

Consolidated Financial Statements of

**THE CORPORATION OF THE CITY
OF LONDON**

And Independent Auditors' Report thereon

December 31, 2023

THE CORPORATION OF THE CITY OF LONDON

Consolidated Financial Statements

Year ended December 31, 2023

(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, 2023.

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:

- Independent Auditors' Report
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Change in Net Financial Assets
- Consolidated Statement of Cash Flows
- Consolidated Statement of Remeasurement Gains and Losses
- 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 AUDITOR'S 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, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of remeasurement gains and losses 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, 2023, and its consolidated results of operations, its remeasurement gains and losses, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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.

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



Emphasis of Matter – Prospective Change in Accounting Policy

We draw attention to Note 2 to the financial statements which indicates that the Entity has changed its accounting policy for financial instruments and has applied that change prospectively.

Our opinion is not modified in respect of this matter.

Emphasis of Matter – Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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 auditor's report thereon, included in the "Financial Report" as at the date of this auditor's 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 auditor's 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.

Auditor's 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 auditor's 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.



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- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

July 23, 2024

THE CORPORATION OF THE CITY OF LONDON
Consolidated Statement of Financial Position
December 31, 2023, with comparative information for 2022
(all dollar amounts in thousands of dollars)

	2023	2022
		(Restated - note 2)
Financial assets		
Cash and cash equivalents (note 3)	\$ 536,152	\$ 427,036
Accounts receivable		
Taxes receivable (note 4)	32,255	18,657
Other receivables	144,674	125,030
Land held for resale	36,806	37,166
Portfolio investments (note 5)	1,385,726	1,398,143
Loans and long-term receivables (note 6)	46,809	46,003
Investment in government business enterprises and partnerships (note 7)	240,245	238,708
Total financial assets	2,422,667	2,290,743
Financial liabilities		
Demand loan (note 24)	534	508
Accounts payable and accrued liabilities	228,073	201,735
Deferred revenue (note 8)	601,208	563,971
Accrued interest on long-term debt	1,198	1,254
Long-term liabilities (note 9)	900	1,800
Long-term debt (note 10)	198,972	218,379
City services payable (note 11)	8,552	8,099
Employee benefits payable (note 12)	219,684	206,471
Asset retirement obligations (note 13)	107,407	111,747
Total financial liabilities	1,366,528	1,313,964
Net financial assets	1,056,139	976,779
Non-financial assets		
Tangible capital assets (note 14)	4,575,778	4,385,315
Inventories of supplies	8,089	7,143
Prepaid expenses	30,470	24,844
Total non-financial assets	4,614,337	4,417,302
Contingent Liabilities (note 16)		
Loan Guarantees (note 17)		
Commitments (note 18)		
Accumulated surplus (note 15)	5,670,476	5,394,081
Accumulated surplus comprised of:		
Accumulated surplus, before remeasurement losses	5,673,543	-
Accumulated remeasurement losses	(3,067)	-
Accumulated surplus	\$ 5,670,476	\$ 5,394,081

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, 2023, with comparative information for 2022
(all dollar amounts in thousands of dollars)

	Budget	2023	2022
	(note 20)		(Restated - note 2)
Revenues			
Net municipal taxation	\$ 757,295	\$ 762,554	\$ 728,757
User charges	328,422	341,932	318,715
Transfer payments			
Provincial	312,887	334,228	271,112
Federal	80,731	60,265	71,431
Other municipalities	8,052	7,886	8,696
Investment income	15,195	53,209	29,896
Penalties and interest	9,641	11,605	12,713
Development charges earned	33,037	29,678	38,109
Developer contributions of tangible capital assets (note 14)	53,661	44,086	102,716
Other	28,886	35,970	41,030
Equity in earnings of government business enterprises and partnerships (note 7)	6,930	1,185	36,127
Total revenues	1,634,737	1,682,598	1,659,302
Expenses			
General government	122,116	102,360	106,970
Protection services	250,679	267,185	245,437
Transportation services	256,421	251,632	237,929
Environmental services	229,924	206,585	205,687
Health services	46,636	43,443	37,720
Social and family services	291,434	326,032	263,385
Social housing	70,180	63,506	59,867
Recreation and cultural services	104,622	99,059	90,616
Planning and development	43,709	43,334	46,301
Total expenses	1,415,721	1,403,136	1,293,912
Annual surplus	219,016	279,462	365,390
Accumulated surplus, beginning of year (note 15)	5,394,081	5,394,081	5,076,874
Adjustment on adoption of the asset retirement obligations standard (note 2)	-	-	(48,183)
Accumulated remeasurement losses (note 2)	-	(3,067)	-
Accumulated surplus, end of year (note 15)	\$ 5,613,097	\$ 5,670,476	\$ 5,394,081

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, 2023, with comparative information for 2022
(all dollar amounts in thousands of dollars)

	Budget	2023	2022
	(note 20)		(Restated - note 2)
Annual surplus	\$ 219,016	\$ 279,462	\$ 365,390
Acquisition of tangible capital assets	(398,831)	(362,690)	(349,946)
Developer contributions of tangible capital assets	(53,661)	(44,086)	(102,716)
Amortization of tangible capital assets	195,778	193,064	192,391
Proceeds from sale of tangible capital assets	48	12,028	58,098
Loss on disposal of tangible capital assets	1,437	11,222	2,848
	(255,229)	(190,462)	(199,325)
Change in inventories of supplies	-	(947)	(1,056)
Unrealized remeasurement losses	-	(3,067)	-
Change in prepaid expenses	-	(5,626)	(2,876)
	-	(9,640)	(3,932)
Change in net financial assets	(36,213)	79,360	162,133
Net financial assets, beginning of year	976,779	976,779	865,339
Adjustment on adoption of the asset retirement obligations standard	-	-	(50,693)
Net financial assets, end of year	\$ 940,566	\$ 1,056,139	\$ 976,779

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, 2023, with comparative information for 2022
(all dollar amounts in thousands of dollars)

	2023	2022
		(Restated - note 2)
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 279,462	\$ 365,390
Items not involving cash		
Amortization of tangible capital assets	193,064	192,391
Developer contributions of tangible capital assets	(44,086)	(102,716)
Loss on disposal of tangible capital assets	11,222	2,848
Change in employee benefits payable	13,213	10,433
Change in asset retirement obligations	(4,340)	9,385
Equity in earnings of government business enterprises and partnerships	(1,186)	(36,372)
Dividends receivable from government business enterprises and partnerships	5,000	5,000
Amortization of debenture discount	134	158
Change in non-cash assets and liabilities		
Taxes receivable	(13,598)	3,985
Other receivables	(19,644)	(49,108)
Land held for resale	360	(1,693)
Accounts payable and accrued liabilities	26,338	25,678
Deferred revenue	37,237	20,386
Accrued interest on long-term debt	(56)	(197)
City services payable	453	1,292
Inventories of supplies	(947)	(1,056)
Prepaid expenses	(5,626)	(2,876)
Net change in cash from operating activities	477,000	442,928
Capital activities		
Proceeds from sale of tangible capital assets	12,028	58,098
Acquisition of tangible capital assets	(362,690)	(349,946)
Net change in cash from capital activities	(350,662)	(291,848)

THE CORPORATION OF THE CITY OF LONDON
Consolidated Statement of Cash Flows (continued)
Year ended December 31, 2023, with comparative information for 2022
(all dollar amounts in thousands of dollars)

	2023	2022
		(Restated - note 2)
Investing activities		
Net decrease (increase) in investments	3,998	(347,210)
Issuance of loans and long-term receivables	(2,209)	(4,931)
Repayment of loans receivable	1,403	12,109
Government business enterprises and partnerships	1	244
Net change in cash from investing activities	\$ 3,193	\$ (339,788)
Financing activities		
Long-term debt issued	\$ 23,624	\$ 21,713
Long-term debt repayments	(43,165)	(48,524)
Repayments of long-term liabilities	(900)	(900)
Repayments of capital lease obligations	-	(109)
Demand loan repayments	26	103
Net change in cash from financing activities	(20,415)	(27,717)
Net change in cash and cash equivalents	109,116	(216,425)
Cash and cash equivalents, beginning of year	427,036	643,461
Cash and cash equivalents, end of year	\$ 536,152	\$ 427,036

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

THE CORPORATION OF THE CITY OF LONDON
Consolidated Statement of Remeasurement Gains and Losses
Year End December 31, 2023 , with comparative information for 2022
(all dollar amounts in thousands of dollars)

	2023	2022
Accumulated remeasurement gains (losses), beginning of the year	\$ -	\$ -
Adjustment on adoption of the financial instruments standard	(38,429)	-
	(38,429)	-
Unrealized gains (losses) attributable to:		
Portfolio investments		
Designated for fair value	32,665	-
Total unrealized gains (losses)	32,665	-
Amounts reclassified to statement of operations:		
Portfolio investments		
Designated for fair value	2,240	-
Total realized (gains) losses, reclassified to the statement of operations	2,240	-
Proportionate amount of other comprehensive income from investment in government business enterprises	457	-
Net change in remeasurement gains (losses) for the year	35,362	-
Accumulated remeasurement gains (losses), end of the year	\$ (3,067)	\$ -

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, 2023
(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, 2023
(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, **\$128,023** of taxation was collected on behalf of school boards (2022 - \$126,844) 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, 2023
(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 **\$4,784** (2022 - \$4,661).

