

Consolidated Financial Statements of

**THE CORPORATION OF THE CITY
OF LONDON**

And Independent Auditors' Report thereon

December 31, 2021

THE CORPORATION OF THE CITY OF LONDON

Consolidated Financial Statements

Year ended December 31, 2021

(all dollar amounts in thousands of dollars)

INTRODUCTION

The accompanying Consolidated Financial Statements, and all other financial information included within this financial report, are the responsibility of the management of the City of London. The City's Financial Statements contained in this report have been prepared in accordance with the accounting principles and disclosure requirements of the Chartered Professional Accountants (CPA) of Canada Public Sector Accounting Handbook.

The City Treasurer is responsible for submitting annually, to the Audit Committee and Council, audited financial statements. These financial statements include the consolidated results of the City of London for the fiscal year ending December 31, 2021.

Finance staff are responsible for the coordination and completion of the annual financial statements in a timely, accurate and efficient manner as well as providing support and related financial information to external auditors during the year-end audit.

The Consolidated Financial Statements of the City of London provide important information about the overall financial condition of the City. The purpose of the consolidated financial statements is to present the results of transactions of the City, taking into consideration the accounting for all City Funds and associated city business enterprises.

The audited Consolidated Financial Statements for City operations include:

- Auditors' Report
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Change in Net Financial Assets
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements
- Consolidated Schedule of Segment Disclosure – Operating Revenues
- Consolidated Schedule of Segment Disclosure – Operating Expenses



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of London

Opinion

We have audited the consolidated financial statements of the Corporation of the City of London (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2021, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the "Financial Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the "Financial Report" as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that serves as a separator or underline.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

July 11, 2022

THE CORPORATION OF THE CITY OF LONDON
Consolidated Statement of Financial Position
December 31, 2021, with comparative information for 2020
(all dollar amounts in thousands of dollars)

	2021	2020
Financial assets		
Cash and cash equivalents (note 2)	\$ 643,461	\$ 562,193
Accounts receivable		
Taxes receivable (note 3)	22,642	29,171
Other receivables	75,922	78,123
Land held for resale	35,473	36,847
Investments (note 4)	1,050,932	879,284
Loans and long-term receivable (note 5)	53,181	38,894
Investment in government business enterprises and partnerships (note 6)	207,581	192,448
Total financial assets	2,089,192	1,816,960
Financial liabilities		
Demand Loan (note 26)	404	670
Accounts payable and accrued liabilities	176,056	173,407
Deferred revenue (note 7)	543,586	452,077
Accrued interest on long-term debt	1,451	1,715
Long-term liabilities (note 8)	2,700	3,600
Long-term debt (note 9)	245,033	277,578
Capital lease obligations (note 10)	109	356
City Services payable (note 11)	6,807	7,803
Employee benefits payable (note 12)	196,038	181,726
Landfill closure and post-closure liability (note 13)	51,669	46,320
Total financial liabilities	1,223,853	1,145,252
Net financial assets	865,339	671,708
Non-financial assets		
Tangible capital assets (note 14)	4,183,481	4,101,180
Inventories of supplies	6,086	5,465
Prepaid expenses	21,968	19,419
Total non-financial assets	4,211,535	4,126,064
Contingent Liabilities (note 16)		
Loan Guarantees (note 17)		
Commitments (note 18)		
Accumulated surplus (note 15)	\$ 5,076,874	\$ 4,797,772

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

THE CORPORATION OF THE CITY OF LONDON
Consolidated Statement of Operations
Year ended December 31, 2021, with comparative information for 2020
(all dollar amounts in thousands of dollars)

	Budget	2021	2020
	(note 20)		
Revenues			
Net municipal taxation	\$ 692,652	\$ 696,617	\$ 666,502
User charges	296,803	283,304	277,565
Transfer payments			
Provincial	277,295	275,228	270,847
Federal	36,325	39,425	37,571
Other municipalities	8,359	7,963	6,823
Investment income	4,772	22,293	22,024
Penalties and interest	8,106	7,761	6,714
Development charges earned	27,742	42,294	38,084
Developer contributions of tangible capital assets (note 14)	38,699	43,543	61,134
Other	42,207	38,636	28,937
Equity in earnings of government business enterprises and partnerships (note 6)	6,089	20,133	4,038
Total revenues	1,439,049	1,477,197	1,420,239
Expenses			
General government	124,539	89,993	91,141
Protection services	228,929	232,168	231,189
Transportation services	233,607	226,800	203,528
Environmental services	202,850	204,003	193,923
Health services	33,714	33,515	30,502
Social and family services	260,010	234,926	232,912
Social housing	40,671	58,854	58,499
Recreation and cultural services	91,862	83,091	76,866
Planning and development	35,503	34,745	42,819
Total expenses	1,251,685	1,198,095	1,161,379
Annual surplus	187,364	279,102	258,860
Accumulated surplus, beginning of year (note 15)	4,797,772	4,797,772	4,538,912
Accumulated surplus, end of year (note 15)	\$ 4,985,136	\$ 5,076,874	\$ 4,797,772

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

THE CORPORATION OF THE CITY OF LONDON
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2021, with comparative information for 2020
(all dollar amounts in thousands of dollars)

	Budget	2021	2020
Annual surplus	\$ 187,364	\$ 279,102	\$ 258,860
Acquisition of tangible capital assets	(73,718)	(235,235)	(235,444)
Developer contributions of tangible capital assets	(38,699)	(43,543)	(61,134)
Amortization of tangible capital assets	178,060	186,639	184,632
Proceeds from sale of tangible capital assets	48	9,942	6,511
Gain on disposal of tangible capital assets	(48)	(104)	(65)
	65,643	(82,301)	(105,500)
Change in inventories of supplies	-	(621)	(409)
Change in prepaid expenses	-	(2,549)	(3,406)
	-	(3,170)	(3,815)
Change in net financial assets	253,007	193,631	149,545
Net financial assets, beginning of year	671,708	671,708	522,163
Net financial assets, end of year	\$ 924,715	\$ 865,339	\$ 671,708

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

THE CORPORATION OF THE CITY OF LONDON
Consolidated Statement of Cash Flows
Year ended December 31, 2021, with comparative information for 2020
(all dollar amounts in thousands of dollars)

	2021	2020
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 279,102	\$ 258,860
Items not involving cash		
Amortization of tangible capital assets	186,639	184,632
Developer contributions of tangible capital assets	(43,543)	(61,134)
Gain on disposal of tangible capital assets	(104)	(65)
Change in employee benefits payable	14,312	20,027
Change in landfill closure and post-closure liability	5,349	5,269
Equity in earnings of government business enterprises and partnerships	(21,044)	(5,156)
Dividends receivable from government business enterprises and partnerships	5,000	5,000
Amortization of debenture discount	159	93
Change in non-cash assets and liabilities		
Taxes receivable	6,529	(7,097)
Other receivables	2,201	(598)
Land held for resale	1,374	1,475
Accounts payable and accrued liabilities	2,649	(303)
Deferred revenue	91,509	79,831
Accrued interest on long-term debt	(264)	(311)
City Services payable	(996)	(7,212)
Inventories of supplies	(621)	(409)
Prepaid expenses	(2,549)	(3,406)
Net change in cash from operating activities	525,702	469,496
Capital activities		
Proceeds from sale of tangible capital assets	9,942	6,511
Acquisition of tangible capital assets	(235,235)	(235,444)
Net change in cash from capital activities	(225,293)	(228,933)
Investing activities		
Net decrease (increase) in investments	(171,648)	(138,171)
Issuance of loans and long-term receivables	(15,009)	(12,966)
Repayment of loans receivable	722	2,169
Repayment of promissory note receivable from government business enterprises	855	969
Government business enterprises and partnerships (notes (6.a)(v))	56	149
Net change in cash from investing activities	\$ (185,024)	\$ (147,850)

THE CORPORATION OF THE CITY OF LONDON
Consolidated Statement of Cash Flows (continued)
Year ended December 31, 2021, with comparative information for 2020
(all dollar amounts in thousands of dollars)

	2021	2020
Financing activities		
Long-term debt issued	\$ 23,077	\$ 36,000
Long-term debt repayments	(55,781)	(57,408)
Repayments of long-term liabilities	(900)	(900)
Repayments of capital lease obligations	(247)	(293)
Demand loan issued	-	670
Demand loan repayments	(266)	-
Net change in cash from financing activities	(34,117)	(21,931)
Net change in cash and cash equivalents	81,268	70,782
Cash and cash equivalents, beginning of year	562,193	491,411
Cash and cash equivalents, end of year	\$ 643,461	\$ 562,193

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

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

The Corporation of the City of London (the “Corporation”) is a municipality in the Province of Ontario incorporated in 1855 and operates under the provisions of the *Municipal Act, 2001*.

1. Significant Accounting Policies

The consolidated financial statements of the Corporation are prepared by management, in accordance with Canadian public sector accounting standards as defined in the CPA of Canada Public Sector Handbook – Accounting. Significant accounting policies are as follows:

(a) Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Corporation and include all organizations that are accountable to the Corporation for the administration of their financial affairs and resources and are owned or controlled by the Corporation except for the Corporation’s government business enterprises or partnerships which are accounted for on the modified equity basis of accounting.

(i) Consolidated Entities

The following local Boards or Commissions are consolidated:

Argyle Business Improvement Association Board of Management
Covent Garden Market Corporation
Eldon House Corporation
Hamilton Road Business Improvement Area Board of Management
Housing Development Corporation, London
Hyde Park Business Improvement Association Board of Management
London & Middlesex Community Housing Inc.
London Convention Centre Corporation
London Downtown Business Association
London Police Services Board
London Public Library Board
London Transit Commission
Museum London
Old East Village Business Improvement Area Board of Management

The transactions and balances between the Corporation and the related boards or commissions have been eliminated.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(a) Basis of Consolidation (continued)

(ii) Equity Accounting

Government business enterprises are accounted for by the modified equity method. Under the modified equity method, the accounting principles of government business enterprises are not adjusted to conform to the Corporation's accounting principles and inter-organizational transactions and balances are not eliminated. However, inter-organizational gains and losses are eliminated on assets remaining with the government reporting entities at the reporting date. The Corporation recognizes its equity interest of the government business enterprises' income or loss in its consolidated statement of operations with a corresponding increase or decrease in its investment account. All dividends received will be reflected as reductions in the investment account.

The government business enterprises and partnerships during the year were:

London Hydro Inc.
Fair-City Joint Venture
City-YMCA Joint Venture

(iii) Proportionate Consolidation

The Lake Huron and Elgin Area Water Boards have been consolidated on a proportionate basis, based upon the water flow used by the Corporation in proportion to the entire flows provided by the joint water boards.

Middlesex-London Health Unit is consolidated on a proportionate basis based upon a percentage of grant money provided by the Corporation in comparison to grant money provided by the Province of Ontario and the County of Middlesex.

