

COMMITTEE AGENDA



TO **Audit Committee**

DATE February 3, 2015

LOCATION Council Chambers

TIME 2:30 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES – August 12, 2014 open and closed meeting minutes

APPOINTMENT OF THE VICE-CHAIR

PRESENTATIONS (Items with no accompanying report)

a) None

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Audit Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
AUD-2015.1 Deloitte Audit Service Plan – December 31, 2014	Jade Surgeoner, Acting Manager Financial Reporting & Accounting	Elaine Read, Partner and Adam Cross, Deloitte	✓
AUD-2015.2 2015 Audit Committee Work Plan			
AUD-2015.3 Status Update – Internal Audit Reporting Structure			
AUD-2015.4 Outstanding Motions of the Audit Committee			

AUD-2015.5 Litigation Status Report			
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Resolution to adopt the balance of the Audit Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

STAFF UPDATES AND ANNOUNCEMENTS

CLOSED MEETING (if required)

ADJOURNMENT

NEXT MEETING – April 8, 2015

**The Corporation of the City of Guelph
Audit Committee
Tuesday, August 12, 2014 at 4:00 p.m.**

Draft Minutes – Subject to Confirmation

Attendance

Members: Chair Guthrie Councillor Furfaro
 Mayor Farbridge Councillor Kovach (arrived at 4:08 p.m.)

Councillors: Councillors Wettstein and Dennis (arrived at 4:23 p.m.)

Regrets: Councillor Burcher

Staff: Ms. A. Pappert, Chief Administrative Officer
 Mr. A. Horsman, Executive Director, Finance & Enterprise/Chief Financial Officer
 Ms. J. Surgeoner, Acting Manager, Financial Reporting & Accounting/Senior
 Financial Analyst, Financial Reporting
 Mr. S. O'Brien, City Clerk
 Ms. G. van den Burg, Council Committee Coordinator

Call to Order (4:00 p.m.)

Chair Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Authority to Resolve into a Closed Meeting (4:02 p.m.)

1. Moved by Mayor Farbridge
Seconded by Councillor Furfaro

That the Audit Committee now hold a meeting that is closed to the public in accordance with Section 239 2(b) of the *Municipal Act, 2001* in relation to personal matters about an identifiable individual, including municipal or local board employees.

CARRIED

Rise and Report from Closed Meeting

2. Moved by Councillor Furfaro
Seconded by Mayor Farbridge

That the Committee rise and report from its closed meeting.

CARRIED

Open Meeting (4:07 p.m.)

The following items were discussed in closed session

AUD-C-2014.3 External Auditor Performance Review

3. Moved by Councillor Furfaro
Seconded by Mayor Farbridge

That the recommendation in confidential report AUD-C-2014.3 related to the External Auditor Performance Review be approved.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Guthrie, Furfaro (3)

VOTING AGAINST: (0)

CARRIED

Confirmation of Minutes

4. Moved by Councillor Furfaro
Seconded by Mayor Farbridge

That the open and closed meeting minutes of the Audit Committee held on June 3, 2014 be confirmed as recorded.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Guthrie, and Furfaro (3)

VOTING AGAINST: (0)

CARRIED

Councillor Kovach arrived at 4:08 p.m.

Consent Agenda

The following items were extracted:

AUD-2014.20 Policy for the Implementation of PS 3260 – Liability for Contaminated Sites

Balance of Consent Items

5. Moved by Mayor Farbridge
Seconded by Councillor Kovach

That the balance of the Audit Committee August 12, 2014 Consent Agenda, as identified below, be adopted:

AUD-2014.21 2014 Audit Committee Interim Work Plan Status Report

That FIN-14-39 2014 Audit Committee Interim Work Plan Status Report, be received **as amended**.

AUD-2014.22 Litigation Status Report

That the report of Legal and Realty Services regarding the status of City litigation dated July 28, 2014, be received.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Guthrie, Furfaro, and Kovach (4)

VOTING AGAINST: (0)

CARRIED

Extracted Consent Items

AUD-2014.20 Policy for the Implementation of PS 3260 – Liability for Contaminated Sites

6. Moved by Councillor Kovach
Seconded by Mayor Farbridge

1. That FIN-14-40 Policy for the Implementation of PS 3260 – Liability for Contaminated Sites be received; and
2. That the Contaminated Sites Policy, attached as Appendix 1, be approved.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Guthrie, Furfaro, and Kovach (4)

VOTING AGAINST: (0)

CARRIED

Adjournment (4:29 p.m.)

7. Moved by Councillor Furfaro
Seconded by Councillor Kovach

That the August 12, 2014 meeting of the Audit Committee be adjourned.

CARRIED

Stephen O'Brien – City Clerk

**AUDIT COMMITTEE
CONSENT AGENDA**

February 3, 2015

Members of the Audit Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Audit Committee Consent Agenda will be approved in one resolution.

A Reports from Administrative Staff

REPORT	DIRECTION
<p>AUD-2015.1 Deloitte Audit Service Plan – December 31, 2014</p> <p>That the Audit Service Plan for the Year Ended December 31, 2014 attached in Appendix A to Report CS-2015-05, be received for information.</p>	Receive
<p>AUD-2015.2 2015 Audit Committee Work Plan</p> <p>That Report CS-2015-08 2015 Audit Committee Work Plan, be approved.</p>	Approve
<p>AUD-2015.3 Status Update – Internal Audit Reporting Structure</p> <p>That the Audit Committee receive the Internal Auditor's report entitled Status Update – Internal Audit Reporting Structure.</p>	Receive
<p>AUD-2015.4 Outstanding Motions of the Audit Committee</p> <p>That report CS-2015-07 dated February 3, 2015, regarding outstanding motions of the Audit Committee, be received.</p>	Receive
<p>AUD-2015.5 Litigation Status Report</p> <p>That the report of Legal and Realty Services regarding the status of City litigation dated January 19, 2015, be received.</p>	Receive

attach.



City of Guelph

2014 Audit Service Plan

For the year ending December 31, 2014
Presented to the Audit Committee
February 3, 2015



Agenda

Audit service plan – key elements

- Audit scope
- Audit risks
- Internal control
- Group audit
- Your audit team
- Communication & reporting
- Other

Audit service plan – key elements

Audit scope

Audit scope

The audit planning and the preliminary risk assessment activities we conduct enable us to set the scope of our audit and to design procedures tailored to that scope.

Materiality

We are responsible for providing reasonable assurance that your consolidated financial statements as a whole are free from material misstatement.

Materiality is determined on the basis of consolidated revenue. Our preliminary estimate of performance materiality for the year ending December 31, 2014 is \$5,600,000 (2013, \$5,600,000).

We will report to the Audit Committee all uncorrected misstatements greater than a clearly trivial amount of \$320,000, (2013, \$320,000) and any misstatements that are, in our judgment, qualitatively material. In accordance with Canadian GAAS, we will request that misstatements, if any, be corrected.

Audit service plan – key elements

Audit risks

Audit risks

Our audit scope reflects the risks that we have identified at the City and our planned audit response to them.

The more significant of the risks that we identified as part of our strategic audit planning, together with our planned audit response, are set out in the body of this report.

Audit service plan – key elements

Audit risks

Significant areas of audit risk	Our proposed audit response
Accounts payable and accrued liabilities Description: Accounts payable and accrued liabilities may be understated due to improper cut-off.	<ul style="list-style-type: none"> • Test disbursements subsequent to year-end to determine the reasonableness of accounts payable and accrued liabilities. • Test the supporting assumptions for accruals. • Review the outcome of prior year estimates and accruals.
Actuarially determined liabilities Description: Actuarial liabilities may be misstated due to improper inputs used in valuation. In addition, the financial statement disclosure may not contain all required items.	<ul style="list-style-type: none"> • Review actuary report, including related assumptions. • Review related financial statement note disclosure for accuracy and completeness. • Communicate with actuary on our reliance on their report for audit purposes.
Contingencies Description: Contingent liabilities are not properly accrued for or disclosed in the financial statements.	<ul style="list-style-type: none"> • We will contact the City of Guelph's external law firms to obtain the status of any outstanding claims and review evaluation of claims to ensure proper recognition. • Review legal claims with the City's internal legal department. • We will review Council minutes and Audit Committee minutes for evidence of contingent liabilities.
Council and senior management expenses Description: Council and Senior management may expense items not in line with the City of Guelph's expense policy.	<ul style="list-style-type: none"> • Test a sample of expense reports and credit card statements for validity and proper approval.
Estimates Description: Management estimates are not calculated in accordance with GAAP or properly supported.	<ul style="list-style-type: none"> • Assess the reasonableness of estimates by testing the supporting assumptions used for the estimates. • Review the outcome of prior year estimates to assess for bias.

Audit service plan – key elements

Audit risks

Significant areas of audit risk	Our proposed audit response
Payroll Description: Payroll expense is not accurately recorded.	<ul style="list-style-type: none"> • Test the supporting assumptions for payroll accruals. • Perform analytical testing on payroll expenditures and investigate any significant variances.
Reserves and Reserve Funds Description: Transfers to and from reserves and reserve funds have been completed without council approval.	<ul style="list-style-type: none"> • Test the change in reserve and reserve fund balances and verify material transactions to determine if transfers have been approved by Council.
Revenue / deferred revenue Description: Revenue is overstated through the recognition of revenue that should be deferred to a subsequent period.	<ul style="list-style-type: none"> • Test a sample of grant charges, contributions or other monies received during the year and verify the terms and conditions to assess whether the amount should be recorded as revenue or as deferred revenue.
Taxation revenue Description: Management's estimate of allowance for doubtful accounts is understated.	<ul style="list-style-type: none"> • Recalculation of a sample of assessments based on verified property value and tax rates. • Evaluate management's estimate of the allowance for doubtful accounts to ensure it is reasonable and consistent with the City's accounting policy. This will include a review of assumptions and supporting documents used to determine the estimate, a retrospective review and a test of subsequent receipts.
Tangible capital assets Description: Assets recorded are not capital in nature and assets disposed of by the City of Guelph have not been recorded.	<ul style="list-style-type: none"> • Test a sample of tangible capital asset additions and verify that the asset additions are capital in nature. If the tangible capital asset addition replaces an old tangible capital asset, ensure that the old tangible capital asset has been properly disposed. • Assess the disposal schedule prepared by management for reasonability and test selected transactions.
Management override of controls Description: Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively	<ul style="list-style-type: none"> • Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of financial statements. • Obtain an understanding of the business rationale for significant transactions that we become aware of that are outside of the normal course of business for the City, or that otherwise appear to be unusual given our understanding of the City and its environment. We will review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represented a risk of material misstatement due to fraud.

Audit service plan – key elements

Audit risks

Fraud risk

In determining our audit strategy to address the assessed risks of material misstatement due to fraud, we will:

1. Assign and supervise personnel, taking into account the knowledge, skill and ability of individuals with significant engagement responsibilities and our assessment of the risks of material misstatement due to fraud for the engagement.
2. Evaluate whether the selection and application of accounting policies by your organization, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
3. Incorporate an element of unpredictability in the selection of the nature, timing and extent of our audit procedures.

We will inquire directly of the Audit Committee regarding its views about the risk of fraud, whether it has knowledge of any actual or suspected fraud affecting the City and the role it exercises in the oversight of fraud risk assessment and the establishment of mitigating controls.

If we suspect fraud involving management, we will communicate these suspicions to the Audit Committee and discuss the nature, timing, and extent of audit procedures necessary to complete the audit.

Audit service plan – key elements

Internal control

Internal control matters

We will obtain an understanding of internal controls relevant to the audit. Although most controls relevant to the audit are likely to relate to financial reporting, not all such controls are relevant to the audit. It is a matter of professional judgment whether a control, individually or in combination with others, is relevant to the audit.

We will communicate in writing significant deficiencies in internal control identified during the audit to the Audit Committee on a timely basis.

Audit service plan – key elements

Group audit

Group audit

When designing our audit strategy, we also considered:

- the financial significance or relative importance of the consolidated entities to your organization as a whole;
- the complexity and nature of the operations, internal controls and accounting issues at the consolidated entities;
- the degree of centralization or decentralization of processes and controls including, the extent of relevant enterprise-level controls; and
- the extent and nature of internal control deficiencies and financial statement misstatements identified in current and previous periods at each of the consolidated entities.

Referral instructions will be sent to each of the engagement teams outlining items such as risks and materiality. Any issues arising from these audits will be communicated to the Audit Committee in the audit results presentation.