(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, 2023
(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, 2023
(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, 2023
(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, 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.

The Corporation's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the expected retirement costs, as well as the timing and duration of these retirement costs.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

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 the social service 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.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(d) Tax Revenues

In 2023 the Corporation received **\$762,554** (2022 - \$728,757) 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.

(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.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(g) Financial Instruments

Financial instruments are classified in one of the following categories: (i) fair value; (ii) cost or amortized cost. The Corporation determines the classification of its financial instruments at initial recognition.

Portfolio investments reported at fair value consist of equity instruments, certain fixed income securities, derivative instruments, and any other investments where the investments are managed and evaluated on a fair value basis and the fair value option is elected.

Unsecured debentures and other long-term debt are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Transaction costs related to the issuance of long-term debt are capitalized and amortized over the term of the debt.

Other financial instruments, including cash and cash equivalents, investments in guaranteed investment certificates, accounts receivable, loans receivable, accounts payable and accrued liabilities, long-term liabilities and city services payable are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

The following table provides the carrying amount information of the Corporation's financial instrument by category.

Table 2: Financial Instruments with Associated Measurement Method

Financial Instruments	Measurement Method
Cash and cash equivalents	Cost
Other receivables	Cost
Portfolio investments	Cost and Fair Value
Loans and long-term receivables	Amortized Cost
Demand loan	Amortized Cost
Accounts payable and accrued liabilities	Cost
Accrued interest on long-term debt	Cost
Long-term liabilities	Cost
Long-term debt	Amortized Cost
City services payable	Cost

Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

Fair value category: The Corporation manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the consolidated statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and related balances reverses from the consolidated statement of remeasurement gains and losses.

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price at the trade date, which is the fair value of the consideration given or received. After initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market data. These include comparisons with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Amortized cost category: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category.

Cost category: Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations and any unrealized gain is adjusted through the consolidated statement of remeasurement gains and losses.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
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1. Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

When the asset is sold, the unrealized gains and losses previously recognized in the consolidated statement of remeasurement gains and losses are reversed and recognized in the consolidated statement of operations.

(h) Portfolio Investments

Portfolio investments predominantly consist of authorized investments pursuant to provisions of the *Municipal Act, 2001* and are comprised of fixed income securities such as government and corporate bonds, structured notes, equities, pooled equity funds, and guaranteed investment certificates. Portfolio investments in guaranteed investment certificates are recorded at cost. Portfolio investments in equities, pooled equity funds, and all other fixed income securities are recorded at fair value. Any cash or investments with short maturity dates held within investment accounts are for the purposes of investing and are classified as portfolio investments in the consolidated statement of financial position.

Realized investment income earned on available current funds, reserves, and reserve funds (other than obligatory funds) are reported as revenue in the period earned and recognized in the consolidated statement of operations. Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses until they are realized, when they are reclassified to the consolidated statement of operations.

Realized and unrealized investment income earned on obligatory reserve funds forms part of the deferred revenue balances.

(i) Loans Receivable

Loans receivable are recorded at the lower of amortized cost or the net recoverable value when the risk of loss exists. Recoverability is reviewed annually, and a valuation allowance is recorded when recoverability is impaired. A loan receivable is written off when it is no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Changes in the valuation of loans receivables are recognized in the consolidated statement of operations and accumulated surplus. Interest is accrued on loans receivable to the extent it is deemed collectable.

When the terms associated with a loan are considered concessionary such that all or a part of the loan is a grant, the Corporation will expense the grant portion of the transaction in the consolidated statement of operations and accumulated surplus at the time the loan is made.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(j) Foreign Currency Translations

Foreign currency translations are recorded at the exchange rate at the time of the transaction.

(k) 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.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(l) 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.

(m) 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.

(n) 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.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(o) Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The following liabilities have been recognized based on estimated future expenses:

- Closure of operational landfill sites and post-closure care relating to current and previous landfill sites. 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 funded through tipping fees.
- Removal of asbestos in various buildings owned by the Corporation. The Occupational Health and Safety Act states the demolition of a building, all or in part, can be done only when asbestos-containing material that may be disturbed during the work, has been removed.
- Removal of underground fuel and oil storage tanks and related piping. The Technical Standards and Safety Authority (TSSA) states in both its Liquid Fuels Handling Code and the Fuel and Oil Code that an underground storage tank and its piping must be removed when it has been out of service for 2 years or more.
- Removal of leasehold improvements where requested by the landlord. A lease may have a Base Building clause that states that leasehold improvements are to be removed at the end of a lease at the request of the landlord and at the expense of the Corporation.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(o) Asset Retirement Obligations (continued)

The liabilities are discounted using a present value calculation, where appropriate, and adjusted yearly for changes in circumstances. The recognition of a liability results in an accompanying increase to the respective tangible capital assets or an adjustment to the annual surplus when an asset was fully amortized. The increase to the tangible capital assets is being amortized in accordance with the accounting policies. At each financial reporting date, the Corporation reviews the carrying amount of the liability. The Corporation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Corporation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(p) 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.

(q) 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.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

(r) 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.

(s) Future Accounting Pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2023, 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) 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).

(ii) 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).

(iii) Public Private Partnerships

PS 3160, Public Private Partnerships (P3s), provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Corporation's December 31, 2024 year-end).

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

2. Change in Accounting Policies - Adoption of New Accounting Standards

The Corporation adopted the following standards concurrently beginning January 1, 2023:

(a) PS 1201, Financial Statement Presentation

PS 1201, Financial Statement Presentation replaces PS 1200, Financial Statement presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the consolidated statement of remeasurement gains and losses separate from the consolidated statement of operations. Requirements in PS 2601, Foreign Currency Translation, PS 3450, Financial Instruments, and PS 3041, Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

(b) PS 3041, Portfolio Investments

PS 3041, Portfolio Investments replaces PS 3040, Portfolio Investments. The standard provides guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450, Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030, Temporary Investments no longer applies.

These above standards were adopted prospectively. There was no impact to the Corporation as a result of the adoption of the above two standards.

(c) PS 3450, Financial Instruments and PS 2601, Foreign Currency Translation

On January 1, 2023, the Corporation adopted PS 3450, Financial Instruments and PS 2601, Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the consolidated statement of financial position, and are measured at either fair value or amortized cost based on the characteristics of the instrument and the Corporation's accounting policy choices (see Note 1, Significant accounting policies). Unrealized gains and losses arising from changes in fair value are presented in the consolidated statement of remeasurement gains and losses.

In accordance with the provisions of this new standard, the Corporation reflected an adjustment on January 1, 2023, of a decrease to portfolio investments of **\$38,429**, and to accumulated remeasurement gains/(losses) due to the unrealized loss of the Corporation's investments that were previously recorded at amortized cost.

2. Change in Accounting Policies - Adoption of New Accounting Standards (continued)

(d) PS 3280, Asset Retirement Obligations

On January 1, 2023, the Corporation adopted PS 3280, Asset Retirement Obligations (ARO). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270, Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the modified retrospective basis at the date of adoption, and the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

In accordance with the provisions of this new standard, the Corporation removed the landfill liability that had been recognized to date and recognized an asset retirement obligation on January 1, 2022. The new liability represents 100% of the estimated required closure and post-closure care for the landfill sites owned by the Corporation. The liability was assumed and measured as of the date the landfill sites began accepting waste and was discounted at 3.50%, which was the discount rate as of the date of adoption of the standard. Each cell has an expected useful life of 5 years, which has not been revised.

On January 1, 2022, the Corporation recognized an asset retirement obligation relating to the removal of asbestos in buildings owned by the Corporation. The liability was measured as of the date of purchase of the buildings, when the liability was assumed. The accompanying increase to the respective tangible capital assets was amortized over 40 years, which has not been revised.

On January 1, 2022, the Corporation recognized an asset retirement obligation relating to underground fuel and oil storage tanks owned by the Corporation that must be removed up to 2 years after the end of their useful lives. The liability was measured as of the date the tanks were installed, when the liability was assumed. The accompanying increase to tangible capital assets was amortized over 10 years, which has not been revised.

