



Executive Summary

Property Tax, Water Rate, Wastewater and Treatment Rate Supported Budgets

2021 ANNUAL UPDATE

COUNCIL APPROVED – JANUARY 12, 2021



london.ca/budget

Acknowledgment

The City of London aspires to be a diverse community which honours, welcomes, and accepts all peoples. We respectfully acknowledge that the City of London is located on the traditional territories of the Anishnaabeg, Haudenosaunee, Lunaapeewak, and Attawandron peoples, who have had longstanding relationships with the land and the region. The City of London also recognizes its relationships with the local First Nations Communities, including Chippewas of the Thames First Nation, Oneida Nation of the Thames, and Munsee Delaware Nation. We acknowledge the diverse histories, races, cultures, religions and ethnicities of those who call London home. The City of London values the significant contributions made by all Londoners.

Steps Towards Anti-Racism and Anti-Oppression at the City of London

Municipal Council has affirmed its commitment to eliminating systemic racism and oppression in our community. As individuals who serve the public, facing this troubling reality is both daunting and uncomfortable – and, for many, deeply personal. While this work demands urgency, the actions needed to deconstruct systems of racism and oppression will require sustained commitment and courageous action to drive transformative change.

It is a sombre obligation. It is also an important opportunity. Londoners in the community and within the organization provided valuable insights on how the City of London can use its strength and position as an influential leader to drive anti-racism and anti-oppression work.

Executive Summary

Property Tax Supported Budget

The 2021 Annual Budget Update includes \$1.04 billion in operating expenditures funded through \$673.6 million in property taxes and \$365.6 million in non-tax revenues for the 2021 year. The average annual property tax revenue increase over the 2020 to 2023 Multi-Year Budget period is 3.8% with 2021's property tax revenue increase being 3.4%. The City is planning capital investments of \$228.4 million in 2021, part of a 10-year capital plan (2020 to 2029) of \$2.8 billion.

Water Rate Supported Budget

The 2021 Annual Budget Update includes \$87.5 million in operating costs and an average annual water rate increase over the 2020 to 2023 Multi-Year Budget of 2.5%. The City is planning capital investments of \$38.1 million in 2021, part of a 10-year capital plan (2020 to 2029) of \$481.5 million.

Wastewater and Treatment Rate Supported Budget

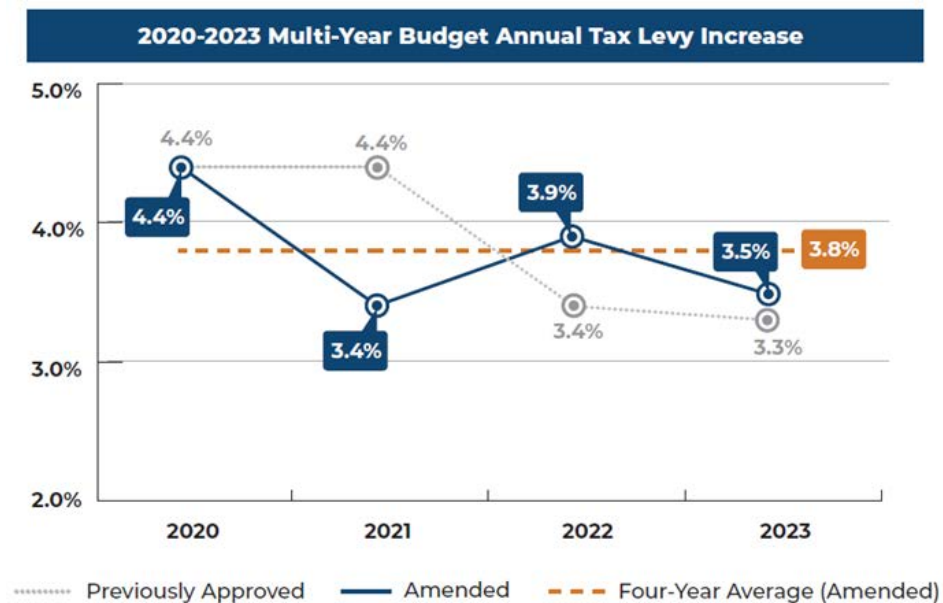
The 2021 Annual Budget Update includes \$109.9 million in operating costs and an average annual wastewater and treatment rate increase over the 2020 to 2023 Multi-Year Budget of 3.2%. The City is planning capital investments of \$86.8 million in 2021, part of a 10-year capital plan (2020 to 2029) of \$965.9 million.

Property Tax Supported Budget

On March 2, 2020, Municipal Council approved the City's second Multi-Year Budget covering the period from 2020 to 2023. The Multi-Year Budget was approved with an average annual property tax levy increase from rates of 3.9%.