We will report instances where our evaluation of the work of component auditors gives rise to a concern about the quality of that auditors' work and any limitations on the group audit, where access to information may have been restricted.

Audit service plan – key elements

Group audit

Business unit	Location and notes
Full scope audits	
City of Guelph	Guelph, City Hall – Deloitte
Wellington-Dufferin-Guelph Public Health	Fergus – Deloitte
Guelph Downtown Business Improvement Association	Guelph – Deloitte
Guelph Junction Railway	Guelph, City Hall – Deloitte
Guelph Municipal Holdings Inc.	Guelph – KPMG LLP
Guelph Hydro Inc.	Guelph – KPMG LLP
The Elliott Community	Guelph – KPMG LLP

Audit service plan – key elements

Your audit team

Use of the work of experts

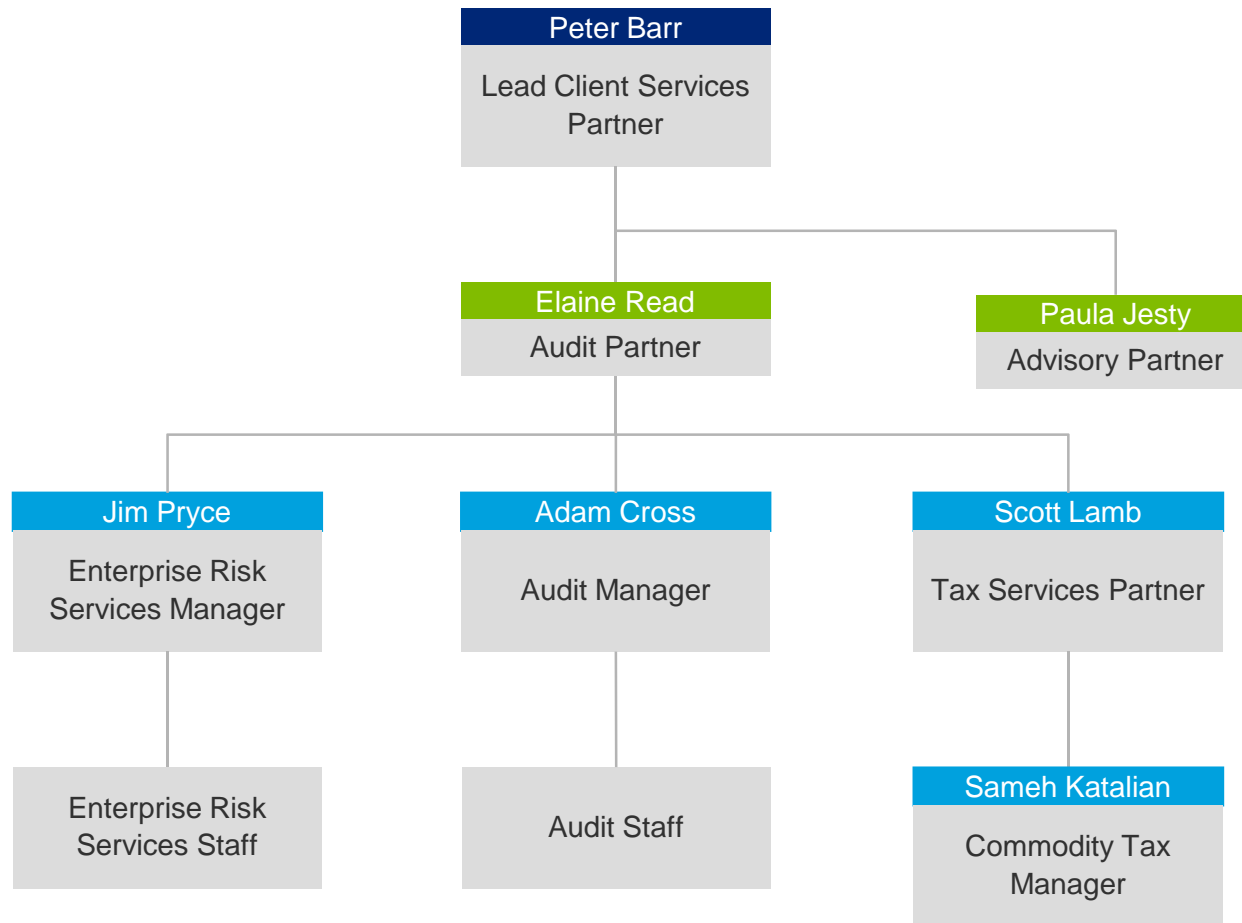
Our audit engagement partners are supported with online resources as well as practice office and national office experts who assist them with more complex technical, accounting, auditing and reporting issues.

Audit team

The engagement team that will serve the City of Guelph provides a balance of continuity among existing members with knowledge of and experience with your organization and new members who will provide fresh perspectives and insights. Our team also includes high-quality technical specialists and other professionals. We are committed to continuing to serve the City with quality and distinction.

Audit service plan – key elements

Your audit team



Audit service plan – key elements

Communication & reporting

Engagement letter

The terms and conditions of our engagement are included in the engagement letter.

Complete engagement reporting

Upon the satisfactory completion of our audit, we will provide you with an audit report on your consolidated financial statements.

We will also provide reports to the Audit Committee to assist it in fulfilling its responsibilities, as required by applicable auditing standards.

Communications

We have summarized the required communications between Deloitte and the Audit Committee.

Audit service plan – key elements

Communication & reporting

Communication calendar Interaction	September	October	November	December	January	February	March	April	May	June	July	August
Audit execution – meetings with Audit Committee												
Audit Committee meeting to present Audit Service Plan						●						
Interim fieldwork				●								
Final fieldwork								●	●			
Final Audit Committee meeting											●	
Annual year-end issues meetings											●	
Client feedback												
Audit continuous improvement meetings				●							●	
Annual client feedback process												●

Audit service plan – key elements

Communication & reporting

Required communication	Timing of communication
1. Our responsibilities under Canadian GAAS.	Audit plan presentation
2. Our audit strategy and scope.	Audit plan presentation
3. Matters related to going concern	Audit results presentation
4. Management judgments and accounting estimates.	Audit results presentation
5. Audit adjustments.	Audit results presentation
6. Uncorrected misstatements and disclosure items.	Audit results presentation
7. Significant accounting policies.	Audit results presentation
8. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period.	Audit results presentation
9. Our views about significant qualitative aspects of the City's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.	Audit results presentation
10. Our responsibility for other information in documents containing audited Financial Statements (e.g., Annual Report), any procedures performed, and the results.	As available
11. Disagreements with management.	Audit results presentation
12. Our views about significant matters that were the subject of consultation with other accountants.	Audit results presentation
13. Major issues discussed with management prior to our retention.	Audit results presentation

Audit service plan – key elements

Communication & reporting

Required communication	Timing of communication
14. Significant difficulties, if any, encountered dealing with management related to the performance of the audit.	Audit results presentation
15. Significant deficiencies in internal control, if any, identified by us during the audit of the financial statements.	Audit results presentation
16. Material written communications between management and us.	Audit results presentation
17. All relationships between the City and us that, in our professional judgment, may reasonably be thought to bear on independence.	Audit results presentation
18. A statement that, in our judgment, the engagement team and others in our firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence.	Audit results presentation
19. Illegal or possibly illegal acts.	Audit results presentation
20. Fraud or possible fraud identified through the audit process.	Audit results presentation
21. Significant transactions inconsistent with ordinary business, including related party transactions.	Audit results presentation
22. Non-compliance with laws and regulations that come to our attention.	Audit results presentation
23. Limitations placed on our scope.	Audit results presentation
24. Written representations we are requesting.	Audit results presentation
25. Modifications to our opinion.	Audit results presentation

Audit service plan – key elements

Other

Audit fees

Our fees are in accordance with our response to the 2010 request for proposal. The fees for the December 31, 2014 consolidated year-end audit are as presented in our proposal for audit services of \$42,400 (2013 - \$41,400).

Our objective is to conduct an efficient audit in accordance with Canadian GAAS. The time we have estimated for our audit assumes an optimum level of assistance from the City staff and our commitment to fulfill our professional responsibilities and duties in an efficient manner. We have carefully considered all elements included within our audit plan and confirm that, in our judgment, all such procedures are appropriate and in line with Canadian GAAS.

Independence

We have developed important safeguards and procedures to protect our independence and objectivity.

We are independent of the City and we will reconfirm our independence in our final report to the Audit Committee.

Audit service plan – key elements

Other

Management representations

We will obtain written and oral representations from management to complement our audit procedures. These representations are intended to confirm the information that is provided to us and reduce the possibility of misunderstanding.

We will provide the Audit Committee with a copy of the written representations to be provided by management in our final report.

Audit service plan – key elements

Other

New financial reporting standards

We have included, in Appendix 4 of our detailed Audit plan, the Deloitte Standard-setting Activities Digest, which summarizes the changing standards (both finalized and in development) that we believe are particularly relevant to the City.

Significant new financial reporting standards and other regulatory requirements that are likely to impact the City's financial reporting are:

- Public sector accounting standards effective as at December 31, 2015:
 - Section PS 3260, *Liability for Contaminated Sites*.
- Public sector accounting standards effective as at December 31, 2016:
 - Section PS 3450, *Financial Instruments*.
 - Amendments to the Transition Provisions of Section PS 2601, *Foreign Currency Translation*, and Section PS 3450, *Financial Instruments*.



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STAFF REPORT

TO Audit Committee

SERVICE AREA Corporate Services, Finance

DATE February 3, 2015

SUBJECT Deloitte's Audit Service Plan – December 31, 2014

REPORT NUMBER CS-2015-05

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To present Audit Committee with Deloitte's audit service plan for the City of Guelph's 2014 consolidated financial statements.

KEY FINDINGS

Staff has reviewed Deloitte's audit service plan, and recommend proceeding as planned.

FINANCIAL IMPLICATIONS

None noted. The external audit fees were agreed upon in advance through the RFP process and have been budgeted for through the annual operating budget.

ACTION REQUIRED

That the Audit Service Plan for the Year Ended December 31, 2014 attached in Appendix A to Report CS-2015-05 be received for information.

RECOMMENDATION

1. That the Audit Service Plan for the Year Ended December 31, 2014 attached in Appendix A to Report CS-2015-05 be received for information.

BACKGROUND

Annually, the consolidated financial statements of the City of Guelph are required to be audited by a 3rd party auditor and the results of this audit are reported back to the Audit Committee. It is the auditor's duty to communicate the planned audit approach as well as any findings that are discovered throughout the audit to the Audit Committee. Deloitte is the external auditor for the term from 2010 through 2014 (as approved by Council by-law (2010)-19094).

STAFF REPORT

REPORT

Attached in Appendix A is Deloitte's Audit Service Plan for the 2014 consolidated financial statement audit.

The audit fieldwork began in November 2014 with interim testing, and will finish in April 2015 with the final fieldwork. The results of the audit will be reported back to this Committee by Deloitte in June 2015. Approval of the final consolidated financial statements by Council is also expected in June 2015 at which point the statements will be made available to the public.

Audit Partner, Elaine Read, from Deloitte will be presenting the attached audit plan to the Committee and will be available for questions about the external audit approach at that time.

CORPORATE STRATEGIC PLAN

2.3 Ensure accountability, transparency and engagement

3.2 Be economically viable, resilient, diverse and attractive for business

DEPARTMENTAL CONSULTATION

None noted.

FINANCIAL IMPLICATIONS

None noted. The external audit fees were agreed upon in advance through the RFP process and have been budgeted for through the annual operating budget.

COMMUNICATIONS

None required.

ATTACHMENTS

ATT-1 Deloitte 2014 Audit Service Plan

Report Author

Jade Surgeoner
Manager, Financial Reporting
& Accounting



Approved By

Katrina Power
General Manager, Finance &
Deputy Treasurer
519-822-1260 x2289
katrina.power@guelph.ca



Recommended By

Albert Horsman
Deputy CAO
Infrastructure, Development & Enterprise
519-822-1260 x5606
al.horsman@guelph.ca



City of Guelph

2014 Audit service plan

For the year ended December 31, 2014
For presentation to the Audit Committee
February 3, 2015

Instilling
confidence



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

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

February 3, 2015

Private and confidential

To the Chair and Members of the Audit Committee

Dear Audit Committee Members:

2014 Audit service plan for the year ending December 31, 2014

We are pleased to present our 2014 audit service plan for City of Guelph and its subsidiaries (the "City") for the year ending December 31, 2014. This plan describes our audit scope and strategy, our protocols for communication with the audit committee and management, and other services we provide for the City.