On January 1, 2022, the Corporation recognized an asset retirement obligation relating to the potential of a landlord requesting removal of leasehold improvements at the end of a lease. The liability was measured as of the date the leasehold improvements were installed or when the lease began, which is when the liability was assumed. The accompany increase to tangible capital assets was amortized over 7 years, which has not been revised.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

2. Change in Accounting Policies - Adoption of New Accounting Standards (continued)

(d) PS 3280, Asset Retirement Obligations (continued)

In accordance with the modified retrospective provisions of this new standard, the Corporation reflected the following adjustments at January 1, 2022:

Table 3: Asset Retirement Obligations Restatement

	Balance as previously reported December 31, 2022	Adjustments	Balance restated December 31, 2022
Consolidated Statement of Financial Position			
Asset retirement obligations	\$ -	\$ 111,747	\$ 111,747
Land held for resale	37,121	45	37,166
Landfill closure and post-closure liability	54,166	(54,166)	-
Tangible capital assets	4,378,472	6,843	4,385,315
Accumulated surplus	5,444,774	(50,693)	5,394,081
Consolidated Statement of Operations			
General government	106,906	64	106,970
Protection services	245,430	7	245,437
Transportation services	237,928	1	237,929
Environmental services	203,312	2,375	205,687
Social and family services	263,384	1	263,385
Recreation and cultural services	90,557	59	90,616
Planning and development	46,298	3	46,301
Annual surplus	367,900	(2,510)	365,390
Adjustment on adoption of asset retirement obligations standard	-	(48,183)	(48,183)
Consolidated Statement of Change in Net Financial Assets			
Acquisition, proceeds, and loss on disposal of tangible capital assets	(384,873)	(6,843)	(391,716)
Amortization of tangible capital assets	189,881	2,510	192,391
Adjustment on adoption of the asset retirement obligations standard	\$ -	\$ (50,693)	\$ (50,693)

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

3. Cash and Cash Equivalents

Table 4: Cash and Cash Equivalents

	2023	2022
Cash on deposit	\$ 433,112	\$ 323,668
Cash equivalents	103,040	103,368
	\$ 536,152	\$ 427,036

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

4. Taxes Receivable

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

Table 5: Taxes Receivable

	2023	2022
Taxes receivable	\$ 39,122	\$ 32,259
Penalties and interest	2,642	2,027
Allowance for doubtful accounts	(9,509)	(15,629)
	\$ 32,255	\$ 18,657

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

5. Portfolio Investments

The composition of portfolio investments is as follows:

Table 6: Portfolio Investments

	2023	2022⁽¹⁾
Measured at fair value		
Fixed income securities	\$ 963,745	\$ 873,363
Equity	6,282	4,725
Pooled equity funds	184,559	134,755
	1,154,586	1,012,843
Measured at cost		
Guaranteed investment certificates	231,140	385,300
	\$ 1,385,726	\$ 1,398,143

(1) 2022 Amounts presented at cost

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the reliability of the data used to determine fair value, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

The fair value hierarchy requires the use of observable data from the market each time such data exists. A financial instrument is classified at the lowest level of hierarchy for which significant inputs have been considered in measuring fair value.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

5. Portfolio Investments (continued)

The composition of portfolio investments measured at fair value is as follows

Table 7: Portfolio Investments measured at fair value

	2023			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ 5,158	\$ 958,587	\$ -	\$ 963,745
Equity	6,282	-	-	6,282
Pooled equity funds	-	184,559	-	184,559
	\$ 11,440	\$ 1,143,146	\$ -	\$ 1,154,586

There were no material transfers between Level 1 and Level 2 for the year. There were also no transfers in or out of Level 3.

6. Loans and Long-term Receivables

Table 8: Loans and long-term Receivables

	2023	2022
Subordinate loan – City of London Arena Trust	\$ 23,275	\$ 23,473
Affordable Housing	4,383	4,259
Community Improvement Program	4,418	4,567
Development Charge Deferral & Alternative payment	13,467	12,385
Other Miscellaneous	1,266	1,319
	\$ 46,809	\$ 46,003

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, **\$198** (2022 - \$198) was received as a payment on the loan.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

7. Investment in Government Business Enterprises and Partnerships

The Corporation holds a 100% interest in London Hydro Inc. (2022 - 100%), a 30.000% (2022 - 30.000%) interest in the Fair-City Joint Venture Partnership and a 73.432% (2022 - 73.432%) interest in the City-YMCA Joint Venture Partnership based upon investments as follows:

Table 9: Investment in Government Business Enterprises and Partnerships

	2023	2022
London Hydro Inc. (note 7(a))	\$ 224,982	\$ 223,160
Fair-City Joint Venture Partnership (note 7(b))	2,306	2,092
City-YMCA Joint Venture Partnership (note 7(c))	12,957	13,456
	\$ 240,245	\$ 238,708

(a) Investment in London Hydro Inc.

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

Table 10: Investment in London Hydro Inc. – Financial Position

	2023	2022
Financial position		
Current assets	\$ 121,824	\$ 117,807
Capital assets	440,357	413,772
Total assets	562,181	531,579
Regulatory balances	36,008	35,015
Total assets and regulatory balance	598,189	566,594
Current and other liabilities	89,235	83,677
Deferred revenue	53,347	48,662
Post-employment benefits	9,188	9,855
Long-term debt	220,000	200,000
Total liabilities	371,770	342,194
Regulatory balances	1,437	1,240
Total liabilities and regulatory balances	373,207	343,434
Net assets	\$ 224,982	\$ 223,160

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

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

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

Table 11: Investment in London Hydro Inc. – Results of Operations

	2023	2022
Results of operations		
Revenues	\$ 475,971	\$ 472,589
Operating expenses	(456,450)	(463,095)
Other income (expenses)	(17,096)	27,999
Income tax expense	(1,630)	(10,468)
Net movement in regulatory balances	675	9,610
Net earnings	1,470	36,635
Dividends	(5,000)	(5,000)
Net assets, beginning of year	223,160	191,525
Accumulated other comprehensive income	5,352	-
Net assets, end of year -		
Investment in London Hydro Inc.	\$ 224,982	\$ 223,160

(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 2023 totalled **\$36,008** (2022 - \$35,015). Net regulatory credit balances for 2023 totalled **\$1,437** (2022 - \$1,240).

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

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

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

(iii) Commitments

The Company has provided **\$4,300** (2022 - \$4,300) in bank standby letters of credit to the Independent Electricity System Operator (IESO), as required by regulation.

The Company has vendor commitments in connection with projects of **\$13,000** (2022 - \$13,200).

The Company has committed to operating lease agreements with future minimum non-cancellable annual lease payments of **\$739** (2022 - \$824).

(iv) Credit Facilities

The Company has an uncommitted operating revolving line of credit facility of \$20,000. As at December 31, 2023 the amount drawn under this line of credit was **\$9,500** (2022 - \$1,700). The line of credit is unsecured and interest options consist of the bank prime rate minus 0.5%, or at Bankers' Acceptances ("B/A") rates, plus a 0.75% stamping fee on B/A based borrowings.

At December 31, 2023, the Company had a committed loan facility of \$40,000 and the amount drawn by the Company under this loan facility was \$20,000 (2022 - \$nil). Under the terms of this agreement, the loan has a maturity date of March 31, 2026. Interest options consist of the bank prime rate minus 0.6% or Bankers' Acceptances ("B/A") rates plus 0.6%. A standby fee of 0.2% is charged for any unused amounts.

The Company has an interest rate swap agreement for an unsecured loan in the amount of \$125,000. Interest only payments are due monthly and commenced July 2022. The principal is due at maturity, June 30, 2032. The swap agreement is a fixed rate swap which effectively converts variable interest rates on unsecured Bankers' Acceptances to an effective interest rate of 1.69%, plus a stamping fee of 0.44%, for an all-in-rate of 2.13%.

The Company has an interest rate swap agreement for an unsecured loan in the amount of \$75,000. Interest only payments are due monthly and commenced December 2020. The principal is due at maturity, June 30, 2032. The swap agreement is a fixed rate swap which effectively converts variable interest rates on unsecured Bankers' Acceptances to an effective interest rate of 1.53%, plus a stamping fee of 0.44%, for an all-in-rate of 1.97%.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

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

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

At December 31, 2023, the Company would be entitled to collect **\$25,600** (2022 - \$33,000) if it decided to cancel the swap agreements.

During the year ended December 31, 2023, interest on long-term debt was incurred in the amount of **\$5,000** (2022 - \$4,600).