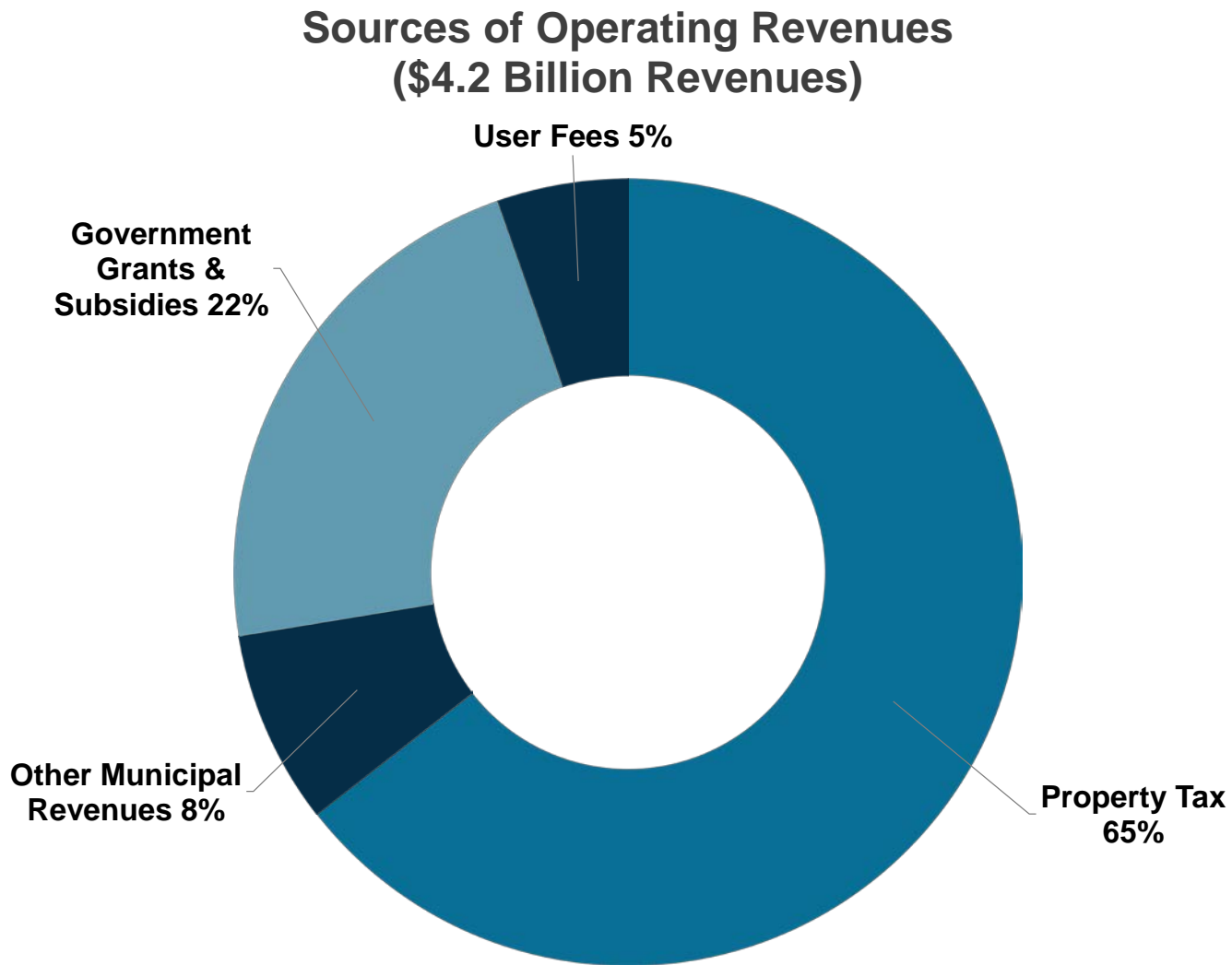
The 2021 Annual Update is the City of London's first update to the 2020 to 2023 budget period. In this budget cycle, Municipal Council approved a total of eleven budget amendments (nine operating, two capital). The two capital amendments were accommodated from one-time capital sources of financing resulting in no impact to the tax levy. Seven operating budget amendments resulted in a tax levy decrease, while two have no impact to the tax levy.

With the approval of these budget amendments, the 2021 increase from rates decreased to 3.4% from the approved 4.4% increase while the four-year average annual increase is 3.8%; down from 3.9% (prior to assessment growth) that was approved in the 2020 to 2023 Multi-Year Budget. The graph below illustrates the revised annual tax levy for the remainder of the Multi-Year Budget period:



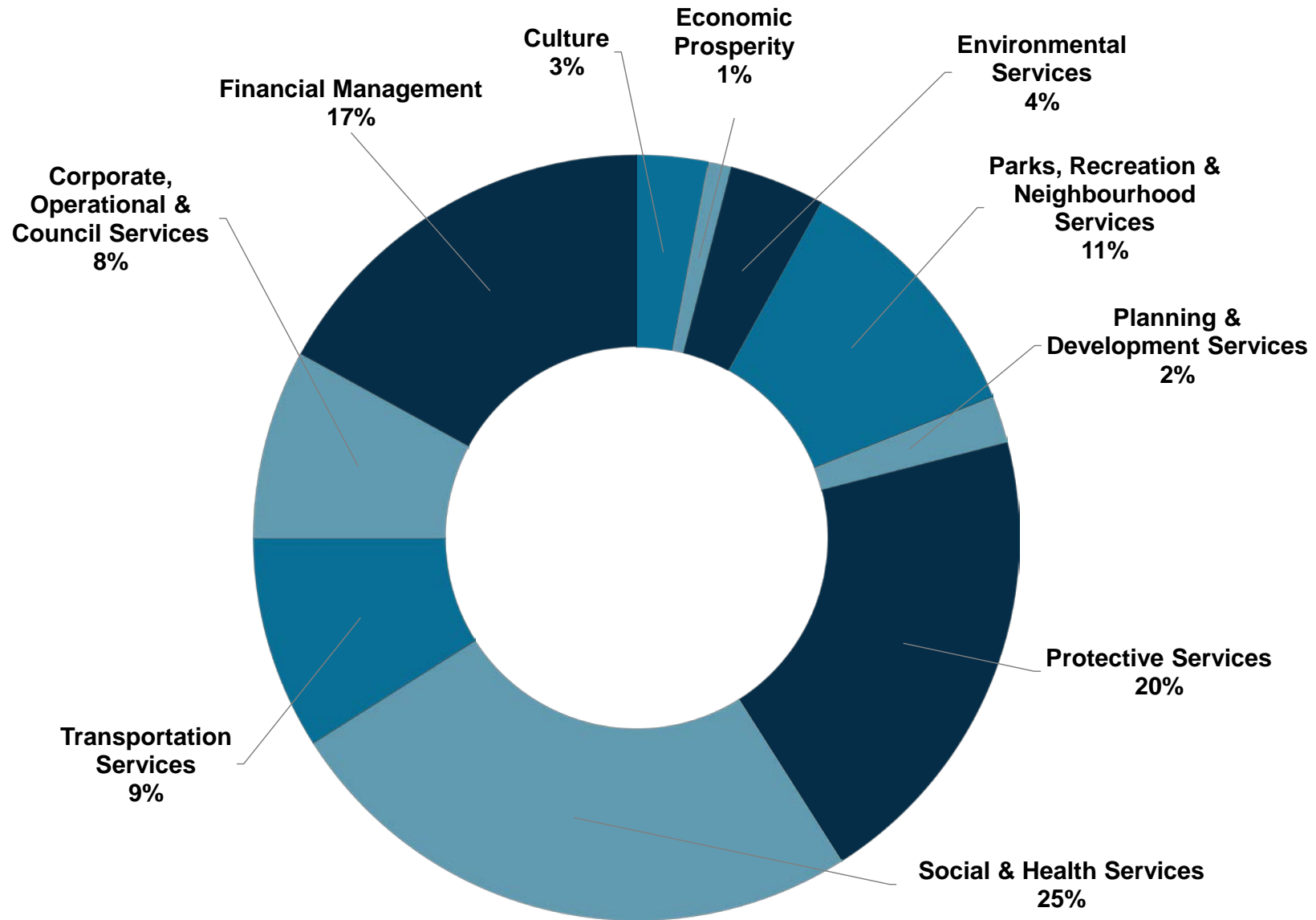
Note: Previously Approved Budget excludes impact of budget amendments. Amended Budget reflects impacts of budget amendments. Previously approved rates are recalculated taking into account assessment growth impact in each annual update year of the Multi-Year Budget period.