Our engagement will include:

- an audit of the City's consolidated financial statements (the "Financial Statements") as at and for the year ending December 31, 2014 prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") and conducted in accordance with Canadian Generally Accepted Auditing Standards (GAAS);

We are proud of our relationship with the City. Our objective at Deloitte is to set the standard of excellence and our team is committed to providing an efficient, high-quality audit. We recognize and are sensitive to your expectations regarding cost management and quality. We will focus our efforts on higher risk areas and coordinate our activities with management and make every effort to achieve audit efficiencies.

We are providing this audit service plan to the Audit Committee ("the Committee") on a confidential basis. It is intended solely for the use of the Committee to assist you in discharging your responsibilities with respect to the Financial Statements and is not intended for any other purpose.

We look forward to discussing our audit service plan with you and answering any questions you may have.

Yours very truly,

A handwritten signature in dark ink that reads "Deloitte LLP".

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

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At a glance

Our audit addresses financial statement risks through targeted procedures that are responsive to the nature of these risks, including changes in the City and the business environment. Our procedures include identifying and analyzing issues and facts relevant to our audit conclusions and providing objective challenges to management's judgments and assumptions.

Our audit approach involves consideration of the following:

Audit scope and terms of engagement	<p>The audit service plan considers several factors which are discussed in detail in the body of the report including:</p> <ul style="list-style-type: none">• Risk assessment;• Internal control matters; and• Use of the work of experts. <p>The terms and conditions of our engagement are included in the engagement letter, which is to be signed on behalf of the Committee and management.</p>
Independence	<p>We have developed important safeguards and procedures to protect our independence and objectivity. If, during the year, we identify a breach of independence, we will communicate it to you in writing. Our communication will describe the significance of the breach, including its nature and duration, the action taken or proposed to be taken, and our conclusion as to whether or not the action will satisfactorily address the consequences of the breach and have any impact on our ability to serve as independent auditors to the City.</p> <p>We are independent of the City and we will reconfirm our independence in our final report to the Committee.</p>
Materiality	<p>We are responsible for providing reasonable assurance that your Financial Statements as a whole are free from material misstatement.</p> <p>Our preliminary estimate of materiality and performance materiality for 2014 have been set at \$7,450,000 and \$5,600,000 (2013 - \$7,450,000 and \$5,600,000) respectively based on consolidated revenue.</p> <p>We will report to the Committee all uncorrected misstatements greater than a threshold of \$320,000 (2013 - \$320,000) and any misstatements that are, in our judgment, qualitatively material. In accordance with Canadian Generally Accepted Auditing Standards (GAAS), we will request that misstatements, if any, be corrected.</p>
Audit risks	<p>Our audit scope reflects the risks that we have identified and our planned response to them.</p> <p>Refer to the body of our report in the Risk assessment section for further discussion of identified risks of material misstatement and related audit responses.</p>
Complete engagement reporting	<p>Upon the satisfactory completion of our audit, including the receipt of written representations from management, we will provide you with an audit report on your Financial Statements.</p> <p>We will also issue other reports to assist you in fulfilling your responsibilities, as required by applicable auditing standards. Appendix 2 summarizes the required communications between Deloitte and the Committee.</p>

Risk assessment

We compile information from a variety of sources, including discussions with management and the Committee, to identify risks to the City's financial reporting process that may require attention. Our preliminary risk assessment took into account:

- Key business developments and transactions (internal and external);
- Current business, regulatory and accounting pronouncements and developments;
- Key management strategies and business plans;
- Prior years' audit results;
- Results of procedures relating to internal control; and
- Areas of significant judgment and risk.

During our risk assessment procedures, we identified significant risks that require special audit consideration. These risks, along with our planned responses (including both internal control and financial statement procedures), are listed below. In performing our risk assessment, we have considered the risks identified by management in performing their risk assessment.

Our audit planning activities and our preliminary identification of audit risks enable us to set the scope of our audit and to design audit procedures tailored to the identified risks to financial reporting. The table below sets out significant risks to financial reporting that we identified during our preliminary planning activities. The table also includes our proposed response to each risk. Our planned audit response is based on our assessment of the likelihood of a risk's occurrence, the significance should a misstatement occur, our determination of materiality and our prior knowledge of the City.

Areas of audit focus	Our proposed audit response
Accounts payable and accrued liabilities Description: Accounts payable and accrued liabilities may be understated due to improper cut-off.	<ul style="list-style-type: none"> • Test disbursements subsequent to year-end to determine the reasonableness of accounts payable and accrued liabilities. • Test the supporting assumptions for accruals. • Review the outcome of prior year estimates and accruals.
Actuarially determined liabilities Description: Actuarial liabilities may be misstated due to improper inputs used in valuation. In addition, the financial statement disclosure may not contain all required items.	<ul style="list-style-type: none"> • Review actuary report, including related assumptions. • Review related financial statement note disclosure for accuracy and completeness. • Communicate with actuary on our reliance on their report for audit purposes.
Contingencies Description: Contingent liabilities are not properly accrued for or disclosed in the financial statements.	<ul style="list-style-type: none"> • Contact the City of Guelph's external law firms to obtain the status of any outstanding claims and review evaluation of claims to ensure proper recognition. • Review legal claims with the City's internal legal department. • Review Council minutes and Audit Committee minutes for evidence of contingent liabilities.
Council and senior management expenses Description: Council and Senior management may expense items not in line with City of Guelph's expense policy.	<ul style="list-style-type: none"> • Review of sample of expense reports and credit card statements for validity and proper approval.
Estimates Description: Management estimates are not calculated in accordance with Canadian PSAS or properly supported.	<ul style="list-style-type: none"> • Assess the reasonableness of estimates by testing the supporting assumptions used for the estimates. • Review the outcome of prior year estimates to assess for bias.

Areas of audit focus	Our proposed audit response
Payroll Description: Payroll expense is not accurately recorded.	<ul style="list-style-type: none"> • Test the supporting assumptions for payroll accruals. • Perform analytical testing on payroll expenditures and investigate any significant variances.
Reserves and Reserve Funds Description: Transfers to and from reserves and reserve funds have been completed without council approval.	<ul style="list-style-type: none"> • Test the change in reserve and reserve fund balances and verify material transactions to determine if transfers have been approved by Council.
Revenue/deferred revenue Description: Revenue is overstated through the recognition of revenue that should be deferred to a subsequent period.	<ul style="list-style-type: none"> • Test grant charges, contributions or other monies received during the year and verify the terms and conditions to assess whether the amount has been correctly recorded as revenue or as deferred revenue.
Taxation revenue Description: Management's estimate of allowance for doubtful accounts is understated.	<ul style="list-style-type: none"> • Recalculate a sample of assessments based on verified property value and tax rates. • Evaluate management's estimate of the allowance for doubtful accounts to ensure it is reasonable and consistent with the City's accounting policy. This will include a review of assumptions and supporting documents used to determine the estimate, a retrospective review and a test of subsequent receipts.
Tangible capital assets Description: Assets recorded are not capital in nature and assets disposed of by the City of Guelph have not been recorded.	<ul style="list-style-type: none"> • Test a sample of tangible capital asset additions and verify that the asset additions are capital in nature. If the tangible capital asset addition replaces an old tangible capital asset, ensure that the old tangible capital asset has been properly disposed. • Assess the disposal schedule prepared by management for reasonability and test selected transactions.
Management override of controls Description: Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively	<ul style="list-style-type: none"> • Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of financial statements. • Obtain an understanding of the business rationale for significant transactions that we become aware of that are outside of the normal course of business for the City, or that otherwise appear to be unusual given our understanding of the City and its environment. We will review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represented a risk of material misstatement due to fraud.

Consideration of fraud

Misstatements in the financial statements can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the financial statements is intentional or unintentional.

The following table explains our respective responsibilities towards fraud.

Your responsibilities	Our responsibilities
<ul style="list-style-type: none"> • The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including the responsibility for establishing and maintaining internal controls over the reliability of financial reporting, ensuring the effectiveness and efficiency of operations, the identification of fraud risks and compliance with applicable laws and regulations. 	<ul style="list-style-type: none"> • We are required to obtain representations from management regarding internal controls, assessment of risk and any known or suspected fraud or misstatement. • As independent auditors, we will obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

In determining our audit strategy to address the assessed risks of material misstatement due to fraud, we will:

- Assign and supervise personnel, taking into account the knowledge, skill and ability of individuals with significant engagement responsibilities and our assessment of the risks of material misstatement due to fraud for the engagement.
- Evaluate whether the City's selection and application of accounting policies, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- Incorporate an element of unpredictability when selecting the nature, timing and extent of our audit procedures.

We will inquire directly of the Committee regarding:

- its views about the risk of fraud;
- whether it has knowledge of any actual or suspected fraud affecting the City; and
- the role it exercises in the oversight of fraud risk assessment and the establishment of mitigating controls.

We will also inquire if the Committee is aware of tips or complaints regarding the City's financial reporting (including those received through the audit committee's internal whistleblower program, if such a program exists) and, if so, the Committee's response to such tips and complaints.

If we suspect fraud involving management, we will communicate these suspicions to the Committee and discuss the nature, timing, and extent of audit procedures necessary to complete the audit.

Audit scope

Designed to obtain reasonable assurance and address the risks of material misstatements.

An audit is designed to search for potential misstatements that, individually or collectively, are material. This is done by determining a specific threshold for each engagement and considering other qualitative factors. The threshold amount is also used to evaluate the significance of uncorrected misstatements that are noted during the audit.

The audit enables us to express an opinion on whether the Financial Statements are prepared, in all material respects, in accordance with PSAS. The audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by management, and evaluating the overall presentation of the Financial Statements. Our report on the Financial Statements and communications required by PSAS will be in accordance with our findings.

Group audit considerations

The audit of the City is considered to be a group audit and therefore we are also required to determine the scope of work required for each consolidated entity. Some of the factors we consider include:

- The existence of significant risks at the consolidated entities;
- A consideration of significant accounts and disclosures using materiality levels that are appropriate to support our audit opinion on your organization's Financial Statements;
- The complexity and nature of the operations, internal controls and accounting issues at the consolidated entities;
- The degree of centralization or decentralization of processes and controls, including the extent of relevant enterprise-level controls; and
- The extent and nature of internal control deficiencies and financial statement misstatements identified in current and previous periods at the consolidated entities.

Based on our analysis of these risks, we have determined the scope of work we consider necessary to provide an appropriate basis for our audit opinion on the Financial Statements.

Full-scope audits will be performed using the materiality level specified for the individual entities that are individually significant to the Financial Statements and are noted below.

Full-scope audits	
City of Guelph	Deloitte
Wellington-Dufferin- Guelph Public Health	Deloitte
Guelph Downtown Business Improvement Association	Deloitte
Guelph Junction Railway	Deloitte
Guelph Municipal Holdings Inc.	KPMG LLP
Guelph Hydro Inc.	KPMG LLP
The Elliott Community	KPMG LLP

Internal control matters

We will inform the Committee and management of any significant deficiencies that are identified in the course of conducting the audit.

Audit scope uncertainty

Our audit service plan is based on several assumptions. Circumstances may arise during the engagement that could significantly affect the scope and the extent and timing of our audit procedures. These circumstances may include, but are not limited to:

- a deterioration in the quality of the City's accounting records during the current year engagement compared to the prior-year engagement;
- the identification of significant deficiencies in the City's internal control that result in the expansion of our audit procedures;
- the identification, during our audit, of a significant level of proposed audit adjustments;
- the occurrence of significant new issues or changes, such as:
 - New accounting issues;
 - Changes in accounting policies or practices from those used in prior years;
 - Events or transactions not contemplated;
 - Changes in the City's financial reporting process or IT systems;
 - Changes in the City's accounting personnel, their responsibilities, or their availability;
 - Changes in auditing standards; and
 - Changes in the City's use of experts or the specialists and/or their work product does not meet the qualifications that Canadian GAAS require for us to be able to use their work; and
- Changes in the audit scope caused by events that are beyond our control.

If any of these or similar such circumstances arise during the course of our audit we will discuss them on a timely basis with management and provide the Committee with a report regarding the impact on our audit at its next scheduled meeting. Matters that we consider to be significant and that may be sensitive from a reporting timing perspective will be communicated immediately to the Chair of the Committee.