(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 **\$5,724** (2022 - \$5,103) and are included on the consolidated statement of operations. At December 31, 2023, the Corporation has a receivable of **\$16,283** (2022 - \$17,508) for water and wastewater charges collected by London Hydro Inc. Miscellaneous receivables of **\$810** (2022 - \$1,091) are also outstanding at year end.

The Corporation charged London Hydro Inc. rent, totalling **\$100** (2022 - \$100).

The Corporation received **\$5,000** (2022 - \$5,000) in dividend payments, which were recorded as a reduction in the investment in government business enterprises.

(vi) International Financial Reporting Standards ("IFRS")

The Company's financial statements have been prepared on a going-concern basis in accordance with IFRS, Accounting Standards.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

7. 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 12: Fair-City Joint Venture Partnership – Financial Position

	2023	2022
Financial position		
Current assets	\$ 1,727	\$ 1,880
Capital assets	10,290	9,785
Total assets	12,017	11,665
Accrued liabilities	590	778
Deferred capital contributions	2,865	2,949
Long-term debt	876	965
Total liabilities	4,331	4,692
Net assets	\$ 7,686	\$ 6,973

Table 13: Fair-City Joint Venture Partnership – Results of Operations

	2023	2022
Results of operations		
Revenues	\$ 4,039	\$ 3,573
Operating expenses	(3,323)	(2,790)
Net earnings	716	783
Net earnings available to the Corporation	215	165
Distribution for employee future benefit re-measurements	(1)	8
Corporation's portion of earnings retained in Joint Venture	214	173
Corporation's investment in Fair-City Joint Venture's net assets, beginning of year	2,092	2,101
Adjustment due to change in Corporation's share during year	-	(182)
Corporation's investment in Fair-City Joint Venture's net assets, end of year	2,306	2,092
Investment in Fair-City Joint Venture Partnership	\$ 2,306	\$ 2,092

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Notes to Consolidated Financial Statements (continued)
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7. 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, 2023 was 30.000% (2022 - 30.000%). 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, **\$nil** (2022 - \$69) was available and distributed to 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. **\$1,983** was paid for ice rental in 2023 (2022 - \$1,948), which was recorded as an expense in the consolidated statement of operations.

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7. 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 14: City-YMCA Joint Venture Partnership – Financial Position

	2023	2022
Financial position		
Capital assets	\$ 27,135	\$ 27,135
Accumulated amortization	(9,490)	(8,811)
Net assets	\$ 17,645	\$ 18,324

Table 15: City-YMCA Joint Venture Partnership – Results of Operations

	2023	2022
Results of operations		
Amortization of capital assets	\$ (679)	\$ (679)
Net loss	(679)	(679)
Net assets, beginning of year	18,324	19,003
Net assets, end of year	17,645	18,324
Corporation's portion of net assets	12,957	13,456
Investment in City-YMCA Joint Venture Partnership	\$ 12,957	\$ 13,456

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%.

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

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

Construction of this facility was completed in October 2010.

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, 2023
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8. Deferred Revenue

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

Table 16: Deferred Revenue

	2023	2022
Funds deferred to future periods for specific purposes by legislation, regulation or agreement		
Development Charges Act		
Recreation, transit and culture	\$ 59,745	\$ 55,029
Capital infrastructure	347,317	344,501
Development Charges Act (note 11)	407,062	399,530
Development Charge Deferral and Alternative Payment Arrangements	13,467	12,385
Federal and Provincial gas tax	99,959	102,008
Recreational land (<i>The Planning Act</i>)	6,429	4,634
Unrealized remeasurement losses attributable to funds deferred to future periods	(2,098)	-
	524,819	518,557
Other deferred revenue:		
Subsidy advances from Provincial Ministries for future periods	64,965	33,577
Prepaid deposits	446	455
Prepayment of recreation programs, facility rentals, memberships	2,231	1,932
Vacancy rebate allowances	1,072	675
Boards and commissions	7,315	8,410
Other deferred revenues	360	365
	\$ 601,208	\$ 563,971

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
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9. 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 17: Long-term Liabilities

	Last Year of Obligation	2023	2022
Fanshawe College, with annual principal repayments of \$900, subject to annual budget approval, maturing in 2024	2024	\$ 900	\$ 1,800
		\$ 900	\$ 1,800

Anticipated principal repayments are summarized as follows:

2024	\$ 900
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THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

10. Long-term Debt

Provincial legislation restricts the use of long-term debt to financing only capital expenses. 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 18: Long-term Debt

	2023	2022
Long-term debt issued by the Corporation at various rates of interest ranging from 0.8% to 5.67% (2022 - 0.45% to 5.67%) with maturity dates ranging from May, 2024 to May, 2033.	\$ 185,191	\$ 204,365
Long-term debt issued to Infrastructure Ontario programs at various rates of interest ranging from 2.60% to 4.44% (2022 - 2.60% to 4.44%) with maturity dates ranging from December, 2024 to March, 2030.	12,530	15,388
Long-term debt issued to Canada Mortgage and Housing Corporation at an interest rate of 1.84% to 3.01% (2022 - 1.84% to 3.01%) with term maturity dates ranging from December 2032 to December 2033.	2,895	771
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% (2022 - 2.00% to 2.25%) with maturity dates ranging from April, 2026 to May, 2032.	1,775	2,194
Long-term debt, assumed by unconsolidated local Boards, other municipalities, municipal enterprises and utilities.	(2,352)	(3,138)
	200,039	219,580
Less: Unamortized debenture discount	(1,067)	(1,201)
Net long-term debt	\$ 198,972	\$ 218,379

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

10. Long-term Debt (continued)

Principal repayments are summarized as follows:

Table 19: Principal Repayment Summary

	2024	2025	2026	2027	2028	Beyond	Total
General	\$ 20,534	\$ 16,514	\$ 14,522	\$ 13,212	\$ 10,912	\$ 22,067	\$ 97,761
Water	1,412	1,437	693	300	-	-	3,842
Wastewater	4,033	3,452	3,041	2,461	2,229	-	15,216
Discretionary	490	-	-	-	-	-	490
Obligatory	13,670	13,222	12,552	11,959	10,897	20,430	82,730
	\$ 40,139	\$ 34,625	\$ 30,808	\$ 27,932	\$ 24,038	\$ 42,497	\$ 200,039

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

Table 20: Principal Repayments - Total Charges

	2023	2022
Interest on long-term debt	\$ 5,552	\$ 5,995
Amortization of debenture discount	268	305
Interest on capital lease obligation	-	2
	\$ 5,820	\$ 6,302

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
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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 **\$407,062** (2022 - \$399,530) 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, 2023
(all dollar amounts in thousands of dollars)

11. City Services Payable (continued)

The continuity breakdown is as follows:

Table 21: City Services - Continuity Breakdown

		Roads	Waste Water	Storm Water	Parks & Recreation	Water	Total
City Services Payable	Dec 31, 2021 \$	1,972 \$	72 \$	3,519 \$	1,025 \$	219 \$	6,807
Expenses:							
Value of construction work completed		373	354	1,022	474	23	2,246
Payments:							
From City Services Reserve Funds		(112)	(35)	(745)	(30)	(32)	(954)
City Services Payable	Dec 31, 2022	2,233	391	3,796	1,469	210	8,099
Expenses:							
Value of construction work completed		492	-	740	137	66	1,435
Payments:							
From City Services Reserve Funds		(391)	(254)	(298)	(16)	(23)	(982)
City Services Payable	Dec 31, 2023 \$	2,334 \$	137 \$	4,238 \$	1,590 \$	253 \$	8,552

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

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 22: Employee Benefit Payable

	2023	2022
Post-employment and post-retirement benefits (note 12(a))	\$ 113,285	\$ 110,663
Workplace Safety and Insurance Board Obligation (note 12(b))	80,874	70,026
Vacation credits (note 12(c))	25,158	24,856
Vested sick leave benefits (note 12(d))	367	926
	\$ 219,684	\$ 206,471

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 **\$203,653** (2022 - \$188,586), 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 at of December 31, 2021.