Total operating revenues in the 2020 to 2023 Multi-Year Budget are \$4.2 billion. As shown in the chart below, the largest source of revenue is property taxes which accounts for 65% of total revenues.



The allocation of 2020 to 2023 Multi-Year Budget operating expenditures by service program is shown in the chart below.

How Operating Dollars are Spent By Service Program (\$4.2 Billion Expenditure)



The following tables provide an overview of the total operating expenditures and a summary of revenues for each service program. Total property tax revenue is subsequently referred to as net levy in this document.

2020 Operating Budget Overview (\$ Thousands)

2020 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Culture	27,204	1,332	25,872
Economic Prosperity	14,560	3,450	11,110
Environmental Services	37,632	14,289	23,343
Parks, Recreation & Neighbourhood Services	110,629	71,569	39,059
Planning & Development Services	19,703	10,438	9,266
Protective Services	200,959	13,287	187,672
Social & Health Services	258,562	179,814	78,748
Transportation Services	96,485	14,080	82,405
Corporate, Operational & Council Services	83,634	14,763	68,871
Financial Management	158,416	41,862	116,554
Total	1,007,784	364,883	642,901

Notes

1. Amounts reported include housekeeping budget adjustments and assessment growth impact in each annual update year of the Multi-Year Budget period.

2021 Operating Budget Overview (\$ Thousands)

2021 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Culture	27,050	657	26,393	27,350	957	26,393
Economic Prosperity	11,852	1,050	10,802	11,852	1,050	10,802
Environmental Services	42,593	14,192	28,402	40,293	14,203	26,090
Parks, Recreation & Neighbourhood Services	113,687	72,241	41,446	112,057	72,241	39,816
Planning & Development Services	21,100	11,685	9,415	21,100	11,558	9,542
Protective Services	205,609	13,450	192,159	205,609	13,450	192,159
Social & Health Services	263,321	180,039	83,282	262,287	180,039	82,248
Transportation Services	101,098	15,727	85,370	101,098	15,727	85,370
Corporate, Operational & Council Services	84,904	14,970	69,934	84,904	15,402	69,502
Financial Management	173,641	40,897	132,744	172,613	40,955	131,658
Total	1,044,855	364,907	679,948	1,039,162	365,581	673,581

Subject to rounding.

Notes

1. Previously Approved Budget excludes impact of budget amendments. Amended Budget reflects impacts of budget amendments.
2. Amounts reported include housekeeping budget adjustments and assessment growth impact in each annual update year of the Multi-Year Budget period.

2022 Operating Budget Overview (\$ Thousands)

2022 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Culture ¹	27,472	657	26,815	27,772	957	26,815
Economic Prosperity	10,447	50	10,397	10,447	50	10,397
Environmental Services ¹	45,780	14,760	31,021	44,330	14,773	29,557
Parks, Recreation & Neighbourhood Services ¹	114,821	72,996	41,825	114,821	72,996	41,825
Planning & Development Services ¹	21,488	11,966	9,523	21,488	12,004	9,485
Protective Services	210,559	13,654	196,905	210,559	13,654	196,905
Social & Health Services ¹	267,696	180,007	87,689	267,696	180,007	87,689
Transportation Services	102,436	15,917	86,519	102,436	15,917	86,519
Corporate, Operational & Council Services ¹	87,979	16,926	71,053	87,979	17,355	70,624
Financial Management ¹	181,971	41,117	140,853	180,747	41,191	139,556
Total	1,070,650	368,051	702,599	1,068,276	368,904	699,372

Subject to rounding.

Notes

1. Amounts reported include the impact of budget amendments as applicable.
2. Amounts reported include housekeeping budget adjustments and assessment growth impact in each annual update year of the Multi-Year Budget period.

2023 Operating Budget Overview (\$ Thousands)

2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Culture	27,901	657	27,244	28,201	957	27,244
Economic Prosperity	10,028	50	9,978	10,028	50	9,978
Environmental Services	46,295	15,183	31,112	46,295	15,199	31,096
Parks, Recreation & Neighbourhood Services	115,904	73,699	42,205	115,904	73,699	42,205
Planning & Development Services	21,700	12,202	9,499	21,700	12,253	9,447
Protective Services	214,301	13,639	200,661	214,301	13,639	200,661
Social & Health Services	271,150	179,176	91,974	271,150	179,176	91,974
Transportation Services	104,442	15,724	88,718	104,442	15,724	88,718
Corporate, Operational & Council Services	87,533	15,729	71,804	87,533	16,204	71,329
Financial Management	193,379	41,390	151,989	192,160	41,429	150,730
Total	1,092,633	367,449	725,184	1,091,713	368,331	723,382

Subject to rounding.

Notes

1. Amounts reported include the impact of budget amendments as applicable.
2. Amounts reported include housekeeping budget adjustments and assessment growth impact in each annual update year of the Multi-Year Budget period.

Total 2020 to 2023 Operating Budget Overview (\$ Thousands)

Total 2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Culture ¹	110,623	2,928	107,695	111,523	3,828	107,695
Economic Prosperity	42,354	1,200	41,154	42,354	1,200	41,154
Environmental Services ¹	180,964	59,349	121,615	177,214	59,374	117,840
Parks, Recreation & Neighbourhood Services ¹	460,316	292,636	167,681	458,686	292,636	166,051
Planning & Development Services ¹	85,989	48,157	37,832	85,989	48,068	37,921
Protective Services	844,770	54,383	790,387	844,770	54,383	790,387
Social & Health Services ¹	1,073,316	718,397	354,919	1,072,282	718,397	353,885
Transportation Services	412,418	63,093	349,325	412,418	63,093	349,325
Corporate, Operational & Council Services ¹	347,950	64,304	283,646	347,950	65,165	282,785
Financial Management ¹	741,150	166,092	575,058	737,679	165,004	572,675
Total	4,299,850	1,470,538	2,829,312	4,290,864	1,471,147	2,819,717

Subject to rounding.