(iv) Accounting for School Board Transactions

Although the Corporation collects taxation on behalf of the School Boards, the assets, liabilities, revenues and expenses, relating to the operations of the school boards are not reflected in these consolidated financial statements.

During the year, **\$125,345** of taxation was collected on behalf of school boards (2020 - \$146,017) and remitted to the school boards during the year.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(a) Basis of Consolidation (continued)

(v) Trust Funds

Trust funds and their related operations administered by the Corporation are not included in these consolidated financial statements, as they are reported on separately in the Trust Fund Statement of Continuity and Balance Sheet.

Total net assets of Trust Funds administered by the Corporation amounted to **\$4,673** (2020 - \$4,597).

(b) Basis of Accounting

(i) Accrual Accounting

Revenues and expenses are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Deferred Revenue

The Corporation receives contributions pursuant to legislation, regulations or agreements that may only be used for certain programs or in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed.

(iii) Land Held for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(b) Basis of Accounting (continued)

(iv) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(a) Tangible Capital Assets

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

Table 1: Tangible Capital Asset Useful Life

Asset	Useful Life - Years
Landfill and land improvements	5 - 60
Buildings and building improvements	10 - 40
Leasehold improvements	Lease term
Machinery, equipment and furniture	5 - 20
Vehicles	5 - 7
Water and wastewater infrastructure	10 - 100
Roads infrastructure	10 - 80
Computers	3, 4 & 8
Computers under capital lease	3

Amortization is charged using the half year rule in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(b) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions related to water, wastewater infrastructure, roads infrastructure and land are recorded at their estimated fair value at the date they are assumed by the Corporation, and are also recorded as revenue.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(b) Basis of Accounting (continued)

(iv) Non-Financial Assets (continued)

(c) Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(d) Interest Capitalization

The Corporation does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(e) Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(f) Inventories of Supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(v) Budget Figures

London City Council completes separate budget reviews for tax supported operating and capital, as well as water and wastewater budgets each year. Budget figures have been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by the Public Sector Accounting Board (PSAB), certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(b) Basis of Accounting (continued)

(vi) Use of Estimates

The preparation of these consolidated financial statements, in accordance with Canadian Public Sector Accounting standards, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the year. These estimates and assumptions, including employee benefits payable, taxation assessment appeals, legal claims provisions, landfill closure and post-closure liabilities, the valuation of tangible capital assets and their related useful lives and amortization and liabilities for contaminated sites, are based on management's best information and judgment and may differ significantly from future actual results.

1. Significant Accounting Policies (continued)

(c) Government Transfers

(i) Revenues

Government transfer revenue is recorded once it is authorized by the transferring government. The Corporation is eligible to receive the transfer and the amount can be reasonably estimated. Any amount received but restricted is recorded as deferred revenue in accordance with Section 3100 of the Canadian Public Sector Accounting handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

Government transfers include amounts received for the social assistance program. Funding ratios can vary from 80% to 100% of program costs depending on social service program and on the Provincial Upload Schedule for the Ontario Works program. Social service administration funding covers 50% of certain administration costs. The Social Housing program funding is approximately 20% of costs of the program.

In addition, the Corporation periodically receives senior government capital funding in the form of infrastructure grants and receives ongoing funding from Provincial and Federal senior levels of government as a result of an allocation of gas tax funds.

(ii) Expenses

External transfers from the Corporation are recorded as expenses when eligibility criteria have been met by the recipient and the amount can be reasonably estimated. This includes payments issued to individuals eligible under the *Ontario Works Act* and *Day Nurseries Act* as well as funding to contracted local social services agencies, Child Care providers and Housing Providers that deliver services in accordance with legislation and local program policies.

1. Significant Accounting Policies (continued)

(d) Tax Revenues

In 2021 the Corporation received **\$696,617** (2020 - \$666,502) in property tax revenues for municipal purposes. The authority to levy and collect property taxes is established under the *Municipal Act, 2001*, the *Assessment Act*, the *Education Act*, and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council-approved policies, in order to raise the revenues required to meet operating budget requirements. Education tax rates are established by the Province each year in order to fund the costs of education on a Province-wide basis.

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The Corporation may receive supplementary assessment rolls over the course of the year from the Municipal Property Assessment Corporation that identify new or omitted assessments. Property taxes for these supplementary/omitted amounts are then billed according to the approved tax rate for the property class.

Taxation revenues in any year may also be reduced as a result of reductions in assessment values arising from assessment and/or tax appeals. Each year, an amount is identified to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenues (e.g., uncollectible amounts, write-offs, etc.).

(e) User Charges

User charges relate to various programs and fees imposed based on specific activities, such as transit fees, park and recreation services, water, wastewater and solid waste. Revenue is recognized when the activity is performed or when the services are rendered.

1. Significant Accounting Policies (continued)

(f) Development Charges and Other Revenues

Revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year are deferred and reported as liabilities.

(g) Financial Instruments

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivables, investments, loans receivable, accounts payable and accrued liabilities, long-term debt, long-term liabilities and city services payable. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

(h) Investments

Investments are recorded at amortized cost less any amounts written off to reflect a permanent decline in value. Investments consist of authorized investments pursuant to provisions of the *Municipal Act, 2001* and comprise government and corporate bonds, debentures, pooled investment funds and short-term instruments of various financial institutions. Investments with original maturity dates greater than 90 days are classified as investments in the consolidated statement of financial position.

Investment income earned on available current funds, reserves and reserve funds (other than obligatory funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

(i) Contaminated Sites

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- an environmental standard exists,
- contamination exceeds the environmental standard,
- the organization is directly responsible or accepts responsibility for the liability,
- future economic benefits will be given up, and
- a reasonable estimate of the liability can be made.

1. Significant Accounting Policies (continued)

(j) Employee Benefits Payable

The Corporation provides employee benefits including sick leave, benefits under the *Workplace Safety and Insurance Board ("WSIB") Act*, life insurance and extended health and dental benefits for early retirees which will require funding in future periods.

There are also contributions to a multi-employer, defined benefit pension plan, OMERS, which are expensed when contributions are made.

The costs of termination benefits and compensated absences are recognized when the event that obligates the Corporation occurs. Costs include projected future income payments, healthcare continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.

The costs of other employee benefits are actuarially determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages of employees, salary escalation and expected health costs.

Past service costs from plan amendments related to prior period employee services are accounted for in the period of the plan amendment. The effects of a gain or loss from settlements or curtailments are expensed in the period they occur. Net actuarial gains and losses related to the employee benefits are amortized over the average remaining service life of the related employee group. Employee future benefit liabilities are discounted at the Corporation's cost of borrowing using estimated rates for debt with maturities similar to expected benefit payments in the future. The costs of workplace safety and insurance obligations are actuarially determined and are expensed immediately in the period the events occur.

(k) Loan Guarantees

Periodically the Corporation provides loan guarantees on specific debt held by related authorities not consolidated in the Corporation's financial statements. Loan guarantees are accounted for as contingent liabilities and no amounts are accrued in the consolidated financial statements of the Corporation until the Corporation considers it likely that the borrower will default on the specified loan obligation. Should a default occur the Corporation's resulting liability would be recorded in the consolidated financial statements.

(l) Environmental Provisions

The Corporation has a formal environmental assessment and reclamation program in place to ensure that it complies with environmental legislation. The Corporation provides for the cost of compliance with environmental legislation when costs are identified and can be reasonably measured.

1. Significant Accounting Policies (continued)

(m) Provision for Landfill Rehabilitation

The *Ontario Environmental Protection Act* sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of landfill sites. This requirement is being provided for over the estimated remaining life of the landfill sites based on usage, and is funded through tipping fees. The annual provision is reported as an operating expense, and the accumulated provision is reported as a liability on the consolidated statement of financial position.

(n) Accumulated Surplus

Accumulated surplus represents the Corporation's net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that the Corporation has net resources (financial and physical) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

(o) Related Party Disclosures

Related parties exist when one party has the ability to control or has shared control over another party. Individuals that are key management personnel or close family members may also be related parties.

Disclosure is made when the transactions or events between related parties occur at a value different from what would have been recorded if they were not related and the transactions could have a material financial impact on the consolidated financial statements.

(p) Inter-entity Transactions

Transactions between related parties are recorded at carrying amounts with the exception of the following:

- Transactions in the normal course of business are recorded at exchange amount.
- Transactions with fair value consideration are recorded at exchange amount.
- Transfer of an asset or liability at nominal or no consideration is recorded by the provider at carrying amount and the recipient has the choice of either carrying amount or fair value.
- Cost allocations are reported using the exchange amount and revenues and expenses are reported on a gross basis.
- Unallocated costs for the provision of goods or services may be recorded by the provider at cost, fair value or another amount dictated by policy, accountability structure or budget practice.

1. Significant Accounting Policies (continued)

(q) Future Accounting Pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2021, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

(i) Asset Retirement Obligations

PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation, and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Corporation's December 31, 2023 year-end).

(ii) Financial Statement Presentation

PS 1201, Financial Statement Presentation requires entities to present a new statement of remeasurement gains and losses separate from the consolidated statement of operations and accumulated surplus. This new statement includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted (the Corporation's December 31, 2023 year-end).

(iii) Financial Instruments

PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the Corporation's December 31, 2023 year-end).

(iv) Foreign Currency Translation

PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the Corporation's December 31, 2023 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(q) Future Accounting Pronouncements (continued)

(v) Revenue

PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Corporation's December 31, 2024 year-end).

(vi) Public Sector Guideline 8 Purchased Intangible

Public Sector Guideline 8 Purchased Intangible, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023 (the Corporation's December 31, 2024 year-end).

2. Cash and Cash Equivalents

Table 2: Cash and Cash Equivalents

	2021	2020
Cash on deposit	\$ 437,598	\$ 550,218
Cash equivalents	205,863	11,975
	\$ 643,461	\$ 562,193

Cash equivalents are comprised mainly of term deposits with original maturities of 90 days or less and are recorded at cost.