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

Table 23: Post-Employment and Post-Retirement Benefits – Assumptions

Assumptions	2023	2022
	%	%
Discount rate	3.00 - 3.50	3.00
Rate of compensation increase	2.00	2.00
Healthcare cost increases	4.00 – 5.47	4.00 – 5.55

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Notes to Consolidated Financial Statements (continued)
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12. Employee Benefits Payable (continued)

The benefit obligation continuity is as follows:

Table 24: Employee Benefits Payable - Benefit Obligation Continuity

Liability for post-employment and post-retirement benefits	2023	2022
Accrued benefit obligation, January 1	\$ 109,733	\$ 106,738
Current period benefit cost	5,491	5,376
Retirement interest expense	3,272	3,188
Actuarial gain	(6,383)	-
Benefits paid	(5,804)	(5,569)
Accrued benefit obligation, December 31	106,309	109,733
Unamortized actuarial gain	6,976	930
	\$ 113,285	\$ 110,663

Post-employment and post-retirement benefits expense	2023	2022
Current period benefit cost	\$ 5,491	\$ 5,376
Retirement interest expense	3,272	3,188
Amortization of actuarial (gain) loss	(337)	284
Total post-employment and post-retirement benefit expense	\$ 8,426	\$ 8,848

The actuarial loss is amortized over the expected average remaining service life of the related employee group of - years (2022 - 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, 2023, estimated the accrued benefit obligation for workplace safety and insurance existing claims and future pension awards at **\$80,874** (2022 - \$70,026).

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
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12. Employee Benefits Payable (continued)

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

The benefit expense for the fiscal year ending December 31, 2023 includes a charge due to special events. In 2023, the Workplace Safety and Insurance Board of Ontario ("WSIB") expanded the list of presumptive cancers for firefighters and fire investigators to include thyroid and pancreatic cancers retroactively to January 1, 1960. This resulted in a plan amendment of \$4,744, determined as at December 31, 2023, which was recognized in the benefit expense recorded in the consolidated statement of operations for the fiscal year ending December 31, 2023.

Table 25: Self-Insured (Schedule II) Workers Compensation Actuarial - Assumptions

	December 31, 2023
Discount rate	3.50% per annum
Rate of compensation increase	4.40% per annum
Healthcare cost increases	6.50% 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, 2023 is **\$25,158** (2022 - \$24,856).

(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 **\$367** (2022 - \$926) at December 31, 2023. During the year **\$528** (2022 - \$69) 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, 2023 is **\$213** (2022 - \$735). An amount of **\$6** (2022 - \$13) has been contributed in the current year.

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Notes to Consolidated Financial Statements (continued)
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12. Employee Benefits Payable (continued)

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

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.

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

Table 26: Employee Benefits Payable - Anticipated Future Payments

2024	\$	353
2025		14
Total	\$	367

(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 **5,249** (2022 - 5,040) 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, 2023. At that time, the plan reported a **\$4.20** billion actuarial deficit (2022 - \$6.68 billion), based on actuarial liabilities for **\$136.19** billion (2022 - \$130.31 billion) and actuarial assets for **\$131.98** billion (2022 - \$123.64) 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 2023 was **\$33,185** (2022 - \$36,336) for current service. Employer's contributions for current service are included as an expense in the consolidated statement of operations.

13. Asset Retirement Obligations

The Corporation's asset retirement obligations consist of the following:

(a) Landfill closure and post-closure care

The Corporation owns and operates the W12A landfill site and owns various closed landfill sites. The landfill site assets at W12A are broken down into different cells and each cell became active when the cell started accepting waste. Each cell has an estimated useful life of 5 years and at January 1, 2023 there were two assets that had not been fully depreciated. The liability for the closure of operational sites and post-closure care for closed landfill sites has been recognized under PS 3280, Asset Retirement Obligations. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the W12A site including 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, 2023 for landfills are as follows:

- Timing of settlement - the active (W12A) landfill is expected to reach capacity in 2026, which is when the closing costs will be incurred and when the monitoring period will begin. The monitoring costs for the closed landfill sites are presently being incurred.
- Undiscounted liability for W12A - \$75,590
- Undiscounted liability for closed landfill sites - \$10,691
- Inflation rate - 2.00%
- Discount rate - 3.50%
- Estimated time required for post-closure care; active landfill - 75 years
- Estimated remaining time required for post-closure care; closed landfills - 27 years

13. Asset Retirement Obligations (continued)

(b) Asbestos removal

The Corporation owns and operates various buildings that are known or are assumed to contain asbestos, which represents a health hazard upon demolition of the building. There is a legal obligation to remove the asbestos before these buildings are demolished. Following the adoption of PS 3280, Asset Retirement Obligations, the Corporation recognized an obligation relating to 237 buildings that contain or are suspected to contain asbestos material, of which 129 buildings were not fully amortized at January 1, 2023. Each building has an estimated useful life of 40 years.

Key assumptions in determining the liability at December 31, 2023 for asbestos removal and disposal are as follows:

- Timing of settlement - it is unknown when the buildings will be demolished or abatement will occur
- Undiscounted liability for asbestos removal - \$51,858
- Discount rate - due to the unknown timing of retirement, no discount rate was used when estimating the costs
- Estimated time required for retirement activities - at time of demolition only

(c) Removal of underground fuel and oil storage tanks

The Corporation owns various underground fuel and oil storage tanks that have to be removed at the end of their lives. The tanks became a part of the pooled equipment asset for the year in which they were installed. Following the adoption of PS 3280, Asset Retirement Obligations, the Corporation recognized an obligation relating to 27 underground tanks, of which, 17 were not fully amortized at January 1, 2023. Each tank has an estimated useful life of 10 years.

Key assumptions in determining the liability at December 31, 2023 for tank removal are as follows:

- Timing of settlement - it is unknown when the tanks will be removed
- Undiscounted liability for tank removals - \$2,501
- Discount rate - due to the unknown timing of retirement, no discount rate was used when estimating the costs
- Estimated time required for retirement activities - at time of removal only

13. Asset Retirement Obligations (continued)

(d) Removal of leasehold improvements when requested by landlord at the end of a lease

The Corporation has entered into leases with various landlords. Ten of these leases contain a Base Building clause that states that the landlord has the right, at the Corporation's expense, to request the removal of leasehold improvements at the end of the lease. Following the adoption of PS 3280, Asset Retirement Obligations, the Corporation recognized an obligation relating to these 10 leases, of which 5 have associated leasehold improvement assets that were fully amortized, January 1, 2023. Leasehold improvements have an estimated useful life of 7 years. Costs were estimated for the end of each lease and discounted to December 31, 2023 under the assumption that the entire space be stripped and brought back to base building.

Key assumptions in determining the liability at December 31, 2023 for leasehold improvement removals are as follows:

- Timing of settlement - the lease end date ranging from 2026 to 2032
- Undiscounted liability for leasehold improvement removals - \$130
- Inflation rate - 2.00%
- Discount rate - 3.50%
- Estimated time required for retirement activities - at time of removal only

All assets, including their increased costs from asset retirement obligations, are amortized using the straight-line amortization method.

The transition and recognition of asset retirement obligations involved an accompanying increase to the related landfill cells, buildings, equipment (tanks) and leasehold improvement capital assets and the restatement of comparative figures.

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Year ended December 31, 2023
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13. Asset Retirement Obligations (continued)

Changes to the asset retirement obligations in the year are as follows:

Table 27: Asset Retirement Obligation Continuity Schedule

2023	Landfill closure	Asbestos removal	Removal of underground fuel and oil storage tanks	Base building clause	Balance at December 31, 2023
Opening balance	\$ 58,348	\$ 50,777	\$ 2,500	\$ 122	\$ 111,747
Accretion expense	124	-	-	1	125
Change in estimate	(4,740)	1,236	1	-	(3,503)
Liability settled during period	(807)	(155)	-	-	(962)
Closing Balance	\$ 52,925	\$ 51,858	\$ 2,501	\$ 123	\$ 107,407

2022	Landfill closure	Asbestos removal	Removal of underground fuel and oil storage tanks	Base building clause	Balance at December 31, 2022
Opening balance	\$ 54,236	\$ 50,777	\$ 2,500	\$ 122	\$ 107,635
Change in Estimate	4,112	-	-	-	4,112
Closing Balance	\$ 58,348	\$ 50,777	\$ 2,500	\$ 122	\$ 111,747

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14. Tangible Capital Assets

Cost	Balance at December 31, 2022	Additions	Disposals	Balance at December 31, 2023
	(Restated - note 2)			
Land	\$ 514,107	\$ 12,355	\$ 1,543	\$ 524,919
Landfill and land improvements	182,631	10,415	14,243	178,803
Buildings and building improvements	1,215,181	47,063	18,817	1,243,427
Leasehold improvements	9,274	1,911	-	11,185
Machinery, equipment and furniture	346,971	28,050	20,766	354,255
Vehicles	156,350	3,727	7,499	152,578
Water infrastructure	874,049	28,856	3,485	899,420
Wastewater infrastructure	1,760,573	57,909	14,479	1,804,003
Roads infrastructure	1,637,974	81,673	37,640	1,682,007
Computers	17,760	5,222	2,624	20,358
Assets under construction	197,114	236,312	106,715	326,711
Total	\$ 6,911,984	\$ 513,493	\$ 227,811	\$ 7,197,666

