

**SECTION B**

Consolidated Financial Statements of

**THE CORPORATION OF THE CITY OF  
LONDON**

December 31, 2009

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## **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 Canadian Institute of Chartered Accountants guidelines contained in the 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, 2009.

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

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

The audited Consolidated Financial Statements for City operations include:

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



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## AUDITORS' REPORT

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

We have audited the consolidated statement of financial position of the Corporation of the City of London as at December 31, 2009 and the consolidated statements of operations, net debt and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of London as at December 31, 2009 and the results of its financial operations and changes in net debt and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

Chartered Accountants, Licensed Public Accountants

London, Canada

September 3, 2010

**THE CORPORATION OF THE CITY OF LONDON**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2009, with comparative figures for 2008**

(all dollar amounts in thousands of dollars)

	2009	2008
		(Restated - Note 2)
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 250,122	\$ 283,324
Accounts receivable		
Taxes receivable (Note 4)	30,476	24,009
Other receivables	62,647	35,562
Land held for resale	16,344	16,325
Investments (Note 5)	103,074	123,919
Loans receivable (Note 6)	29,678	30,386
Investment in government business enterprises (Note 7)	195,221	218,727
<b>Total financial assets</b>	<b>687,562</b>	<b>732,252</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	107,294	99,959
Deferred revenue (Note 8)	169,824	159,388
Accrued interest on long-term debt (Note 9)	2,329	2,800
Net long-term debt (Note 9)	266,163	307,551
Long-term liabilities (Note 11)	4,188	7,680
Capital lease obligations (Note 10)	3,263	4,042
Urban works payable (Note 12)	45,973	38,966
Employee benefits payable (Note 13)	100,942	95,182
Solid waste landfill closure and post-closure liability (Note 14)	23,319	22,832
<b>Total financial liabilities</b>	<b>723,295</b>	<b>738,400</b>
<b>Net debt</b>	<b>(35,733)</b>	<b>(6,148)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 15)	2,881,221	2,720,489
Inventories of supplies	2,885	1,069
Prepaid expenses	11,333	12,724
<b>Total non-financial assets</b>	<b>2,895,439</b>	<b>2,734,282</b>
<b>Accumulated surplus (Note 16)</b>	<b>\$ 2,859,706</b>	<b>\$ 2,728,134</b>

Contingent liabilities, loan guarantees, commitments (Note 17, 18, 19)

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

**THE CORPORATION OF THE CITY OF LONDON**  
**Consolidated Statement of Operations**  
**For the year ended December 31, 2009, with comparative figures for 2008**

(all dollar amounts in thousands of dollars)

	<b>Budget</b>	<b>2009</b>	<b>2008</b>
	(Unaudited)		(Restated - Note 2)
<b>Revenues</b>			
Net municipal taxation	\$ 455,434	\$ 464,260	\$ 442,927
User charges	220,470	195,813	193,789
Transfer payments			
Provincial	167,380	171,471	211,305
Federal	23,657	21,260	8,621
Other municipalities	4,269	4,614	4,206
Investment income	1,141	6,566	15,021
Penalties and interest	5,772	7,369	7,198
Development charges earned	-	19,877	26,659
Developer contributions of tangible capital assets	-	60,292	48,785
Other	20,309	27,859	29,195
Equity in earnings of government business enterprises (Note 7)	-	7,617	6,793
<b>Total revenues</b>	<b>898,432</b>	<b>986,998</b>	<b>994,499</b>
<b>Expenses</b>			
General government	66,589	74,720	72,245
Protection to persons and property (Note 20)	148,790	153,507	146,156
Transportation services	86,176	129,905	134,418
Environmental services	97,882	140,513	137,332
Health services	20,204	20,017	19,765
Social and family services (Note 21)	191,881	198,955	189,493
Social housing	38,825	44,031	41,768
Recreation and cultural services	57,695	68,176	68,174
Planning and development	14,351	16,964	21,855
<b>Total expenses</b>	<b>722,393</b>	<b>846,788</b>	<b>831,206</b>
<b>Annual surplus before transition adjustment</b>	<b>176,039</b>	<b>140,210</b>	<b>163,293</b>
<b>Government business enterprise - transition adjustment upon new accounting standard adoption (Note 7)</b>	<b>-</b>	<b>(8,638)</b>	<b>-</b>
<b>Annual surplus</b>	<b>176,039</b>	<b>131,572</b>	<b>163,293</b>
<b>Accumulated surplus, beginning of year</b>	<b>2,728,134</b>	<b>2,728,134</b>	<b>2,564,841</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 2,904,173</b>	<b>\$ 2,859,706</b>	<b>\$ 2,728,134</b>

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

**THE CORPORATION OF THE CITY OF LONDON**  
**Consolidated Statement of Change in Net Debt**  
**For the year ended December 31, 2009, with comparative figures for 2008**

(all dollar amounts in thousands of dollars)

	<b>Budget</b>	<b>2009</b>	<b>2008</b>
	(Unaudited)		(Restated - Note 2)
<b>Annual surplus</b>	\$ 176,039	\$ 131,572	\$ 163,293
Acquisition of tangible capital assets	(232,214)	(141,393)	(118,177)
Assets under construction	-	(80,221)	(52,684)
Developer contributions of tangible capital assets	-	(60,292)	(48,785)
Amortization of tangible capital assets	112,721	112,721	108,475
Proceeds from sale of tangible capital assets	-	2,279	1,372
Loss on sale and disposal of tangible capital assets	-	6,174	4,709
	(119,493)	(160,732)	(105,090)
Change in supplies inventory	-	(1,817)	1,483
Change in prepaid expenses	-	1,392	(3,541)
	-	(425)	(2,058)
<b>Change in net debt</b>	56,546	(29,585)	56,145
<b>Net debt, beginning of year</b>	(6,148)	(6,148)	(62,293)
<b>Net debt, end of year</b>	\$ 50,398	\$ (35,733)	\$ (6,148)

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

THE CORPORATION OF THE CITY OF LONDON  
Consolidated Statement of Cash Flows  
For the year ended December 31, 2009, with comparative figures for 2008

(all dollar amounts in thousands of dollars)