3. Taxes Receivable

Taxes receivable are reported net of allowance for doubtful accounts. As at December 31, the balances are as follows:

Table 3: Taxes Receivable

	2021	2020
Taxes receivable	\$ 27,959	\$ 35,267
Penalties and interest	1,637	1,779
Allowance for doubtful accounts	(6,954)	(7,875)
	\$ 22,642	\$ 29,171

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
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4. Investments

Investments are comprised of the following:

Table 4: Investments

	2021		2020	
	Cost	Market Value	Cost	Market Value
Pooled investment funds	\$ 74,833	\$ 84,222	\$ 42,634	\$ 45,865
Government fixed income	246,338	245,050	166,274	172,693
Corporate fixed income	664,877	662,874	599,258	605,296
Asset backed securities	64,884	65,586	71,022	76,086
Other investments	-	-	96	96
	\$ 1,050,932	\$ 1,057,732	\$ 879,284	\$ 900,036

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
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5. Loans and Long-term Receivables

Table 5: Loans and long-term Receivables

	2021	2020
Subordinate loan – City of London Arena Trust	\$ 23,671	\$ 23,723
Affordable Housing	4,172	4,094
Community Improvement Program	4,498	4,285
Development Charge Deferral & Alternative payment	19,364	6,678
Other Miscellaneous	1,476	114
	\$ 53,181	\$ 38,894

The Corporation previously transferred a capital asset to the City of London Arena Trust, in return for a subordinate loan. This investment is secured by a mortgage charge and assignment of the borrower's interest in the Ground Lease of the Budweiser Gardens building, an assignment of the borrower's interest in the Participatory Occupancy Lease, a general assignment of all present and future subleases, a security interest in the Capital Repair Fund, and a security interest in the trust fund. Repayments vary and are based on an available cash flow calculation within the 50 year agreement. During the year, **\$52** (2020 - \$68) was received as a payment on the loan.

6. Investment in Government Business Enterprises and Partnerships

The Corporation holds a 100% interest in London Hydro Inc. (2020 - 100%), a 32.858% (2020 - 35.715%) interest in the Fair-City Joint Venture Partnership and a 73.432% (2020 - 73.432%) interest in the City-YMCA Joint Venture Partnership based upon investments as follows:

Table 6: Investment in Government Business Enterprises and Partnerships

	2021	2020
London Hydro Inc. (note (6.a))	\$ 191,525	\$ 175,136
Fair-City Joint Venture Partnership (note (6.b))	2,101	2,859
City-YMCA Joint Venture Partnership (note (6.c))	13,955	14,453
	\$ 207,581	\$ 192,448

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
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6. Investment in Government Business Enterprises and Partnerships (continued)

(a) Investment in London Hydro Inc.

The following table provides condensed supplementary financial information reported separately by London Hydro Inc.:

Table 7: Investment in London Hydro Inc. – Financial Position

	2021	2020
Financial position		
Current assets	\$ 102,906	\$ 115,217
Capital assets	390,400	376,435
Total assets	493,306	491,652
Regulatory balances	28,596	22,993
Total assets and regulatory balance	521,902	514,645
Current and other liabilities	63,116	76,860
Deferred revenue	46,447	42,367
Post-employment benefits	15,008	16,100
Long-term debt	200,000	200,000
Total liabilities	324,571	335,327
Regulatory balances	5,806	4,182
Total liabilities and regulatory balances	330,377	339,509
Net assets	\$ 191,525	\$ 175,136

Table 8: Investment in London Hydro Inc. – Results of Operations

	2021	2020
Results of operations		
Revenues	\$ 468,939	\$ 517,704
Operating expenses	(454,527)	(499,977)
Other income (expense)	10,040	(11,271)
Income tax expense	(6,574)	(1,206)
Net movement in regulatory balances	3,731	196
Net earnings	21,609	5,446
Dividends	(5,000)	(5,000)
Change in accounting policy	(220)	-
Net assets, beginning of year	175,136	174,690
Net assets, end of year -		
Investment in London Hydro Inc.	\$ 191,525	\$ 175,136

6. Investment in Government Business Enterprises and Partnerships (continued)

(a) Investment in London Hydro Inc. (continued)

(i) Regulated Business Operations and Distribution Rates

London Hydro Inc. (“the Company”) is a wholly-owned subsidiary company of the Corporation and delivers regulated electricity and related energy services to the inhabitants of the City of London.

The Company is regulated by the Ontario Energy Board (“OEB”), under the authority granted by the *Ontario Energy Board Act, 1998*. The OEB has responsibility to set just and reasonable distribution rates and thereby approves all of the Company’s distribution and ancillary rates. The Company’s distribution revenue is determined by applying those regulated rates to customers and their consumption of electricity in the Company’s distribution territory, as established by its distribution license granted by the OEB.

(ii) Regulatory Balances

The Ontario Energy Board allows distribution companies to recover amounts incurred for certain transitional costs as well as certain costs associated with the discretionary metering activities under the Provincial Smart Meter Program which have been authorized to be recovered through the rates. Net regulatory debit balances for 2021 totalled **\$28,596** (2020 - \$22,935). Net regulatory credit balances for 2021 totalled **\$5,806** (2020 - \$4,182).

(iii) Commitments

The Company has provided **\$4,300** (2020 - \$4,300) in bank standby letters of credit to the independent Electricity System Operator, as required by regulation.

The Company has vendor commitments in connection with projects of **\$800** (2020 - \$500).

The Company has committed to operating lease agreements with future minimum non-cancellable annual lease payments of **\$1,213** (2020 - \$916).

(iv) Credit Facilities

The Company has an uncommitted operating revolving line of credit facility of \$20,000. As at December 31, 2021 the amount drawn under this facility was **\$nil** (2020 - \$nil).

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

6. Investment in Government Business Enterprises and Partnerships (continued)

(a) Investment in London Hydro Inc. (continued)

The Company has an interest rate swap agreement for an unsecured loan in the amount of \$40,000. Interest only payments are due quarterly and commenced March 2018. The principal is due at maturity. The agreement is a fixed rate swap and matures June 2022.

The Company has an interest rate swap agreement for an unsecured loan in the amount of \$85,000. Interest only payments are due quarterly and commenced December 2014. The principal is due at maturity. The agreement is a fixed rate swap and matures June 2022.

The Company has an interest rate swap agreement for an unsecured loan in the amount of \$75,000. Interest only payments are due quarterly and commenced December 2020. The principal is due at maturity. The agreement is a fixed rate swap and matures June 2032.

The Company entered into a futures contract on December 4, 2020 for \$125,000. The future contract will be converted into a swap agreement on June 30, 2022 to repay the \$40,000 and \$85,000 fixed rate swaps maturing June 2022. The swap agreement is a fixed rate swap and matures June 2032 .

At December 31, 2021, the Company would be required to pay **\$1,100** (2020 - \$3,900) if it wished to cancel the certain swap agreements, and would be entitled to collect \$6,700 (2020 - \$4,400 payment requirement), if it decided to cancel the other swap agreement.

(v) Related Party Transactions

The Corporation has contracted with London Hydro Inc. to provide billing and collection services for water and wastewater charges on a cost recovery basis. Expenses for the year were **\$5,040** (2020 - \$5,048) and are included on the consolidated statement of operations. At December 31, 2021, the Corporation has a receivable of **\$15,400** (2020 - \$14,356) for water and wastewater charges collected by London Hydro Inc. Miscellaneous receivables of **\$463** (2020 - \$789) are also outstanding at year end.

The Corporation, charged London Hydro Inc. rent, totalling **\$100** (2020 - \$100).

The Corporation received **\$5,000** (2020 - \$5,000) in dividend payments, which were recorded as a reduction in the investment in government business enterprises.

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Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

6. Investment in Government Business Enterprises and Partnerships (continued)

(a) Investment in London Hydro Inc. (continued)

(vi) International Financial Reporting Standards (“IFRS”)

The Company’s financial statements have been prepared in accordance with IFRS.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

6. Investment in Government Business Enterprises and Partnerships (continued)

(b) Fair-City Joint Venture Partnership

The following table provides condensed supplementary financial information reported separately by Fair-City Joint Venture Partnership:

Table 9: Fair-City Joint Venture Partnership – Financial Position

	2021	2020
Financial position		
Current assets	\$ 1,051	\$ 1,215
Capital assets	10,172	10,762
Total assets	11,223	11,977
Accrued liabilities	1,146	2,125
Deferred capital contributions	2,627	2,754
Long-term debt	1,055	1,486
Total liabilities	4,828	6,365
Net assets	\$ 6,395	\$ 5,612

Table 10: Fair-City Joint Venture Partnership – Results of Operations

	2021	2020
Results of operations		
Revenues	\$ 2,975	\$ 3,158
Operating expenses	(2,508)	(2,575)
Net earnings	467	583
Net earnings available to the Corporation	223	208
Distribution for employee future benefit re-measurements	34	(5)
Corporation's portion of earning retained in Joint Venture	257	203
Corporation's investment in Fair-City Joint Venture's net assets, beginning of year	2,004	1,945
Adjustment due to change in Corporation's share during year	(160)	(144)
Corporation's investment in Fair-City Joint Venture's net assets, end of year	2,101	2,004
Promissory note due to the Corporation	-	855
Investment in Fair-City Joint Venture Partnership	\$ 2,101	\$ 2,859

6. Investment in Government Business Enterprises and Partnerships (continued)

(b) Fair-City Joint Venture Partnership (continued)

(i) Contributions to Joint Venture

On September 1, 2000, the Corporation entered into a joint venture with the Western Fair Association, to construct and operate a four-pad arena complex.

The joint venture is in the form of a partnership, referred to as the Fair-City Joint Venture and the investment is held in the Civic Investment Reserve Fund.

In return for a contribution of \$5,000 and a twenty-year loan of \$12,000, the Corporation received an initial equity interest of 50% of the partnership. However, once the partnership prepaid \$5,000 of the above-noted loan, and for every \$1,000 repayment thereafter, the Corporation's equity interest will decrease by 2.857% until the loan is completely repaid and the equity interest has decreased to 30%. During the first five years of operation, 100% of profits from the joint venture were paid to the Western Fair Association.

The Corporation's equity interest as at June 30, 2021 was 32.858% (2020 - 35.175%). The Venturers agreed to apply any change in the equity interest, prospectively, to the first day in the year that the threshold is met and to each year thereafter that subsequent repayment thresholds are met. In the current year, a **\$69** (2020 - \$nil) contribution was required by the Corporation.

(ii) Related Party Transactions

The Corporation has an Ice Rental Agreement with the Fair-City Joint Venture Partnership for 240 hours per year. **\$1,910** was paid for ice rental in 2021 (2020 - \$1,910), which was recorded as an expense in the consolidated statement of operations.

The partnership has a term loan, payable to the Corporation, bearing interest at 6.377%, payable in monthly blended payments of \$88, due October 1, 2021, secured by a general security agreement over all assets. The balance outstanding at December 31, 2021 is **\$nil** (2020 - \$855). During the year, the partnership paid interest to the Corporation in the amount of **\$25** (2020 - \$87), which was recorded as investment income in the consolidated statement of operations.

