

# 2022 Consolidated Financial Statements

December 31, 2022

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# Management's report

The management of the City of Toronto (City) is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying consolidated financial statements.

The consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in Note 1 to the consolidated financial statements. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

To meet its responsibility, management maintains comprehensive financial and internal control systems designed to ensure the proper authorization of transactions, the safeguarding of assets and the integrity of the financial data. The City employs highly qualified professional staff and deploys an organizational structure that effectively segregates responsibilities, and appropriately delegates authority and accountability.

The Audit Committee, a sub-committee of City Council (Council), reviews and recommends the approval of the consolidated financial statements before they are submitted to Council.

The 2022 consolidated financial statements have been audited by the City of Toronto's external auditors, KPMG LLP. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City of Toronto's consolidated financial statements.

Toronto, Canada  
July XX, 2023

**Paul Johnson**  
City Manager

**Heather Taylor**  
Chief Financial Officer and Treasurer

**Andrew Flynn**  
Controller

# Independent auditor's report

*KPMG signed and dated opinion to be inserted following City Council approval*

# Consolidated statement of financial position

As at December 31, 2022 with comparatives to 2021

	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents	\$ 4,637	\$ 6,642
Accounts and taxes receivable (Note 2)	3,033	2,076
Loans receivable (Note 3)	186	194
Other assets (Note 4)	44	44
Investments (Note 5)	6,422	3,691
Investments in Government Business Enterprises (Note 6)	2,380	2,294
<b>Total financial assets</b>	<b>16,702</b>	<b>14,941</b>
<b>Liabilities</b>		
Bank indebtedness (Note 7)	118	99
Accounts payable and accrued liabilities (Note 8)	3,810	3,408
Deferred revenue (Note 9)	6,464	5,823
Provisions for property and liability claims (Note 10)	495	480
Environmental and contaminated site liabilities (Note 11)	403	468
Mortgages payable (Note 12)	440	389
Long-term debt (Note 13)	8,859	8,146
Employee benefit liabilities (Note 14)	4,669	4,507
<b>Total liabilities</b>	<b>25,258</b>	<b>23,320</b>
<b>Net debt</b>	<b>(8,556)</b>	<b>(8,379)</b>
<b>Non-financial assets</b>		
Prepaid expenses	142	150
Inventories (Note 15)	325	269
Tangible capital assets (Note 16, Schedule 1)	40,342	38,386
<b>Total non-financial assets</b>	<b>40,809</b>	<b>38,805</b>
<b>Accumulated surplus (Note 17)</b>	<b>\$ 32,253</b>	<b>\$ 30,426</b>

Contingent assets and liabilities (Note 18)

Contractual rights and obligations (Note 19)

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

# Consolidated statement of operations and accumulated surplus

For the year ended December 31, 2022 with comparatives to 2021

	2022 Budget (Note 20)*	2022 Actual*	2021 Actual
<b>Revenue</b>			
Property and taxation from other governments (Note 21)	\$ 4,908	\$ 4,974	\$ 4,767
Government transfers (Note 22)	4,933	4,463	4,682
User charges	3,441	3,224	2,798
Municipal land transfer tax	944	1,038	1,172
Rent and concessions	478	513	477
Development charges	551	344	365
Investment income	189	131	147
Government business enterprises earnings (Note 6)	-	197	146
Other revenue sources (Note 23)	770	798	687
<b>Total revenue</b>	<b>16,214</b>	<b>15,682</b>	<b>15,241</b>
<b>Expenses</b>			
Transportation	4,422	3,836	3,648
Social and family services	3,373	3,080	2,658
Protection to persons and property	2,097	2,104	1,985
Recreation and cultural services	1,245	1,009	969
Environmental services	1,643	1,060	1,148
General government	1,456	1,075	1,066
Social housing	1,259	998	950
Health services	663	642	687
Planning and development	194	51	132
<b>Total expenses (Note 24)</b>	<b>16,352</b>	<b>13,855</b>	<b>13,243</b>
<b>Annual surplus (deficit)</b>	<b>(138)</b>	<b>1,827</b>	<b>1,998</b>
Accumulated surplus, beginning of year	30,426	30,426	28,428
<b>Accumulated surplus, end of year</b>	<b>\$ 30,288</b>	<b>\$ 32,253</b>	<b>\$ 30,426</b>

\*The City's budget is initially prepared using a modified cash basis, and then modified to reflect accrual accounting principles that are required under Public Sector Accounting Standards. Please refer to Note 20 for further details. Actuals reflect accrual accounting principles.