	2009	2008
		(Restated - Note 2)
<b>Cash provided by (used in)</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 131,572	\$ 163,293
<b>Items not involving cash</b>		
Amortization of tangible capital assets	112,721	108,475
Developer contributions of tangible capital assets	(60,292)	(48,785)
Loss on sale and disposal of tangible capital assets	6,174	4,709
Change in employee benefits payable	5,760	4,948
Change in solid waste landfill closure and post-closure liability	487	138
Equity in (earnings) loss of government business enterprises	1,021	(6,793)
Amortization of debenture discount	375	349
<b>Change in non-cash assets and liabilities</b>		
Taxes receivable	(6,468)	2,269
Other receivables	(27,085)	10,437
Land held for resale	(19)	1,198
Accounts payable and accrued liabilities	7,334	(2,259)
Deferred revenue	10,436	21,694
Accrued interest on long term debt	(471)	(207)
Urban works payable	7,008	367
Inventories of supplies	(1,817)	1,483
Prepaid expenses	1,392	(3,540)
<b>Net change in cash from operating activities</b>	<b>188,127</b>	<b>257,776</b>
<b>Capital Activities</b>		
Proceeds from sale of tangible capital assets	2,279	1,372
Increase in assets under construction	(80,221)	(52,684)
Acquisition of tangible capital assets	(141,393)	(118,177)
<b>Net change in cash from capital activities</b>	<b>(219,334)</b>	<b>(169,489)</b>
<b>Investing Activities</b>		
Net decrease (increase) in investments	20,845	(73,095)
Repayment of loans receivable	708	1,007
Repayment of promissory note receivable from government business enterprises	486	456
Dividends from London Hydro Inc.	22,000	2,000
<b>Net change in cash from investing activities</b>	<b>44,039</b>	<b>(69,632)</b>
<b>Financing Activities</b>		
Long-term debt issued	-	6,099
Long-term debt repayments	(41,763)	(39,160)
Long-term liabilities increased	1,188	-
Long-term liabilities repayments	(4,680)	(1,500)
Net increase (decrease) in capital lease obligations	(779)	608
<b>Net change in cash from financing activities</b>	<b>(46,034)</b>	<b>(33,953)</b>
<b>Net change in cash and cash equivalents</b>	<b>(33,202)</b>	<b>(15,298)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>283,324</b>	<b>298,622</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 250,122</b>	<b>\$ 283,324</b>

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



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**1. Significant Accounting Policies**

The consolidated financial statements of the Corporation of the City of London (the "Corporation") are prepared by management, in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant accounting policies are as follows:

**a) Reporting Entity**

These consolidated statements reflect the assets, liabilities, revenues and expenditures 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 which are accounted for on the modified equity basis of accounting.

**(i) Consolidated Entities**

The following local boards are consolidated:

London Police Services Board  
London Transit Commission  
London Public Library Board  
London & Middlesex Housing Corporation  
Old East Village Business Improvement Area  
London Downtown Business Association  
London Convention Centre Corporation  
Covent Garden Market Corporation  
Public Utility Commission  
Museum London

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

**(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 during the year were:

London Hydro Inc.  
Fair-City Joint Venture Partnership

**(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 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 the Province and the County of Middlesex.

(iv) Accounting for School Board Transactions

Although the Corporation collects taxation on behalf of the School Boards, the taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

During the year, **\$159,632** of taxation was collected on behalf of school boards (2008 - \$157,857) and remitted to the school boards during the year.

(v) Trust Funds

Trust funds and their related operations administered by the Corporation are not included in the Consolidated Statement of Financial Position nor have their operations been included on the Consolidated Statement of Operations, as they are reported on the Trust Fund Statements of Continuity and Balance Sheets.

Total net assets of Trust funds administered by the Corporation amounted to **\$3,120** (2008 - \$2,912).

**b) Basis of Accounting**

(i) Accrual Accounting

Revenues and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures 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 agreement 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 expenditures 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.

(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.

i) 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 of the tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life – Years
Landfill and land improvements	5 - 60
Buildings and building improvements	15 - 40
Leasehold improvements	Lease term
Machinery, equipment and furniture	5 - 15
Vehicles	5 - 7
Water and wastewater infrastructure	15 - 100
Roads infrastructure - Base	60
- Surface	15
Computers	3
Computers under capital lease	3

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

ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

iii) Works of art and cultural and historic assets

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

iv) Interest capitalization

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

v) 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.

vi) 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 sewer budgets each year. The approved operating budgets for 2009 are reflected on the Consolidated Statement of Operations. For capital spending, budgets are set for individual projects with funding for these

activities determined annually, transferred from reserve funds or by the application of grants or other funds available to apply to capital projects. Capital budgets are allocated to operating budgets for spending that is not specific to the acquisition of a tangible capital asset. The budgeted annual portion for acquisitions of tangible capital assets is recorded on the Consolidated Statement of Change in Net Financial Assets (Net Debt).

(vi) Use of Estimates

The preparation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles 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 expenditures during the year. These estimates and assumptions, including employee benefits payable, assessment appeals, claims provisions, landfill closure and post-closure liabilities, are based on management's best information and judgment and may differ significantly from future actual results.

In addition, the Corporation's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

**c) Government Transfers**

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 Public Sector Accounting Handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

Government transfers include social assistance program funding representing 80% of certain social service program costs, social service administration funding covering 50% of certain administration costs and transfers for social housing totaling 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 both senior levels of government as a result of an allocation of gas tax funds.

**d) Pension Agreements**

- (i) The Corporation makes contributions to the Ontario Municipal Employees' Retirement System Pension Fund (OMERS), which is a multi-employer plan, on behalf of its employees. 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.

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 2009 was **\$19,031** (2008 - \$18,716) for current service. Employer's contributions for current service are included as an expenditure in the Consolidated Statement of Operations.

- (ii) Effective February 2, 1989, the London Transit Commission commenced participation in OMERS for all active employees at that date, as well as for all new employees. The predecessor contributory defined benefit pension plan which covered substantially all Commission employees up to January 31, 1989 is continued for pension benefits earned to that date.

**e) Tax Revenues**

In 2009 the Corporation received **\$464,260** (2008 - \$442,927) 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 MPAC 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 rising 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.).

**f) Investments**

Investments are recorded at amortized cost less any amounts written off to reflect a permanent decline in value. Investments consist of authorized investments pursuant to provisions of the Municipal Act and comprise government and corporate bonds, debentures, pooled investment funds and short-term instruments of various financial institutions.

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

**g) 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, health

care 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.

## 2. Change in Accounting Policies

The Corporation has implemented Public Sector Accounting Board ("PSAB") sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction.

### Methods used for determining the cost of each major category of tangible capital assets

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The Corporation applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, the *Historical Cost Indices for PSAB 3150 Purposes* report prepared by Watson & Associates Economists Ltd. was used as a resource for determining appropriate indices in order to deflate the replacement or reproduction cost to an estimated historical cost at the year of acquisition.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

#### Accumulated surplus at January 1, 2008

Operating fund balance	\$ 2,810
Capital fund balance	(112,211)
Investment in government business enterprises	214,391
Reserves	56,077
Reserve funds	190,225
Amounts to be recovered	(415,939)
Accumulated surplus, as previously reported	(64,647)
Net book value of tangible capital assets recorded	2,615,399
Land held for resale	17,522
Capital lease obligations	(3,433)
<b>Accumulated surplus, as restated</b>	<b>\$ 2,564,841</b>

#### Annual surplus for 2008

Net revenues, as previously reported	\$ 60,097
Developer contribution of tangible capital assets	48,785
Assets capitalized but previously expensed	170,861
Amortization expense not previously recorded	(108,475)
Loss on disposal of tangible capital assets	(4,709)
Proceeds on disposal reported as revenue	(1,372)
Change in non-financial assets not previously reported as expense	(88)
Change in land held for resale	(1,197)
Change in capital lease obligations	(609)
<b>Annual surplus, as restated</b>	<b>\$ 163,293</b>

### 3. Cash and Cash Equivalents

	2009 \$	2008 \$
Cash on deposit	246,338	280,204
Cash equivalents	3,784	3,120
	<u>250,122</u>	<u>283,324</u>

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

### 4. Taxes Receivable

Taxes receivable are reported net of allowance for doubtful accounts. Balances as at December 31 were as follows:

	2009 \$	2008 \$
Taxes receivable	36,804	28,718
Penalties and interest	1,908	1,923
Allowance for doubtful accounts	(8,236)	(6,632)
	<u>30,476</u>	<u>24,009</u>

**5. Investments**

Investments are comprised of the following:

	2009 \$		2008 \$	
	Cost	Market Value	Cost	Market Value
Pooled investment funds	5,745	5,483	5,465	4,790
Treasury bills	5,733	5,734	18,224	18,287
Guaranteed investment certificates	14,084	14,083	33,165	33,115
One Fund pooled securities	10,000	9,366	10,000	7,392
Asset backed securities	22,379	22,894	16,521	17,426
Strip bonds	14,334	16,235	14,334	13,602
Corporate bonds	7,510	8,032	5,465	5,565
Government bonds	22,733	24,141	19,822	21,102
Other investments	556	561	923	925
	<b>103,074</b>	<b>106,529</b>	<b>123,919</b>	<b>122,204</b>

Guaranteed investment certificates mature on dates ranging from September 2010 to January 2011 and yield interest rates from 0.45% to 3.25% (2008 3.82% to 4.00%).

Corporate bond maturities range from 2011 – 2021 with interest rates ranging from 4.71% to 5.45%.

Government bond maturities range from 2010 – 2018 with interest rates ranging from 4.0% to 5.75%.

Asset backed securities are mortgage bonds (bonds secured by a mortgage on a property) with maturity dates ranging from 2010 to 2018 with interest rates ranging from 3.55% to 4.10%.

Strip bonds are zero coupon bonds with maturity dates that range from 2011 to 2015 with yields to maturity ranging from 4.61% to 5.165%.

The cost of certain investments exceeds market values at December 31, 2009. Given the current volatility of the investment marketplace, management is monitoring the situation, but is of the opinion that the loss in value is a temporary decline.



**6. Loans Receivable**

	<b>2009</b> <b>\$</b>	<b>2008</b> <b>\$</b>
Non-interest bearing, 10-year loan to the Western Fair Association to construct the Equestrian Tunnel, repayable in annual installments of \$275,000 - matures December 31, 2012	<b>825</b>	1,100
Subordinate Loan – City of London Arena Trust	<b>28,853</b>	29,286
	<b>29,678</b>	30,386

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 John Labatt Centre 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, **\$433** (2008 - \$732) was received as a payment on the loan.

**7. Investment in Government Business Enterprises**

The Corporation holds a 100% interest in London Hydro Inc. and a 50% interest in the Fair-City Joint Venture Partnership as follows:

		<b>2009</b> <b>\$</b>	<b>2008</b> <b>\$</b>
London Hydro Inc.	a)	<b>182,133</b>	204,444
Fair-City Joint Venture Partnership	b)	<b>13,088</b>	14,283
		<b>195,221</b>	218,727

**a) Investment in London Hydro Inc.**

	2009 \$	2008 \$
<b>Financial Position</b>		
Current assets	64,382	77,112
Regulatory assets	2,652	1,185
Capital assets	194,969	188,635
Future income taxes	9,302	8,140
Total assets	<u>271,305</u>	<u>275,072</u>
Current liabilities	54,904	41,367
Regulatory liabilities	17,593	11,501
Deferred revenue	7,261	8,723
Employee future benefits	9,414	9,037
Long-term debt due to City of London	<u>70,000</u>	<u>70,000</u>
Total liabilities	<u>159,172</u>	<u>140,628</u>
Net assets	<u>112,133</u>	<u>134,444</u>
<b>Financial Activities</b>		
Revenues	54,204	52,335
Operating expenses	(44,008)	(43,389)
Other income	1,016	720
Income tax expense	<u>(2,885)</u>	<u>(2,873)</u>
Net earnings	8,327	6,793
Dividends	(22,000)	(2,000)
Transition adjustment upon new accounting standard adoption	(8,638)	-
Net assets, beginning of year	<u>134,444</u>	<u>129,651</u>
Net assets, end of year	<u>112,133</u>	<u>134,444</u>
Add back promissory note due to the Corporation	<u>70,000</u>	<u>70,000</u>
<b>Investment in London Hydro Inc.</b>	<u>182,133</u>	<u>204,444</u>

**i) Rate Regulated Operations**

Effective January 1, 2009, London Hydro Inc. has adopted the amended sections of the CICA Handbook Section 1100, Generally Accepted Accounting Principles, CICA Handbook Section 3465, Income Taxes and Accounting Guideline 19 – “Disclosures by Entities Subject to Rate Regulation”.

The amendment to CICA Handbook Section 3465 states that where future income taxes may be expected to be included in approved rates charged to customers in the future and to be recovered or returned to future customers, the recognition of a regulatory asset or liability for the increase or reduction in future revenue is required. Furthermore, the regulatory asset or liability established by this requirement is a temporary difference for which an additional future income tax asset or liability is recognized. This change has been applied on a retroactive basis without restatement of prior periods. As a result of this change, opening

retained earnings decreased by \$8.6 million and regulatory liabilities and future income tax assets increased by \$12.0 million and \$3.4 million respectively at January 1, 2009.

ii) **Regulatory Assets and Liabilities**

The Ontario Energy Board allows distribution companies to recover amounts incurred in preparation for opening of the electricity market, as well as amounts comprising variances between amounts charged by the Independent Electricity Market operator and amounts charged to retail customers. Costs associated with the discretionary metering activities under the Provincial Smart Meter Program have been authorized to be recovered through the rates. Net regulatory amounts recoverable totalled **\$2,652** (2008 - \$1,185). The current portion recoverable is **\$1,752** (2008 - \$395). Net regulatory liabilities for 2009 were **\$17,593** (2008 - \$11,501).

iii) **Letters of Credit**

London Hydro Inc. has provided **\$6,600** (2008 - \$6,600) in bank standby letters of credit to the independent Electricity System Operator, as required by regulation.

iv) **Related Party Transactions**

The Corporation has contracted with London Hydro Inc. to provide billing and collection services for water and sewer charges on a cost recovery basis. Expenditures for the year were **\$3,200** (2008 - \$3,300) and are included on the Consolidated Statement of Operations. At December 31, 2009, the Corporation has a receivable of **\$6,217** (2008 - \$8,269) for water and sewer charges collected by London Hydro Inc.

The Corporation also charged London Hydro Inc. rent totalling **\$100** (2008 - \$100) and received interest of **\$4,200** (2008 - \$4,200) on the promissory note receivable. Both amounts were recorded as revenues on the Consolidated Statement of Operations. The Corporation also received **\$2,000** (2008 - \$2,000) in dividend payments, which were recorded as a reduction in the investment in government business enterprises. The Corporation also received a special dividend of \$20,000 from London Hydro, \$10,000 paid in 2009, the second \$10,000 payable in 2010. This also was recorded as a reduction in the investment in government business enterprises.

b) **Fair-City Joint Venture Partnership**

- i) 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 has repaid **\$5,000** of the above-noted loan, the Corporation's equity interest will decrease proportionately based on additional repayments, until the loan is completely repaid and the equity interest has decreased to 30%. During the first five years of operation, 100% of profits were paid to the Western Fair Association. In the current year there was no profit available for distribution to the Corporation.