THE CORPORATION OF THE CITY OF LONDON
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Year ended December 31, 2021
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6. Investment in Government Business Enterprises and Partnerships (continued)

(c) City-YMCA Joint Venture Partnership

The following table provides condensed supplementary financial information reported separately by City-YMCA Joint Venture Partnership:

Table 11: City-YMCA Joint Venture Partnership – Financial Position

	2021	2020
Financial position		
Capital assets	\$ 27,135	\$ 27,135
Accumulated amortization	(8,132)	(7,453)
Net assets	\$ 19,003	\$ 19,682

Table 12: City-YMCA Joint Venture Partnership – Results of Operations

	2021	2020
Results of operations		
Amortization of capital assets	\$ (679)	\$ (678)
Net loss	(679)	(678)
Net assets, beginning of year	19,682	20,360
Net assets, end of year	19,003	19,682
Corporation's portion of net assets	13,955	14,453
Investment in City-YMCA Joint Venture Partnership	\$ 13,955	\$ 14,453

The Corporation entered into a joint venture agreement with the YMCA of Western Ontario (YMCA) in April 2009 to construct and operate the Stoney Creek Community Centre.

The Corporation was responsible for contributing the land, contributing costs related to construction of the building and running the construction project. The YMCA was responsible for contributing costs related to construction of the building. The Corporation's contributed share of the project was \$19,929 or 73.432%.

Construction of this facility was completed in October 2010.

6. Investment in Government Business Enterprises and Partnerships (continued)

(c) City-YMCA Joint Venture Partnership (continued)

The Joint Venture Partnership has entered into a 40 year lease with the YMCA. The basic annual rent to be paid to the Joint Venture Partnership by the YMCA is nominal. The Joint Venture Partnership does not earn any other type of revenue. In accordance with the lease agreement, the Joint Venture Partnership is not responsible for any costs, expenses or outlays relating to the premises. All capital and operating costs are the responsibility of the tenant, the YMCA.

At the end of the 40 year lease term, the Joint Venture Partnership will transfer the land and building representing the facility to the YMCA for consideration of nil. The transfer of the land and building will result in the dissolution of the Joint Venture Partnership in 2049.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
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7. Deferred Revenue

Deferred revenue on the consolidated statement of financial position is comprised of the following:

Table 13: Deferred Revenue

	2021	2020
Funds deferred to future periods for specific purposes by legislation, regulation or agreement		
Development Charges Act		
Recreation, transit and culture	\$ 47,624	\$ 38,854
Capital infrastructure	308,792	267,186
Development Charges Act (Note 11)	356,416	306,040
Development Charge Deferral and Alternative Payment Arrangements	19,364	6,678
Federal and Provincial gas tax	112,103	80,415
Recreational land (<i>The Planning Act</i>)	3,797	4,752
Safe Restart Public Transit Funding	11,057	5,753
	502,737	403,638
Other deferred revenue:		
Subsidy advances from Provincial Ministries for future periods	30,334	41,648
Prepaid deposits	472	258
Prepayment of recreation programs, facility rentals, memberships	728	518
Vacancy rebate allowances	621	600
Boards and commissions	8,369	5,112
Other deferred revenues	325	303
	\$ 543,586	\$ 452,077

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
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8. Long-term Liabilities

The Corporation has committed to provide capital grants to Fanshawe College. Capital grants are subject to annual budget approval and are generally not liabilities, however, the Corporation has committed to these multi-year grants in advance and therefore these amounts are included in long-term liabilities.

Table 14: Long-term Liabilities

	Last Year of Obligation	2021	2020
Fanshawe College, with annual principal repayments of \$900, subject to annual budget approval, maturing on 2024	2024	\$ 2,700	\$ 3,600
		\$ 2,700	\$ 3,600

Anticipated principal repayments are summarized as follows:

2022	\$ 900
2023	900
2024	900
Total	\$ 2,700

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
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9. Long-term Debt

Provincial legislation restricts the use of long-term debt to financing capital expenses only. Provincial legislation allows the Corporation to issue debt on behalf of school boards, other local boards, municipal enterprises and utilities. The responsibility of raising amounts to service these liabilities lies with the respective organization. The debt is a joint and several obligation of the Corporation and the respective organization.

Long-term debt is as follows:

Table 15: Long-term Debt

	2021	2020
Long-term debt issued by the Corporation at various rates of interest ranging from 0.30% to 5.67% (2020 - 0.80% to 5.67%) with maturity dates ranging from September, 2022 to April, 2031.	\$ 230,025	\$ 253,530
Long-term debt issued to Infrastructure Ontario programs at various rates of interest ranging from 2.60% to 4.44% (2020 - 2.60% to 4.44%) with maturity dates ranging from December, 2024 to March, 2030.	18,246	26,385
Long-term debt issued to Canada Mortgage and Housing Corporation at an interest rate of 1.84% (2020-3.23%) and maturing December, 2031.	59	1,823
Long-term debt issued to Canada Mortgage and Housing Corporation at an interest rate of Canada Prime Rate plus 2% and maturing August, 2023.	18	-
Long-term debt issued to Federation of Canadian Municipalities, as Trustee for the Green Municipal Fund (FCM) at various rates of interest ranging from 2.00% to 2.25% (2020 - 2.00% to 2.25%) with maturity dates ranging from April, 2026 to May, 2032.	2,605	3,006
Long-term debt, assumed by unconsolidated local Boards, other municipalities, municipal enterprises and utilities.	(4,561)	(5,649)
	246,392	279,095
Less: Unamortized debenture discount	(1,359)	(1,517)
Net long-term debt	\$ 245,033	\$ 277,578

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Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
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9. Long-term Debt (continued)

Principal repayments are summarized as follows:

Table 16: Principal Repayment Summary

	2022	2023	2024	2025	2026	Beyond	Total
General	\$ 26,359	\$ 23,170	\$ 17,201	\$ 14,414	\$ 12,420	\$ 30,320	\$ 123,884
Water	2,341	1,617	1,395	1,419	671	291	7,734
Wastewater	5,207	4,239	4,033	3,452	3,041	4,690	24,662
Discretionary	2,096	1,166	490	-	-	-	3,752
Obligatory	12,556	12,099	11,480	11,032	10,362	28,831	86,360
	\$ 48,559	\$ 42,291	\$ 34,599	\$ 30,317	\$ 26,494	\$ 64,132	\$ 246,392

Total charges which are included in the consolidated statement of operations, are as follows:

Table 17: Principal repayments - Total Charges

	2021	2020
Interest on long-term debt	\$ 6,913	\$ 8,061
Amortization of debenture discount	311	317
Interest on capital lease obligation	9	17
	\$ 7,233	\$ 8,395

10. Capital Lease Obligations

Table 18: Capital Lease Obligations

	2021	2020
2021	\$ -	\$ 256
2022	111	110
Minimum lease payments	111	366
Less amount representing interest at 3.25% (2020 - 3.25%)	2	10
Present value of net minimum capital lease payments	\$ 109	\$ 356

11. City Services Payable

The Corporation operates a system of funding developer claims for construction of infrastructure works. The claimable works generally provide regional benefit beyond the boundaries of the subdivision or development which triggers the requirement for the works. The cost of these works are shared through development charge collections administered by the Corporation through the City Services Reserve Funds.

Claims are subject to approval by the Corporation in accordance with the Development Charges By-law. Payment of claims are ultimately subject to budget availability within the reserve funds.

As at December 31 of each year, the value of all work classified as substantially complete and not paid is recognized as a liability in the consolidated statement of financial position. Repayment of this liability remains subject to all of the rules of the City Services Reserve Funds and Development Charges By-law, including a reliance on development charges received as the source for repayment. At December 31, there is **\$356,416** (2020 - \$306,040) in the City Services Reserve Funds to fund this liability.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
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11. City Services Payable (continued)

The continuity breakdown is as follows:

Table 19: City Services - Continuity Breakdown

		Roads	Waste Water	Storm Water	Parks & Recreation	Water	Total
City Services Payable	Dec 31, 2019 \$	3,372	\$ 1,825	\$ 8,140	\$ 1,343	\$ 335	\$ 15,015
Expenses:							
Value of construction work completed		321	11	318	30	-	680
Payments:							
From City Services Reserve Funds		(1,205)	(1,773)	(4,663)	(144)	(107)	(7,892)
City Services Payable	Dec 31, 2020	2,488	63	3,795	1,229	228	7,803
Expenses:							
Value of construction work completed		115	24	695	-	34	868
Payments:							
From City Services Reserve Fund in 2021		(631)	(15)	(971)	(204)	(43)	(1,864)
City Services Payable	Dec 31, 2021 \$	1,972	\$ 72	\$ 3,519	\$ 1,025	\$ 219	\$ 6,807

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12. Employee Benefits Payable

Employee future benefits are liabilities of the Corporation to its employees and early retirees for benefits earned but not taken as at December 31. Details are as follows:

Table 20: Employee Benefit Payable

	2021	2020
Post-employment and post-retirement benefits (note (12.a))	\$ 107,384	\$ 97,356
Workplace Safety and Insurance Board Obligation (note (12.b))	68,413	64,880
Vacation credits (note (12.c))	19,041	18,234
Vested sick leave benefits (note (12.d))	1,200	1,256
	\$ 196,038	\$ 181,726

Reserve funds and reserves have been established to partially provide for these employee benefit liabilities. The reserve fund balances at the end of the year are **\$170,919** (2020 - \$143,947), to fund these obligations.

(a) Post-Employment and Post-Retirement Benefits

The Corporation provides benefits, such as health, dental and life insurance to qualified retirees until they reach 65 years of age and provides certain benefits to employees on long-term disability. The liabilities reported in these consolidated financial statements are based on the most recent actuarial valuation prepared as of December 31, 2021.

The significant assumptions used in the actuarial valuations are as follows:

Table 21: Post-Employment and Post-Retirement Benefits – Assumptions

Assumptions	2021	2020
	%	%
Discount rate	3.00	3.25
Rate of compensation increase	2.00	2.00
Healthcare cost increases	4.00 – 5.63	4.00 – 5.70

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12. Employee Benefits Payable (continued)

The benefit obligation continuity is as follows:

Table 22: Employee Benefits Payable - Benefit Obligation Continuity

Liability for post-employment and post-retirement benefits	2021	2020
Accrued benefit obligation, January 1	\$ 87,219	\$ 84,484
Current period benefit cost	4,609	4,450
Retirement interest expense	2,817	2,728
Plan amendment	6,137	-
Actuarial loss	10,825	-
Benefits paid	(4,869)	(4,443)
Accrued benefit obligation, December 31	106,738	87,219
Unamortized actuarial gain	646	10,137
	\$ 107,384	\$ 97,356
Post-employment and post-retirement benefits expense	2021	2020
Current period benefit cost	\$ 4,609	\$ 4,450
Retirement interest expense	2,817	2,728
Plan amendment	6,137	-
Amortization of actuarial loss (gain)	1,334	(367)
Total post-employment and post-retirement benefit expense	\$ 14,897	\$ 6,811

The actuarial loss is amortized over the expected average remaining service life of the related employee group of **14** years (2020 - 14 years).

(b) Workplace Safety and Insurance Board Obligation

The Corporation is a Schedule 2 employer under the *Workplace Safety and Insurance Board ("WSIB") Act*, and as such assumes responsibility for financing its workplace safety insurance costs. The actuarial valuation as at December 31, 2021 estimated the accrued benefit obligation for workplace safety and insurance existing claims and future pension awards at **\$68,413** (2020 - \$64,880).

