9/2021	1.25% to 3.70%	71	142
19294	Civic Museum Renovations	10	11/9/2021	1.25% to 3.70%	622	1,244
19294	On behalf of the Elliott	10	11/9/2021	1.25% to 3.70%	1,424	2,847
20084	Public Health Facilities	7	7/20/2023	1.20% to 2.25%	602	798
20084	Public Health Facilities - DC	7	7/20/2023	1.20% to 2.25%	1,970	2,608
20084	Riverside Fuel Tank	7	7/20/2023	1.20% to 2.25%	66	87
20084	Stormwater CIP	7	7/20/2023	1.20% to 2.25%	312	413
20084	Roads Projects - Carden & Downtown	7	7/20/2023	1.20% to 2.25%	2,436	3,226
20084	Land Purchase - Baker Street	7	7/20/2023	1.20% to 2.25%	501	663
20084	Waste Management Carts	7	7/20/2023	1.20% to 2.25%	1,913	2,533
20084	Roads Projects - Clair & Laird Road	7	7/20/2023	1.20% to 2.25%	2,310	3,058
20084	Police HQ Renovations	7	7/20/2023	1.20% to 2.25%	7,183	7,442
20084	Roads Projects - Clair & Laird Road - DC	10	7/20/2026	1.20% to 2.25%	11,656	12,077
20084	Police HQ Renovations - DC	10	7/20/2026	1.20% to 2.25%	6,832	7,079
20084	Victoria Road Recreation Facility Renovation	10	7/20/2026	1.20% to 2.25%	11,318	11,726
18105	New City Hall	25	8/28/2031	5.237%	11,659	12,426
18105	New POA Court	25	8/28/2031	5.237%	3,288	3,505
20417	Police HQ Renovations	20	7/10/2039	1.95% to 2.8%	6,719	7,000
20417	Police HQ Renovations - DC	20	7/10/2039	1.95% to 2.8%	7,797	8,124
20417	Wilson Parkade	20	7/10/2039	1.95% to 2.8%	10,174	10,600
20417	Wilson Parkade - DC	20	7/10/2039	1.95% to 2.8%	4,319	4,500
20417	Farebox	20	7/10/2039	1.95% to 2.8%	1,247	1,300
20417	Fuel Tank	20	7/10/2039	1.95% to 2.8%	1,488	1,550
					98,891	110,915
Other loans:						
N/A	The Elliott Line of Credit - RBC	Demand	N/A	prime	-	1,385
N/A	The Elliott Bankers Acceptance - SWAP	10	6/25/2025	4.83%	936	1,142
N/A	CIBC Loan - Sleeman Centre - SWAP	18.8	9/1/2025	6.38%	2,590	3,043
					3,526	5,570
Total Debt					102,417	116,485

City of Guelph

Consolidated schedule of reserves and reserve funds - Schedule 4
 December 31, 2020
 (\$000's)

Code	Description	2020 \$	2019 (Restated - Note 26) \$
Reserves:			
Corporate:			
102	Library Contingency	200	-
115	Police Operating Contingency	607	189
131	Compensation Contingency	4,992	5,333
180	Tax Rate Stabilization Contingency	16,037	11,975
193	Legal/Insurance	2,861	2,861
198	Environment and Utility Contingency	3,350	2,882
208	Social Housing Contingency	133	1,574
		28,180	24,814
Program Specific:			
100	Accumulated Sick Leave - Fire	6,818	6,591
101	Accumulated Sick Leave - Police	4,268	3,981
181	Water Contingency	1,730	1,730
182	Waste Water Contingency	1,920	1,920
195	Election Costs	473	322
211	Court Contingency	731	731
330	Workplace Safety and Insurance Board	3,401	3,427
338	Paramedic Retirement	858	1,403
345	Westminster Woods	35	35
359	Stormwater Contingency	422	422
		20,656	20,562
Strategic:			
119	Affordable Housing	1,632	1,296
122	Redevelopment Incentives	11,756	8,751
179	Strategic Initiatives	747	552
194	Downtown Improvements	492	544
332	Industrial Land	(11,590)	(12,876)
352	Greenhouse Gas	-	259
		3,037	(1,474)
Consolidated Entities:			
	Reserves set aside by WDGPH	429	314
Total Reserves		52,302	44,216