- ii) The Corporation also has an Ice Rental Agreement with the Fair-City Joint Venture Partnership for 240 hours per year. **\$1,676** was paid for ice rental in 2009 (2008 - \$1,553), which was recorded as an expenditure in the Consolidated Statement of Operations.

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Notes to the Consolidated Financial Statements

Year ended December 31, 2009

(all dollar amounts in thousands of dollars)

Summary financial information is as follows:

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Position</b>		
Current assets	<b>1,078</b>	1,376
Capital assets	<b>17,698</b>	17,279
	<b>18,776</b>	18,655
Accrued liabilities	<b>884</b>	898
Reserves	<b>114</b>	381
Partners' capital	<b>656</b>	757
Long term debt	<b>8,543</b>	9,044
Total liabilities	<b>10,197</b>	11,080
Net Assets	<b>8,579</b>	7,575
<b>Financial Activities</b>		
Revenues	<b>3,328</b>	3,382
Operating expenses	<b>(2,591)</b>	(2,815)
Net earnings	<b>737</b>	567
Capital contribution (reduction) to reserve	<b>267</b>	(66)
Net earnings available to venturers	<b>1,004</b>	501
Net assets, beginning of year	<b>7,575</b>	7,074
Net assets, end of year	<b>8,579</b>	7,575
City's Portion of Net Assets – 50%	<b>4,290</b>	5,000
Promissory note due to City of London	<b>8,798</b>	9,283
<b>Investment in Fair-City Joint Venture Partnership</b>	<b>13,088</b>	14,283

**8. Deferred Revenue**

Deferred revenue on the Consolidated Statement of Financial Position is comprised of the following:

	2009 \$	2008 \$
<b>Funds deferred to future periods for specific purposes by legislation, regulation or agreement:</b>		
Development Charges Act		
- Recreation and transit	8,383	12,946
- Capital infrastructure	80,026	76,872
Federal and Provincial Gas Tax	38,663	37,964
Recreational Land (The Planning Act)	2,448	2,309
Capital infrastructure for transit and cultural services	22,811	12,847
	<b>152,331</b>	<b>142,938</b>
<b>Other deferred revenue:</b>		
Subsidy advances from Provincial Ministries for future periods	7,487	6,875
Prepaid Deposits	875	3,128
Other Deferred Revenues	9,131	6,447
	<b>169,824</b>	<b>159,388</b>

**9. Net Long-term Debt**

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

a) Net long-term debt is as follows:

	2009 \$	2008 \$
Long-term debt issued by the Corporation at various rates of interest ranging from 3.00% to 6.45% (2008 - 3.00% to 6.45%)	185,800	220,951
Long-term debt issued by Ontario Infrastructure Projects Corporation at various rates of interest ranging from 2.40% to 2.82% (2008 - 2.40% to 2.69%)	83,691	91,008
Long-term debt, assumed by unconsolidated local Boards, other municipalities, municipal enterprises and utilities	(3,328)	(4,408)
<b>Net long-term debt at the end of the year</b>	<b>266,163</b>	<b>307,551</b>

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Notes to the Consolidated Financial Statements

Year ended December 31, 2009

(all dollar amounts in thousands of dollars)

Principal repayments are summarized as follows:

<b>Recoverable From</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Beyond</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
General municipal revenues	20,121	20,674	19,572	15,128	12,358	54,227	<b>142,080</b>
Water user rates	273	288	303	320	337	1,569	<b>3,090</b>
Sewer user rates	6,333	6,457	6,347	4,847	3,883	38,823	<b>66,690</b>
Benefiting landowners	188	190	175	157	205	-	<b>915</b>
Discretionary reserve funds	5,166	5,370	5,025	4,190	3,487	23,512	<b>46,750</b>
Obligatory reserve funds	924	931	905	912	767	2,199	<b>6,638</b>
	<b>33,005</b>	<b>33,910</b>	<b>32,327</b>	<b>25,554</b>	<b>21,037</b>	<b>120,330</b>	<b>266,163</b>

b) Total charges for the year for net long-term debt which are reported on the Consolidated Statement of Operations are as follows:

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Interest	<b>13,617</b>	15,232
Amortization of debenture discount	<b>375</b>	349
	<b>13,992</b>	15,581

**10. Capital Lease Obligations**

	<b>2009</b>	<b>2008</b>
2010 and prior	<b>\$ 1,938</b>	\$ 3,588
2011	<b>1,146</b>	674
2012	<b>372</b>	28
Minimum lease payments	<b>3,456</b>	4,290
Less amount representing interest at rates ranging from 5% to 9.42% (2008 – 5% to 9.42 %)	<b>193</b>	248
Present value of net minimum capital lease payments	<b>\$ 3,263</b>	\$ 4,042

**11. Long-term Liabilities**

The Corporation has committed to provide capital grants to The University of Western Ontario and Fanshawe College. Although most capital grants are subject to annual budget approval and are therefore not liabilities, the Corporation has committed to these multi-year grants in advance which

are included in long-term liabilities. The Corporation has also entered into a funding agreement for municipal infrastructure works, repayable over an established time frame in the agreement.

Last year of commitment:		2009 \$	2008 \$
University of Western Ontario	2012	2,500	3,500
Fanshawe College	2010	500	1,000
Municipal Infrastructure Works Agreement		-	3,180
OMEX Insurance		1,188	-
		<u>4,188</u>	<u>7,680</u>

**12. Urban Works Payable**

The Corporation operates a system of funding developer claims for construction of infrastructure works. The claimable works generally benefit areas beyond the boundaries of the subdivision or development which triggers the requirement for the works, and the cost of these works is shared through development charge collections administered by the Corporation through the Urban Works Reserve Fund (the "Fund").

Claims are subject to approval by the Corporation. Payment of approved claims are further subject to annual limits, and are only payable when sufficient funds have been accumulated to liquidate claims. Liquidation of approved claims may be delayed indefinitely, until sufficient funds have accumulated to allow for their settlement.

As at December 31st of each year, the value of all substantially completed work 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 Fund, including a reliance on development charges received as the source for repayment. At December 31<sup>st</sup> there is \$483 (2008 - \$593) in the Urban Works Reserve Fund and \$4,206 (2008 - \$5,023) in the Urban Works Storm Water Management Reserve Fund to fund this liability.