Segmented information is presented in Appendices 2 and 3.

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

## Consolidated statement of change in net debt

For the year ended December 31, 2022 with comparatives to 2021

	2022 Budget (Note 20)	2022 Actual	2021 Actual (Note 25)
<b>Annual surplus (deficit)</b>	\$ (138)	\$ 1,827	\$ 1,998
Acquisition of tangible capital assets	(3,693)	(3,693)	(3,423)
Amortization of tangible capital assets	1,645	1,645	1,554
Gain on disposal of tangible capital assets	-	(153)	(9)
Donated tangible capital assets	-	(8)	(18)
Proceeds on disposal of tangible capital assets	-	253	38
Change due to tangible capital assets	(2,048)	(1,956)	(1,858)
Change in prepaid expenses	-	8	21
Change in inventories	-	(56)	65
<b>(Increase) decrease in net debt</b>	<b>(2,186)</b>	<b>(177)</b>	<b>226</b>
Net debt, beginning of year	(8,379)	(8,379)	(8,605)
<b>Net debt, end of year</b>	<b>\$ (10,565)</b>	<b>\$ (8,556)</b>	<b>\$ (8,379)</b>

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

## Consolidated statement of cash flows

For the year ended December 31, 2022 with comparatives to 2021

	2022	2021 (Note 25)
<b>Cash flows provided by (used in):</b>		
<b>Operating activities</b>		
Annual surplus	\$ 1,827	\$ 1,998
Add (deduct) items not involving cash:		
Government business enterprise earnings from operations	(197)	(146)
Amortization of tangible capital assets	1,645	1,554
Gain on disposal of tangible capital assets	(153)	(9)
Donated tangible capital assets	(8)	(18)
	3,114	3,379
Changes in non-cash assets and liabilities:		
Accounts and taxes receivable	(957)	522
Accounts payable and accrued liabilities	402	(872)
Deferred revenue	641	607
Provision for property and liability claims	15	24
Environmental and contaminated sites liabilities	(65)	75
Employee benefit liabilities	162	206
Prepaid expenses	8	21
Inventories	(56)	65
<b>Cash provided by operating activities</b>	<b>3,264</b>	<b>4,027</b>
<b>Capital activities</b>		
Acquisition/construction of tangible capital assets	(3,693)	(3,423)
Proceeds on disposal of tangible capital assets	253	38
<b>Cash used in capital activities</b>	<b>(3,440)</b>	<b>(3,385)</b>
<b>Financing activities</b>		
Net change in bank indebtedness	19	30
Principal repayments on mortgages payable	(31)	(49)
Issuance of long-term debt	1,279	1,070
Principal repayments on long-term debt	(465)	(471)
Interest earned on sinking funds	(19)	(18)
<b>Cash provided by financing activities</b>	<b>\$ 783</b>	<b>\$ 562</b>

## Consolidated statement of cash flows (cont.)

For the year ended December 31, 2022 with comparatives to 2021

	2022	2021 (Note 25)
<b>Investing activities</b>		
Net change in other assets	\$ -	\$ 6
Net change in loans receivable	8	(7)
Proceeds from the sale and maturities of investments	8,981	5,698
Purchase of investments	(11,712)	(5,704)
Dividends and distributions from government business enterprises	111	90
<b>Cash (applied to) provided by investing activities</b>	<b>(2,612)</b>	<b>83</b>
<b>Net (decrease) increase in cash and cash equivalents during the year</b>	<b>(2,005)</b>	<b>1,287</b>
Cash and cash equivalents, beginning of year	6,642	5,355
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,637</b>	<b>\$ 6,642</b>
<b>Supplementary information:</b>		
Cash paid for interest on long-term debt	\$ 365	\$ 364
Cash received for interest on investments	\$ 147	\$ 238

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

# Notes to consolidated financial statements

For the year ended December 31, 2022

The City of Toronto (City) is the provincial capital of Ontario and the largest city in Canada. Although the City was originally incorporated on March 6, 1834, the 1998 amalgamation of the City of Toronto, Metropolitan Toronto, East York, Etobicoke, North York, Scarborough and York resulted in the existing City. The City operates under the provisions of the City of Toronto Act, 2006.