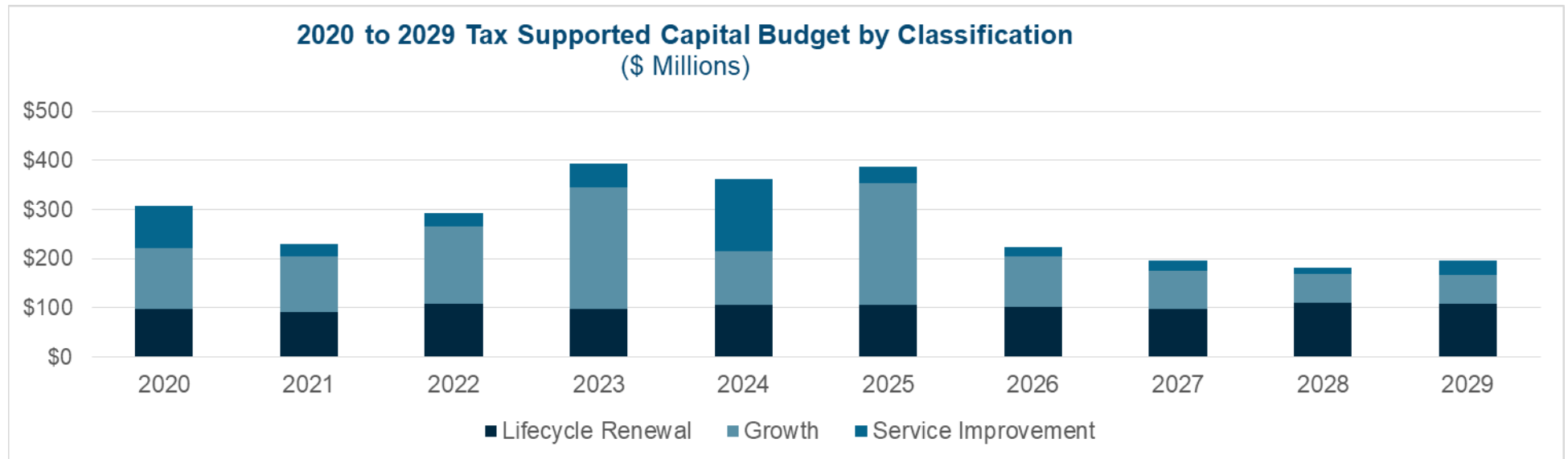
Notes

1. Amounts reported include the impact of budget amendments as applicable.
2. Amounts reported include housekeeping budget adjustments and assessment growth impact in each annual update year of the Multi-Year Budget period.

2020 to 2029 Capital Budget Overview (\$ Millions)

Capital Budget Classification	2020 to 2023 Amended Multi-Year Budget	2020 to 2029 Amended Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. road resurfacing and replacing equipment). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs	\$403	\$1,031
Growth projects extend services into newly developed areas of the City (e.g. a road widening to handle additional traffic from new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$640	\$1,294
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. purchasing property for industrial land). These projects are optional, but the case may be compelling.	\$194	\$459
Total	\$1,237	\$2,784

Subject to rounding.



2020 to 2029 Capital Budget Overview by Classification (\$ Thousands)

Classification	2020 Approved Budget	2021 Amended Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2021 to 2023 Amended Budget Increase/ Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/ Decrease	2020 to 2029 Amended Ten Year Plan
Lifecycle Renewal	105,569	90,409	108,761	98,213	402,951	966	627,657	-800	1,030,609
Growth	124,545	113,494	155,870	246,274	640,183	0	654,313	0	1,294,497
Service Improvement	95,960	24,517	26,037	47,553	194,067	0	264,824	0	458,890
Total Expenditures	326,074	228,419	290,668	392,039	1,237,201	966	1,546,794	-800	2,783,995

Subject to rounding.

Note: Approved figures include Housekeeping adjustments, assessment growth and changes made by the 2021 DC Update.

2020 to 2029 Capital Budget Overview by Service Program (\$ Thousands)

































Service Program	2020 Approved Budget	2021 Amended Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2021 to 2023 Amended Budget Increase/ Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/ Decrease	2020 to 2029 Amended Ten Year Plan
Culture Services	8,533	1,976	2,016	2,026	14,551	0	15,331	0	29,882
Economic Prosperity	4,518	8,569	7,671	7,088	27,846	166	43,087	0	70,933
Environmental Services	42,231	1,635	3,025	15,745	62,636	800	37,235	-800	99,871
Parks, Recreation and Neighbourhood Services	27,478	23,056	22,738	59,699	132,971	0	116,272	0	249,242
Planning and Development Services	1,901	3,881	2,584	5,097	13,462	0	4,138	0	17,600
Protective Services	18,638	20,083	28,263	29,442	96,425	0	110,801	0	207,227
Social and Health Services	35,511	14,583	15,025	17,381	82,499	0	94,577	0	177,076
Transportation Services	170,082	142,250	191,910	233,947	738,190	0	897,250	0	1,635,440
Corporate, Operational and Council Services	17,181	12,387	17,437	21,614	68,620	0	228,104	0	296,724
Total Expenditures	326,074	228,419	290,668	392,039	1,237,201	966	1,546,794	-800	2,783,995

Subject to rounding.

Note: Approved figures include Housekeeping adjustments, assessment growth and changes made by the 2021 DC Update.