City of Guelph

Consolidated schedule of reserves and reserve funds - Schedule 4
 December 31, 2020
 (\$000's)

Code	Description	2020 \$	2019 (Restated - Note 26) \$
Reserve Funds:			
120	Courts Capital	1,265	1,188
135	Museum Donations	132	129
138	Library Bequests	957	895
150	Infrastructure Renewal	39,276	35,085
151	Parking Capital	3,110	1,497
152	Water Capital	47,170	43,723
153	Wastewater Capital	89,582	84,778
155	City Owned Contaminated Sites	7,569	4,851
156	Growth	3,002	2,357
157	Library	759	449
158	Police	1,794	2,533
159	City Building	5,703	5,078
162	Sleeman Centre Naming Rights	52	30
165	Stormwater Capital	9,639	6,350
189	Sleeman Capital	67	62
205	Community Investment	1,087	1,427
206	Rental Property	692	749
340	River Run	375	326
350	Transportation Demand Management	-	37
351	Efficiency Innovation Opportunity	6,891	6,778
355	100% Renewable Energy	2,938	1,716
356	Public Art	64	63
360	Paramedic Services Provincial Capital	198	177
		222,322	200,278
Consolidated Entities:			
	Reserve funds set aside by Wellington-Dufferin-Guelph Public Health	395	211
Total Reserve Funds		222,717	200,489
Total Reserves and Reserve Funds		275,019	244,705

City of Guelph

Guelph Public Library Board - Schedule 5 Statement of revenues and expenses year ended December 31, 2020 (\$'000's)

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Operating fund			
Revenues			
User charges	321	92	310
Contributions	168	168	168
Other revenue	58	84	391
	547	344	869
Expenses			
Salaries, wages and employee benefits	6,613	5,980	6,366
Materials	1,692	865	968
Purchased services	767	724	788
Rents and financial expenses	976	889	897
Internal charges	84	132	153
	10,132	8,590	9,172
Net operating deficit	(9,585)	(8,246)	(8,303)
Capital fund			
Revenues			
Contributions	-	(89)	190
Expenses			
Assets under construction	-	1,018	1,163
Capitalized library books	-	596	735
Amortization of tangible capital assets	-	1,198	1,393
	-	2,812	3,291
Net capital deficit	-	(2,901)	(3,101)
Add: net contributions (to)/from reserves	(50)	1,139	114
	(50)	(1,762)	(2,987)
Total combined net deficit	(9,635)	(10,008)	(11,290)

City of Guelph

Guelph Police Services Board - Schedule 6 Statement of revenues and expenses year ended December 31, 2020 (\$000's)

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Operating fund			
Revenues			
User charges	630	468	585
Contributions	2,143	2,589	2,412
Other revenue	54	166	113
	2,827	3,223	3,110
Expenses			
Salaries, wages and employee benefits	44,180	44,864	43,291
Interest on debt	-	651	480
Materials	1,416	1,607	1,328
Purchased services	3,083	2,975	2,874
Rents and financial expenses	525	183	162
Internal charges	378	271	139
	49,582	50,551	48,274
Net operating deficit	(46,755)	(47,328)	(45,164)
Capital fund			
Revenues			
Contributions	-	593	2,612
Other revenue	-	(18)	(753)
	-	575	1,859
Expenses			
Amortization of tangible capital assets	-	2,115	1,366
Assets under construction	-	4,019	6,618
	-	6,134	7,984
Net capital deficit	-	(5,559)	(6,125)
Add: net contributions from reserves	2,885	4,090	9,708
Less: debt principal repayments	-	(1,114)	(849)
	2,885	2,976	8,859
Total combined net deficit	(43,870)	(49,911)	(42,430)