

I) Recent Accounting Pronouncements

(i) Contaminated Sites

PSAB released a standard related to *Contaminated Sites* (PS 3260). The standard applies to all local governments for fiscal years beginning on or after April 1, 2014. The section defines activities included with regards to remediation, establishes when to recognize and how to measure the liability, as well as discusses the presentation and disclosure requirements. The Corporation has not yet determined what, if any, financial reporting implications may arise from this standard.

(ii) Foreign Currency Translation

PSAB released a standard related to *Foreign Currency Translation* (PS 2601). The standard applies to all local governments for fiscal years beginning on or after April 1, 2016. The standard requires exchange rates to be adjusted to the rate in effect at the financial statement date for monetary assets and liabilities denominated in foreign currency and non-monetary items included in the fair value category. Gains and losses yet to be settled are presented in the statement of re-measurement gains and losses. Gains and losses on long-term monetary assets and liabilities are amortized over the remaining term of the item. The Corporation has not yet determined what, if any, financial reporting implications may arise from this standard.

(iii) Financial Instruments

PSAB released a standard related to *Financial Instruments* (PS 3450). The standard applies to all local governments for fiscal years beginning on or after April 1, 2016. The standard applies to all types of financial instruments (primary and derivatives). In the year that the standard is adopted, Foreign Currency Translation (PS 2601) must also be adopted. The new standard requires equity and derivative instruments be measured at fair value, with changes in value being recorded in a statement of re-measurement gains/losses. The standard gives the option of cost/amortized cost vs. fair value for remaining instruments, which is elected upon by the government organization. The Corporation has not yet determined what, if any, financial reporting implications may arise from this standard.

2. Cash and Cash Equivalents

	2014	2013
Cash on deposit	\$ 330,641	\$ 366,595
Cash equivalents	102,057	77,453
	\$ 432,698	\$ 444,048

Cash equivalents are comprised mainly of bankers' acceptances, guaranteed investment certificates and term deposits with original maturities of 90 days or less and are recorded at cost.

6. Urban Works Reserve Fund Liability (UWRF)

The Urban Works reserve fund liability represents works completed as at December 31, as follows:

URBAN WORKS RESERVE FUND (\$000'S)

2014	Roads	Sanitary	Storm	SWM	Total
Authorized but unpaid	-	952	307	-	1,259
Received but not authorized	465	952	-	-	1,417
In excess of the upper limit	863	1,702	472	3,915	6,952
Completed, but no claim received	341	417	287	-	1,045
TOTAL	1,669	4,023	1,066	3,915	10,673

URBAN WORKS RESERVE FUND (\$000'S)

2013	Roads	Sanitary	Storm	SWM	Total
Authorized but unpaid	478	405	313	-	1,196
Received but not authorized	269	144	45	1,108	1,566
In excess of the upper limit	2,711	3,807	1,110	4,456	12,084
Completed, but no claim received	275	688	1,046	-	2,009
TOTAL	3,733	5,044	2,514	5,564	16,855

7. Analysis of Debenture Issuance and Net Long-term Debt (\$000's)

In 2014, the City issued \$30,000 of debt through public debentures (2013 - \$50,000).

The amounts issued were to finance major activities as follows:

Debenture Issuance (\$000's)	Public Debentures
General Municipal Activities (Roads, Transit, Recreation, Police Facilities and Industrial Parks)	\$20,668
Wastewater Infrastructure	9,332
	\$30,000

The City issued public debentures at an average net borrowing cost to the City of 2.957% for a 10 year term.