Appendix 1 – The Deloitte risk-based audit approach

A consistent approach that supports a dynamic environment.

Deloitte's audit approach is a systematic methodology that enables us to tailor our audit scope and plan to address the unique issues facing the City.



These steps are not necessarily sequential nor are they mutually exclusive. For example, once we've developed our audit plan and the audit is being performed, we may become aware of a risk that was not identified during the planning phase. Based on that new information, we would reassess our planning activities and adjust the audit plan accordingly.

1. Initial planning

The Deloitte audit approach begins with an extensive planning process that includes:

- Assessing your current business and operating conditions;
- Understanding the composition and structure of your business and organization;
- Understanding your accounting processes and internal controls;
- Understanding your information technology systems;
- Identifying potential engagement risks;
- Planning the scope and timing of internal control and substantive testing that take into account the specific identified engagement risks Internal Audit; and
- Coordinating our activities with external parties and experts.

Understanding your business and accounting processes

Our audit will take into account specific items of particular interest raised by the Committee as well as areas of concern identified by the Committee or management.

2. Assessing and responding to engagement risk

Our audit approach combines an ongoing identification of risks with the flexibility to adjust our approach when additional risks are identified. Since these risks may impact our audit objectives, we consider materiality in our planning to focus on those risks that could be significant to your financial reporting.

Risk assessment

The risks that we have identified to date, and which will be addressed when conducting the audit, are summarized in the Audit Scope section. As we perform our audit, we will update our risk assessment and will inform the Committee and management of any significant changes to our risk assessment and any additional risks that are identified.

Consideration of the risk of fraud

Fraudulent acts include the deliberate failure to record transactions, forgery of records and documents, and intentional misrepresentations made to our audit engagement team. Fraud may include intentional acts by management or employees acting on behalf of City, as well as employee fraud if management or employees are involved in actions that defraud City. Deloitte does not assume that management is dishonest nor do we assume unquestioned honesty. Rather, in accordance with Canadian GAAS, we exercise professional scepticism and recognize that the conditions we observe and evidential matter we obtain, including that obtained from prior audit engagements, need to be objectively evaluated to determine whether the Financial Statements are presented fairly in all material respects.

Maintaining an attitude of professional scepticism means that we carefully consider the reasonableness of the responses we receive to our inquiries from those charged with governance, and evaluate other information obtained from them in light of the evidence we obtain during the audit. When we identify a misstatement or control deficiency, we consider whether it may be indicative of fraud and what the implications of fraud and significant error are in relation to other aspects of the audit, particularly the reliability of management representations.

Because of the inherent limitations of internal control over financial reporting (ICFR), including the possibility of collusion or improper management override of controls, it is possible that material misstatements due to error or fraud may not be prevented or detected on a timely basis. Accordingly, the assurance an auditor provides concerning the lack of misstatements arising from fraud is necessarily lower than the assurance provided concerning those arising from an error.

Information technology

An important part of our audit planning process involves gaining an understanding of:

1. The importance of the computer environment relative to the risks to financial reporting;
2. The way in which that environment supports the control procedures we intend to rely on when conducting our audit; and
3. The computer-based information that supports our substantive procedures.

The objective of our review of computer controls is to identify potential areas of risk and assess the relevance, reliability, accuracy and completeness of the data produced by the systems. We also assess the operating effectiveness of the computer environment and determine the reliability of the financial information used to generate the Financial Statements. To accomplish this, we gain an up-to-date understanding of your organization's computer processing environment and our understanding of the relevant general computer controls.

We will assess the design and implementation of general computer controls in the following areas:

1. Data centre and network operations;
2. System software acquisition, change and maintenance;
3. Program change;
4. Access security; and
5. Application system acquisition, development, and maintenance.

3. Developing and executing the audit plan

The performance of an audit includes evaluating the design and determining the implementation of internal controls relevant to the audit, testing the operational effectiveness of the controls we intend to rely on, and performing substantive audit procedures.

Audit procedures

The timing of our audit procedures is dependent upon a number of factors including the need to coordinate with management for the provision of supporting analysis and other documentation. Generally, we perform our audit procedures to allow us sufficient time to identify significant issues early, thereby allowing more time for analysis and resolution.

For example, we anticipate performing audit procedures on account balances and disclosures involving significant and complex transactions, such as acquisitions, divestitures, or adoption of new accounting pronouncements, as they occur.

Tests of controls

As part of our audit, we will review and evaluate certain aspects of the systems of Internal Control over Financial Reporting to the extent we consider necessary in accordance with Canadian GAAS. The main objective of our review is to enable us to determine the nature, extent and timing of our audit tests and establish the degree of reliance that we can place on selected controls. An audit of the financial statements is not designed to determine whether internal controls were adequate for management's purposes or to provide assurance on the design or operational effectiveness of internal control over financial reporting.

The extent to which deficiencies in internal control may be identified through an audit of financial statements is influenced by a variety of factors including our assessment of materiality, our preliminary assessment of the risks of material misstatement, our audit approach, and the nature, timing and extent of the auditing procedures that we conduct. Accordingly, we gain only a limited understanding of controls as a result of the procedures that we conduct during an audit of financial statements.

We will inform the Committee and management of any significant deficiencies that are identified in the course of conducting the audit.

Substantive audit procedures

Our substantive audit procedures consist of a tailored combination of analytical procedures and detailed tests of transactions and balances. These procedures take into account the results of our controls tests and are designed to enable us to obtain reasonable assurance that the Financial Statements are free from material misstatements. To obtain this assurance, misstatements that we identify while performing substantive auditing procedures will be considered in relation to the Financial Statements as a whole. Any misstatements that we identify above the reporting threshold set will be reported to management and the Committee. In accordance with Canadian GAAS, we will request that misstatements be corrected.

Audit evidence to be obtained from component auditors

For the City of Guelph, both Guelph Hydro Inc. and The Elliott are audited by another external audit firm. Referral instructions will be sent to the engagement team for Guelph Hydro Inc. outlining items such as risks and materiality. A reliance letter will be sent to the engagement team for The Elliott. Any issues arising from these audits will be communicated to the Audit Committee in the audit results presentation.

Use of the work of experts

The Deloitte Audit is distinguished by the use of a broad range of industry and functional experts who are integral to the audit team and carry a deeper understanding of specific topics. These experts augment the core engagement audit team in understanding business processes and related risks, and help the audit engagement team apply an appropriate level of professional scepticism to challenge significant management assumptions.

4. Reporting and assessing performance

Perform post-engagement activities

We will analyze the results of the audit procedures performed throughout the year and, prior to rendering our report, we will conclude whether:

- The scope of the audit was sufficient to support our opinion; and
- The misstatements identified during the audit do not result in financial statements being materially misstated.

Complete engagement reporting

After the satisfactory completion of appropriate audit procedures, we will provide an audit report on your Financial Statements.

We also provide reports to the Committee to assist it in fulfilling its responsibilities as required by applicable auditing standards. Appendix 2 summarizes the required communications between Deloitte and the Committee.

Deloitte enjoys a solid reputation for our **commitment to quality**. Key factors supporting that reputation include:

- A strong tone at the top;
- A comprehensive ethics and compliance program;
- An uncompromising approach to quality in client service;
- Communication of and adherence to professional standards and client service principles;
- A mature client feedback program;
- A multifaceted approach to monitoring independence;
- A robust technical consultation approach;
- National office consultation on areas of high risk or that require significant judgment;
- Technical training for our professionals;
- An annual internal inspection process for audit engagements; and
- Continuous improvement based on lessons learned and client feedback.

Deloitte's client service principles include providing management and the Committee with insights into the condition of the business and offering meaningful suggestions for improvement. We will report these insights and suggestions to the appropriate members of management and/or the Committee for their consideration.

To enable us to determine how well we have achieved our client service objectives, including an assessment of the quality of our audit engagement, we actively solicit feedback from our clients. This feedback will be obtained either through meetings with members of the Committee and management or their completion of questionnaires.

Your feedback enhances our understanding of your expectations of us through your evaluation of our performance. The information you provide helps us refine our client service objectives to ensure that we remain focused, responsive and proactive in meeting your needs while fulfilling our professional responsibilities.

Appendix 2 – Communication requirements

The table below summarizes our communication requirements under Canadian GAAS and other communications that we believe would help us achieve an effective audit.

Required communication	Timing of communication
1. Our responsibilities under Canadian GAAS.	Audit plan presentation
2. Our audit strategy and scope.	Audit plan presentation
3. Matters related to going concern.	Audit results presentation
4. Management judgments and accounting estimates.	Audit results presentation
5. Audit adjustments.	Audit results presentation
6. Uncorrected misstatements and disclosure items.	Audit results presentation
7. Significant accounting policies.	Audit results presentation
8. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period.	Audit results presentation
9. Our views about significant qualitative aspects of the City's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.	Audit results presentation
10. Our responsibility for other information in documents containing audited Financial Statements, any procedures performed, and the results.	Audit results presentation
11. Disagreements with management.	Ongoing Audit results presentation
12. Our views about significant matters that were the subject of consultation with other accountants.	Audit results presentation
13. Major issues discussed with management prior to our retention.	Audit results presentation
14. Significant difficulties, if any, encountered dealing with management related to the performance of the audit.	Ongoing Audit results presentation
15. Significant deficiencies in internal control if any, encountered during the audit of the financial statements.	Ongoing Audit results presentation
16. Material written communications between management and us.	Audit results presentation
17. All relationships between the City and us that, in our professional judgment, may reasonably be thought to bear on independence.	Audit results presentation

Required communication	Timing of communication	
18. A statement that, in our judgment, the engagement team and others in our firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence.		Audit results presentation
19. Illegal or possible illegal acts.	Ongoing	Audit results presentation
20. Fraud or possible fraud identified through the audit process.	Ongoing	Audit results presentation
21. Significant transactions inconsistent with ordinary business, including related party transactions.	Ongoing	Audit results presentation
22. Non-compliance with laws and regulations that come to our attention.	Ongoing	Audit results presentation
23. Limitations placed on our scope.	Ongoing	Audit results presentation
24. Written representations we are requesting.		Audit results presentation
25. Modifications to our opinion.	Ongoing	Audit results presentation

Appendix 3 – Audit team

The engagement team that will serve the City of Guelph provides a balance of continuity among existing members with knowledge of and experience with your organization and new members who will provide fresh perspectives and insights.

The roles and responsibilities of the individuals who lead our audit team are:



Peter Barr

Lead Client Service Partner

Peter is responsible for helping the Audit Engagement Partner coordinate our group audits for the City. He has served the City of Guelph for over 10 years.



Elaine Read

Lead Audit Engagement Partner

Elaine is responsible for leading the group audit engagement and for the quality of our services to the City. She has over 20 years of audit experience and is committed to leading a team dedicated to Deloitte's client service culture.



Paula Jesty

Advisory Partner

Paula is an audit partner with over 30 years of public accounting experience in Ontario and has served many municipalities in the GTA. She will provide industry insights and access to other specialists and Deloitte leaders.



Jim Pryce

Lead Enterprise Risk Services Partner

Jim is responsible for the delivery of our control assurance and risk services. He oversees the procedures performed on the process-level and IT-related controls. He has served the City since 2005.



Scott Lamb

Tax Partner

Scott leads the tax team and provides insight to the City on emerging tax issues. He has served the City since 2010.

Appendix 4 – Standard-setting update

Public sector accounting standards

Section PS 3260, Liability for Contaminated Sites

This new Section PS 3260 establishes recognition, measurement and disclosure standards for liabilities relating to contaminated sites of governments and those organizations applying the PSA Handbook.

Fiscal years beginning on or after April 1, 2014. Earlier adoption is encouraged.

Consequential Amendments Resulting from the Issue of Section PS 3450, Financial Instruments, including a new Section PS 3041, Portfolio Investments

At its meeting on December 15-16, 2011, the PSAB approved these amendments to the PSA Handbook, including a new Section PS 3041, *Portfolio Investments*, and the withdrawal of Section PS 3030, *Temporary Investments*, and Section PS 3040, *Portfolio Investments*. In response to respondents' feedback, some clarifications to the amendments were made in finalizing the changes.

Fiscal years beginning on or after April 1, 2012 for government organizations, and April 1, 2016 for governments

On April 3, 2012, the PSAB issued a Background Information and Basis for Conclusions document in respect of the new Section PS 3041.