2020 to 2023 Average Daily Property Tax Funded Costs of Municipal Services

Average Daily Cost of Municipal Services: \$8.57¹

17% London Police Services 	\$1.50	4% Neighbourhood & Recreation Services 	\$0.33	2% Corporate Financing - Other 	\$0.17	.5% Council Services 	\$0.05	.25% Conservation Authorities 	\$0.03
13% Capital Financing 	\$1.07	4% Garbage, Recycling & Composting 	\$0.31	2% Housing Services 	\$0.14	.5% Housing Development Corporation 	\$0.04	.25% Animal Services 	\$0.02
10% Fire Services 	\$0.84	3% Land Ambulance 	\$0.29	1% Economic Development 	\$0.09	.33% Corporate Security & Emergency Management 	\$0.04	.25% Museum London 	\$0.02
9% Corporate Services 	\$0.76	3% Social & Community Support Services 	\$0.27	1% Middlesex- London Health Unit 	\$0.08	.33% Public Support Services 	\$0.04	.25% All Other Areas 	\$0.01
7% Roadways 	\$0.62	3% Library Services 	\$0.27	1% Long Term Care 	\$0.07	.33% Arts, Culture & Heritage Advisory & Funding 	\$0.03		
6% London Transit Commission 	\$0.50	2% Parks & Urban Forestry 	\$0.18	1% Development Services 	\$0.07	.25% Corporate Planning & Administration 	\$0.03		
5% Debt Servicing 	\$0.44	2% London & Middlesex Community Housing 	\$0.17	.5% Planning Services 	\$0.06	.25% Tourism & Sports Attraction 	\$0.03		

Subject to rounding.
¹Calculated based on
the average assessed
value of \$241,000 for
a residential
property.
(excludes education
tax portion and
impacts of tax
policy.)

Water, Wastewater and Treatment Rate Supported Budgets

On March 2, 2020, Municipal Council approved the City's second Multi-Year Budget covering the period from 2020 to 2023. The Multi-Year Budget was approved with an average annual Water rate increase of 2.5%, and an average annual Wastewater and Treatment rate increase of 3.2%.

The City of London, consistent with its Multi-Year Budget Policy, has completed its first annual update for the 2020 to 2023 Multi-Year Budget period. The 2021 Annual Update continues to progress achievement of the City's Strategic Plan while recognizing pressures experienced due to the global coronavirus pandemic (COVID-19). In particular, due to the onset of the COVID-19 pandemic and associated financial challenges experienced by many households and businesses, the additional rate increase for 2020 approved through the 2020 to 2023 Multi-Year Budget associated with the transfer of a portion of Conservation Authorities' costs from the property tax supported budget to the Wastewater and Treatment budget was deferred to 2021. The approved 2021 Wastewater and Treatment rates include a phase-in approach, with the rate increase associated with the transfer of the Conservation Authorities' costs implemented through an additional 2.7% rate increase effective July 1, 2021. The blended 2021 rate increase for Wastewater and Treatment is 3.85%, while the Water rate increase for 2021 remains at 2.5% as contemplated in the 2020 to 2023 Multi-Year Budget. The impact to the average ratepayer is outlined in the table below:

2020 to 2023 Impact on Average Residential Customer from Approved Rate Changes¹

Total Annual Amount	2019	2020	2021	2022	2023
Water	\$486	\$499	\$511	\$524	\$537
Sanitary	\$404	\$414	\$430	\$446	\$458
Storm	\$196	\$200	\$208	\$216	\$221
Total	\$1,086	\$1,113	\$1,149	\$1,187	\$1,216
Annual Change	N/A	\$27	\$36	\$38	\$29

Subject to rounding.

Note 1. The budgeted residential cost is based on an average residential consumption of 200 m³ (BMA Municipal Study).

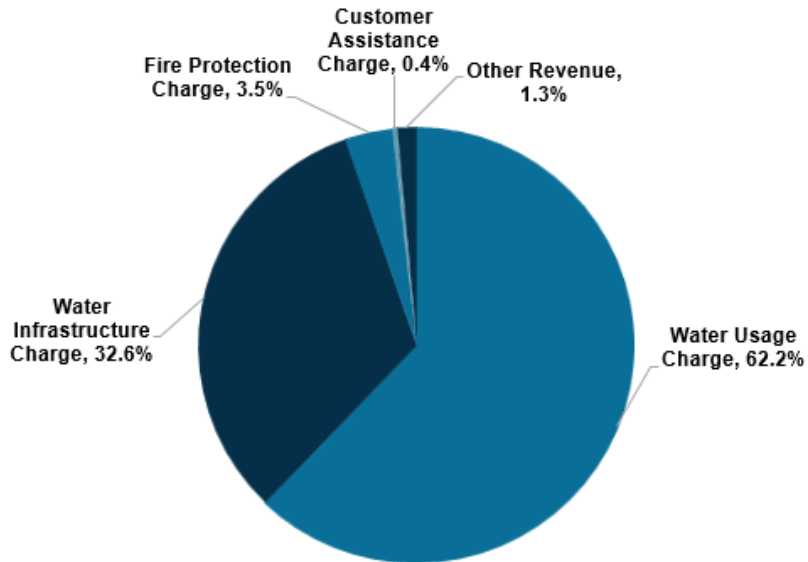
For 2021 there are no budget amendments for Water or Wastewater and Treatment. The 2020 to 2023 Multi-Year Budgets for Water and Wastewater and Treatment are as follows:

Water – 2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

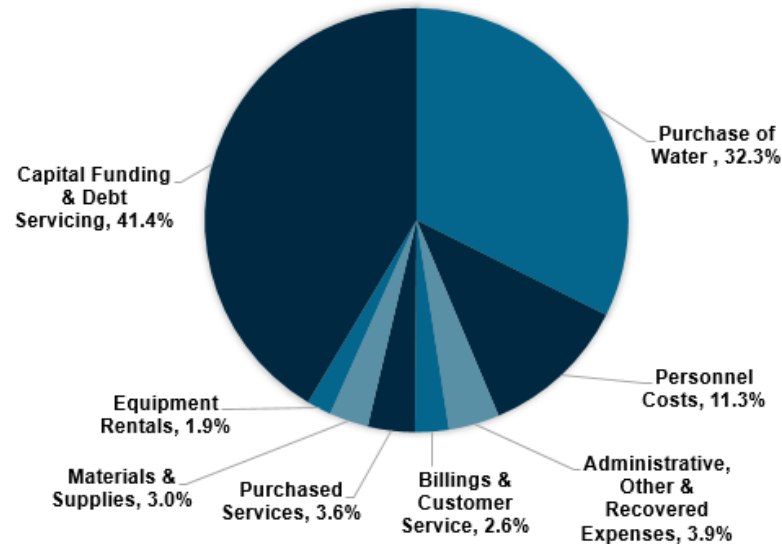
Water	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/ Decrease
Water Rate Increase (Approved)	2.5%	2.5%	2.5%	2.5%	2.5%
Total Water Budget (Approved)	84,739	87,488	90,530	93,695	
Increase over Prior Year Budget	4,843	2,750	3,041	3,166	
Increase over Prior Year Budget (%)	6.1%	3.2%	3.5%	3.5%	4.1%

Subject to rounding.

