

**The Corporation of the City of Guelph  
Audit Committee  
Monday, June 11, 2012 6:30 p.m.**

A meeting of the Audit Committee was held on June 11, 2012 in the Council Chambers at 6:30 p.m.

Present: Councillors Furfaro, Guthrie, Kovach, Wettstein and Mayor Farbridge

Also Present: Councillors Bell, Findlay and Hofland

Staff Present: Ms. A. Pappert, Chief Administrative Officer; Ms. S. Aram, Acting City Treasurer; Ms. T. Johnston, Senior Corporate Analyst, Financial Reporting; Mr. R. Henry, Manager, Engineering Services; Ms. T. Agnello, Deputy City Clerk; and Ms. D. Black, Council Committee Co-ordinator

There was no disclosure of pecuniary interest and general nature thereof.

1. Moved by Councillor Kovach  
Seconded by Mayor Farbridge  
THAT the minutes of the Audit Committee meeting held on May 14, 2012 be confirmed as recorded and without being read.

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Kovach, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

**Consent Agenda**

The following items were extracted from the Consent Agenda to be dealt with separately:

- |              |   |
|--------------|---|
| AUD-2011 A.7 | 2011 Draft Audited Consolidated Financial Statements and External Post-Audit Report |
| AUD-2011 A.8 | 2011 Unconsolidated Financial Statement Review                                      |

**2011 Draft Audited Consolidated Financial Statements and External Post-Audit Report**

Mr. Evan McDade, Partner, Deloitte, addressed key points from the audit report.

Ms. Jennifer Gruber also of Deloitte, spoke to the audit risks and conclusions as outlined within the audit report. She said that there were no material misstatements noted and expenses tested were in line with City policies.

Mr. McDade noted that there was only one matter they will address in the closed meeting regarding shared service agreements.

Staff advised they will amend the unconsolidated financial statement for the June 25<sup>th</sup> Council meeting to include an Item regarding the Guelph Civic Museum that appears on the consolidated financial statements on Page 26, Section (d).

Mr. Trevor Lee, CEO, The Elliott, reviewed their financial statements and their audit report. He explained adjustments to their loans, line of credit and payment options, as well as cost saving measures and revenue generators they have implemented.

REPORT

2. Moved by Councillor Kovach  
Seconded by Councillor Wettstein

THAT the Report FIN-12-28 dated June 11, 2012 entitled "2011 Draft Audited Consolidated Financial Statements and External Post-Audit Report" be received;

AND THAT the 2011 Draft Audited Consolidated Financial Statements be approved.

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Kovach, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

3. Moved by Mayor Farbridge  
Seconded by Councillor Furfaro

THAT the Audit Committee now hold a meeting that is closed to the public with respect to:

1. **Letter of Recommendation – 2011 Audit Results**  
S. 239 (2) (a) Security of the Property of the Municipality
2. **2011 Unconsolidated Financial Statements and City Financial Highlights**  
S. 239 (2) (a) Security of the Property of the Municipality
3. **Consultation with External Auditor**  
S. 239 (2) (a) Security of the Property of the Municipality

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Kovach, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

**Closed Meeting of the Audit Committee**

4. Moved by Mayor Farbridge  
Seconded by Councillor Kovach  
THAT staff be given direction with regard to the Letter of Recommendation – 2011 Audit Results.

Carried

5. Moved by Councillor Kovach  
Seconded by Mayor Farbridge  
THAT the Audit Committee reconvene in open session.

Carried

**Open Meeting of the Audit Committee**

**Unconsolidated Financial Statements**

Ms. Tara Johnston, Senior Corporate Analyst, Financial Reporting, provided an overview of the unconsolidated financial statements. She advised that the City was able to increase cash and investments and investments are outpacing amortization which is a positive trend. She explained how staff determined targets for employee future benefits and other targets notated within the financial statements.

Staff will provide Council with a dashboard when the consolidated financial statements come to Council to allow for a comparison to the previous year.

5. Moved by Councillor Kovach  
Seconded by Mayor Farbridge  
THAT the Report FIN-12-27 dated June 11, 2012 entitled "2011 Unconsolidated Financial Statement Review" be received.

Ms. S. Aram

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Kovach, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

**Adjournment**

6. Moved by Councillor Kovach  
Seconded by Councillor Furfaro  
THAT the Audit Committee meeting of June 11, 2012 be adjourned.

Carried

The meeting adjourned at 8:10 p.m.

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Chairperson