Section PS 3450, Financial Instruments

This new accounting standard Section PS 3450 provides comprehensive guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

Fiscal years beginning on or after April 1, 2012 for government organizations, and April 1, 2016 for governments

At its meeting on June 12-13, 2013, the PSAB approved amendments to the transitional provisions in this Section and agreed that exposure of the changes is not required given the change is simply clarification of an implementation intent.

At its December 12-13, 2013 meeting, the PSAB completed its review of the application of Section PS 2601, *Foreign Currency Translation*, and Section PS 3450, *Financial Instruments*, to governments, and confirmed that the principles are fundamentally sound. In addition, in response to a request for additional time by governments to implement these standards, the PSAB approved an amendment to the transitional provisions to extend the effective date by one year to April 1, 2016 from April 1, 2015.

Amendments to Section PS 3450, Financial Instruments: Transition

January 15, 2015

On October 10, 2014, the PSAB issued an ED clarifying aspects of the scope of application, and adding new guidance and transitional provisions to Section PS 3450, *Financial Instruments*. The proposals do not intend to change the scope of application of Section PS 3450 by governments or government organizations.

The PSAB expects to finalize the amendments to Section PS 3450 in Q2/2015.



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STAFF REPORT



TO Audit Committee

SERVICE AREA Corporate Services, Finance

DATE February 3, 2015

SUBJECT 2015 Audit Committee Work Plan

REPORT NUMBER CS-2015-08

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide Committee members with a 2015 work plan to guide the Audit Committee agenda for the upcoming year.

KEY FINDINGS

The 2015 work plan ensures that Audit Committee meets all the mandated requirements as set by the approved Audit Committee mandate and charter.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

ACTION REQUIRED

That Report CS-2015-08 2015 Audit Committee Work Plan be approved.

RECOMMENDATION

That Report CS-2015-08 2015 Audit Committee Work Plan be approved.

BACKGROUND

The Audit Committee has certain mandated responsibilities and duties that are required to be performed either annually or periodically. This work plan ensures that Committee performs all the required duties for the year, and also facilitates a discussion for Committee members to identify other key priorities they would like to focus on in the upcoming year.

REPORT

The 2015 Audit Committee annual work plan is attached to this report in ATT-1 and should be used to guide audit committee agendas through the year.

STAFF REPORT



The scheduled 2015 Audit Committee meeting dates are as follows:

February 3, 2015 – 3:00pm

April 8, 2015 – 3:00pm

June 2, 2015 – 3:00pm

September 8, 2015 – 3:00pm

November 3, 2015 – 3:00pm

Other meetings and training workshops can be scheduled on an as-needed basis.

CORPORATE STRATEGIC PLAN

2.3 Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

None noted.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

COMMUNICATIONS

No communication approach is necessary.

ATTACHMENTS

ATT-1 2015 Audit Committee Work Plan

Report Author

Kamran Ali

Senior Corporate Analyst, Financial
Accounting and Reporting

Approved By

Katrina Power
General Manager, Finance &
Deputy Treasurer
519-822-1260 x2289
katrina.power@guelph.ca

Recommended By

Albert Horsman
Deputy CAO
Infrastructure, Development & Enterprise
519-822-1260 x5606
al.horsman@guelph.ca

REPORT CS-2015-08 DATED February 3, 2015

ATTACHMENT 1

2015 Audit Committee Work Plan

External Audit	Frequency			Comments
	Annual	Term	Need	
Review the external auditors' proposed audit scope and approach, including coordination of audit effort with City staff	•			Expected to be completed during the February Audit Committee meeting
Review with management and the external auditors the result of the audit including any difficulties encountered and all other matters required to be communicated to the Committee under Generally Accepted Auditing standards	•			Expected to be completed in June 2015
Resolve any disagreements between management and the external auditors regarding financial reporting			•	Will be addressed if the need arises
At the conclusion of the audit, consult with the external auditors, without the presence of management, regarding internal financial controls, compliance and the fullness and accuracy of the City's financial statements	•			Expected to be completed in June 2015
Ensure the timely presentation of the external auditor's annual audit report to Council	•			Expected to be completed in June 2015
Financial Statements	Annual	Term	Need	Comments
Review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas and recent professional and regulatory pronouncements and understand their impact on the financial statements	•			Expected to be completed in June 2015
Review the representation letter provided by management to the external auditors	•			Expected to be completed in June 2015
Prior to the presentation of the annual financial statements to Council, review the financial statements and consider whether they are complete, consistent with information known to committee members and reflect appropriate accounting principles	•			Expected to be completed in June 2015
Recommend to Council the approval and distribution of the annual financial statements	•			Expected to be completed in June 2015
External Auditor Performance and Review	Annual	Term	Need	Comments
Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the city, including non-audit services, and discussing the relationships with the auditors	•			Expected to be completed in June 2015
Direct and review the performance evaluation process for the external auditor	•			Expected to be completed in September 2015
Recommend changes to the external auditor's compensation for Council approval			•	New RFP will be required for 2015 as the current contract with Deloitte was for period of (2010-2014)
Periodically determine whether a RFP should be issued to select an external auditing firm. As per the Ontario Municipal Act 2001 section 296(3), the external auditor shall not be appointed for a term exceeding five years			•	New RFP will be required for 2015 as the current contract with Deloitte was for period of (2010-2014)

Participate in the selection of an external auditing firm by reviewing the RFPs and bids received, interviewing potential auditing firms and recommending the external auditor for final approval to the Council			<ul style="list-style-type: none"> • 	New RFP will be required for 2015 as the current contract with Deloitte was for period of (2010-2014). Methodology and evaluation process for evaluating the RFP applicants will be presented to Audit Committee in April 2015
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Compliance	Annual	Term	Need	Comments
Obtain regular updates from management and others (legal counsel, external auditors) regarding compliance with laws and regulations having a material impact on the financial statements including: tax and financial reporting, legal withholding requirements & environmental protection laws and regulations	•			Expected to be completed in June 2015
Review by-laws and policies specifically regulating the conduct of members of council, staff and suppliers			•	Will be addressed if the need arises
Review the findings of any examinations by regulatory agencies and any auditor observations			•	Will be addressed if the need arises
Discuss with the City Solicitor, any significant legal, compliance, or regulatory matters that may have a material effect on the financial statements or the business of the City, or on the compliance policies of the City.			•	Will be addressed if the need arises - City Solicitor also presents a semi-annual legal update to Council
Review the results of management's investigation and follow-up for any instances of non-compliance			•	Will be addressed if the need arises
Review the effectiveness of the system established to ensure compliance			•	Will be addressed if the need arises
Risk Management & Internal Control	Annual	Term	Need	Comments
Understand the scope of the external auditor's review of internal financial control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses and the timing of the disposition of significant findings.	•			Expected to be completed in June 2015 for items relating to the 2014 audit
Consider the effectiveness of the City's internal control system for the safeguarding of assets, including information technology security and control and the adequacy of policies and procedures			•	Expected to be completed in June 2015
Review management and program performance regarding efficiency, effectiveness and economy in the use of resources			•	Will be addressed through internal audit reviews and on an as needed basis.
Review the effectiveness of management reporting systems regarding administrative and program performance.			•	Will be addressed if the need arises
Direct other risk management and internal control projects as identified and referred by Council			•	Will be addressed if the need arises
Reporting	Annual	Term	Need	Comments
Ensure the creation of semi-annual information report to Council on progress achieved by the Committee and any concerns or issues that have been identified. The report shall be prepared by the Committee Chair with input from staff.	•			Mid-year reporting for 2015 expected in September 2015. Committee expected to receive final report for 2015 in February 2016 to be reported to Council
Provide an open avenue of communication between the external auditors and City Council	•			Expected to be completed in June 2015
Adequacy of the City's Resources	Annual	Term	Need	Comments
Review the nature of evolving or developing businesses managed by the City, including those changes occasioned by business or process redesign			•	Will be addressed as the need arises
As new businesses and ventures are embarked on by the City, gain comfort that all appropriate processes have been put in place to evaluate feasibility of the new business and to ensure proper resources, both human and financial, have been provided.			•	Will be addressed as the need arises

Other	Annual	Term	Need	Comments
In conjunction with management and the external auditors, develop an annual work plan for the Committee that identifies priorities, objectives and timelines for key deliverables.	•			Expected to be completed in February 2015
With Council approval, retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of a review.			•	Will be addressed as the need arises
After consultation with the Chief Financial Officer/Treasurer and the external auditors, gain a reasonable assurance, at least annually, of the quality and sufficiency of the City's accounting and financial personnel and other resources.	•			Expected to be completed in June 2015
It is recognized that from time to time, other issues will be referred to the Committee for review and input. These items will be addressed on an as needed basis.			•	Will be addressed as the need arises
Review mandate and make recommendations for change if any		•		Expected to be completed in early 2015 if required
Financial literacy and training	•			As the need arises
Legend: Annual - Audit Committee to review each fiscal year Term - Audit Committee to review each term of Council Need - Audit Committee to review when the need arises				

STAFF REPORT

TO Audit Committee

SERVICE AREA Office of the CAO, Internal Audit

DATE February 3, 2015

SUBJECT Status Update – Internal Audit Reporting Structure

REPORT NUMBER CAO-A-1501

EXECUTIVE SUMMARY

SUMMARY OF REPORT

To provide the Committee with an updated status report on Council's resolution in regards to the reporting relationship between the Internal Auditor and the Audit Committee.

KEY FINDINGS

Staff will conduct a review and present recommendations to the Governance Committee on March 3, 2015 with respect to the reporting structure for the internal audit function.

FINANCIAL IMPLICATIONS

N/A

ACTION REQUIRED

To receive this report as information.

RECOMMENDATION

1. That the Audit Committee receive the Internal Auditor's report entitled Status Update – Internal Audit Reporting Structure.

BACKGROUND

On May 26, 2014 Council approved a recommendation from the Governance Committee and passed the following resolution to temporarily change the reporting structure of the internal audit function:

GOV-2014.10 Internal Audit

1. That the City of Guelph Internal Auditor report to the Committee of the Whole for the remainder of the 2010-2014 Council term; and

STAFF REPORT

2. That the Governance Committee review the reporting relationship for the Internal Auditor on an on-going basis commencing with the next term of Council.

REPORT

The Internal Audit function was introduced to the City in July 2012 and reported administratively to the Chief Administration Officer and functionally to the Audit Committee. Since May of 2014 the audit function has reported directly to Council as the Committee of the Whole.

As we are now in the first quarter of the new term of Council this temporary change in the internal audit reporting structure will be reviewed. Staff will present recommendations from this review to the Governance Committee on March 3, 2015 as directed in the foregoing resolution.

CORPORATE STRATEGIC PLAN

1.3 Organizational Excellence – Build robust systems, structures and frameworks aligned to strategy.

2.3 Innovation in Local Government – Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

City Clerk's Office, Executive Team

COMMUNICATIONS

N/A

Report Author: Loretta Alonzo, Internal Auditor



Recommended By

Loretta Alonzo
Internal Auditor
City of Guelph

Phone : 519-822-1260, ext. 2243

Email: loretta.alonzo@guelph.ca

STAFF REPORT



TO Audit Committee

SERVICE AREA Corporate Services, Finance

DATE February 3, 2015

SUBJECT Outstanding Motions of the Audit Committee

REPORT NUMBER CS-2015-07

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To advise the Audit Committee of the status of all outstanding Committee resolutions and to advise the Committee if there are any outstanding resolutions that may no longer be of community and Council interest.

KEY FINDINGS

Staff have reviewed all outstanding motions and are recommending that two outstanding motions be eliminated from the outstanding motion list as they have been addressed. A further three items will remain on the outstanding motion list and continue to be resourced in accordance with the approved annual budget. The status of all outstanding motions is provided.

FINANCIAL IMPLICATIONS

There are no direct financial implications for the resolutions presented here.

ACTION REQUIRED

That report CS-2015-07 dated February 3, 2015, regarding outstanding motions of the Audit Committee, be received.

RECOMMENDATION

That report CS-2015-07 dated February 3, 2015, regarding outstanding motions of the Audit Committee, be received.

BACKGROUND

For some time, with input from the Clerk's Department, a record of outstanding motions of Committee has been maintained. The Executive Team has decided to bring to each Committee of Council an update of all outstanding motions. The biannual report may include recommendations, where appropriate, to eliminate from the list any outstanding motions that may no longer be of priority to the Committee.