**REVENUE BUDGET - WATER
FOUR YEAR AVERAGE (2020-2023)**



**EXPENDITURE BUDGET - WATER
FOUR YEAR AVERAGE (2020-2023)**



2020 to 2029 Water Capital Budget Overview by Classification (\$ Thousands)

Classification	2020 Approved Budget	2021 Amended Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2021 to 2023 Amended Budget Increase/ Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/ Decrease	2020 to 2029 Amended Ten Year Plan
Lifecycle Renewal	36,952	31,063	30,144	67,492	165,651	0	214,992	0	380,643
Growth	7,983	6,808	17,241	2,922	34,954	0	60,977	0	95,932
Service Improvement	770	256	933	429	2,389	0	2,537	0	4,926
Total Expenditures	45,705	38,127	48,319	70,843	202,995	0	278,507	0	481,502

Subject to rounding.

Note: Approved figures include Housekeeping adjustments, assessment growth and changes made by the 2021 DC Update.

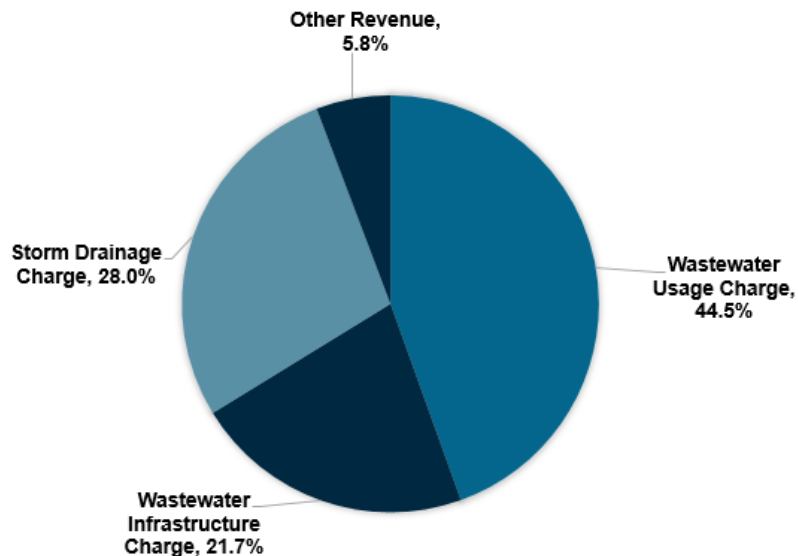
Wastewater and Treatment – 2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

Wastewater and Treatment	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/ Decrease
Wastewater and Treatment Rate Increase (Approved)	6.0%	2.5%	2.5%	2.5%	3.4%
Wastewater and Treatment Rate Increase (Amended ¹)	2.5%	5.2%	2.5%	2.5%	3.2%
Total Wastewater and Treatment Budget	106,500	109,937	113,668	117,544	
Increase over Prior Year Budget	8,318	3,437	3,731	3,876	
Increase over Prior Year Budget (%)	8.5%	3.2%	3.4%	3.4%	4.6%

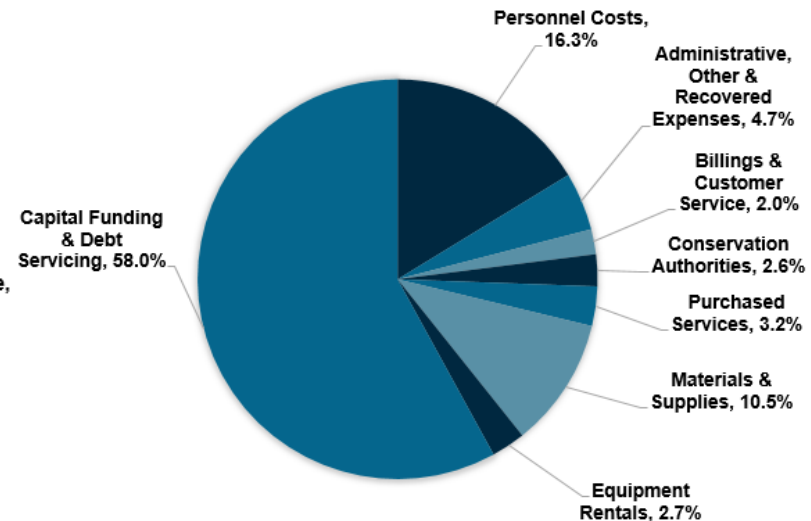
Subject to rounding.

Note 1. Timing of rate implementation was deferred from 2020 to 2021 as a result of the COVID-19 pandemic as previously noted.

**REVENUE BUDGET - WASTEWATER
FOUR YEAR AVERAGE (2020-2023)**



**EXPENDITURE BUDGET - WASTEWATER
FOUR YEAR AVERAGE (2020-2023)**



2020 to 2029 Wastewater and Treatment Capital Budget Overview by Classification (\$ Thousands)

Classification	2020 Approved Budget	2021 Amended Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2021 to 2023 Amended Budget Increase/ Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/ Decrease	2020 to 2029 Amended Ten Year Plan
Lifecycle Renewal	40,983	37,577	38,916	42,620	160,096	0	333,010	0	493,106
Growth	28,429	31,524	46,475	32,675	139,104	0	189,591	0	328,695
Service Improvement	16,375	17,719	14,788	18,005	66,887	0	77,217	0	144,104
Total Expenditures	85,787	86,821	100,179	93,300	366,086	0	599,818	0	965,904

Subject to rounding.

Note: Approved figures include Housekeeping adjustments, assessment growth and changes made by the 2021 DC Update.

Reconciliation of Approved Budgets (Property Tax, Water, Wastewater and Treatment) to Public Sector Accounting Board Financial Statement Budget

Ontario municipalities must adhere to Public Sector Accounting Board (PSAB) accounting standards and reporting requirements. As allowed under Ontario Regulation 284/09, when preparing the budget, The City of London, like most municipalities, excludes typical PSAB items such as costs related to amortization expense, post-employment benefit expense and solid waste landfill closure and post-closure expense. However, the regulation does require that the municipality report to Council on the impact of these excluded costs prior to budget approval.