		<u>Roads</u> \$	<u>Sanitary Sewer</u> \$	<u>Storm Sewer</u> \$	<u>Storm Water</u> \$	<u>Total</u> \$
<b>Urban Works Payable</b>	<b>Dec 31, 2007</b>	<b>(12,250)</b>	<b>(6,354)</b>	<b>(9,619)</b>	<b>(10,376)</b>	<b>(38,599)</b>
<b>Expenditures :</b>						
Value of Construction Work Completed	2008	(1,754)	(6,774)	(1,592)	(2,589)	(12,709)
<b>Financing :</b>						
From Urban Works Reserve Fund	2008	4,169	2,016	3,655	2,502	12,342
<b>Urban Works Payable</b>	<b>Dec 31, 2008</b>	<b>(9,835)</b>	<b>(11,112)</b>	<b>(7,556)</b>	<b>(10,463)</b>	<b>(38,966)</b>
<b>Expenditures :</b>						
Value of Construction Work Completed	2009	(3,509)	(3,565)	(3,857)	(3,700)	(14,631)
<b>Financing :</b>						
From Urban Works Reserve Fund	2009	741	1,373	3,031	2,478	7,623
<b>Urban Works Payable</b>	<b>Dec 31, 2009</b>	<b>(12,603)</b>	<b>(13,304)</b>	<b>(8,832)</b>	<b>(11,684)</b>	<b>(45,973)</b>

The estimated future repayments of developer claims are as follows:

2010	2011	2012	2013	2014	Beyond	Total
\$	\$	\$	\$	\$	\$	\$
4,800	5,533	5,694	5,808	5,924	18,214	45,973

### 13. 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:

	2009	2008
	\$	\$
Post employment and post retirement benefits a)	52,380	44,435
Workplace Safety and Insurance Board b)	24,970	27,729
Obligation		
Vacation credits c)	12,887	12,205
Vested sick benefits d)	10,705	10,813
	100,942	95,182

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 **\$16,866** (2008 - \$15,135), and the Reserve balances at the end of the year are **\$28,296** (2008 - \$21,719).

#### 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 financial statements are based on the most recent actuarial valuation performed as of December 31, 2009.

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

	2009	2008
	%	%
Discount rate	5.0	5.0
Rate of compensation increase	3.0	3.0
Healthcare cost increases	4.5 – 10.0	5.0 - 10.0



The benefit obligation continuity is as follows:

	2009 \$	2008 \$
Liability for post employment and post retirement benefits:		
Accrued benefit obligation, January 1	58,303	55,296
Current period benefit cost	3,212	2,265
Retirement interest expenditure	3,338	2,667
Actuarial loss	5,093	-
Plan amendments	2,222	-
Benefits paid	(2,541)	(1,925)
Accrued benefit obligation, December 31	69,627	58,303
Unamortized actuarial loss	(17,247)	(13,868)
Liability for post employment and post retirement benefits	52,380	44,435
Post employment and post retirement benefits expense:		
Current period benefit cost	3,212	2,265
Retirement interest expenditure	3,338	2,667
Plan amendment	2,222	-
Amortization of actuarial loss	1,714	1,157
Total post employment and post retirement benefit expense	10,486	6,089

The actuarial loss is amortized over the expected average remaining service life of the related employee group of 14 years (2008 – 13 years).

#### b) Workplace Safety and Insurance Board Obligation

The Corporation is a Schedule 2 employer under the Workplace Safety and Insurance Act, and as such assumes responsibility for financing its workplace safety insurance costs. The amount is determined using the estimated value of future benefit costs provided by WSIB and any additional information known to the Corporation about future obligations.

#### 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, 2009 is \$12,887 (2008 - \$12,205).

#### 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 \$10,705 (2008 - \$10,813) at the end of the year. During the year \$836 (2008 - \$1,103) was paid to employees who left the Corporation's employment.

Reserve funds and reserves have been established to partially provide for this past service liability. The Reserve Funds balance at the end of the year is \$7,500 (2008 - \$7,277), the Reserves balance at the end of the year is \$134 (2008 - \$149). An amount of \$1,044 (2008 - \$1,106) has been contributed in the current year and is reported on the Consolidated Statement of Operations.

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

2010	2011	2012	2013	2014	Thereafter	Total
\$	\$	\$	\$	\$	\$	\$
2,536	999	766	1,207	927	4,270	10,705

#### 14. Landfill Closure and Post-Closure Liability

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

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

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

Key assumptions in determining the liability at December 31, 2009 for landfills are as follows:

Active (W12A) landfill is expected to reach capacity in 2023	
Remaining capacity of active (W12A) as at December 31, 2009	3.2 million tonnes
Expected closing cost in 2009 dollars	\$2,000
Inflation rate	3.0%
Discount rate	5.0%
Estimated time required for post-closure care - active landfill	75 years
Estimated remaining time required for post-closure care – closed landfills	40-45 years

	2009	2008
	\$	\$
Active landfill (W12A) closure, site rehabilitation and monitoring obligation	14,061	13,421
Closed landfills site rehabilitation and monitoring obligation	9,258	9,411
	<u>23,319</u>	<u>22,832</u>

A Reserve Fund has been established to partially provide for this sanitary landfill site closure and post-closure liability. The Reserve Fund balance at the end of the year is **\$13,391** (2008 - \$13,677).

**THE CORPORATION OF THE CITY OF LONDON**
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Notes to the Consolidated Financial Statements

Year ended December 31, 2009

(all dollar amounts in thousands of dollars)

**15. Tangible Capital Assets**

Cost	Balance at December 31, 2008	Additions	Disposals	Balance at December 31, 2009
Land	329,740	6,077	788	335,029
Landfill and land improvements	96,139	9,705	2,628	103,217
Buildings and building improvements	676,245	23,298	6,084	693,459
Leasehold improvements	2,824	562	-	3,386
Machinery, equipment and furniture	296,350	24,001	11,358	308,993
Vehicles	88,288	4,762	3,318	89,732
Water and wastewater infrastructure	1,468,419	80,186	6,183	1,542,421
Roads infrastructure	844,585	47,259	20,404	871,439
Computers	5,474	438	191	5,721
Computers under capital lease	9,917	5,397	4,478	10,836
Assets under construction	148,026	80,221	-	228,247
<b>Total</b>	<b>3,966,007</b>	<b>281,906</b>	<b>55,432</b>	<b>4,192,481</b>

Accumulated Amortization	Balance at December 31, 2008	Amortization Expense	Amortization Disposal	Balance at December 31, 2009
Land	-	-	-	-
Landfill and land improvements	39,008	5,211	2,628	41,591
Buildings and building improvements	256,890	19,359	3,135	273,114
Leasehold improvements	439	386	-	825
Machinery, equipment and furniture	146,912	20,171	11,261	155,822
Vehicles	40,544	7,594	2,818	45,320
Water and wastewater infrastructure	430,407	27,663	4,069	454,001
Roads infrastructure	323,261	27,337	18,399	332,199
Computers	2,987	457	191	3,252
Computers under capital lease	5,069	4,543	4,478	5,135
Assets under construction	-	-	-	-
<b>Total</b>	<b>1,245,517</b>	<b>112,721</b>	<b>46,979</b>	<b>1,311,259</b>

	Net book value December 31, 2008	Net book value December 31, 2009
Land	329,740	335,029
Landfill and land improvements	57,131	61,626
Buildings and building improvements	419,355	420,345
Leasehold improvements	2,386	2,561
Machinery, equipment and furniture	149,438	153,171
Vehicles	47,744	44,413
Water and wastewater infrastructure	1,038,012	1,088,420
Roads infrastructure	521,323	539,239
Computers	2,486	2,468
Computers under capital lease	4,848	5,701
Assets under construction	148,026	228,247
<b>Total</b>	<b>2,720,489</b>	<b>2,881,221</b>

**THE CORPORATION OF THE CITY OF LONDON**
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Notes to the Consolidated Financial Statements

Year ended December 31, 2009

(all dollar amounts in thousands of dollars)