STAFF REPORT



REPORT

Please find attached for information the outstanding motion list for the Audit Committee, including the status of the work and the timing, where available, for when the work may be completed.

It is recommended that the resolutions marked as "Completed" be taken off the list for future reporting. Those resolutions marked as "On Hold" and "In Progress" are recommended to remain on the listing for future reporting and on-going status updates until they are completed.

Based on the attached schedule, staff consider two resolutions to be completed and therefore should be taken off future reporting. Staff will continue working towards clearing the remaining three resolutions in future periods.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

Clerks Department

COMMUNICATIONS

N/A

ATTACHMENTS

Attachment A: Audit Committee Outstanding Resolutions

Report Author

Jade Surgeoner

Manager, Financial Reporting
& Reporting

Approved By

Katrina Power

General Manager, Finance &
Deputy Treasurer

519-822-1260 x2289

katrina.power@guelph.ca

Recommended By

Albert Horsman

Deputy CAO

Infrastructure, Development & Enterprise

519-822-1260 x5606

al.horsman@guelph.ca

AUDIT COMMITTEE OUTSTANDING ITEMS

ATT A

Date	Resolution	Contact/Dept	Status
CORPORATE SERVICES			
Nov.4 2013	<p>No Report refers to this Resolution – was a motion put forward by Audit Committee:</p> <p>That the Chief Financial Officer report back to the Audit Committee with a policy to formalize the Audit Committee’s practice with respect to the annual engagement of the external auditor.</p>	Finance/City Clerk	<p>Completed:</p> <p>This resolution was passed to formalize an automatic closed session item on the agenda each time the external auditor delegates to Committee.</p> <p>The <i>Municipal Act</i> is clear (s. 239) about when a closed meeting is permitted, and therefore it is not recommended that we automatically move into closed session each time the external auditor is present.</p>
April 11, 2012 FIN-12-04 refers	<p>THAT Report FIN-12-04 dated April 11, 2012, entitled “Preliminary Overview – PSAB 3260 – Liability for Contaminated Sites” be received;</p> <p>AND THAT staff proceed with the phased approach for implementation of PSAB 3260 as presented in FIN-12-04 and that a preliminary listing of contaminated sites be presented to Audit Committee in 2012;</p> <p>AND THAT staff provide an annual status report to Audit Committee on the implementation of accounting standard PSAB 3260 - Liability for Contaminated Sites.</p>	Finance/Engineer ring	<p>In Progress:</p> <p>Finance brought forward a contaminated sites policy for Audit Committee approval in August 2014. This policy outlined the accounting and implementation process for this accounting standard. As this accounting standard is not being adopted until December 31, 2015 there is an implementation plan that spans the years of 2014 – 2015.</p>
March 7, 2011	<p>That staff be directed to provide an update at the next meeting on the internal audit activities including the cash process review and the purchasing/tendering by-law process review</p>	Finance	<p>In Progress:</p> <p>An update on the cash process review was provided to Audit Committee on June 7, 2011 where it was noted that the results of the review would be presented to the executive team. To date these results have not been shared with the executive team. In 2014 Finance started the cash review process and expects to be able to present the results to Sr. Management in mid-2015, including a priority matrix and implementation strategy. In order to mitigate any risk associated with the delay in this reporting, the Internal Auditor completed a “Cash Holdings, Control and Compliance Audit” which went forward to Committee on March 6, 2014.</p> <p>The Purchasing Policy and by-law were approved by Council on June 23rd, 2014.</p>
September 13, 2010	<p>That the debt management policy be amended to provide stronger direction regarding debt proceeds issued in advance of completion of a project.</p>	Finance	<p>On Hold:</p> <p>This resolution will be addressed upon a wholesome review of the debt management policy which is expected in 2015.</p>
July 20, 2009	<p>That the Director of Information Services/City Clerk be directed to report back to the Governance Committee on an amendment to the Procedural By-law on a process on moving forward to Council, matters that were unable to be resolved by the Standing Committees.</p>	City Clerk	<p>Completed:</p> <p>Votes resulting in a tie are unresolved matters. The Procedural By-law has been amended to direct staff to bring forward any matters resulting in a tie to Council for consideration.</p>

STAFF REPORT



TO Audit Committee

SERVICE AREA Legal and Realty Services
Corporate Services

DATE February 3, 2015

SUBJECT Litigation Status Report

REPORT NUMBER CS-2015-10

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide information regarding the current status of litigation involving the City.

KEY FINDINGS

The amount of litigation, excluding Planning and insured matters, that the City is involved in has remained static more or less throughout 2014. The number of matters, excluding insured matters, being handled by external legal counsel has remained the same throughout 2014.

FINANCIAL IMPLICATIONS

N/A

ACTION REQUIRED

Receive

RECOMMENDATION

That the report of Legal and Realty Services regarding the status of City litigation dated February 3, 2015 be received.

BACKGROUND

Legal and Realty Services reports on the status of the litigation involving the City on a semi-annual basis.

REPORT

The attached chart sets out the details of the litigation the City is involved in and the resolutions which have occurred since the last report in August, 2014.

STAFF REPORT



There continues to be a significant amount of OMB work, in all areas - policy, development applications and Committee of Adjustment.

LRS continues to seek resolution of the litigation and OMB matters in a timely fashion and has been successful in resolving a number of matters in the last six months.

CORPORATE STRATEGIC PLAN

2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

N/A

COMMUNICATIONS

N/A

FINANCIAL IMPLICATIONS

N/A

ATTACHMENTS

Litigation Status Report as of January 19, 2015

Prepared By

Donna Jaques
General Manager, Legal & Realty
Services/City Solicitor
X 2288
donna.jaques@guelph.ca

Submitted By

Mark Amorosi
Deputy CAO, Corporate Services
x 2281
mark.amorosi@guelph.ca

LITIGATION STATUS REPORT

As of January 19, 2015

COURT ACTIONS

Matter	Description	History	Current Status	Counsel
City of Guelph v. Aviva Insurance Company of Canada City of Guelph v. Aviva Ontario Superior Court of Justice Court File No. 1002/08	<ul style="list-style-type: none"> Following the termination of Urbacon, the City made a claim against the performance bond issued by Aviva. Aviva refused to acknowledge its obligations 	<ul style="list-style-type: none"> November 20, 2008 – City served Statement of Claim on Aviva January 13, 2009 – Statement of Defence of Aviva was received Case managed along with the main action. This action was peremptorily dismissed with the court's decision in favour of Urbacon in the main action. Dismissed by trial judge when liability decided against the City of Guelph 	<ul style="list-style-type: none"> Final matter to be settled is Aviva's costs 	Simpson Wigle
City of Guelph v. Moriyama & Teshima Architects Ontario Superior Court of Justice Court File No. 09-14746	<ul style="list-style-type: none"> On September 21, 2009, the City commenced a \$2 million claim against the architects involved as consultants on the Urbacon project alleging negligence in their project management and seeking contribution 	<ul style="list-style-type: none"> June 30, 2011 – Statement of Claim served on Defendants September 14, 2011 – Statement of Defence of MTA received Case managed along with the main action 	<ul style="list-style-type: none"> Settlement negotiations ongoing 	Simpson Wigle
Wyndham Corporate Centre Inc. v. City of Guelph Ontario Superior Court of Justice Court File No. CV 09 09638600	<ul style="list-style-type: none"> The Plaintiff commenced an action seeking damages from the City in the amount of \$225,000 and aggravated damages in the amount of \$150,000 relating to the alleged failure of the City to remove carpets from the property at 2 Wyndham Street following expiration of the lease. 	<ul style="list-style-type: none"> September 29, 2009 – City served with Statement of Claim October 15, 2010 - City served Statement of Defence Plaintiff has hired new lawyer as of October 2013 City requested court to issue a Status Notice on this action on July 7, 2014 Status notice issued by the Court July 16, 2014 	<ul style="list-style-type: none"> Plaintiff filed timetable for action on October 9, 2014 	Legal Services
1266304 et al. v. City of Guelph Ontario Superior Court of Justice Court File No. 90/10	<ul style="list-style-type: none"> Action commenced by 14 builders/developers for damages in the amount of \$2,000,000 for breach of contract (subdivision agreements), negligent misrepresentation, unjust enrichment and breach of trust relating to allegations of "additional" development charges being improperly imposed for "hard" services. 	<ul style="list-style-type: none"> February 8, 2010 – City served with Statement of Claim March 10, 2010 – City's Statement of Defence served November 8, 2010 – Summary Judgment motion brought by the City heard – not successful January 17, 2011 – City Motion for leave to Appeal heard - not successful 	<ul style="list-style-type: none"> Matter is settled, awaiting final releases and order of dismissal 	Aird & Berlis

LITIGATION STATUS REPORT

As of January 19, 2015

COURT ACTIONS				
Matter	Description	History	Current Status	Counsel
		<ul style="list-style-type: none"> July 6, 2012 – mediation January 23, 2013 – examination of City witness City's undertakings being completed April 28, 2014 – Assignment Court December, 2014 – settlement reached 		
Galatianos v. City of Guelph and R. Reynen Ontario Superior Court of Justice Court File No. 464/11	<ul style="list-style-type: none"> Action commenced by Galatianos for general damages, misfeasance in public office and an injunction restraining the City from entering his property without 24 hours notice Based on Galatianos failing to comply with a notice to clean up his property under the Yard Maintenance Bylaw and the City undertaking the clean up. 	<ul style="list-style-type: none"> June 21, 2011 – Statement of Claim served on City July 19, 2011 – City served and filed its Statement of Defence December 6, 2011 – Amended Statement of Claim served on City Examinations for Discovery held June 28, 2012 City's discovery undertakings complete as of August 1, 2012 Plaintiff's undertakings complete as of August 30, 2012 January 23, 2014 – matter transferred to Small Claims Court May 8, 2014 – Settlement conference held November 20, 2014 – trial scheduled - adjourned 	<ul style="list-style-type: none"> April 24, 2015 – Trial scheduled 	Legal Services
Davis v. City of Guelph Small Claims Court Court File No. 13-600	<ul style="list-style-type: none"> Property Damage - June, 2013 	<ul style="list-style-type: none"> August 9, 2013 – Plaintiff's Claim received by City Amended Claim received August 20, 2013 August 23, 2013 – City served and filed Amended Defence December 18, 2013 - Settlement conference held January 6, 2014 – Motion held, Plaintiff abandoned portion of claim August 15, 2014 – Trial scheduled - adjourned November 6, 2014 – trial commenced 	<ul style="list-style-type: none"> March 19, 2015 – trial to continue 	Legal Services

LITIGATION STATUS REPORT
As of January 19, 2015

COURT ACTIONS				
Matter	Description	History	Current Status	Counsel
Westminster Woods v. City of Guelph Superior Court of Justice Court File No. 707/13	<ul style="list-style-type: none"> Claim re Stage III Services pursuant to Subdivision Agreement 	<ul style="list-style-type: none"> October 4, 2013 – Statement of Claim served on City November 12, 2013 - City filed Statement of Defence November 25, 2013 – Reply served on City March 2014 – Discovery agreement prepared City filed Affidavit of Documents on May 30, 2014 Plaintiff served Affidavit of Documents November 27, 2014 	<ul style="list-style-type: none"> Discoveries dates to be set 	Legal Services
Wiseman v. Guelph Superior Court of Justice Court File No. 638/14	<ul style="list-style-type: none"> Slip and Fall – March 25, 2014 	<ul style="list-style-type: none"> August 25, 2014 – Statement of Claim served on City September 11, 2014 – City served Defence 	<ul style="list-style-type: none"> January 6, 2015 – City's Affidavit of Documents served 	Legal Services
Anselmini v. City of Guelph Superior Court of Justice Court File No. 859/14	<ul style="list-style-type: none"> Slip and Fall – July 6, 2013 	<ul style="list-style-type: none"> November 12, 2014 – Statement of Claim served on City December 3, 2014 – City served Defence 	<ul style="list-style-type: none"> Affidavit of Documents being prepared 	Legal Services
R. v. Louws Appeal of Court File No. 485/13	<ul style="list-style-type: none"> Decision December 1, 2014 dismissing the careless driving charge 	<ul style="list-style-type: none"> City issued Notice of Appeal on December 17, 2014 	<ul style="list-style-type: none"> Appeal to be heard April 16, 2015 	Legal Services