Accumulated Amortization	Balance at December 31, 2022	Amortization Expense	Amortization Disposals	Balance at December 31, 2023
	(Restated - note 2)			
Land	\$ -	\$ -	\$ -	\$ -
Landfill and land improvements	98,183	9,346	14,243	93,286
Buildings and building improvements	647,383	35,852	9,340	673,895
Leasehold improvements	3,432	673	-	4,105
Machinery, equipment and furniture	176,207	22,733	16,441	182,499
Vehicles	87,762	12,021	7,458	92,325
Water infrastructure	305,779	16,477	3,483	318,773
Wastewater infrastructure	563,591	30,640	7,898	586,333
Roads infrastructure	634,178	59,855	36,357	657,676
Computers	10,154	5,467	2,625	12,996
Assets under construction	-	-	-	-
Total	\$ 2,526,669	\$ 193,064	\$ 97,845	\$ 2,621,888

	Net Book Value December 31, 2022	Net Book Value December 31, 2023
	(Restated - note 2)	
Land	\$ 514,107	\$ 524,919
Landfill and land improvements	84,448	85,517
Buildings and building improvements	567,798	569,532
Leasehold improvements	5,842	7,080
Machinery, equipment and furniture	170,764	171,756
Vehicles	68,588	60,253
Water infrastructure	568,270	580,647
Wastewater infrastructure	1,196,982	1,217,670
Roads infrastructure	1,003,796	1,024,331
Computers	7,606	7,362
Assets under construction	197,114	326,711
Total	\$ 4,385,315	\$ 4,575,778

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
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14. Tangible Capital Assets (continued)

Cost	Balance at December 31, 2021	Adjustment relating to recognition of Asset		Additions	Disposals	Balance at December 31, 2022
		Retirement Obligations	(note 13)			
Land	\$ 498,203	\$ 132		\$ 16,503	\$ 731	\$ 514,107
Landfill and land improvements	170,346	11,581		8,721	8,017	182,631
Buildings and building improvements	1,136,183	51,945		34,627	7,574	1,215,181
Leasehold improvements	9,039	-		235	-	9,274
Machinery, equipment and furniture	340,280	440		24,300	18,049	346,971
Vehicles	142,333	-		17,355	3,338	156,350
Water infrastructure	847,633	-		31,806	5,390	874,049
Wastewater infrastructure	1,640,274	-		123,984	3,685	1,760,573
Roads infrastructure	1,587,437	-		73,405	22,868	1,637,974
Computers	18,140	-		5,241	5,621	17,760
Assets under construction	142,241	-		162,216	107,343	197,114
Total	\$ 6,532,109	\$ 64,098		\$ 498,393	\$ 182,616	\$ 6,911,984

Accumulated Amortization	Balance at December 31, 2021	Adjustment relating to recognition of Asset		Amortization Expense	Amortization Disposals	Balance at December 31, 2022
		Retirement Obligations	(note 13)			
Land	\$ -	\$ -		\$ -	\$ -	\$ -
Landfill and land improvements	89,473	7,817		8,910	8,017	98,183
Buildings and building improvements	569,622	46,778		36,467	5,484	647,383
Leasehold improvements	2,658	-		575	(199)	3,432
Machinery, equipment and furniture	169,333	175		24,588	17,889	176,207
Vehicles	78,615	-		12,412	3,265	87,762
Water infrastructure	293,495	-		17,359	5,075	305,779
Wastewater infrastructure	536,351	-		29,775	2,535	563,591
Roads infrastructure	597,563	-		58,023	21,408	634,178
Computers	11,518	-		4,257	5,621	10,154
Assets under construction	-	-		-	-	-
Total	\$ 2,348,628	\$ 54,770		\$ 192,366	\$ 69,095	\$ 2,526,669

	Net Book Value December 31, 2021	Net Book Value December 31, 2022
Land	\$ 498,203	\$ 514,107
Landfill and land improvements	80,873	84,448
Buildings and building improvements	566,561	567,798
Leasehold improvements	6,381	5,842
Machinery, equipment and furniture	170,947	170,764
Vehicles	63,718	68,588
Water infrastructure	554,138	568,270
Wastewater infrastructure	1,103,923	1,196,982
Roads infrastructure	989,874	1,003,796
Computers	6,622	7,606
Assets under construction	142,241	197,114
Total	\$ 4,183,481	\$ 4,385,315

14. Tangible Capital Assets (continued)

(a) Assets Under Construction

Assets under construction having a value of **\$326,711** (2022 - \$197,114) 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 **\$44,086** (2022 - \$102,716) comprised predominantly of roads infrastructure in the amount of **\$15,878** (2022 - \$9,426 and water and wastewater infrastructure in the amount of **\$24,979** (2022 - \$88,737).

(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 **\$2,930**. (2022 - \$nil).

14. Tangible Capital Assets (continued)

(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.

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 in the consolidated statement of financial position or expensed in the consolidated statement of operations.

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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15. Accumulated Surplus

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

Table 28: Accumulated Surplus

	2023	2022
		(Restated - note 2)
Surplus		
Invested in tangible capital assets	\$ 4,613,340	\$ 4,349,033
Other	(91,605)	16,793
Local boards	(72)	(33,125)
Equity in government business enterprise	234,893	238,708
Unfunded		
Liability for contaminated sites	(8,842)	(8,842)
Asset retirement obligations	(38,057)	(1,983)
Employee benefits payable	(220,987)	(207,822)
Net long-term debt	(195,680)	(217,381)
Total surplus	4,292,990	4,135,381
Reserves set aside by Council		
Contingencies	113,496	118,116
General operations	51,887	51,575
Total reserves	165,383	169,691
Reserve funds set aside for specific purposes by Council		
Contingencies	179,244	158,653
Infrastructure renewal	366,134	328,559
Acquisition of vehicles	37,230	45,795
Acquisition of facilities	54,771	52,675
Recreational programs and facilities	3,333	3,229
Self-insurance (note 16(b))	19,238	19,161
Sick leave (note 12(d))	213	735
Industrial over sizing	13,347	13,064
Other purposes	458,460	385,529
Special purpose (note 15(a))	83,200	81,609
Total reserve funds	1,215,170	1,089,009
Accumulated surplus before remeasurement losses	5,673,543	5,394,081
Accumulated remeasurement losses	(3,067)	-
Accumulated surplus	\$ 5,670,476	\$ 5,394,081

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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 Table 28: Accumulated Surplus.

(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, 2023, 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, 2023 amounted to **\$19,238** (2022 - \$19,161) and is reported in note 15 of the consolidated financial statements. The contribution for the year of **\$6,297** (2022 - \$5,310) has been reported in the individual revenues on the consolidated statement of operations.

Claims expensed during the year amounting to **\$6,221** (2022 - \$4,673) 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, 2023 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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Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
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17. Loan Guarantees

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 **\$764**. 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, 2023 is **\$2,895** (2022 - \$771).

The maximum exposure to credit risk is the loan guarantee being called, which is **\$3,659**.

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, 2023 that the Corporation will need to make any payments as a result of providing the guarantees.

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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 2023 was **\$1,261** (2022 - \$1,224). 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

2024	\$	5,958
2025		3,396
2026		6,205
2027		2,686
2028		1,135
Beyond		1,533
Total	\$	20,913

(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

2024	\$	17,448
2025		7,823
2026		5,368
2027		2,946
2028		2,964
Beyond		2,170
Total	\$	38,719

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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, 2023:

Table 31: Facilities and Infrastructure Commitments

	2023	2022
Roads	\$ 96,260	\$ 113,941
Water	23,869	35,166
Sanitary Sewer	23,033	19,819
Storm Sewer	21,259	24,311
Transit	20,455	12,427
General Government	11,687	15,787
Fire, POA and Emergency Measures	9,495	1,155
Parks	5,355	3,185
Library Facilities	4,226	-
Waste Collection, Disposal, and Recycling	4,003	11,805
Commercial and Industrial	2,708	2,772
Social and Family Services	2,344	2,498
Recreational Facilities	1,823	5,306
Social Housing	1,514	3,050
Cultural Facilities	542	402
Environmental Services	71	86
Police	-	8
	\$ 228,644	\$ 251,718

These amounts represent uncompleted portions of contracts, as at December 31, 2023, 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, 2023, the Corporation has outstanding commitments remaining on these agreements of **\$7,185** (2022 - \$3,165).