Cost	Balance at December 31, 2007	Additions	Disposals	Balance at December 31, 2008
Land	324,182	7,081	1,523	329,740
Landfill and land improvements	92,953	5,653	2,467	96,139
Buildings and building improvements	668,858	10,301	2,914	676,245
Leasehold improvements	1,521	1,303	-	2,824
Machinery, equipment and furniture	282,859	21,133	7,642	296,350
Vehicles	83,477	17,744	12,933	88,288
Water and wastewater infrastructure	1,422,096	50,441	4,118	1,468,419
Roads infrastructure	817,996	48,299	21,710	844,585
Computers	5,756	1,887	2,169	5,474
Computers under capital lease	10,198	3,120	3,401	9,917
Assets under construction	95,342	52,684	-	148,026
<b>Total</b>	<b>3,805,238</b>	<b>219,646</b>	<b>58,877</b>	<b>3,966,007</b>

Accumulated Amortization	Balance at December 31, 2007	Amortization Expense	Amortization Disposal	Balance at December 31, 2008
Land	-	-	-	-
Landfill and land improvements	37,000	4,475	2,467	39,007
Buildings and building improvements	241,147	18,636	2,893	256,890
Leasehold improvements	171	267	-	438
Machinery, equipment and furniture	134,958	19,347	7,393	146,912
Vehicles	44,012	7,558	11,026	40,544
Water and wastewater infrastructure	407,103	26,465	3,161	430,407
Roads infrastructure	316,813	26,735	20,287	323,261
Computers	3,512	1,644	2,169	2,987
Computers under capital lease	5,123	3,348	3,401	5,070
Assets under construction	-	-	-	-
<b>Total</b>	<b>1,189,839</b>	<b>108,475</b>	<b>52,797</b>	<b>1,245,517</b>

	Net book value December 31, 2007	Net book value December 31, 2008
Land	324,182	329,740
Landfill and land improvements	55,953	57,132
Buildings and building improvements	427,711	419,355
Leasehold improvements	1,350	2,386
Machinery, equipment and furniture	147,901	149,438
Vehicles	39,465	47,744
Water and wastewater infrastructure	1,014,993	1,038,012
Roads infrastructure	501,183	521,323
Computers	2,244	2,486
Computers under capital lease	5,075	4,847
Assets under construction	95,342	148,026
<b>Total</b>	<b>2,615,399</b>	<b>2,720,489</b>

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**a) Assets under construction**

Assets under construction having a value of **\$228,247** (2008 - \$148,026) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**b) Contributed Tangible Capital Assets**

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is **\$60,292** (2008 - \$48,785) comprised predominantly of roads infrastructure in the amount of **\$4,353** (2008 - \$13,437) and water and wastewater infrastructure in the amount of **\$54,926** (2008 - \$32,353).

**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.

**e) Write-down of Tangible Capital Assets**

There were no write-downs of tangible capital assets during the year (2008 - \$nil).

**THE CORPORATION OF THE CITY OF LONDON****B.28**

Notes to the Consolidated Financial Statements

Year ended December 31, 2009

(all dollar amounts in thousands of dollars)

**16. Accumulated Surplus**

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

	2009	2008
	\$	\$
<b>Surplus (deficit):</b>		
Invested in tangible capital assets	2,884,817	2,719,933
Other	(174,789)	(115,351)
Local boards	447	350
Equity in government business enterprise	195,221	218,727
Unfunded		
Landfill closure and post closure liability	(23,319)	(22,832)
Employee benefits payable	(99,760)	(95,147)
Net long-term debt	(228,219)	(262,661)
Accrued interest on long-term debt	(639)	(709)
<b>Total surplus</b>	<b>2,553,759</b>	<b>2,442,310</b>
<b>Reserves set aside by Council:</b>		
Working capital	8,101	8,101
Contingencies	67,311	44,014
General operations	15,984	13,085
<b>Total reserves</b>	<b>91,396</b>	<b>65,200</b>
<b>Reserve funds set aside for specific purpose by Council:</b>		
Infrastructure renewal	76,838	87,800
Acquisition of vehicles	15,779	13,664
Acquisition of facilities	14,558	14,549
Recreational programs & facilities	192	434
Self insurance	14,738	15,106
Sick leave	7,500	7,277
Industrial oversizing	21,350	24,265
Other purposes	63,596	57,529
<b>Total reserve funds</b>	<b>214,551</b>	<b>220,624</b>
<b>Accumulated surplus</b>	<b>2,859,706</b>	<b>2,728,134</b>

**17. Contingent Liabilities****a) Legal Actions**

As at December 31, 2009, 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 financial statements.

Estimated costs to settle claims are based on available information and projections of estimated future expenditures developed from the Corporation's historical experience. Claims are reported as an operating expenditure in the year of the loss, where the costs are deemed to be likely and can be reasonably determined. Claims are reported as a liability in the Consolidated Statement of Financial Position.

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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 for liability claims. The insured and self-insured boards are: Museum London, London Convention Centre Corporation, Covent Garden Market Corporation, London Police Services Board, Middlesex-London Health Unit, London Transit Commission and London & Middlesex Housing Corporation.

The Corporation has made provision for a reserve fund for self insurance which as at December 31, 2009 amounted to **\$14,738** (2008 - \$15,106) and is reported in Note 16 of the Financial Statements. The contribution for the year of **\$2,886** (2008 - \$4,027) has been reported in the individual revenues on the Consolidated Statement of Operations.

Claims expensed during the year amounting to **\$3,194** (2008 - \$3,022) have been reported with individual expenditures on the Consolidated Statement of Operations. The payment of these expenditures was funded through the Self Insurance Reserve Fund.

There were unsettled liability claims against the Corporation as at December 31, 2009 to be paid from the Self Insurance Reserve Fund. In the opinion of legal counsel, the probable outcome of these claims cannot be determined at this time.

**18. Loan Guarantees**

The Corporation has entered into an agreement which guarantees the borrowings of the Grand Theatre up to a maximum of **\$750** (2008 - \$750) in exchange for a mortgage on the land and building of the Grand Theatre.

The Corporation has entered into an agreement which under certain conditions guarantees the borrowings of Orchestra London up to a maximum of **\$500** (2008 - \$500) for the period ending December 2014.

The Corporation entered into agreements which, under certain conditions, guarantee a \$7 million loan from the Pacific & Western Bank of Canada to the trustee of the City of London Arena Trust. The outstanding principal of this loan at December 31, 2009 is **\$5,536** (2008 - \$5,800).

The Corporation has entered into an agreement, which under certain conditions, guarantees to assume the purchase and payment of block power on behalf of the Joint Water Boards. The Corporation has posted performance letters of credit as a condition of its contract in the amount of **\$5,000**. There is no amount outstanding and no anticipated loss from this guarantee.

**19. Commitments**

- a) 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 2009 is **\$1,203** (2008 - \$1,163). Payments are based on the base year of 1997 at \$1,000 and are calculated contingent on annual assessment and tax rate increases.