The tables on the following pages show the 2020 to 2023 budgets plus adjustments to comply with PSAB format, including the following items:

1. Expenses for the amortization of tangible capital assets.
2. Reserve fund contributions and pay as you go contributions for capital asset additions.
3. The current year's post-employment benefit expense for early retirement and accrued sick leave for employees that are eligible for these benefits. The City's consolidated liability as at December 31, 2019 was \$161.7 million. Reserve fund balances of \$114.1 million as of December 31, 2019 are available to offset this obligation. The City makes reserve fund contributions to offset the liabilities created from post-employment expenses depending upon generated surpluses and personnel cost savings.
4. The City has a landfill closure and post-closure liability of \$41.1 million. The Sanitary Landfill Reserve Fund, with a balance of \$21.6 million as of December 31, 2019, is for sanitary landfill activity and funds could be utilized to partially offset this liability.

If the above items were included in the 2020 to 2023 budgets, the projected annual PSAB surplus would increase.

Reconciliation of Property Tax Budget to PSAB Financial Statement Budget (\$ Thousands)

Property Tax Supported Budget	2020 Approved Budget	2021 Amended Budget	2022 Amended Budget	2023 Amended Budget
Property Tax	642,901	673,581	699,372	723,382
Government Grants and Subsidies	225,409	225,692	225,806	226,077
User Fees	54,445	56,145	57,938	59,054
Municipal Revenues - Other	75,181	77,084	78,692	78,994
Municipal Revenues - Transfers from Capital	0	0	0	0
Municipal Revenues - Transfers from Reserves and Reserve Funds	9,848	6,660	6,468	4,206
Total Revenues	1,007,784	1,039,162	1,068,276	1,091,713
Personnel Costs	376,301	387,667	399,169	411,943
Administrative Expenses	7,360	7,335	7,406	7,403
Financial Expenses - Other	11,230	11,259	11,289	11,320
Financial Expenses - Interest and Discount on Long-term Debt	4,941	4,440	4,426	4,360
Financial Expenses - Debt Principal Repayments	31,200	30,420	28,048	27,799
Financial Expenses - Transfers to Reserves and Reserve Funds	66,484	65,000	66,898	69,179
Financial Expenses - Transfers to Capital	49,675	51,369	54,742	55,465
Purchased Services	214,230	223,476	233,926	239,172
Materials and Supplies	39,922	40,054	40,903	41,203
Vehicle and Equipment	25,078	26,019	26,623	26,613
Transfers	201,101	202,117	204,877	207,442
Other Expenses	941	11,188	11,201	11,212
Recovered Expenses	-20,679	-21,182	-21,232	-21,398
Total Expenses	1,007,784	1,039,162	1,068,276	1,091,713
Net Surplus (Deficit) Per Budget	0	0	0	0

PSAB Reporting Requirements Reconciliation – Property Tax Supported Budget (\$ Thousands)

Reconciliation Type	Description	2020 Approved Budget	2021 Amended Budget	2022 Amended Budget	2023 Amended Budget
	Projected Net PSAB Surplus	109,996	98,577	120,886	120,744
Addback Revenue	Transfers from Capital	0	0	0	0
Addback Revenue	Transfers from Reserves and Reserve Funds	9,848	6,660	6,468	4,206
Deduct Expense	Transfers to Reserves and Reserve Funds	-66,484	-65,000	-66,898	-69,179
Deduct Expense	Transfers to Capital	-49,675	-51,369	-54,742	-55,465
Deduct Expense	Debt principal repayments	-31,200	-30,420	-28,048	-27,799
PSAB Adjustment	Capital program funding earned in year ¹	-73,191	-52,334	-82,364	-95,950
PSAB Adjustment	Capital projects not resulting in tangible capital assets ²	45,182	31,651	40,276	54,323
PSAB Adjustment	Amortization ³	90,521	95,025	99,811	104,874
PSAB Adjustment	Developer contributions of assumed tangible capital assets ⁴	-13,780	-13,364	-15,023	-12,806
PSAB Adjustment	Loss on disposal of tangible capital assets ⁵	1,707	1,595	1,566	1,572
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Gas Tax ⁶	-23,266	-22,006	-23,611	-26,044
PSAB Adjustment	Government Business Enterprises adjustments ⁷	-6,350	-6,089	-7,089	-6,930
PSAB Adjustment	Other	522	1,749	1,891	1,901
PSAB Adjustment	Landfill liability ⁸	2,455	2,059	2,296	2,304
PSAB Adjustment	Employee future benefit liability ⁹	3,715	3,266	4,581	4,249
	Net Surplus (Deficit) Per Budget	0	0	0	0

Subject to rounding.

Reconciliation of Water Budget to PSAB Financial Statement Budget (\$ Thousands)

Water Budget	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
Property Tax	0	0	0	0
Government Grants and Subsidies	0	0	0	0
User Fees	84,604	87,353	90,395	93,560
Municipal Revenues - Other	135	135	135	135
Municipal Revenues - Transfers from Capital	0	0	0	0
Municipal Revenues - Transfers from Reserves and Reserve Funds	0	0	0	0
Total Revenues	84,739	87,488	90,530	93,695
Personnel Costs	9,687	9,931	10,163	10,409
Administrative Expenses	3,231	3,279	3,328	3,378
Financial Expenses - Other	74	74	74	74
Financial Expenses - Interest and Discount on Long-term Debt	24	13	7	3
Financial Expenses - Debt Principal Repayments	327	337	105	108
Financial Expenses - Transfers to Reserves and Reserve Funds	13,741	14,362	15,478	16,410
Financial Expenses - Transfers to Capital	20,793	21,414	22,054	22,713
Purchased Services	3,030	3,088	3,152	3,215
Materials and Supplies	29,790	30,900	32,039	33,209
Vehicle and Equipment	1,608	1,652	1,686	1,730
Transfers	0	0	0	0
Other Expenses	2,759	2,765	2,771	2,774
Recovered Expenses	-325	-327	-327	-328
Total Expenses	84,739	87,488	90,530	93,695
Net Surplus (Deficit) Per Budget	0	0	0	0

PSAB Reporting Requirements Reconciliation – Water Rate Supported Budget (\$ Thousands)