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Notes to Consolidated Financial Statements (continued)
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18. Commitments (continued)

(f) Derivatives

The Corporation has the following derivative contracts as at December 31, 2023:

- Contract, expiring October 31, 2024, for the transportation daily natural gas purchases of 145 gigajoules, with a remaining contract value of **\$142** (2022 -\$170).
- Contract, expiring October 31, 2024, for the transportation daily natural gas purchases of 73 gigajoules, with a remaining contract value of **\$135** (2022 - \$162).
- Contract, expiring October 31, 2024, for the transportation daily natural gas purchases of 59 gigajoules, with a remaining contract value of **\$66** (2022 - \$nil).
- Contract, expiring October 31, 2025, for the transportation daily natural gas purchases of 109 gigajoules, with a remaining contract value of **\$238** (2022 - \$238).
- Contract, fulfilled October 31, 2025, for the transportation daily natural gas purchases of 76 gigajoules, with a remaining contract value of **\$130** (2022 - \$nil).
- Contract, fulfilled October 31, 2026, for the transportation daily natural gas purchases of 111 gigajoules, with a remaining contract value of **\$210** (2022 - \$nil).
- Contract, fulfilled October 31, 2027, for the transportation daily natural gas purchases of 111 gigajoules, with a remaining contract value of **\$219** (2022 - \$nil).

These derivative contracts were purchased to provide price certainty for the cost of natural gas based on the Corporation's expected usage of natural gas, and as such are excluded from the scope of PS 3450, Financial Instruments and are 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

	2023	2022
Revenues		
Fines	\$ 4,193	\$ 3,681
Total revenues	4,193	3,681
Expenses		
Salary, wages and fringe benefits	1,583	1,536
County share of net revenues	96	11
Occupancy costs	99	82
Provincial government cost recovery	455	425
Administration costs	1,301	1,335
Equipment and maintenance	250	252
Total expenses	3,784	3,641
Excess of revenues over expenses	\$ 409	\$ 40

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 2023 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	\$ 219,016	\$ 152,786	\$ 28,660	\$ 37,570
Public Sector Accounting Board (PSAB) reporting requirements:				
Addback (deduct) from net budget PSAB surplus				
Transfers				
Transfers from capital	216	216	-	-
Transfers to capital	(102,736)	(56,306)	(22,713)	(23,717)
Transfers from reserves and reserve funds	9,260	9,260	-	-
Transfers to reserves and reserve funds	(134,312)	(76,798)	(16,366)	(41,148)
	(227,572)	(123,628)	(39,079)	(64,865)
Budget adjustments				
Government grants and subsidies	20,593	20,593	-	-
Expenses related to government grants and subsidies	(14,986)	(14,986)	-	-
Debt principal repayments	132	132	-	-
Transfers to capital	(1,570)	(1,570)	-	-
Transfers from reserves and reserve funds	376	376	-	-
Transfers to reserves and reserve funds	(4,545)	(4,545)	-	-
	\$ -	\$ -	\$ -	\$ -

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Year ended December 31, 2023
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20. Budget Data (continued)

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

	Total	Tax	Water	Wastewater
Debt principal repayments	\$ (31,970)	\$ (27,623)	\$ (108)	\$ (4,239)
PSAB adjustments				
Capital program funding earned in year	(109,232)	(103,097)	(1,425)	(4,710)
Capital projects not resulting in capital assets	79,896	61,676	5,383	12,837
Amortization of tangible capital assets	182,034	104,874	20,717	56,443
Developer contributions - assumed capital assets	(53,661)	(23,698)	(8,517)	(21,446)
Loss on disposal of capital assets	2,700	1,572	544	584
Obligatory reserve fund deferred revenue earned	(39,161)	(26,044)	(1,774)	(11,343)
Government business enterprises adjustments	(6,930)	(6,930)	-	-
Other	(6,449)	(4,124)	(1,294)	(1,031)
Asset retirement obligations	2,304	2,304	-	-
Employee future benefits liability	4,561	4,249	112	200
	56,062	10,782	13,746	31,534
Boards and Commissions budget PSAB Surplus	(15,536)	(12,317)	(3,219)	-
Net Surplus per 2023 Approved Budget	\$ -	\$ -	\$ -	\$ -

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
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20. Budget Data (continued)

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

	Total	Tax	Water	Wastewater
Net surplus per 2023 approved budget – comprised of:				
Revenues				
Property tax	\$ 736,458	\$ 736,458	\$ -	\$ -
Government grants and subsidies	229,099	229,069	-	30
User fees	269,622	59,358	93,560	116,704
Municipal revenues - other	84,241	83,296	135	810
Municipal revenues - transfers from capital	216	216	-	-
Municipal revenues - transfers from reserves and reserve funds	8,884	8,884	-	-
Total revenues	1,328,520	1,117,281	93,695	117,544
Expenses				
Personnel costs	456,022	424,397	12,424	19,201
Administrative expenses	16,554	7,460	3,380	5,714
Financial expenses - other	11,403	11,329	74	-
Financial expenses - Interest and discount on long-term debt	4,657	4,168	3	486
Financial expenses - debt principal repayments	32,102	27,755	108	4,239
Financial expenses - transfers to reserves and reserve funds	129,767	72,253	16,366	41,148
Financial expenses - transfers to capital	101,166	54,736	22,713	23,717
Purchased services	248,513	241,628	3,215	3,670
Materials and supplies	84,340	39,891	33,209	11,240
Furniture and equipment	31,225	26,345	1,730	3,150
Transfers	218,785	215,794	-	2,991
Other expenses	23,625	13,349	2,774	7,502
Recovered expenses	(29,639)	(21,824)	(2,301)	(5,514)
Total expenses	1,328,520	1,117,281	93,695	117,544
Net surplus per 2023 Approved Budget	\$ -	\$ -	\$ -	\$ -

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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

	2023	2022
Net municipal taxation and user charges		
Net municipal taxation	\$ 753,618	\$ 719,842
Payments-in-lieu of taxation	8,936	8,915
	762,554	728,757
User charges	341,932	318,715
	\$ 1,104,486	\$ 1,047,472
Transfer payments		
Operating	\$ 8,221	\$ 18,045
Capital infrastructure	52,044	53,386
Government of Canada - Total	60,265	71,431
Unconditional - operating	1,336	9,987
Conditional – operating	312,596	247,173
Capital infrastructure	20,296	13,952
Province of Ontario - Total	334,228	271,112
Other municipalities	7,886	8,696
	\$ 402,379	\$ 351,239
Investment income		
Investment income - operating	\$ 25,895	\$ 12,722
Investment income - reserves and reserve funds	27,314	17,174
	\$ 53,209	\$ 29,896
Other revenues		
Provincial Offences Fines	\$ 4,193	\$ 3,681
Ontario Lottery & Gaming Corporation	5,132	5,310
Municipal accomodation tax	4,854	3,174
Other contributions - operating	10,417	14,035
Other contributions - capital	8,066	9,463
Donations	653	1,148
Miscellaneous sales	2,655	4,219
	\$ 35,970	\$ 41,030

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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

	2023	2022
		(Restated - note 2)
Salaries, wages and fringe benefits	\$ 562,083	\$ 525,630
Long-term debt interest charges	5,820	6,302
Materials and supplies	155,257	151,730
Contracted services	229,170	174,788
Rents and financial expenses	35,263	35,689
External transfers	222,479	207,382
Amortization of tangible capital assets	193,064	192,391
Total expenses by object	\$ 1,403,136	\$ 1,293,912

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 **\$595** (2022 - \$595).

With respect to the second site, reports indicate that remediation for this site will be required and has been estimated at **\$8,247** (2022 - \$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. 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.

25. Financial instruments and risk management

The Corporation's activities expose it to a range of financial risks. These risks include market risk, (including foreign currency risk, interest rate risk, and other price risk), credit risk and liquidity risk.

(a) Market Risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual instrument, its issuer or general market factors. Market price risk is composed of currency risk, interest rate risk and other price risk.

The Corporation's portfolio investments are exposed to market risk, both within its fixed income and equity holdings predominantly through interest rate risk and price risk. Portfolio investments are predominantly held in Canadian denominated currency.

Within portfolio investments, exposure to interest rate risk; the risk future cashflows or fair values will fluctuate due to volatility in market interest rate risks, exists due to its interest-bearing holdings. Bond valuations are inversely related to interest rates. Management monitors this exposure regularly and estimates that if interest rates increased by 1% and all other variables are held constant, the potential change in unrealized loss on its fair valued fixed income holdings would be \$30,222.

Price risk within portfolio investments is predominantly driven by holdings in diversified Canadian equities and management estimates that a decrease of 1% in the overall equity markets as measured by changes in the S&P/TSX Composite, the potential change in unrealized loss on its fair valued equity holdings would be \$1,846.

Management aims to reduce market risk through diversification of portfolio investments in terms of asset mix, sectors, issuers, and securities.