**THE CORPORATION OF THE CITY OF LONDON****B.30**

Notes to the Consolidated Financial Statements

Year ended December 31, 2009

(all dollar amounts in thousands of dollars)

- b) The Corporation has future commitments on the Downtown Rehabilitation Program, which is a program that allows for future reductions in property taxes. The future commitments are as follows:

2010	2011	2012	2013	2014	Beyond	Total
\$	\$	\$	\$	\$	\$	\$
590	1,651	2,196	1,879	1,499	3,600	11,415

- c) Contractual Obligations

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

2010	2011	2012	2013	2014	Beyond	Total
\$	\$	\$	\$	\$	\$	\$
23,877	5,920	3,255	1,628	1,273	5,059	41,012

The Corporation has the following outstanding commitments remaining on facilities and infrastructure contracts as at December 31, 2009:

	2009	2008
	\$	\$
Sanitary Sewer	7,174	9,905
Police	737	8,151
Roads	12,476	7,654
Water	46,356	5,381
Storm Sewer	4,573	5,314
Recreation Facilities	3,963	4,324
General Government	2,738	2,593
Waste Disposal and Recycling	523	1,827
Commercial and Industrial	3,968	1,363
Transit	21,502	795
Cultural Facilities	161	530
Parks	1,254	-
Fire	1,505	-
	<b>106,930</b>	<b>47,837</b>

The majority of payments on these outstanding commitments will be made in 2010.



## d) Derivatives

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

- Contract, expiring October 31, 2010, for average daily natural gas purchases of 199 gigajoules, with a remaining contract value of \$343
- Contract, expiring October 31, 2012, for average daily natural gas purchases of 199 gigajoules, with a remaining contract value of \$1,350
- Contract, expiring April 30, 2010, for total electricity purchases of 1,085 megawatt hours, with a remaining contract value of \$57
- Contract, expiring December 31, 2010, for total electricity purchases of 1,523 megawatt hours, with a remaining contract value of \$96
- Contract, expiring April 30, 2011, for total electricity purchases of 747 megawatt hours, with a remaining contract value of \$47

These derivative contracts were purchased to provide price certainty for the majority of the Corporation's natural gas and electricity needs over the terms of the contracts. The values of these contracts are not reflected as assets or liabilities in these financial statements.

## 20. Provincial Offences Court Administration and Prosecution

On March 26, 2001, pursuant to Bill 108, the Corporation of the City of London 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 City of London. 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 City was required to establish its own administration, prosecution office and courtrooms to deal with charges laid under the Provincial Offences Act.

	2009 \$	2008 \$
<b>Revenues</b>		
Fines	<u>5,341</u>	<u>5,666</u>
<b>Expenditures</b>		
Salary, wages and benefits	1,301	1,314
County share of net revenues	311	352
Occupancy costs	319	284
Provincial government cost recovery	388	438
Administration costs	912	984
Equipment and maintenance	<u>246</u>	<u>277</u>
<b>Total expenditures</b>	<u>3,477</u>	<u>3,649</u>
<b>Net revenues over expenditures</b>	<u>1,864</u>	<u>2,018</u>

These results comprise part of the operating fund balance and are included in the Consolidated Statement of Operations.

**21. Child Care and Hostel Subsidy Balance Reconciliation**

The Corporation has a service contract with the Ministry of Community and Social Services and the Ministry of Children and Youth Services. A reconciliation report summarizes, by business unit code, all revenues and expenditures and identifies any resulting surplus or deficit that relates to the Service Contract. A review of this report shows overall programs to be in a surplus position as at December 31, 2009. Any unspent amounts are reflected as accounts payable and accrued liabilities in the Consolidated Statement of Financial Position.

<b>Program Funded</b>	<b>2009 Subsidy Received \$</b>	<b>2009 Subsidy Spent \$</b>	<b>Unspent Funds \$</b>
Child Care – Day Nurseries Act	19,898	19,898	-
Early Learning Child Care	2,100	2,100	-
Best Start Child Care	5,589	5,589	-
Homelessness Programs	540	540	-
Domiciliary Hostels	199	199	-
Energy Emergency	69	69	-
Clawbacks	-	(2)	2
<b>Total</b>	<b>28,395</b>	<b>28,393</b>	<b>2</b>

**22. Budget Data - unaudited**

Budget data presented in these consolidated financial statements are based upon the 2009 operating and capital budgets approved by Council. Adjustments to budgeted values were required to provide comparative budget values based on the full accrual basis of accounting. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

	Budget Amount
	\$
<b><u>Revenues</u></b>	
Approved budgets:	
Operating	794,400
Capital	195,432
	989,832
Consolidated Boards and Commissions	103,582
Adjustments:	
Transfers from operating fund	(26,767)
Transfers from reserves and reserve funds	(115,284)
Transfers from capital fund	(320)
Proceeds on debt issue	(43,292)
Netting for financial statement presentation purposes	(9,318)
<b>Total revenues</b>	898,432
<b><u>Expenses</u></b>	
Approved budgets:	
Operating	794,400
Capital	195,432
	989,832
Consolidated Boards and Commissions	91,743
Adjustments:	
Transfers to capital fund	(34,277)
Transfers to reserves and reserve funds	(52,233)
Debt principal repayments	(31,140)
Reduction due to Tangible Capital Assets (TCA)	(232,214)
Netting for financial statement presentation purposes	(9,318)
<b>Total expenses</b>	722,393
Annual surplus as budgeted	176,039
Amortization	112,721
<b>Revised annual surplus for budget purposes</b>	63,318

**23. Revenues**

The following is a breakdown of the Corporation's revenues:

	2009 \$	2008 \$
<b>Net municipal taxation and user charges</b>		
Net municipal taxation	455,908	434,516
Payments-in-lieu-of-taxes	8,352	8,411
	464,260	442,927
User charges	195,813	193,789
	<u>660,073</u>	<u>636,716</u>
<b>Transfer payments</b>		
Operating	4,253	-
Gasoline tax	17,007	5,041
Transit funding	-	1,890
<b>Government of Canada – total</b>	<u>21,260</u>	<u>8,621</u>
Unconditional	8,160	15,653
Conditional – operating	151,986	149,296
Infrastructure	11,325	39,784
Gasoline tax	-	6,572
<b>Province of Ontario – total</b>	<u>171,471</u>	<u>211,305</u>
<b>Other municipalities</b>	<u>4,614</u>	<u>4,206</u>
	<u>197,345</u>	<u>224,132</u>
<b>Investment income</b>		
Investment income - operating	426	3,323
Investment income - capital	1,707	4,468
Investment income - reserves	4,433	7,230
	<u>6,566</u>	<u>15,021</u>
<b>Other revenues</b>		
Provincial Offences Fines	5,397	5,692
Government Business Enterprises	3,254	4,275
Ontario Lottery & Gaming Corporation	3,930	4,274
Miscellaneous – operating	4,289	5,615
Water System Access Fee	11,976	4,447
Other financing	5,186	9,601
Loss on sale and disposal of tangible capital assets	(6,173)	(4,709)
	<u>27,859</u>	<u>29,195</u>

**24. Expenditures by Object**

The Consolidated Statement of Operations represents the City's expenses by function. The following classifies those same expenses by object.

	2009 \$	2008 \$
Salaries, wages and fringe benefits	331,805	327,146
Net long-term debt interest charges	13,992	15,581
Materials and supplies	104,460	107,695
Contracted Services	106,347	106,086
Rents and financial expenses	15,818	18,217
External transfers	161,645	148,006
Amortization	112,721	108,475
<b>Total Expenses by Object</b>	<b>846,788</b>	<b>831,206</b>

**25. Segmented Information**

The City of London 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.