COURT ACTIONS RESOLVED SINCE July 28, 2014				
Matter	Description	History	Current Status	Counsel
Wm. J. Gies Construction Limited v. City of Guelph Ontario Superior Court of Justice Court File No. 1234/99	<ul style="list-style-type: none"> Application under section 298 of the former Municipal Act (the provision was repealed by Bill 130) which provided that a road closing by-law may not be passed if it would deprive a person access to the person's land. Relate to By-law (1971)-7810 a by-law to close parts of Kortright Road (now Downey Road) 	<ul style="list-style-type: none"> October 25, 1999 – Notice of Application by Gies October 27, 2000 – Notice of Appearance by City August Order dismissing the application without costs received 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
La v. City of Guelph et al Small Claims Court Court File No. 13-404	<ul style="list-style-type: none"> Property Damage – June 9, 2011 	<ul style="list-style-type: none"> October 31, 2013 – Plaintiff's Claim served on City November 22, 2013 - City filed Defence May 9, 2014 – settlement conference held August 14, 2014 - Order dismissing claim received 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
Mahoney v. City of Guelph Small Claims Court	<ul style="list-style-type: none"> Slip and Fall – January 27, 2012 	<ul style="list-style-type: none"> January 14, 2014 – Plaintiff's Claim served on 	<ul style="list-style-type: none"> This matter is complete 	Legal Services

LITIGATION STATUS REPORT

As of January 19, 2015

COURT ACTIONS RESOLVED SINCE July 28, 2014

Matter	Description	History	Current Status	Counsel
File No. 14-020		<ul style="list-style-type: none"> City February 3, 2014 – City filed Defence October 24, 2014 – claim dismissed without costs 		
Urbacon Buildings Group Corp. v. City of Guelph Ontario Superior Court of Justice Court File No. 866/08 (main action)	<ul style="list-style-type: none"> On September 19, 2008, the City terminated the contract of Urbacon for the construction of City Hall and the POA Court. Urbacon commenced a claim against the City seeking damages in the amount of \$12,164,181.71 (this being the amount of the construction lien registered against the new City Hall property on September 26, 2008) and damages for alleged delay, loss of revenue and profits, unjust enrichment, punitive and other damages of \$7,000,000.00. City served a Statement of Defence and Counterclaim seeking \$5,000,000 in damages for breach of contract. 	<ul style="list-style-type: none"> October 9, 2008 – Served with Statement of Claim October 29, 2008 – City's Statement of Defence and Counterclaim served on Urbacon August, 2011 – Final examinations for Discovery completed September 20 and 21, 2012 – mediation held Trial on the issue of liability commenced January 22, 2013 for 5 weeks and resumed March 11, 2013 for 3 weeks. November 15, 2013 - Final submissions March 31, 2014 – Decision received, City unsuccessful June 17, 2014 – Reasons for decision received September 8, 2014 – Settlement approved by Council 	<ul style="list-style-type: none"> This matter is complete 	Simpson Wigle
Subcontractors Construction Lien Claims	<ul style="list-style-type: none"> Subcontractors to Urbacon who were not paid registered liens against City land and commenced actions to recover the money owed. These claims were reviewed by a vetting committee. The court ordered the City pay into court \$3.2 million representing the minimum holdback amount the City is required to have. 	<ul style="list-style-type: none"> July 19, 2010 – Order for the partial distribution of holdback money to subcontractors. January 3, 2012 – Order for payment of holdback money to Swan Case managed along with the main action Settled as between Urbacon and subcontractors pursuant to settlement of main action 	<ul style="list-style-type: none"> This matter is complete 	Simpson Wigle
City of Guelph v. Urbacon Buildings Group Corp. Ontario Superior Court of Justice Court File No. 705/09	<ul style="list-style-type: none"> Subsequent to the termination of Urbacon's contract, the City directly paid 19 subcontractors money they were owed by Urbacon, for a total amount of \$4,825,807.92. On August 21, 2009, the City commenced an action against 	<ul style="list-style-type: none"> Urbacon has defended this proceeding. Case managed and tried along with the main action City's counterclaim against Urbacon was dismissed with the court's 	<ul style="list-style-type: none"> This matter is complete 	Simpson Wigle

LITIGATION STATUS REPORT

As of January 19, 2015

COURT ACTIONS RESOLVED SINCE July 28, 2014

Matter	Description	History	Current Status	Counsel
	Urbacon to recover this and other expenses	decision in favour of Urbacon in the main action.		
Steepe Claims Superior Court of Justice Court File No's. 4347/14, 4704/14, 4581/14	<ul style="list-style-type: none"> Various claims 	<ul style="list-style-type: none"> October, 2014 – November, 2014 - 3 Statements of Claim received by City January 5, 2015 – Plaintiff discontinued all actions 	<ul style="list-style-type: none"> This matter is complete 	Legal Services

OMB MATTERS

Matter	Description	History	Current Status	Counsel
580 Paisley Road – Armel Corporation Case No. MM080050	<ul style="list-style-type: none"> Appeal by the owner, Armel Corporation, of a decision not to approve a site plan application for a proposed gas bar, car wash and kiosk. The main issue relates to site access. 	<ul style="list-style-type: none"> October 1, 2008 – Appeal received 	<ul style="list-style-type: none"> Matter in abeyance pending the completion of the Environmental Assessment of Silvercreek Parkway South 	Legal Services
OPA 42 Case No. PL110278	<ul style="list-style-type: none"> 16 appeals relating to various aspects of Official Plan Amendment No. 42 (Natural Heritage Strategy) 15 appeals have been withdrawn or settled as of August 29, 2013 1 appeal outstanding 	<ul style="list-style-type: none"> January 21, 2014 – further prehearing held for Phase 2 and Phase 2 hearing dates scheduled for September 29-October 17, 2014 February 25, 2014 – settlement hearing for 0 Clair Road held by tcc – the Board has requested final written submissions to be provided by March 5, 2014 March 13, 2014 – decision received approving settlement for 0 Clair Road April 15, 2014 – Settlement hearings held for 2007 Victoria Road and 132 Clair Road, and approved by Board (completes Phase 1 appeals) June 4, 2014 – revised OPA 42 approved by Board (except for 115 Watson and 0 Paisley) July 10, 2014 – settlement of 115 Watson approved. October 6-17, 2014 – remaining appeal for 0 Paisley Road (site 	<ul style="list-style-type: none"> OPA 42 now in effect except for 0 Paisley March 6, 2015 – settlement hearing scheduled 	Legal Services Garrod Pickfield

LITIGATION STATUS REPORT

As of January 19, 2015

OMB MATTERS

Matter	Description	History	Current Status	Counsel
		specific) scheduled - adjourned		
OPA 43 (5 Appeals) 84-96 Wellington Street and 110 Wellington Street Case No. PL120723	<ul style="list-style-type: none"> 6 appeals were originally received relating to various aspects of Official Plan Amendment No. 43 (Downtown Secondary Plan) NOTE: The matter has been split into two sets of appeals – the first dealing exclusively with the appeal re property at 45 Yarmouth (now complete) and the second dealing with the remaining appeals by 5 owners and tenants at 84-96 Wellington Street and 110 Wellington Street 	<ul style="list-style-type: none"> June 20, 2012 – Appeals received January 30, 2013 - Prehearing held April 18, 2013 – teleconference held to address Issues List for Riverfront Appeals May 2, 2013 - Revised issues list circulated to the parties as directed by the Board June 18, 2013 – pre-hearing conference held and Board decision indicating that the portions of OPA 43 not under appeal are in effect Procedural Order and Issues List finalized by Board Order dated November 4, 2013 Hearing scheduled to commence June 23, 2014 - adjourned 	<ul style="list-style-type: none"> No hearings scheduled 	Legal Services
1159 Victoria Road South Case No. PL121406	<ul style="list-style-type: none"> Appeals by Victoria Park Village Ltd. regarding failure to make a decision with the prescribed time 	<ul style="list-style-type: none"> November 29, 2012 – Appeal received May 14, 2013 – Prehearing held June 28, 2013 – Prehearing held September 18, 2013 – prehearing conference held November 15, 2013 – hearing held June 16, 2014 – hearing held by teleconference 	<ul style="list-style-type: none"> April 27, 2015 – hearing scheduled for five days 	Legal Services Garrod Pickfield
12 Wyndham St N Case No. PL 131130	<ul style="list-style-type: none"> Appeal by 2073977 Ontario Ltd. 	<ul style="list-style-type: none"> October 17, 2013 – Appeal received March 12, 2013 – hearing scheduled - adjourned August 25, 2014 – hearing scheduled – adjourned 	<ul style="list-style-type: none"> March 24, 2015 – hearing scheduled 	Legal Services
8 Terrace Lane Case No. PL 131204	<ul style="list-style-type: none"> Appeal by Erica Davis – minor variance 	<ul style="list-style-type: none"> October 28, 2013 – Appeal received July 8, 2014 – hearing scheduled – adjourned December 11, 2014 – hearing adjourned 	<ul style="list-style-type: none"> March 30, 2015 – hearing scheduled 	Legal Services

LITIGATION STATUS REPORT
As of January 19, 2015

OMB MATTERS				
Matter	Description	History	Current Status	Counsel
331 Clair Road E Case No. PL140028	<ul style="list-style-type: none"> Appeal by Reid's Heritage Homes – Official Plan amendment 	<ul style="list-style-type: none"> January 3, 2014 – Appeal received August 19, 2014 – pre-hearing held 	<ul style="list-style-type: none"> March 2, 2015 – Hearing scheduled for 10 days 	Legal Services
331 Clair Road E Case No. PL140029	<ul style="list-style-type: none"> Appeal by Reid's Heritage Homes – Zoning By-law 	<ul style="list-style-type: none"> January 3, 2014 – Appeal Received August 19, 2014 – pre-hearing held 	<ul style="list-style-type: none"> March 2, 2015 – Hearing scheduled for 10 days 	Legal Services
OPA 48 (7 Appeals) Case No. PL 140042	<ul style="list-style-type: none"> 7 Appeals received relating to Official Plan Amendment 48 (Envision Guelph) as approved by the Minister of Municipal Affairs and Housing. 	<ul style="list-style-type: none"> December, 2013 – OPA 48 Approved by Minister of Municipal Affairs and Housing December, 2013 – Appeals received October 20, 2014 – prehearing held 	<ul style="list-style-type: none"> February 3, 2015 – Second pre-hearing scheduled 	Legal Services
635 Woodlawn Road Case No. PL140628, PL140629, PL140630	<ul style="list-style-type: none"> 3 Appeals by Terra View Custom Homes 	<ul style="list-style-type: none"> June 13, 2014 – Appeals received December 9, 2014 – pre-hearing held 	<ul style="list-style-type: none"> July 6, 2015 – hearing scheduled for 10 days 	Legal Services
OPA 54 (9 Appeals) Case No. PL140648	<ul style="list-style-type: none"> 9 Appeals received relating to Official Plan Amendment 54 (Guelph Innovation District Secondary Plan) 	<ul style="list-style-type: none"> Jun 16-18, 2014 – Appeals received December 10, 2014 – pre-hearing held 	<ul style="list-style-type: none"> February 23, 2015 – second pre-hearing scheduled 	Legal Services
16 Maple Street Case No. PL141001	<ul style="list-style-type: none"> Appeal by John Gruzleski, president of Old University Neighbourhood Residents' Association 	<ul style="list-style-type: none"> August 28, 2014 – Appeal received 	<ul style="list-style-type: none"> January 20, 2015 – hearing scheduled 	Legal Services
220 Edinburg Road Case No. PL141161	<ul style="list-style-type: none"> Appeal by Wayne McMillan - Minor variance 	<ul style="list-style-type: none"> September 30, 2014 – Appeal received 	<ul style="list-style-type: none"> March 16, 2015 – hearing scheduled 	Legal Services
Brooklyn & College Hill Conservation District Case No. MM140079	<ul style="list-style-type: none"> Appeal of Heritage By-law (2014) - 19821 	<ul style="list-style-type: none"> October 23, 2014 – Appeal received 	<ul style="list-style-type: none"> Prehearing to be scheduled, if required 	Legal Services
28 Rodgers Road Case No. PL141493	<ul style="list-style-type: none"> Appeal by Pawelec Zbigniew 	<ul style="list-style-type: none"> December 9, 2014 – Appeal received 	<ul style="list-style-type: none"> Awaiting instruction from Board 	Legal Services
620 Scottsdale Drive Case No.	<ul style="list-style-type: none"> Appeal by Tim Conley 	<ul style="list-style-type: none"> December 29, 2014 – Appeal received 	<ul style="list-style-type: none"> Awaiting instruction from Board 	Legal Services
781 Victoria Road South Case No.	<ul style="list-style-type: none"> Appeals by Hugh Whiteley – Zoning By-law (2014)-19835 and OPA 57 	<ul style="list-style-type: none"> January 12, 2015 – Appeal received 	<ul style="list-style-type: none"> Awaiting instruction from Board 	Legal Services
78 Starwood Drive Case No.	<ul style="list-style-type: none"> Appeal by Hugh Whiteley – Zoning By-law (2014)-19836 	<ul style="list-style-type: none"> January 12, 2015 – Appeal received 	<ul style="list-style-type: none"> Awaiting instruction from Board 	Legal Services