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(all dollar amounts in thousands of dollars)

12. Employee Benefits Payable (continued)

(b) Workplace Safety and Insurance Board Obligation (continued)

Table 23: Self-Insured (Schedule II) Workers Compensation Actuarial - Assumptions

	December 31, 2021
Discount rate	3.00% per annum
Rate of compensation increase	2.00% per annum
Healthcare cost increases	4.00% per annum

(c) Liability for Vacation Credits

Under the provisions of certain employee vacation plans, some vacation credits are earned as at December 31 but are generally unavailable for use until a later date. In addition, the provisions of certain plans allow the accumulation of vacation credits for use in future periods. The approximate value of these credits as at December 31, 2021 is **\$19,041** (2020 - \$18,234).

(d) Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, certain unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Corporation's employment. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to **\$1,200** (2020 - \$1,256) at December 31, 2021. During the year **\$447** (2020 - \$311) was paid to employees who left the Corporation's employment.

Reserve funds and reserves have been established to provide for this past service liability. The reserve funds balance at December 31, 2021 is **\$790** (2020 - \$1,217). An amount of **\$20** (2020 - \$31) has been contributed in the current year.

Only employees of the Corporation which commenced their employment prior to February 1, 1985, Police employees starting before January 1, 1982 and Fire employees starting before January 1, 1991 and Library employees starting before May 1, 1985 are entitled to be paid out their balance of accumulated sick time at retirement, which is the balance that makes up this liability.

12. Employee Benefits Payable (continued)

(d) Liability for Vested Sick Leave Benefits (continued)

Anticipated future payments for vested sick leave to employees who are eligible to retire are as follows:

Table 24: Employee Benefits Payable - Anticipated Future Payments

2022	\$	1,098
2023		19
2024		83
Total	\$	1,200

(e) Pension Agreements

The Corporation makes contributions to the Ontario Municipal Employees' Retirement System Pension Fund (OMERS), which is a multi-employer plan, on behalf of **4,692** (2020 - 4,587) members. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on length of service and rates of pay. Employers and employees contribute jointly to the plan.

The last available report for the OMERS plan was on December 31, 2021. At that time, the plan reported a **\$3.13** billion actuarial deficit (2020 - \$3.21 billion), based on actuarial liabilities for **\$120.80** billion (2020 - \$113.06 billion) actuarial assets for **\$117.67** billion (2020 - \$109.84) billion. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Corporation does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS for 2021 was **\$35,154** (2020 - \$35,393) for current service. Employer's contributions for current service are included as an expense in the consolidated statement of operations.

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13. Landfill Closure and Post-Closure Liability

PSAB Handbook Section 3270: *Solid Waste Landfill Closure and Post-Closure Liability*, sets out the standard for anticipated closure and post-closure costs for existing and closed landfill sites. This liability is the estimated cost to date, based on a volumetric basis, of the expenses relating to those activities required when the site or phase stops accepting waste.

The Sanitary Closure costs include final cover and vegetation, completing facilities for drainage control features, leachate monitoring, water quality monitoring, and monitoring and recovery of gas. Post-closure care activities include all activities related to monitoring the site once it can no longer accept waste, including acquisition of any additional land for buffer zones, treatment and monitoring of leachate, monitoring ground water and surface water, gas monitoring and recovery, and ongoing maintenance of various control systems, drainage systems, and final cover.

The estimated liability for the care of landfill sites is the present value of future cash flows associated with closure and post-closure costs.

Key assumptions in determining the liability at December 31, 2021 for landfills are as follows:

Table 25: Landfill Closure Key Assumptions

Active (W12A) landfill is expected to reach capacity in 2024	
Remaining capacity of active (W12A) as at December 31, 2021	0.63 million tonnes
Expected closing cost in 2021 dollars	\$1,931
Inflation rate	1.8%
Discount rate	3.00%
Estimated time required for post-closure care – active landfill	75 years
Estimated remaining time required for post-closure care – closed landfills	25-35 years

The liability as at December 31, 2021 is comprised of:

Table 26: Landfill Closure and Post-Closure Liability

	2021	2020
Active landfill (W12A) closure, site rehabilitation and monitoring obligation	\$ 42,140	\$ 37,144
Closed landfills site rehabilitation and monitoring obligation	9,529	9,176
	\$ 51,669	\$ 46,320

13. Landfill Closure and Post-Closure Liability (continued)

A reserve fund has been established for sanitary landfill activity and funds could be utilized for this sanitary landfill site closure and post-closure liability. The reserve fund balance at December 31, 2021 is **\$28,345** (2020 - \$26,034).

The Corporation, with Council approval, is in the process of completing an Individual Environmental Assessment (EA) for the expansion of the W12A landfill site. The Minister of the Environment, Conservation and Parks approved the proposed Amended Terms of Reference for the undertaking in July, 2019 and the Environmental Study Report has been submitted to the Ministry of Environment Conservation and Parks for public and government comment. At this stage in the process the EA is approximately 95% complete. Successful completion of this EA process will result in extension of the anticipated closure date and an increase in the remaining waste disposal capacity currently assumed in the determination of the liability.

The Corporation anticipates the project to be completed over the next few years and a Ministry decision be reached by 2023.

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Notes to Consolidated Financial Statements (continued)
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14. Tangible Capital Assets

Cost	Balance at December 31, 2020	Additions	Disposals	Balance at December 31, 2021
Land	\$ 471,919	\$ 26,332	\$ 48	\$ 498,203
Landfill and land improvements	167,079	10,730	7,463	170,346
Buildings and building improvements	1,106,858	34,000	4,675	1,136,183
Leasehold improvements	9,344	142	447	9,039
Machinery, equipment and furniture	324,189	29,134	13,043	340,280
Vehicles	137,535	14,559	9,761	142,333
Water infrastructure	825,207	26,133	3,707	847,633
Wastewater infrastructure	1,604,274	47,647	11,647	1,640,274
Roads infrastructure	1,499,496	105,333	17,392	1,587,437
Computers	17,614	3,899	3,373	18,140
Assets under construction	161,372	114,568	133,699	142,241
Total	\$ 6,324,887	\$ 412,477	\$ 205,255	\$ 6,532,109

Accumulated Amortization	Balance at December 31, 2020	Amortization Expense	Amortization Disposals	Balance at December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Landfill and land improvements	87,980	8,961	7,468	89,473
Buildings and building improvements	539,447	34,155	3,980	569,622
Leasehold improvements	2,741	563	646	2,658
Machinery, equipment and furniture	157,426	24,733	12,826	169,333
Vehicles	75,967	12,234	9,586	78,615
Water infrastructure	279,993	17,129	3,627	293,495
Wastewater infrastructure	515,057	28,036	6,742	536,351
Roads infrastructure	554,391	56,642	13,470	597,563
Computers	10,705	4,186	3,373	11,518
Assets under construction	-	-	-	-
Total	\$ 2,223,707	\$ 186,639	\$ 61,718	\$ 2,348,628

	Net Book Value December 31, 2020	Net Book Value December 31, 2021
Land	\$ 471,919	\$ 498,203
Landfill and land improvements	79,099	80,873
Buildings and building improvements	567,411	566,561
Leasehold improvements	6,603	6,381
Machinery, equipment and furniture	166,763	170,947
Vehicles	61,568	63,718
Water infrastructure	545,214	554,138
Wastewater infrastructure	1,089,217	1,103,923
Roads infrastructure	945,105	989,874
Computers	6,909	6,622
Assets under construction	161,372	142,241
Total	\$ 4,101,180	\$ 4,183,481

14. Tangible Capital Assets (continued)

(a) Assets Under Construction

Assets under construction having a value of **\$142,241** (2020 - \$161,372) have not been amortized. Amortization of these assets will commence when the asset is available for productive use.

In the year that an asset is placed into service, the total cost of the developed asset is transferred to each respective asset category as an addition and removed from assets under construction as a disposal.

(b) Contributed Tangible Capital Assets

Contributed capital assets have been recognized at estimated fair value at the date of contribution. The value of contributed assets received during the year is **\$43,543** (2020 - \$61,134) comprised predominantly of roads infrastructure in the amount of **\$24,248** (2020 - \$21,877) and water and wastewater infrastructure in the amount of **\$17,898** (2020 - \$38,416).

(c) Tangible Capital Assets Disclosed at Nominal Values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

(d) Works of Art and Historical Treasures

The Corporation manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at Corporation sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized in the consolidated financial statements.

(e) Write-down of Tangible Capital Assets

There were write-downs of tangible capital assets during the year in the amount of **\$130** (2020 - \$485).

(f) Assets under Shared Control

During 2016, the Corporation entered into a joint arrangement with the YMCA of Southwestern Ontario (YMCA) and the London Public Library Board (Library). The agreement to construct and operate a multipurpose complex, The Southwest Community Centre, with a total project budget of \$55,366, includes a community centre, recreation centre and public library branch and features an indoor pool, double pad arena, gymnasium and community centre space in the southwest area of the City.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

14. Tangible Capital Assets (continued)

(f) Assets under Shared Control (continued)

Each partner proposed to invest in the project as follows:

- The City proposed to provide \$40,616 (75.13%) including land, plus \$300 for furniture and equipment,
- The YMCA proposed to provide \$9,200 (16.61%), plus \$1,200 for furniture and equipment, and
- The Library proposed to provide \$4,050 (8.26%).

The Library had a portion of the facility built and designed as a public library. The Library has exclusive use of its space. The City and Library will pay the YMCA a portion of the common area maintenance costs subject to the terms of the joint arrangement.

The YMCA has assumed all operational and lifecycle maintenance capital costs for the facility with the exception of the dedicated arena and library components through a lease agreement with a term of 40 years.

Title of the land and building remains with the Corporation. At the end of the term or any mutually agreed upon extension, the Corporation will agree to pay the YMCA and Library an amount equal to their respective partnership interest multiplied by the then fair market value of the partnership.

Total project costs of **\$54,129** have been offset by contributions from the YMCA of \$9,200 and Library of \$4,556. The net project costs of \$40,373 have been accounted for in the Corporation and capitalized or expensed as follows:

Table 27: Tangible Capital Assets under Shared Control

Capitalized as	
Land	\$ 5,155
Building	26,754
Equipment	7,709
Expensed as	
Contracted services	755
Total	\$ 40,373

The YMCA and the Library have recorded additions of leasehold improvements in their respective accounting records equal to their contributions.

This facility opened to the public in the fall of 2018.