City 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**

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

**b) Transportation Services**

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

The London Transit Commission serves as an agent for the City of London responsible for the delivery of public transit services for 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 City of London's Official Plan, Transportation Plan and London Transit's Long Term Growth Strategy, Ridership Growth Plan, Business Plan and Accessibility Plan.

**c) Environmental Services****i) Water and Wastewater Utilities**

The Water Utility provides the planning, engineering, operation and maintenance for the City'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 City'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 healthier.

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

**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 Social Housing Reform 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. The Culture Office promotes collaboration, communication and the sharing of knowledge and resources for the purpose of generating economic prosperity through cultural vitality.

**i) Planning**

The Planning and Development Department provides a wide range of building and planning services. The Planning Division manages the efficient and timely processing of development applications, promotes a high standard of urban design and land use efficiency; processes subdivision, condominium, consent and minor variance applications; develops, implements, monitors and updates Official Plan policies; undertakes research and provides geographical information system functions; promotes natural heritage protection; plans and designs parks and major open space linkages; supports heritage conservation and Downtown revitalization and maintains a high standard of analysis and policy formulation. The Building Division ensures high quality building construction through the enforcement of the Ontario Building Code as well as improving the quality of life for the citizens of London through By-law and Property Standards enforcement and Site Plan approvals.

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For each reported segment, revenues and expenditures 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 expenditures by segment.

**26. Comparative Figures**

Certain comparative figures have been reclassified to conform to the 2009 financial statement presentation.



THE CORPORATION OF THE CITY OF LONDON

Consolidated Schedule of Segment Disclosure - Operating Revenues

For the year ended December 31, 2009, with 2008 comparatives (in thousands of dollars)

	REVENUES					
	Taxation	User Charges	Government Transfers	Developer Contributions	Other	TOTAL 2009 Actuals
						TOTAL 2008 Actuals
General Government	464,260	1,472	1,604	451	58,533	526,320
Fire		238	375	-	(22)	591
Police		1,618	725	-	156	2,499
Other Protection Services		786	2,457	-	10,388	13,631
Total Protection Services	-	2,642	3,557	-	10,522	16,721
Transit		25,417	10,513	-	(2,573)	33,357
Other Transportation Services		3,672	11,117	4,861	720	20,370
Total Transportation Services	-	29,089	21,630	4,861	(1,853)	53,727
Water/Waste Water		110,780	11,825	54,980	11,070	188,655
Solid Waste		3,911	2,080	-	0	5,991
Total Environmental Services	-	114,691	13,905	54,980	11,070	194,646
Public Health Services		-	4,560	-	-	4,560
Ambulance Services		-	-	-	-	0
Total Health Services	-	-	4,560	-	-	4,560
General Assistance		5	88,440	-	-	88,445
Assistance to aged persons		4,989	9,221	-	-	14,210
Child Care		146	27,448	-	-	27,594
Total Social and Family Services	-	5,140	125,109	-	-	130,249
Social Housing	-	95	14,887	-	9,738	24,720
Parks and Recreation		8,689	1,281	-	6,837	16,807
Libraries		358	1,369	-	-	1,727
Cultural Services		603	360	-	743	1,706
Total Recreation and Cultural Services	-	9,650	3,010	-	7,580	20,240
Planning and Development	-	5,575	260	-	1,342	7,177
Total Revenue	464,260	168,354	188,522	60,292	96,932	978,360
						994,499

THE CORPORATION OF THE CITY OF LONDON

Consolidated Schedule of Segment Disclosure - Operating Expenditures

For the year ended December 31, 2009, with 2008 comparatives (in thousands of dollars)

	EXPENDITURES						Total 2009 Actuals	Total 2008 Actuals
	Salaries, Wages & Benefits	Materials	Contracted Services	External Transfers	Amortization	Other		
<b>General Government</b>	32,693	11,391	11,112	1,663	10,250	7,611	74,720	72,244
Fire	46,877	1,874	122	-	2,039	289	51,201	49,655
Police	73,639	5,585	719	-	2,041	198	82,182	81,612
Other Protection Services	12,149	3,181	923	2,920	145	806	20,124	14,889
<b>Total Protection Services</b>	<b>132,665</b>	<b>10,640</b>	<b>1,764</b>	<b>2,920</b>	<b>4,225</b>	<b>1,293</b>	<b>153,507</b>	<b>146,156</b>
Transit	31,290	15,825	529	-	7,611	527	55,782	59,164
Other Transportation Services	17,010	15,860	8,311	-	27,564	5,378	74,123	75,254
<b>Total Transportation Services</b>	<b>48,300</b>	<b>31,685</b>	<b>8,840</b>	<b>-</b>	<b>35,175</b>	<b>5,905</b>	<b>129,905</b>	<b>134,418</b>
Water/Waste Water	24,311	24,443	18,645	7	45,675	4,401	117,482	116,064
Solid Waste	8,558	4,316	7,818	-	796	1,543	23,031	21,268
<b>Total Environmental Services</b>	<b>32,869</b>	<b>28,759</b>	<b>26,463</b>	<b>7</b>	<b>46,471</b>	<b>5,944</b>	<b>140,513</b>	<b>137,332</b>
Public Health Services	4,575	656	422	4,394	156	328	10,531	10,871
Ambulance Services	-	-	9,486	-	-	-	9,486	8,895
<b>Total Health Services</b>	<b>4,575</b>	<b>656</b>	<b>9,908</b>	<b>4,394</b>	<b>156</b>	<b>328</b>	<b>20,017</b>	<b>19,766</b>
General Assistance	17,625	422	4,618	119,035	166	1,277	143,143	128,561
Assistance to aged persons	15,858	2,297	170	194	1,534	1,775	21,828	22,340
Child Care	1,741	335	20,195	11,456	17	240	33,984	38,592
<b>Total Social and Family Services</b>	<b>35,224</b>	<b>3,054</b>	<b>24,983</b>	<b>130,685</b>	<b>1,717</b>	<b>3,292</b>	<b>198,955</b>	<b>189,493</b>
<b>Social Housing</b>	<b>4,607</b>	<b>4,085</b>	<b>14,352</b>	<b>19,898</b>	<b>795</b>	<b>294</b>	<b>44,031</b>	<b>41,768</b>
Parks and Recreation	18,946	6,222	3,412	231	7,899	2,149	38,858	37,385
Libraries	13,220	2,449	1,001	-	3,728	1,872	22,270	23,908
Cultural Services	1,800	1,614	1,678	1,087	821	48	7,048	6,881
<b>Total Recreation and Cultural Services</b>	<b>33,966</b>	<b>10,285</b>	<b>6,091</b>	<b>1,318</b>	<b>12,448</b>	<b>4,069</b>	<b>68,176</b>	<b>68,174</b>
<b>Planning and Development</b>	<b>6,905</b>	<b>4,096</b>	<b>2,832</b>	<b>760</b>	<b>1,484</b>	<b>887</b>	<b>16,964</b>	<b>21,855</b>
<b>Total Expenses</b>	<b>331,804</b>	<b>104,651</b>	<b>106,345</b>	<b>161,645</b>	<b>112,721</b>	<b>29,623</b>	<b>846,788</b>	<b>831,206</b>
<b>Annual Surplus</b>							<b>131,572</b>	<b>163,293</b>