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

25. Financial instruments and risk management (continued)

(b) Credit Risk

Credit risk is the risk of financial loss if a counterparty fails to honour its contractual obligation. The Corporation is exposed to credit risk on portfolio investments. The Corporation manages this risk through its established credit quality requirements of securities, as outlined in its investment policy and through diversification of its holdings. The Corporation only invests in investment grade securities or issuances and as such, management has assessed the impact of credit risk to portfolio investments as low, with no change year over year.

The credit rating profile for the Corporation's fixed income holdings is as follows:

Credit Rating	2023
AAA	16.6 %
AA	47.2 %
A	33.6 %
BBB	2.6 %
Total	100.0 %

The Corporation is also subject to credit risk with respect to loans and accounts receivables. The Corporation manages credit risk by engaging with recognized, credit worthy third parties. The Corporation has no significant concentration of credit risk with any one individual customer. There were no changes in exposures to credit risk during the year. The outstanding amounts related to financial instruments are presented in the table below.

	Current	31-60 days	61-90 days	91-120 days	Over 120 days	Total
Government receivables	\$ 69,340	\$ -	\$ 1,220	\$ -	\$ -	\$ 70,560
Other account receivables	46,962	1,960	228	245	1,060	50,455
Total	116,302	1,960	1,448	245	1,060	121,015
Less allowance	-	-	-	157	868	1,025
Net receivable	\$116,302	\$ 1,960	\$ 1,448	\$ 88	\$ 192	\$119,990

THE CORPORATION OF THE CITY OF LONDON
Notes to Consolidated Financial Statements (continued)
Year ended December 31, 2023
(all dollar amounts in thousands of dollars)

25. Financial instruments and risk management (continued)

(b) Credit Risk (continued)

The net receivables total amount differs from the amount reported on the consolidated statement of financial position, for items excluded from financial instruments as per PS 3450, Financial Instruments, primarily receivables from government for goods and services tax recoveries, and property taxes.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Loans and long-term receivables	\$ 994	\$ 2,197	\$ 3,873	\$ 39,745	\$ 46,809
Total	\$ 994	\$ 2,197	\$ 3,873	\$ 39,745	\$ 46,809

(c) Liquidity Risk

Liquidity risk is the risk the Corporation will be unable to fulfill its obligations associated with its financial liabilities. The Corporation maintains an unsecured line of credit of \$100,000 (2022 - \$100,000) to ensure funds are available to meet current requirements. As at December 31, 2023, no amount has been drawn on the facility. In addition, the Corporation has \$2,000 of available commercial card credit that can be accessed. Management believes based on its assessment of cash flows it will have access to sufficient capital through internally generated cash, external sources, the undrawn line of credit, as well as commercial card credit, to meet current forecasted expenditures.

The Corporation is also exposed to liquidity risk with respect to accounts payable and accrued liabilities. The majority of accounts payable and accrued liabilities are expected to be settled in thirty days. The maturities of other financial liabilities are provided in the notes to financial statements related to those liabilities.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 194,385	\$ 571	\$ 238	\$ 590	\$ 195,784
Total	\$ 194,385	\$ 571	\$ 238	\$ 590	\$ 195,784

The accounts payable and accrued liabilities total amount differs from the amount reported on the consolidated statement of financial position, for items excluded from financial instruments as per PS 3450, Financial Instruments, primarily payables to government for goods and services tax, employment benefits, and insurance contracts.

26. 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:

(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.

26. Segmented Information (continued)

(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.

26. 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.

26. 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.

26. 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.

26. 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, 2023, with comparative information for 2022
(all dollar amounts in thousands of dollars)

Revenues	Taxation	User Charges	Government Transfers	Developer Contributions	Other	2023	2022
General government	\$ 760,887	\$ 7,256	\$ 672	\$ -	\$ 47,656	\$ 816,471	\$ 801,556
Fire	-	606	1,178	-	963	2,747	639
Police	-	1,490	11,757	-	2,528	15,775	11,390
Other protection services	-	11,699	-	-	4,555	16,254	17,140
Total protection services	-	13,795	12,935	-	8,046	34,776	29,169
Transit	(766)	36,409	11,949	-	1,390	48,982	60,669
Other transportation services	-	3,619	50,795	15,878	40,760	111,052	101,480
Total transportation services	(766)	40,028	62,744	15,878	42,150	160,034	162,149
Water and wastewater	-	210,782	5,429	24,979	11,293	252,483	316,097
Solid waste	-	19,286	9,093	-	2,941	31,320	21,276
Total environmental services	-	230,068	14,522	24,979	14,234	283,803	337,373
Health Services	-	-	6,562	-	157	6,719	6,740
General assistance	-	2	164,157	-	165	164,324	138,627
Assistance to aged persons	-	5,919	19,248	-	123	25,290	24,000
Child care	-	255	100,497	-	121	100,873	62,478
Total social and family services	-	6,176	283,902	-	409	290,487	225,105
Social housing	-	11,285	15,899	(405)	3,216	29,995	43,984
Parks and recreation	-	19,736	2,959	3,634	1,924	28,253	24,421
Libraries	-	420	642	-	638	1,700	1,654
Cultural services	-	1,525	729	-	1,142	3,396	3,521
Total recreation and cultural services	-	21,681	4,330	3,634	3,704	33,349	29,596
Planning, development and compliance	2,433	11,643	813	-	12,075	26,964	23,630
Total revenues	\$ 762,554	\$ 341,932	\$ 402,379	\$ 44,086	\$ 131,647	\$ 1,682,598	\$ 1,659,302

THE CORPORATION OF THE CITY OF LONDON
Consolidated Schedule of Segment Disclosure - Operating Expenses
Year ended December 31, 2023, with comparative information for 2022
(all dollar amounts in thousands of dollars)

EXPENSES										
Expenses	Salaries, wages and fringe benefits	Materials and supplies	Contracted services	External transfers	Amortization	Other	2023	2022		
										(Restated - note 2)
General government	\$ 62,847	\$ 15,750	\$ 11,832	\$ 12	\$ 11,086	\$ 834	\$ 102,361	\$ 106,970		
Fire	73,089	3,359	447	-	3,095	16	80,006	74,372		
Police	141,500	8,000	3,059	-	5,639	243	158,441	144,618		
Other protection services	20,075	3,446	1,792	2,199	367	859	28,738	26,447		
Total protection services	234,664	14,805	5,298	2,199	9,101	1,118	267,185	245,437		
Transit	60,324	27,312	9,193	-	12,655	375	109,859	103,383		
Other transportation services	30,463	21,832	18,163	2	61,126	10,187	141,773	134,546		
Total transportation services	90,787	49,144	27,356	2	73,781	10,562	251,632	237,929		
Water and wastewater	30,642	36,839	14,992	2,985	69,758	11,418	166,634	160,913		
Solid waste	10,755	5,368	16,326	341	3,291	3,870	39,951	44,774		
Total environmental services	41,397	42,207	31,318	3,326	73,049	15,288	206,585	205,687		
Public health services	6,040	584	537	6,119	140	436	13,856	14,099		
Ambulance services	-	-	29,587	-	-	-	29,587	23,621		
Total health services	6,040	584	30,124	6,119	140	436	43,443	37,720		
General assistance	21,938	1,180	23,779	136,611	405	2,834	186,747	161,967		
Assistance to aged persons	25,986	4,430	825	140	1,257	177	32,815	31,845		
Child care	2,448	1,549	56,387	45,691	3	393	106,471	69,573		
Total social and family services	50,372	7,159	80,991	182,442	1,665	3,404	326,033	263,385		

THE CORPORATION OF THE CITY OF LONDON
Consolidated Schedule of Segment Disclosure - Operating Expenses
Year ended December 31, 2023, with comparative information for 2022
(all dollar amounts in thousands of dollars)

EXPENSES								
Expenses	Salaries, wages and fringe benefits	Materials and supplies	Contracted services	External transfers	Amortization	Other	2023	2022
								(Restated - note 2)
Social housing	10,777	3,593	24,125	20,227	3,453	1,331	63,506	59,867
Parks and recreation	28,565	8,271	7,265	36	14,050	5,051	63,238	55,928
Libraries	16,155	3,870	1,264	-	2,765	1,601	25,655	24,602
Cultural services	3,242	1,064	2,688	1,493	1,679	-	10,166	10,086
Total recreation and cultural services	47,962	13,205	11,217	1,529	18,494	6,652	99,059	90,616
Planning, development and compliance	17,387	8,512	6,909	6,773	2,295	1,458	43,334	46,301
Total expenses	\$ 562,233	\$ 154,959	\$ 229,170	\$ 222,629	\$ 193,064	\$ 41,083	\$ 1,403,138	\$ 1,293,912