

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

for the year ended December 31, 2012  
 (with comparative figures for the year ended December 31, 2011)  
 (all dollar amounts in thousands of dollars)

	2012 BUDGET (Note 19)	2012 ACTUAL	2011 (Restated Note 2)
<b>REVENUE</b>			
Property taxation	3,737,936	3,750,325	3,583,368
Municipal land transfer tax	294,224	349,798	324,065
Taxation from other governments	92,200	106,600	98,596
User charges	2,809,407	2,797,655	2,615,642
Funding transfers from other governments (Note 20)	3,342,820	3,054,218	3,148,351
Gain on sale of Enwave (Note 6)	-	96,611	-
Government business enterprise earnings (Note 6)	-	180,097	188,041
Investment income	170,732	246,760	248,397
Development charges	203,430	141,133	94,952
Rent and concessions	324,537	395,470	386,073
Other	647,899	584,536	604,560
<b>Total revenue</b>	<b>11,623,185</b>	<b>11,703,203</b>	<b>11,292,045</b>
<b>EXPENSES</b>			
General government	1,045,230	873,889	1,193,486
Protection to persons and property	1,620,477	1,558,447	1,667,615
Transportation	3,048,849	2,828,174	2,642,260
Environmental services	1,059,491	810,859	834,088
Health services	407,442	397,210	399,207
Social and family services	2,136,223	1,999,896	2,032,670
Social housing	899,167	850,026	804,577
Recreation and cultural services	922,692	861,716	847,271
Planning and development	122,425	96,533	143,636
<b>Total expenses (Note 21)</b>	<b>11,261,996</b>	<b>10,276,750</b>	<b>10,564,810</b>
<b>ANNUAL SURPLUS</b>	<b>361,189</b>	<b>1,426,453</b>	<b>727,235</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>15,594,762</b>	<b>16,641,411</b>	<b>15,582,937</b>
GBE - IFRS adjustment -Toronto Hydro Corp. (Note 6)	-	97,202	331,239
<b>ACCUMULATED SURPLUS - END OF YEAR (Note 18)</b>	<b>15,955,951</b>	<b>18,165,066</b>	<b>16,641,411</b>

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

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

for the year ended December 31, 2012

*(with comparative figures for the year ended December 31, 2011)*

*(all dollar amounts in thousands of dollars)*

	<b>2012 BUDGET (Note 19)</b>	<b>2012 ACTUAL</b>	<b>2011 ACTUAL (Restated Note 2)</b>
<b>Annual Surplus</b>	<b>361,189</b>	<b>1,426,453</b>	<b>727,235</b>
Acquisition of tangible capital assets	(2,837,989)	(2,297,710)	(2,161,323)
Amortization of tangible capital assets	802,035	801,845	814,522
(Gain) Loss on disposal of tangible capital assets	-	(6,467)	70,170
Recognition of TPLC as a government business enterprise (Note 6)	-	-	163,663
Reclassification of tangible capital assets as inventories	-	50,321	43,209
Proceeds on disposal of tangible capital assets	2,000	40,880	-
<b>Change due to tangible capital assets</b>	<b>(2,033,954)</b>	<b>(1,411,131)</b>	<b>(1,069,759)</b>
<b>Change in inventories and prepaid expenses</b>	<b>-</b>	<b>31,724</b>	<b>(2,195)</b>
GBE - IFRS adjustment - Toronto Hydro Corp. (Note 6)	-	97,202	331,239
<b>(Increase) decrease in net debt</b>	<b>(1,672,765)</b>	<b>144,248</b>	<b>(13,480)</b>
<b>NET DEBT - BEGINNING OF YEAR</b>	<b>(4,389,283)</b>	<b>(4,389,283)</b>	<b>(4,375,803)</b>
<b>NET DEBT - END OF YEAR</b>	<b>(6,062,048)</b>	<b>(4,245,035)</b>	<b>(4,389,283)</b>

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012 (all dollar amounts in thousands of dollars)

	<b>Budget Amount \$</b>
<b>Revenue</b>	
Approved budgets:	
Operating	9,603,062
Capital	2,937,433
Reserve	<u>37,925</u>
	12,578,420
Adjustments:	
Proceeds on debt issue	<u>(955,235)</u>
<b>Total revenue</b>	<b><u>11,623,185</u></b>
<b>Expenses</b>	
Approved budgets:	
Operating	<b>9,991,091</b>
Capital	3,520,718
	<b>13,511,809</b>
Adjustments:	
Tangible Capital Assets (TCA)	<b>(2,837,989)</b>
Amortization	802,035
Debt principal repayments	<b>(213,859)</b>
<b>Total expenses</b>	<b>11,261,996</b>
<b>Annual surplus</b>	<b>361,189</b>

## 20. Funding Transfers from Other Governments

### By Function

	<b>2012 \$</b>	<b>2011 \$</b>
General government	120,314	144,222
Protection to persons & property	35,843	44,184
Transportation	763,065	633,139
Environmental services	43,357	63,437
Health services	268,791	266,485
Social and family services	1,480,970	1,500,083
Social Housing	315,578	416,169
Recreation and cultural services	12,622	35,277
Planning and development	<u>13,678</u>	<u>45,355</u>
	<b><u>3,054,218</u></b>	<b><u>3,148,351</u></b>

### By Government Entity

	<b>2012 \$</b>	<b>2011 \$</b>
Operating Transfers		
Federal	186,538	200,158
Provincial	2,044,041	2,117,092
Other	<u>7,350</u>	<u>60,007</u>
	<b><u>2,237,929</u></b>	<b><u>2,377,257</u></b>
Capital Transfers		
Federal	255,539	329,693
Provincial	522,330	420,643
Other	<u>38,420</u>	<u>20,758</u>
	<b><u>816,289</u></b>	<b><u>771,094</u></b>