OMB MATTERS RESOLVED SINCE July 28, 2014

Matter	Description	History	Current Status	Counsel
185-187 Bristol Street Case No. PL 131232	<ul style="list-style-type: none"> Appeal by John Baker of the passing of a Zoning by-law 	<ul style="list-style-type: none"> October 23, 2013 – Appeal received May 20, 2014 – hearing scheduled – adjourned July 29, 2014 – hearing held, appeal dismissed 	<ul style="list-style-type: none"> This matter is complete 	Legal Services

LITIGATION STATUS REPORT

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297 Eramosa Road Case No. PL140526	<ul style="list-style-type: none"> • Appeal by Loblaw Properties Limited 	<ul style="list-style-type: none"> • June 2, 2014 – Appeal received • October 21, 2014 – hearing held 	<ul style="list-style-type: none"> • This matter is complete 	City not a party
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OTHER MATTERS

Matter	Description	History	Current Status	Counsel
Corporation of the City of Guelph v. Director, Ministry of the Environment Case No. 13-013	<ul style="list-style-type: none"> • City is appealing to the Environmental Review Tribunal the issuance of Permit to Take Water number 5080-8TAKK2 to River Valley Developments Inc. 	<ul style="list-style-type: none"> • February 12, 2013 – City filed an application for Leave to Appeal with the ERT • May 2, 2014 – Leave to Appeal to ERT granted • City filed Appeal • November 4, 2014 - Status Update with ERT, held by teleconference. • Third party mediation session held November 28, 2014 	<ul style="list-style-type: none"> • March 27, 2015 - Status Update with ERT 	Garrod Pickfield Legal Services

OTHER MATTERS RESOLVED SINCE July 28, 2014

Matter	Description	History	Current Status	Counsel
HRTO File No. 2013-14912-I	<ul style="list-style-type: none"> • Application received by the Human Rights Tribunal of Ontario September 11, 2013 	<ul style="list-style-type: none"> • March 13, 2014 – Case Assessment Direction of the Tribunal received by the City • Matter consolidated 2014-17002-I for summary hearing held November 26, 2014 • applications dismissed 	<ul style="list-style-type: none"> • This matter is complete 	Legal Services
HRTO File No. 2014-17002-I	<ul style="list-style-type: none"> • Application received by the Human Rights Tribunal of Ontario March 3, 2014 	<ul style="list-style-type: none"> • July 8, 2014 – notice of application received by City • July 14, 2014 – Parties to make representations regarding consolidation of this matter with HRTO 2013-14912-I • Matter consolidated with 2013-14912-I for summary hearing held November 26, 2014 • Applications dismissed 	<ul style="list-style-type: none"> • This matter is complete 	Legal Services

MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *

Matter	Description	History	Current Status	Counsel
Sharma v. City of Guelph et al Ontario Superior Court of Justice Court File No. 332/10	<ul style="list-style-type: none"> • Motor Vehicle accident – May 7, 2008 	<ul style="list-style-type: none"> • May 4, 2010 – Statement of Claim served on City 	<ul style="list-style-type: none"> • Ongoing 	Insurers' legal counsel
Linseman and Loewen v. City of Guelph and	<ul style="list-style-type: none"> • Slip and Fall accident – December 11, 2008 	<ul style="list-style-type: none"> • January 31, 2011 - Statement of Claim served on City 	<ul style="list-style-type: none"> • Ongoing 	Insurers' legal counsel

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As of January 19, 2015

MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *				
Matter	Description	History	Current Status	Counsel
Guelph Transit Ontario Superior Court of Justice Court File No. CV-10-414425				
Smith v. City of Guelph Ontario Superior Court of Justice Court File No. 94/12	<ul style="list-style-type: none"> Slip and Fall accident – March 15, 2011 	<ul style="list-style-type: none"> February 1, 2012 – Statement of Claim served on City March 13, 2012 – City served Statement of Defence May 2, 2013 – Examination for Discovery scheduled 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Fitkowski et al v. City of Guelph and E&E Seegmiller Limited Ontario Superior Court of Justice Court File No. 663/12	<ul style="list-style-type: none"> Accident – September 24, 2010 	<ul style="list-style-type: none"> September 10, 2012 – Statement of Claim served on City. September 13, 2012 – City served Notice of Intent to Defend 	<ul style="list-style-type: none"> Ongoing City is being defended and indemnified by Seegmiller 	Insurers' legal counsel
Jassal v. Hilcox and City of Guelph Ontario Superior Court of Justice Court File No. CV 10 2468	<ul style="list-style-type: none"> Accident – July 11, 2008 	<ul style="list-style-type: none"> November 27, 2012 – Motion to amend the Statement of Claim and add City as a party December 17, 2012 – City served with Amended Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Perozzo v. City of Guelph Ontario Superior Court of Justice Court File No. 924/12	<ul style="list-style-type: none"> Slip and fall accident - February 24, 2011 	<ul style="list-style-type: none"> December 14, 2012 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Angelone v. City of Guelph Ontario Superior Court of Justice Court File No. 150/13	<ul style="list-style-type: none"> Slip and fall accident – February 24, 2011 	<ul style="list-style-type: none"> February 21, 2013 – City served with Statement of Claim February 28, 2013 – City served Notice of Intent to Defend 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Mercer v. City of Guelph et al Ontario Superior Court of Justice Court File No. CV 13 474008	<ul style="list-style-type: none"> Slip and fall accident February 26, 2011 and MVA April 1, 2011 	<ul style="list-style-type: none"> March 12, 2013 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Koeslag v. City of Guelph et al Ontario Superior Court of Justice Court File No. C-695-13	<ul style="list-style-type: none"> Accident – August 18, 2011 	<ul style="list-style-type: none"> August 15, 2013 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Watson v. City of Guelph and Traugott Building Contractors Inc.	<ul style="list-style-type: none"> Accident – September 10, 2011 	<ul style="list-style-type: none"> September 25, 2013 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel

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As of January 19, 2015

MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *				
Matter	Description	History	Current Status	Counsel
Ontario Superior Court of Justice Court File No. 1679-13				
Goudie v. City of Guelph et al Ontario Superior Court of Justice Court File No. 895-13	<ul style="list-style-type: none"> Slip and fall – October 23, 2011 	<ul style="list-style-type: none"> October 21, 2013 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Gebreselassie v. City of Guelph et al Ontario Superior Court of Justice Court File No. 920/13	<ul style="list-style-type: none"> Transit Accident – January 3, 2012 	<ul style="list-style-type: none"> December 20, 2013 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Dunkley v. Hunt, City of Guelph & Legacy Leasing Ontario Superior Court of Justice Court File No. CV-13-495196	<ul style="list-style-type: none"> Accident – January 11, 2012 	<ul style="list-style-type: none"> December 24, 2013 – City served with Statement of Claim Police Services Matter 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Zaki v. City of Guelph et al Ontario Superior Court of Justice Court File No. 335/14	<ul style="list-style-type: none"> Transit Accident – December 9, 2011 	<ul style="list-style-type: none"> May 9, 2014 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Cara Operations Limited v. City of Guelph Ontario Superior Court of Justice Court File No. 868/13	<ul style="list-style-type: none"> Property contamination – October, 2012 	<ul style="list-style-type: none"> May 26, 2014 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Sharratt v. City of Guelph Ontario Superior Court of Justice Court File No. 490/14	<ul style="list-style-type: none"> Slip and fall – March 1, 2013 	<ul style="list-style-type: none"> June 23, 2014 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Dome v. City of Guelph Ontario Superior Court of Justice Court File No. 532/14	<ul style="list-style-type: none"> Slip and fall – March 1, 2013 	<ul style="list-style-type: none"> July 14, 2014 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Schinck v. City of Guelph Ontario Superior Court of Justice Court File No. 240/14	<ul style="list-style-type: none"> Slip and fall – April 7, 2012 	<ul style="list-style-type: none"> July 29, 2014 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Cozzarin et al v. Ashton Ridge Homes Inc. and City of Guelph Ontario Superior Court of Justice Court File No. 644/14	<ul style="list-style-type: none"> Property damage – January, 2014 	<ul style="list-style-type: none"> August 27, 2014 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Frawley v. City of Guelph Superior Court of Justice Court File No. 768/14	<ul style="list-style-type: none"> Slip and Fall – March 7, 2013 	<ul style="list-style-type: none"> December 3, 2014 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel

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MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *				
Matter	Description	History	Current Status	Counsel
Gebreselassie v. City of Guelph et al Ontario Superior Court of Justice No. 978/14	<ul style="list-style-type: none"> Transit accident – December 30, 2012 	<ul style="list-style-type: none"> January 5, 2015 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel

* Does not include claims solely against Guelph Police Services (i.e. City not named as a party)

INSURED MATTERS COMPLETE SINCE July 28, 2014				
Matter	Description	History	Current Status	Counsel
Celi v. Leonforde, Moylan, Culliton, Luna, Weersink and City of Guelph Ontario Superior Court of Justice Court File No. 512/12	<ul style="list-style-type: none"> Slip and fall – March 14, 2011 	<ul style="list-style-type: none"> November 27, 2012 – City added as a party and served with the Amended Statement of Claim September 24, 2014 – order dismissing the action without costs 	<ul style="list-style-type: none"> This matter is complete 	Insurers' legal counsel
Johal v. County of Wellington & City of Guelph Ontario Superior Court of Justice Court File No. 107/14	<ul style="list-style-type: none"> Accident – February 12, 2012 	<ul style="list-style-type: none"> February 10, 2014 – City served with Statement of Claim September 26, 2014 – Notice of Discontinuance as against the City filed 	<ul style="list-style-type: none"> This matter is complete 	Insurer's legal counsel
Shank v. City of Guelph Small Claims Court Court File No. 13-565	<ul style="list-style-type: none"> Transit Accident – November 26, 2011 	<ul style="list-style-type: none"> August 21, 2013 – Plaintiff's Claim received by the City April 11, 2014 – full and final release signed by Plaintiff 	<ul style="list-style-type: none"> This matter is complete 	Insurer's legal counsel
Kempt v. City of Guelph Ontario Superior Court of Justice Court File No. 11398/09	<ul style="list-style-type: none"> Slip and Fall accident – September 17, 2007 	<ul style="list-style-type: none"> June 4, 2009 – Statement of Claim served on City October 28, 2014 – City advised matter dismissed without costs 	<ul style="list-style-type: none"> This matter is complete 	Insurers' legal counsel
Mcfadden v. City of Guelph et al Ontario Superior Court of Justice Court File No. 10-23820	<ul style="list-style-type: none"> Motor Vehicle accident – November 19, 2008 	<ul style="list-style-type: none"> November 16, 2010 – Statement of Claim served on City Mediation held December 10, 2014 - Action dismissed with no contribution to damages from the City 	<ul style="list-style-type: none"> This matter is complete 	Insurers' legal counsel
Perrie v. City of Guelph, Guelph Transit, J. Dixon and N. Anderson Ontario Superior Court of Justice Court File No. 921/12	<ul style="list-style-type: none"> Transit accident – June 1, 2012 	<ul style="list-style-type: none"> December 12, 2012 – Plaintiff's Claim served on City Mediation held on January 7, 2015 – settlement reached 	<ul style="list-style-type: none"> This matter is complete 	Insurers' legal counsel
Nash v. City of Guelph, Guelph Transit, J. Dixon and N. Anderson Ontario Superior Court of Justice Court File No. 920/12	<ul style="list-style-type: none"> Transit accident – June 1, 2012 	<ul style="list-style-type: none"> December 12, 2012 – Plaintiff's Claim served on City Mediation held on January 7, 2015 – settlement reached 	<ul style="list-style-type: none"> This matter is complete 	Insurers' legal counsel