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Notes to Consolidated Financial Statements (continued)
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15. Accumulated Surplus

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

Table 28: Accumulated Surplus

	2021	2020
Surplus		
Invested in tangible capital assets	\$ 4,218,845	\$ 4,137,671
Other	(4,894)	(25,099)
Local boards	2,903	2,110
Equity in government business enterprise	207,581	192,448
Unfunded		
Landfill closure and post-closure liability and liability for contaminated sites	(60,573)	(55,417)
Employee benefits payable	(197,209)	(182,873)
Net long-term debt	(242,542)	(273,028)
Total surplus	3,924,111	3,795,812
Reserves set aside by Council		
Contingencies	117,113	100,549
General operations	50,118	42,530
Total reserves	167,231	143,079
Reserve funds set aside for specific purposes by Council		
Contingencies	142,329	116,372
Infrastructure renewal	299,062	272,699
Acquisition of vehicles	40,588	32,965
Acquisition of facilities	43,634	38,641
Recreational programs and facilities	766	380
Self-insurance (note (16.b))	18,524	15,221
Sick leave (note (12.d))	790	1,217
Industrial over sizing	12,847	13,468
Other purposes	347,136	289,545
Special purpose	79,856	78,373
Total reserve funds	985,532	858,881
Accumulated surplus	\$ 5,076,874	\$ 4,797,772

15. Accumulated Surplus (continued)

The Corporation has chosen to reflect items on a gross rather than a net basis. As such the Corporation has reserve funds and reserves to satisfy certain obligations listed as unfunded in the preceding table, as more fully described in notes 12 and 13.

(a) Special Purpose

The Corporation holds \$70 million principal in a reserve fund for a special purpose. The reserve fund is held by the Corporation for the following purposes:

- The investigation, remediation and restoration of the affected lands,
- Any related legal proceedings, including proceedings before any court or administrative tribunal, and
- The Corporation's actual and reasonable administrative and incidentals costs related thereto.

The Corporation will maintain the principal amount of the \$70 million in a properly managed portfolio in compliance with the Corporation's Investment Policy and the Municipal Act, 2001. The Corporation will be entitled to use the interest on the funds for its own purposes.

16. Contingent Liabilities

(a) Legal Actions

As at December 31, 2021, certain legal actions and other contingent liabilities are pending against the Corporation. The final outcome of the outstanding claims cannot be determined at this time. However management believes that ultimate disposition of these matters will not materially exceed the amounts recorded in these consolidated financial statements.

Estimated costs to settle claims are based on available information and projections of estimated future expenses developed based on the Corporation's historical experience. Claims are reported as an operating expense in the year of the loss, where the costs are deemed to be likely and can be reasonably determined. Claims provisions are reported as a liability in the consolidated statement of financial position.

(b) Public Liability and Property Loss Self Insurance

The Corporation and its various Boards and Commissions are jointly self-insured for liability, property and casualty claims for varying amounts ranging up to \$500 for any individual claim.

Insurance is also purchased for claims in excess of these limits to a maximum of \$50,000 for liability claims. The insured and self-insured Boards and Commissions are: Museum London, London Convention Centre Corporation, Covent Garden Market Corporation, London Police Services Board and London & Middlesex Community Housing Inc. and Housing Development Corporation, London.

The Corporation has made a provision for a reserve fund for self-insurance which as at December 31, 2021 amounted to **\$18,524** (2020 - \$15,221) and is reported in note 15 of the consolidated financial statements. The contribution for the year of **\$6,177** (2020 - \$6,192) has been reported in the individual revenues on the consolidated statement of operations.

Claims expensed during the year amounting to **\$2,874** (2020 - \$2,862) have been reported with individual expenses on the consolidated statement of operations. The payment of these expenses was funded through the self-insurance reserve fund.

There were unsettled liability claims against the Corporation as at December 31, 2021 to be paid from the self-insurance reserve fund. The probable outcome of these claims cannot be determined at this time.

16. Contingent Liabilities (continued)

(c) Environmental Remediation

The Corporation is liable for the environmental remediation of certain land. The coal tar material present in land held by the Corporation was attributable to coal gasification works existing at this location between approximately 1850 and 1930 and identified in a 1987 inventory of coal gasification sites in Ontario by the provincial Ministry of the Environment (MOE).

The Corporation is engaged in an ongoing environmental remediation program and related risk management strategy that addresses the presence of historic coal tar in a section of the bed and bank of the south branch of the Thames River and in two adjacent parcels of Corporation-owned land. In this context:

- A collection system was completed in November 2000 to intercept coal tar-impacted ground water for treatment by an on-site facility which is situated on the smaller parcel.
- A hard-surfaced parking lot was constructed on the larger of the two parcels and is being operated as a municipal parking lot
- Coal tar removal and river bed rehabilitation has been satisfactorily completed and a monitoring program which started in 2004 is in place.

The Corporation is responsible for the ongoing environmental remediation program and management strategy.

Future costs for the remediation include operations of the coal tar treatment system, which will carry an ongoing monthly cost for an indeterminate time.

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17. Loan Guarantees

The Corporation entered into agreements which, under certain conditions, guarantee a \$7,000 loan from the VersaBank, formerly known as the Pacific & Western Bank of Canada, to the trustee of the City of London Arena Trust. The outstanding principal of this loan at December 31, 2021 is **\$1,086** (2020 - \$1,686).

The Corporation has entered into an agreement which, under certain conditions, guarantees to assume the purchase and payment of block power from the Ontario Electricity Market on behalf of the Lake Huron Primary Water Supply System (Market Participant). The Corporation, in its capacity as Administering Municipality for the Joint Water Board, has guaranteed payment to the Independent Electricity System Operator (IESO) on behalf of the Market Participant. This guarantee is limited to **\$762**. There is no amount outstanding and no anticipated loss from this guarantee.

The Corporation has entered into an agreement which, under certain conditions, guarantees to assume payment obligations to OMERS on behalf of the Housing Development Corporation, London (Principal). The Corporation, as an associated employer of the Principal, is required to furnish financial security in the form of a letter of guarantee. There is no amount outstanding and no anticipated loss from this guarantee.

The Corporation has entered into an agreement which, under certain conditions, guarantees a ten-year credit agreement with Canada Mortgage and Housing Corporation (CMHC) on behalf of London & Middlesex Community Housing Inc. (Borrower). Under the agreement, the Borrower will make quarterly drawdowns up to a maximum of \$40,136. The outstanding principal of this loan at December 31, 2021 is **\$59** (2020 - \$nil)

No amounts have been accrued in the consolidated financial statements of the Corporation with respect to these guarantees, as it is not anticipated at December 31, 2021 that the Corporation will need to make any payments as a result of providing the guarantees.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
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18. Commitments

(a) London Middlesex Suburban Roads Commission

Section 474.18 of the *Municipal Act, 2001*, requires that the Corporation make annual payments to the County of Middlesex for an indefinite period as compensation for the reduction of income due to the dissolution of the London-Middlesex Suburban Roads Commission. The amount paid in 2021 was **\$1,191** (2020 - \$1,152). Payments are based on the base year of 1997 at \$1,000 and are calculated contingent on annual assessment and tax rate increases.

(b) Rehabilitation and Redevelopment Tax Grant Programs

The Corporation has future commitments on the various Rehabilitation and Redevelopment Programs, which are programs that allow for future reductions in property taxes. The future commitments are as follows:

Table 29: Future Grant Program Commitments

2022	\$	6,370
2023		1,444
2024		2,793
2025		3,367
2026		6,495
Beyond		1,631
Total	\$	22,100

(c) Fleet, Equipment and Premises Commitments

The Corporation is committed to the following fleet and equipment purchases and minimum annual operating lease payments for premises and equipment as follows:

Table 30: Fleet, Equipment and Premises Commitments

2022	\$	21,176
2023		10,244
2024		6,554
2025		5,861
2026		5,114
Beyond		14,940
Total	\$	63,889

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18. Commitments (continued)

(d) Facilities and Infrastructure Commitments

The Corporation has the following outstanding commitments remaining on facilities and infrastructure contracts as at December 31, 2021:

Table 31: Facilities and Infrastructure Commitments

	2021	2020
Roads	\$ 47,547	\$ 61,896
Storm Sewer	37,253	29,006
Water	27,426	25,021
Sanitary Sewer	25,469	20,326
Waste Collection, Disposal, and Recycling	11,320	791
General Government	11,117	5,237
Transit	10,900	9,824
Commercial and Industrial	6,943	2,659
Recreational Facilities	2,430	4,719
Fire, POA and Emergency Measures	1,433	308
Parks	974	2,304
Social Housing	865	1,082
Social and Family Services	260	296
Cultural Facilities	64	474
Library Facilities	49	-
	\$ 184,050	\$ 163,943

These amounts represent uncompleted portions of contracts, as at December 31, 2021, on major projects. The majority of payments on these outstanding commitments will be made in the next three (3) to five (5) years.

(e) Affordable Housing Programs

The Corporation is responsible for the delivery and administration of affordable housing programs in the City of London and the County of Middlesex. The Corporation has entered into various Municipal Contribution Agreements related to Affordable Housing Programs.

As at December 31, 2021, the Corporation has outstanding commitments remaining on these agreements of **\$5,448** (2020 - \$10,987).

18. Commitments (continued)

(f) Derivatives

The Corporation has the following derivative contracts as at December 31, 2021:

- Contract, expiring October 31, 2022, for the transportation daily natural gas purchases of 218 gigajoules, with a remaining contract value of **\$150** (2020 - \$109).
- Contract, expiring October 31, 2023, for the transportation daily natural gas purchases of 182 gigajoules, with a remaining contract value of **\$216** (2020 - \$nil).
- Contract, expiring October 31, 2024, for the transportation daily natural gas purchases of 145 gigajoules, with a remaining contract value of **\$170** (2020 - \$nil).

This derivative contract was purchased to provide price certainty. The value of this contract is not reflected as an asset or liability in these consolidated financial statements.

- Contract with one block, negotiated May 5, 2017, with a daily electricity purchase of nil megawatt hours, covering the period of November 1, 2018 to August 31, 2021, with a remaining contract cost at December 31, 2021 is **\$nil** (2020 - \$173).

This derivative contract was purchased to provide price certainty for 26% of the Lake Huron Area Primary Water Supply System's electricity needs over the term of the contract. The value of the contract is not reflected as an asset or liability in these consolidated financial statements.

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19. Provincial Offences Court Administration and Prosecution

On March 26, 2001, pursuant to Bill 108, the Corporation assumed responsibility for Provincial Offences Court Administration and Prosecution. The Province of Ontario transferred the responsibility for the administration and prosecution of provincial offences in London-Middlesex to the Corporation. This transfer was part of the Province's strategy to realign provincial and municipal roles in the delivery of public services. As a result, the Corporation was required to establish its own administration, prosecution office and courtrooms to deal with charges laid under the *Provincial Offences Act*.