Reconciliation Type	Description	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
	Projected Net PSAB Surplus	19,268	20,348	20,605	17,421
Addback Revenue	Transfers from Capital	0	0	0	0
Addback Revenue	Transfers from Reserves and Reserve Funds	0	0	0	0
Deduct Expense	Transfers to Reserves and Reserve Funds	-13,741	-14,362	-15,478	-16,410
Deduct Expense	Transfers to Capital	-20,793	-21,414	-22,054	-22,713
Deduct Expense	Debt principal repayments	-327	-337	-105	-108
PSAB Adjustment	Capital program funding earned in year ¹	-364	-1,425	-1,425	-1,425
PSAB Adjustment	Capital projects not resulting in tangible capital assets ²	6,333	5,283	6,695	9,816
PSAB Adjustment	Amortization ³	17,881	18,771	19,716	20,717
PSAB Adjustment	Developer contributions of assumed tangible capital assets ⁴	-6,733	-5,427	-6,508	-5,759
PSAB Adjustment	Loss on disposal of tangible capital assets ⁵	686	485	582	544
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Gas Tax ⁶	-1,728	-1,515	-1,614	-1,774
PSAB Adjustment	Government Business Enterprises adjustments ⁷	0	0	0	0
PSAB Adjustment	Other	-580	-493	-535	-421
PSAB Adjustment	Landfill liability ⁸	0	0	0	0
PSAB Adjustment	Employee future benefit liability ⁹	98	86	121	112
	Net Surplus (Deficit) Per Budget	0	0	0	0

Subject to rounding.

Reconciliation of Wastewater and Treatment Budget to PSAB Financial Statement Budget (\$ Thousands)

Wastewater and Treatment Budget	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
Property Tax	0	0	0	0
Government Grants and Subsidies	30	30	30	30
User Fees	105,660	109,097	112,828	116,704
Municipal Revenues - Other	810	810	810	810
Municipal Revenues - Transfers from Capital	0	0	0	0
Municipal Revenues - Transfers from Reserves and Reserve Funds	0	0	0	0
Total Revenues	106,500	109,937	113,668	117,544
Personnel Costs	17,356	17,920	18,514	19,140
Administrative Expenses	5,464	5,546	5,629	5,714
Financial Expenses - Other	0	0	0	0
Financial Expenses - Interest and Discount on Long-term Debt	1,094	847	631	486
Financial Expenses - Debt Principal Repayments	8,654	8,346	5,207	4,239
Financial Expenses - Transfers to Reserves and Reserve Funds	29,361	31,824	37,227	40,497
Financial Expenses - Transfers to Capital	21,764	22,395	23,046	23,717
Purchased Services	3,493	3,549	3,609	3,670
Materials and Supplies	11,635	11,682	11,832	11,957
Vehicle and Equipment	2,994	3,048	3,096	3,150
Transfers	2,788	2,854	2,921	2,991
Other Expenses	7,328	7,368	7,438	7,496
Recovered Expenses	-5,431	-5,442	-5,482	-5,513
Total Expenses	106,500	109,937	113,668	117,544
Net Surplus (Deficit) Per Budget	0	0	0	0

PSAB Reporting Requirements Reconciliation – Wastewater and Treatment Rate Supported Budget (\$ Thousands)

Reconciliation Type	Description	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
	Projected Net PSAB Surplus	25,537	33,296	32,221	34,628
Addback Revenue	Transfers from Capital	0	0	0	0
Addback Revenue	Transfers from Reserves and Reserve Funds	0	0	0	0
Deduct Expense	Transfers to Reserves and Reserve Funds	-29,361	-31,824	-37,227	-40,497
Deduct Expense	Transfers to Capital	-21,764	-22,395	-23,046	-23,717
Deduct Expense	Debt principal repayments	-8,654	-8,346	-5,207	-4,239
PSAB Adjustment	Capital program funding earned in year ¹	3,223	-4,710	-4,710	-4,710
PSAB Adjustment	Capital projects not resulting in tangible capital assets ²	11,887	12,030	13,881	12,928
PSAB Adjustment	Amortization ³	48,719	51,143	53,718	56,443
PSAB Adjustment	Developer contributions of assumed tangible capital assets ⁴	-19,583	-19,908	-19,735	-19,746
PSAB Adjustment	Loss on disposal of tangible capital assets ⁵	588	574	593	584
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Gas Tax ⁶	-9,900	-9,486	-10,191	-11,343
PSAB Adjustment	Government Business Enterprises adjustments ⁷	0	0	0	0
PSAB Adjustment	Other	-867	-528	-513	-531
PSAB Adjustment	Landfill liability ⁸	0	0	0	0
PSAB Adjustment	Employee future benefit liability ⁹	175	154	216	200
	Net Surplus (Deficit) Per Budget	0	0	0	0

Subject to rounding.

Notes:

1. Represents capital revenue such as provincial and federal grants and other contributions. Does not include debenture financing, transfers from operating or reserve funds. Estimate is based on the approved capital budget for the respective years 2020 - 2023.

2. For PSAB purposes, any expenses not considered to be part of the cost of a tangible capital asset are expensed as operating expenses. Therefore, although funded through capital, these expenses will be included in the operating expenses in the year incurred and will be reflected in the Statement of Operations on the financial statements. Estimated based on 13.86% of the capital expenditure budget, based on 2019 actuals.
3. Represents the annual writedown of the tangible capital assets over the useful life of the asset. Estimated annual average increase of 4.95% based on 5 year rolling average.
4. Contributed tangible capital assets are tangible capital assets that become the ownership of the City when a subdivision is assumed by the City. These assets are recognized at estimated fair market value during the year of assumption. These assets are predominantly comprised of wastewater infrastructure. Estimate based on 5 year rolling average.
5. When an asset is replaced prior to the end of its useful life, an adjustment must be made to expense the remaining book value. Amount fluctuates from year to year. Estimate based on 5 year rolling average.
6. Transactions recorded directly to reserve funds must be accounted for through the operating or capital fund. This includes recognition of development charge levies and federal gas tax earned in the year.
7. London Hydro Inc., Fair-City Joint Venture and City-YMCA Joint Venture are considered Government Business Enterprises (GBE). At year end, the City must record the City's share of earnings based on our percentage ownership in each GBE. Estimate based on 5 year rolling average.
8. Represents the annual increase in the estimated future cost of post-closure related to landfills. Estimate based on 5 year rolling average.
9. Represents the annual change in the estimated future costs of employee benefits. Estimate based on 5 year rolling average.



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