

APPENDIX "A"

(000's)

	Total	2014	2014	2014
	Total	Tax	Water	Wastewater
Reconciliation from Traditional Budget to PSAB Compliant				
Projected Net PSAB Surplus	100,035	53,527	17,469	29,039
Public Sector Accounting Board (PSAB) Reporting Requirements:				
Addback to revenues:				
Transfers from Capital	212	-	-	212
Transfers from Reserves and Reserve Funds	7,027	7,027	-	-
Deduct from expenses:				
Transfers to Reserves and Reserve Funds	(68,779)	(34,456)	(11,012)	(23,311)
Transfers to Capital	(60,020)	(31,170)	(16,946)	(11,904)
Debt principal repayments	(39,751)	(28,001)	(273)	(11,477)
PSAB adjustments:				
Capital program funding earned in year ⁽¹⁾	(24,256)	(17,852)	(419)	(5,985)
Capital projects not resulting in tangible capital assets ⁽²⁾	26,405	14,346	3,577	8,482
Amortization ⁽³⁾	123,656	69,689	13,162	40,805
Developer contributions of assumed tangible capital assets ⁽⁴⁾	(45,000)	(20,540)	(5,837)	(18,623)
Loss on disposal of tangible capital assets ⁽⁵⁾	1,000	365	242	393
Obligatory reserve fund deferred revenue earned in year - DC, Gas Tax ⁽⁶⁾	(30,277)	(22,129)	(152)	(7,995)
Government Business Enterprises adjustments ⁽⁷⁾	1,000	1,000	-	-
Landfill liability ⁽⁸⁾	1,230	1,230	-	-
Employee future benefit liability ⁽⁹⁾	7,517	6,967	187	363
NET SURPLUS (DEFICIT) PER DRAFT BUDGET	-	-	-	-
Comprised of:				
REVENUES				
Property Tax	479,637	479,637	-	-
Property Tax - Proposed budget increase	19,887	19,887	-	-
Government Grants & Subsidies	160,651	160,614	-	38
User Fees	199,142	45,678	69,496	83,967
Municipal Revenues - Other	62,180	61,719	148	312
Municipal Revenues - Transfers from Capital	212	-	-	212
Municipal Revenues - Transfers from Reserves and Reserve Funds	7,027	7,027	-	-
Total Revenues	928,736	774,563	69,644	84,529
EXPENSES				
Personnel Costs	328,951	305,055	9,122	14,775
Administrative Expenses	11,404	5,928	2,900	2,576
Financial Expenses - Other	10,639	10,569	70	-
Financial Expenses - Interest & Discount on LTD	9,384	7,083	92	2,210
Financial Expenses - Debt Principal Repayments	39,751	28,001	273	11,477
Financial Expenses - Transfers to Reserves and Reserve Funds	68,779	34,456	11,012	23,311
Financial Expenses - Transfers to Capital	60,020	31,170	16,946	11,904
Purchased Services	154,829	148,852	2,782	3,195
Materials & Supplies	65,240	31,803	23,045	10,392
Furniture & Equipment	27,870	23,211	1,555	3,103
Transfers	165,263	165,263	-	-
Other Expenses	21,266	1,033	7,443	12,789
Recovered Expenses	(34,660)	(17,862)	(5,595)	(11,202)
Total Expenses	928,736	774,563	69,644	84,529
NET SURPLUS (DEFICIT)	-	-	-	-

Footnotes and assumptions:

- (1) - represents capital revenue such as provincial and federal grants and other contributions. Does not include debenture financing, transfers from operating or reserve funds.
- (2) - for PSAB purposes, expenses not considered to be part of the cost of a tangible capital asset are expensed as operating expenses although funded through capital. Estimated based on 13% of capital expenditure budget.
- (3) - represents the annual writedown of the tangible capital assets over the useful life of the asset. Estimated 5% annual increase based on 2012 actuals.
- (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 fair market value during the year of assumption. These assets are predominantly comprised of roads, water and wastewater infrastructure.
- (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. Estimated \$1 m for 2014.
- (6) - transactions recorded directly to reserve funds must be accounted for through the operating or capital fund. This includes recognition of development charge levies earned 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.
- (8) - represents the annual increase in the estimated future cost of post-closure related to landfills. Estimate based on 5 year average.
- (9) - represents the annual change in the estimated future costs of employee benefits. Estimate based on 5 year average.

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Reconciliation from Traditional Budget to PSAB Compliant

	Total	2013 Tax	2013 Water	2013 Wastewater
Projected Net PSAB Surplus	109,356	52,501	19,925	36,930
Public Sector Accounting Board (PSAB) Reporting Requirements:				
Addback to revenues:				
Transfers from Capital	255	84	11	161
Transfers from Reserves and Reserve Funds	7,816	7,816	-	-
Deduct from expenses:				
Transfers to Reserves and Reserve Funds	(61,517)	(34,131)	(7,508)	(19,878)
Transfers to Capital	(50,828)	(27,023)	(13,750)	(10,056)
Debt principal repayments	(38,373)	(27,591)	(196)	(10,587)
PSAB adjustments:				
Capital program funding earned in year ⁽¹⁾	(64,701)	(10,790)	(29,411)	(24,500)
Capital projects not resulting in tangible capital assets ⁽²⁾	45,558	6,631	23,967	14,960
Amortization ⁽³⁾	117,767	66,370	12,535	38,862
Developer contributions of assumed tangible capital assets ⁽⁴⁾	(45,000)	(20,540)	(5,837)	(18,623)
Loss on disposal of tangible capital assets ⁽⁵⁾	1,000	365	242	393
Obligatory reserve fund deferred revenue earned in year - DC, Gas Tax ⁽⁶⁾	(30,277)	(22,129)	(152)	(7,995)
Government Business Enterprises adjustments ⁽⁷⁾	1,000	1,000	-	-
Landfill liability ⁽⁸⁾	1,048	1,048	-	-
Employee future benefit liability ⁽⁹⁾	6,896	6,391	172	333

NET SURPLUS (DEFICIT) PER DRAFT BUDGET

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Comprised of:

REVENUES

Property Tax	479,637	479,637	-	-
Property Tax - Proposed budget increase	-	-	-	-
Government Grants & Subsidies	158,854	158,821	-	33
User Fees	186,925	45,921	62,402	78,602
Municipal Revenues - Other	61,382	60,104	1,015	263
Municipal Revenues - Transfers from Capital	255	84	11	161
Municipal Revenues - Transfers from Reserves and Reserve Funds	7,816	7,816	-	-
Total Revenues	894,869	752,383	63,428	79,058

EXPENSES

Personnel Costs	318,921	295,217	9,111	14,593
Administrative Expenses	11,042	5,672	2,991	2,379
Financial Expenses - Other	10,618	10,431	187	-
Financial Expenses - Interest & Discount on LTD	9,513	6,763	65	2,684
Financial Expenses - Debt Principal Repayments	38,373	27,591	196	10,587
Financial Expenses - Transfers to Reserves and Reserve Funds	61,517	34,131	7,508	19,878
Financial Expenses - Transfers to Capital	50,828	27,023	13,750	10,056
Purchased Services	153,621	147,895	2,613	3,112
Materials & Supplies	64,177	30,954	22,841	10,382
Furniture & Equipment	26,541	22,023	1,388	3,130
Transfers	161,176	161,176	-	-
Other Expenses	22,118	1,030	8,042	13,045
Recovered Expenses	(33,575)	(17,524)	(5,263)	(10,788)
Total Expenses	894,869	752,383	63,428	79,058

NET SURPLUS (DEFICIT)

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