Table 32: Charges Laid Under the Provincial Offences Act

	2021	2020
Revenues		
Fines	\$ 4,059	\$ 3,360
Total revenues	4,059	3,360
Expenses		
Salary, wages and fringe benefits	1,554	1,561
County share of net revenues	108	5
Occupancy costs	81	52
Provincial government cost recovery	364	229
Administration costs	1,254	1,239
Equipment and maintenance	223	194
Total expenses	3,584	3,280
Excess of revenues over expenses	\$ 475	\$ 80

These results comprise part of the other revenue and protection to persons and property expenses that are included in the consolidated statement of operations.

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20. Budget Data

Budget data presented in these consolidated financial statements is based upon the 2021 operating budget approved by Council. Adjustments were required to convert the budget from a cash basis to a full accrual basis. These adjustments include revenues and expenses which were budgeted in the capital budget, contributed assets recognized as revenues and amortization expense as well as Board and Commissions budget figures. The adjustments have been reduced for capital assets budgeted in operations. Given that certain budget information is not available in full accrual format, the assumption of using budget adjustments that equal the actual full accrual adjustments was used. These full accrual budget estimates are for financial statement presentation only.

The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

Table 33: Approved Budget per Consolidated Financial Statements

	Total	Tax	Water	Wastewater
Net budget PSAB surplus	\$ 187,364	\$ 129,440	\$ 24,628	\$ 33,296
Public Sector Accounting Board (PSAB) reporting requirements:				
Addback (deduct) from net budget PSAB surplus				
Transfers				
Transfers to capital	(95,078)	(51,269)	(21,414)	(22,395)
Transfers from reserves and reserve funds	8,257	8,257	-	-
Transfers to reserves and reserve funds	(114,376)	(68,190)	(14,362)	(31,824)
	(201,197)	(111,202)	(35,776)	(54,219)
Budget adjustments				
Government grants and subsidies	879	879	-	-
Expenses related to government grants and subsidies	614	614	-	-
Transfers to capital	100	100	-	-
Transfers from reserves and reserve funds	1,597	1,597	-	-
Transfers to reserves and reserve funds	(3,190)	(3,190)	-	-
	\$ -	\$ -	\$ -	\$ -

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20. Budget Data (continued)

Table 33: Approved Budget per Consolidated Financial Statements (continued)

	Total	Tax	Water	Wastewater
Debt principal repayments	\$ (39,103)	\$ (30,420)	\$ (337)	\$ (8,346)
PSAB adjustments				
Capital program funding earned in year	(58,469)	(52,334)	(1,425)	(4,710)
Capital projects not resulting in capital assets	48,964	31,651	5,283	12,030
Amortization of tangible capital assets	164,939	95,025	18,771	51,143
Developer contributions - assumed capital assets	(38,699)	(13,364)	(5,427)	(19,908)
Loss on disposal of capital assets	2,654	1,595	485	574
Obligatory reserve fund deferred revenue earned	(33,007)	(22,006)	(1,515)	(9,486)
Government business enterprises adjustments	(6,089)	(6,089)	-	-
Other	728	1,749	(493)	(528)
Landfill liability	2,059	2,059	-	-
Employee future benefits liability	3,506	3,266	86	154
	86,586	41,552	15,765	29,269
Boards and Commissions budget				
PSAB Surplus	(33,650)	(29,370)	(4,280)	-
Net Surplus per 2021 Approved Budget	\$ -	\$ -	\$ -	\$ -

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20. Budget Data (continued)

Table 33: Approved Budget per Consolidated Financial Statements (continued)

	Total	Tax	Water	Wastewater
Net surplus per 2021 approved budget – comprised of:				
Revenues				
Property tax	\$ 673,581	\$ 673,581	\$ -	\$ -
Government grants and subsidies	225,722	225,692	-	30
User fees	252,596	56,145	87,354	109,097
Municipal revenues - other	78,028	77,084	134	810
Municipal revenues - transfers from reserves and reserve funds	6,660	6,660	-	-
Total revenues	1,236,587	1,039,162	87,488	109,937
Expenses				
Personnel costs	415,518	387,667	9,931	17,920
Administrative expenses	16,160	7,335	3,279	5,546
Financial expenses - other	11,333	11,259	74	-
Financial expenses - Interest and discount on long-term debt	5,300	4,440	13	847
Financial expenses - debt principal repayments	39,103	30,420	337	8,346
Financial expenses - transfers to reserves and reserve funds	111,186	65,000	14,362	31,824
Financial expenses - transfers to capital	95,178	51,369	21,414	22,395
Purchased services	230,113	223,476	3,088	3,549
Materials and supplies	82,636	40,054	30,900	11,682
Furniture and equipment	30,719	26,019	1,652	3,048
Transfers	204,971	202,117	-	2,854
Other expenses	21,322	11,188	2,765	7,369
Recovered expenses	(26,951)	(21,182)	(327)	(5,442)
Total expenses	1,236,587	1,039,162	87,488	109,937
Net surplus per 2021 Approved Budget	\$ -	\$ -	\$ -	\$ -

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

21. Revenues

In the consolidated statement of operations, revenues are grouped by classification for financial presentation purposes. The following is a more detailed breakdown of some of the Corporation's revenue classifications:

Table 34: Revenue Classifications

	2021	2020
Net municipal taxation and user charges		
Net municipal taxation	\$ 686,251	\$ 656,530
Payments-in-lieu of taxation	10,366	9,972
	696,617	666,502
User charges	283,304	277,565
	\$ 979,921	\$ 944,067
Transfer payments		
Operating	\$ 4,647	\$ 6,190
Capital infrastructure	34,778	31,381
Government of Canada - Total	39,425	37,571
Unconditional - operating	37,751	38,896
Conditional – operating	224,080	227,279
Capital infrastructure	13,397	4,672
Province of Ontario - Total	275,228	270,847
Other municipalities	7,963	6,823
	\$ 322,616	\$ 315,241
Investment income		
Investment income - operating	\$ 4,781	\$ 4,265
Investment income - reserves and reserve funds	17,512	17,759
	\$ 22,293	\$ 22,024
Other revenues		
Provincial Offences Fines	\$ 4,059	\$ 3,360
Ontario Lottery & Gaming Corporation	2,676	1,050
Municipal accomodation tax	1,582	1,331
Other contributions - operating	19,747	10,763
Other contributions - capital	5,525	5,464
Donations	1,476	572
Miscellaneous sales	3,571	6,397
	\$ 38,636	\$ 28,937

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2021
(all dollar amounts in thousands of dollars)

22. Expenses by Object

The consolidated statement of operations represents the Corporation's expenses by function. The following classifies those same expenses by object.

Table 35: Expenses by Object

	2021	2020
Salaries, wages and fringe benefits	\$ 491,721	\$ 473,529
Long-term debt interest charges	7,233	8,395
Materials and supplies	135,600	123,082
Contracted services	153,140	140,947
Rents and financial expenses	30,802	28,432
External transfers	192,960	202,362
Amortization of tangible capital assets	186,639	184,632
Total expenses by object	\$ 1,198,095	\$ 1,161,379

23. Liability for Contaminated Sites

Under Public Sector Accounting Board Standard PS 3260 *Liability for Contaminated Sites*, the Corporation has identified one site that had contamination and was not in productive use, as follows:

With respect to the first site, reports indicate that remediation for this site will be required and has been estimated at **\$657** (2020 - \$850).

With respect to the second site, reports indicate that remediation for this site will be required and has been estimated at **\$8,247** (2020 - **\$8,247**).

These amounts have been recorded as a liability at year end and have been included in accounts payable and accrued liabilities in the consolidated statement of financial position.

24. Comparative Figures

Certain comparative figures have been reclassified to conform to the 2021 financial statement presentation.

25. Impact of COVID-19 Pandemic

Effective March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

The Corporation responded by implementing a variety of cost containment measures, while the Federal and Provincial governments responded by providing funding through the Safe Restart Agreement and additional program specific funding.

25. Impact of COVID-19 Pandemic (continued)

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Corporation's operations and financial position is not known at this time, although to date the impact has been manageable. These impacts could include a decline in future cash flows and changes to the value of assets and liabilities. Though management continues to make best efforts to forecast possible financial scenarios, an estimate of the future financial effect of the pandemic, on the Corporation, is not practicable at this time.

26. Demand Loan

In 2020, the Middlesex-London Health Unit entered a loan agreement for a demand instalment loan with an amortization period of 20 years to finance the fit-up and relocation costs related to the move to Citi Plaza. The loan was subsequently converted into two non-revolving amortizing instalment loans, one with a fixed rate instalment loan and one as a floating rate instalment loan. The fixed rate of interest on the first loan is 1.915% per annum over a term of 5 years and shall be repaid by monthly blended payments of principal and interest. The interest rate on the second loan is calculated at prime less 0.75% per annum and shall be repaid by monthly principal payments.

All amounts under the demand loans are repayable immediately on demand by the bank.

27. Segmented Information

The Corporation is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, roadways, public transit, water, wastewater, solid waste and recycling, social and community services. For management reporting purposes the Corporation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The Operating Fund reports on municipal services that are funded primarily by property taxation. Taxation and payments-in-lieu of taxes are apportioned to General Revenue Fund Services based on the Fund's net surplus. User charges, Government transfers, transfer from other funds and other revenues have been taken from the allocations on schedule 12 of the Financial Information Return.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1. The segmented information reports total revenues and expenses by segment.

The Corporation's services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

27. Segmented Information (continued)

(a) Protection Services

Protection is comprised predominantly of the Police Services and Fire departments. The mandate of the Police Services department is to ensure the safety and security of the lives and property of citizens through law enforcement, victims' assistance, public order maintenance, crime prevention and emergency response. The Fire department is responsible for providing proactive fire and injury prevention education programs, comprehensive inspection programs and fire code enforcement. In addition, the department responds to emergency calls for assistance related to fires, rescues, motor vehicle accidents and cardiac medical events as well as calls related to hazardous material incidents, swift water and ice rescue and limited types of technical rescue calls.

(b) Transportation Services

Transportation Services are comprised of year-round road maintenance, parking, traffic signals and street lighting. Activities include the maintenance of roadsides defined as sidewalks, walkways, boulevards and the urban forest. This service is responsible for the operational integrity of the roadway system through year-round surface maintenance and winter maintenance, including snow and ice control. Parking supports the controlled movement of vehicles to benefit London businesses and residents through policy and operational efforts. Traffic signal services provide the planning, design, operation and maintenance of the Corporation's street lights and traffic signal network including a computerized traffic signal control system.

The London Transit Commission serves as an agent for the Corporation responsible for the delivery of public transit services for the residents of the City of London as provided under the *City of London Act*.

Public transit services include conventional and specialized transit services. Service design, development and delivery for the respective services take their direction from the Corporation's Official Plan, Transportation Plan and London Transit's Long Term Growth Strategy, Ridership Growth Plan, Business Plan and Accessibility Plan.

27. Segmented Information (continued)

(c) Environmental Services

(i) Water and Wastewater Utilities

The Water Utility provides the planning, engineering, operation and maintenance for the Corporation's water infrastructure. Wholesale potable water is purchased from both the Lake Huron and the Elgin Area Primary Water Supply Systems. Services include the planning and engineering to support the delivery of safe, clean, high quality drinking water of sufficient flow and pressure to enhance the quality of life and support economic development for the residents and businesses of London. Operation and maintenance services ensure the reliable delivery of water to all customers and sustainability of a high quality water infrastructure.

The Wastewater Utility provides the planning, engineering, operation and maintenance for the Corporation's wastewater and drainage infrastructure. Services include the operation of pollution control plants and sewage pumping stations for the treatment of sanitary sewage, year-round maintenance of sanitary and storm sewer systems and planning and implementation of capital works to provide new services and improve existing systems. All services are delivered in an environmentally and fiscally responsible manner while maintaining sustainability of the infrastructure.

(ii) Solid Waste and Recycling

Solid Waste and Recycling provides solid waste collection services managing the safe and permanent disposal of non-hazardous wastes collected in an environmentally safe process including the management and operation of a landfill site. It also provides a variety of services and projects relating to the Management of Solid Waste for its customers and the citizens and businesses of London. Such services include daily recyclable and waste drop-off, on-site composting, residential/industrial/commercial and city facilities recycling.

(d) Health Services

The Middlesex-London Health Unit provides a wide range of public health services in London and Middlesex County. The programs and services are designed to help citizens live a healthy life, free from disease and injury through health promotion and prevention activities. The Health Unit also monitors the air, food and water supply in the community to make sure it is safe and provides services to individuals and communities and advocates for public policies that make the City of London healthier.

Ambulance Services provide medical emergency medical services to the City of London and Middlesex County.

27. Segmented Information (continued)

(e) Social and Family Services

As the Consolidated Municipal Service Manager, the Community Services Department is legislated to deliver the Province's Ontario Works program to qualified residents within the City of London; homelessness funding to local emergency shelters and administers the distribution of child care fee subsidies to families in need and wage subsidies to local child care agencies.

The Department also delivers Council-directed social services, including the London CARES initiative and the Child and Youth Agenda in partnership with community agencies and groups. The Department operates the Dearness Home long term care facility; an Adult Day Program and Home Help Services.

(f) Social Housing

The Housing Division is responsible for establishing and maintaining a system for administering mortgage and rent subsidies for social housing providers; receiving and evaluating financial reports of housing providers; assessing extraordinary financial requests from housing providers; responding to requests for technical support from housing providers and reviewing housing providers operations to ensure compliance with the *Housing Services Act* and any rules allocated by the Service Manager. The Division also fulfills the application intake function for social housing providers (the Housing Access Centre) and delivers federal, provincial and municipal affordable housing programs.

(g) Parks and Recreation

The Department works collaboratively with their colleagues and partners to improve the quality of life for all Londoners by creating opportunities for individuals to lead healthy, socially-active lives through the direct delivery of recreation programs; strengthening neighbourhoods; leading the integration of community wide initiatives; managing and operating parks and recreation facilities such as Storybook Gardens, municipal golf courses; providing aquatic opportunities; and supporting local sport and special event initiatives.

(h) Cultural Services

The Culture Office provides the infrastructure necessary to place a greater focus on culture by acting as the central access point for the cultural functions and responsibilities of the City of London. The Culture Office promotes collaboration, communication and the sharing of knowledge and resources for the purpose of generating economic prosperity through cultural vitality.

27. Segmented Information (continued)

(i) Planning, Development and Compliance

(i) Planning Services

Planning Services provides a wide range of planning and associated services to guide long-term land use and development activity in the City. The Division is organized under four sections – Policy Planning and Programs, Environmental and Parks Planning, Community Planning and Design and Urban Forestry. The Division employs professional resources consisting of Planners, Parks Planning Co-ordinators, Landscape Architects, a Community Projects Co-ordinator, Urban Designers, Ecologists, a Research Analyst and a Heritage Planner as well as support technical and support staff. A wide range of services are provided by the Division including Official Plan and Zoning By-law approvals, policy development, secondary plans, Community Improvement Plans, economic revitalization programs, brownfield revitalization incentives, heritage preservation incentives, urban design, environmental and ecological evaluations, parks planning, urban forestry, commemorative programs and heritage planning.

(ii) Development Services

Development Services is a multi-disciplinary team providing a single point of administration for development approvals under the *Planning Act*. The Division includes Planners, Engineers, Landscape Planners, Site Plan Officers, Inspectors, a Subdivision Co-ordinator, Integrated Land Planning Technologists and technical support staff that function as geographic teams (east and west) to provide an integrated processing framework to provide quality development approvals in a timely manner. Planning Act applications processed by Development Services include Plans of subdivision including associated Official Plan and Zoning By-law amendments, site plan approvals, condominium approvals and consents. The Division also administers subdivision and development agreement servicing standards and compliance through inspection, assumption and security management.

(iii) Building Services

Building Services, by administering the provisions of the *Ontario Building Act* and the *Building Code*, ensures high quality building construction in addition to keeping paramount the health and safety of the citizens of London. These directives are established through the enforcement of various municipal By-laws such as the Property Standards By-law, the Sign and Canopy By-law and the Pool Fence By-law to name a few.

27. Segmented Information (continued)

(i) Planning, Development and Compliance (continued)

(iv) Licensing and Municipal Law Enforcement Services

The Licensing and Municipal Law Enforcement Services area is divided into three interrelated areas. The Community By-laws section is responsible for seeking compliance with community based City by-laws which focus on health and safety, consumer protection, nuisance control and quality of life issues. The Licensing and Parking Enforcement areas are responsible for addressing compliance issues with business licensing by-laws and parking infractions. This section also manages a number of parking lots providing parking services to citizens and visitors alike. The Animal Care and Control service area is responsible for administration, planning, co-ordination and direction of animal care and control in an effort to ensure that policies, practices, directives, by-laws and regulations are in place and adhered to for the protection of the public and the welfare of domestic animals in the community.

THE CORPORATION OF THE CITY OF LONDON
Consolidated Schedule of Segment Disclosure - Operating Revenues
Year ended December 31, 2021, with comparative information for 2020
(all dollar amounts in thousands of dollars)

Revenues	Taxation	User Charges	Government Transfers	Developer Contributions	Other	2021	2020
General government	\$ 694,019	\$ 4,227	\$ 16,617	\$ 13	\$ 41,219	\$ 756,095	\$ 725,675
Fire	-	384	99	-	178	661	285
Police	-	1,058	6,747	-	1,716	9,521	7,803
Other protection services	-	12,734	-	-	6,226	18,960	16,761
Total protection services	-	14,176	6,846	-	8,120	29,142	24,849
Transit	-	21,742	27,726	-	220	49,688	45,331
Other transportation services	-	2,573	19,731	24,248	35,269	81,821	71,619
Total transportation services	-	24,315	47,457	24,248	35,489	131,509	116,950
Water and wastewater	-	195,183	10,795	17,898	22,560	246,436	264,753
Solid waste	-	12,240	1,550	-	6,819	20,609	13,290
Total environmental services	-	207,423	12,345	17,898	29,379	267,045	278,043
Health Services	-	-	5,654	-	(130)	5,524	5,448
General assistance	-	38	129,975	-	65	130,078	139,301
Assistance to aged persons	-	5,470	15,235	-	91	20,796	20,741
Child care	-	41	50,908	-	179	51,128	41,082
Total social and family services	-	5,549	196,118	-	335	202,002	201,124
Social housing	-	12,646	35,254	-	1,478	49,378	36,594
Parks and recreation	-	8,902	751	1,384	3,573	14,610	16,870
Libraries	-	242	612	-	239	1,093	843
Cultural services	-	166	855	-	3,595	4,616	3,224
Total recreation and cultural services	-	9,310	2,218	1,384	7,407	20,319	20,937
Planning, development and compliance	2,598	5,658	107	-	7,820	16,183	10,619
Total revenues	\$ 696,617	\$ 283,304	\$ 322,616	\$ 43,543	\$ 131,117	\$ 1,477,197	\$ 1,420,239

THE CORPORATION OF THE CITY OF LONDON
Consolidated Schedule of Segment Disclosure - Operating Expenses
Year ended December 31, 2021, with comparative information for 2020
(all dollar amounts in thousands of dollars)

Expenses	Salaries, Wages & Benefits	Materials	Contracted Services	External Transfers	Amortization	Other	2021	2020
General government	\$ 54,775	\$ 9,081	\$ 12,502	\$ 11	\$ 10,261	\$ 3,363	\$ 89,993	\$ 91,141
Fire	68,055	2,774	359	-	2,913	48	74,149	82,208
Police	117,010	6,438	2,641	12	5,159	397	131,657	125,958
Other protection services	17,029	3,675	2,372	2,085	321	880	26,362	23,023
Total protection services	202,094	12,887	5,372	2,097	8,393	1,325	232,168	231,189
Transit	53,039	20,751	7,650	-	13,291	525	95,256	88,086
Other transportation services	27,189	21,850	13,668	2	57,701	11,134	131,544	115,442
Total transportation services	80,228	42,601	21,318	2	70,992	11,659	226,800	203,528
Water and wastewater	29,979	33,251	12,926	2,772	69,318	9,912	158,158	152,913
Solid waste	10,710	10,305	17,322	1,589	3,201	2,718	45,845	41,010
Total environmental services	40,689	43,556	30,248	4,361	72,519	12,630	204,003	193,923
Public health services	4,830	554	289	5,654	79	287	11,693	11,557
Ambulance services	-	-	21,822	-	-	-	21,822	18,945
Total health services	4,830	554	22,111	5,654	79	287	33,515	30,502
General assistance	22,133	438	7,764	117,299	445	2,712	150,791	158,719
Assistance to aged persons	22,624	3,397	1,105	96	1,199	433	28,854	26,997
Child care	2,056	738	20,744	31,359	4	380	55,281	47,196
Total social and family services	46,813	4,573	29,613	148,754	1,648	3,525	234,926	232,912
Social housing	8,647	2,707	18,622	25,497	2,424	957	58,854	58,499
Parks and recreation	22,542	5,879	6,006	41	12,827	2,159	49,454	45,228
Libraries	14,286	3,608	1,541	-	3,494	930	23,859	23,273
Cultural services	2,479	2,638	763	2,101	1,710	87	9,778	8,365
Total recreation and cultural services	39,307	12,125	8,310	2,142	18,031	3,176	83,091	76,866
Planning, development and compliance	14,338	7,516	5,044	4,442	2,292	1,113	34,745	42,819
Total expenses	\$ 491,721	\$ 135,600	\$ 153,140	\$ 192,960	\$ 186,639	\$ 38,035	\$ 1,198,095	\$ 1,161,379
Annual surplus							\$ 279,102	\$ 258,860