The impact of the COVID-19 pandemic, including government and regulatory responses to the pandemic, continues to affect the Canadian economy and the City's operations.

## 1. Significant accounting policies:

### a. Basis of presentation

The consolidated financial statements (Statements) of the City have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

### b. Principles of consolidation

The Statements reflect the assets, liabilities, revenues and expenses of City Divisions, including the Toronto Police Services Board, and controlled organizations considered to be financially significant to the City's financial results. In addition, the City proportionately consolidates two entities held in partnership. The Toronto Waterfront Revitalization Corporation is a 33.3% partnership with each of the Canadian and Ontario Governments, and the Toronto PanAm Sports Centre is a 50% partnership with the University of Toronto.

The City's 100% share of the Toronto Hydro Corporation and Toronto Parking Authority follow Government Business Enterprises (GBE) accounting, using the modified equity basis of accounting where the accounting principles of the GBEs are not adjusted to conform to the City's accounting principles and intercompany transactions and balances are not eliminated. Intercompany gains and losses are, however, eliminated on assets remaining within the government reporting entities at the reporting date.

### c. Consolidated entities

#### Agencies and corporations

- Board of Governors of Exhibition Place
- Board of Management of the Toronto Zoo
- Build Toronto Inc. (BTI)
- City of Toronto Economic Development Corporation c.o.b. Toronto Port Lands Company (TPLC)
- CreateTO
- Lakeshore Arena Corporation
- TO Live
- Toronto Atmospheric Fund (TAF)
- Toronto Community Housing Corporation (TCHC)
- Toronto Public Library Board (TPLB)
- Toronto Seniors Housing Corporation (TSHC)
- Toronto Transit Commission (TTC)
- Toronto Pan Am Sports Centre Inc. (TPASC) (50% proportionately)
- Toronto Waterfront Revitalization Corporation (TWRC) (33.33% proportionately)

All intercompany assets and liabilities and sources of financing and expenses have been eliminated in these consolidated financial statements.

### d. Trust funds

Trust funds administered by the City are not included in these consolidated financial statements, with the exception of certain investments held on behalf of TAF.

### e. Use of Estimates and Measurement Uncertainty

The preparation of these Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities, at the Statement date, and the reported amounts of revenues and expenses during the reporting year. Significant estimates and assumptions, which include employee benefit liabilities, property tax assessment appeals, property, liability and accident claims provisions, landfill closure and post-closure liabilities, and environmental and contaminated sites provisions, are based on management's best information and judgment. Actual amounts, accounted for as they become known, may differ significantly from these estimates.

The pandemic has caused fluctuating markets that directly impact the discount rates used for these estimates. The impact of the COVID-19 pandemic, including government and regulatory responses to the pandemic, continues to affect the Canadian economy and the City's operations.

**f. Assets**

Assets are economic resources controlled by the City as a result of past transactions or events and from which future economic benefits are expected to be obtained. For the year ended December 31, 2022, all material assets have been disclosed and reported within the City's Statements.

**g. Cash and cash equivalents**

Cash and Cash Equivalents includes cash on hand, deposits held at banks, and other short-term highly liquid investments with original maturities of three months or less.

**h. Receivables and revenues**

Loans Receivable are recorded at the lower of amortized cost and the net recoverable value, when the risk of loss exists. Changes in the valuation of loans receivables are recognized in the Consolidated Statement of Operations and Accumulated Surplus. Interest is accrued on loans receivable to the extent it is deemed collectable. When the terms associated with a loan are considered to be concessionary such that all or a part of the loan is considered to be a grant, the City will expense the grant portion of the transaction in the Consolidated Statement of Operations and Accumulated Surplus at the time the loan is made.

Revenues are accounted for in the period in which the transactions or events occurred and the City expects to obtain future economic benefits.

Taxation revenues and associated receivables are recognized when they meet the definition of an asset, are authorized, and the taxable event occurs. Additional property tax revenue can be added throughout the year, after the return of the annual assessment roll used for invoicing purposes, as new properties are occupied or become subject to property tax. The City may receive supplementary assessment rolls over the course of the year from the Municipal Property Tax Assessment Corporation (MPAC) identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then invoiced according to the City Council approved tax rate for each property class. Taxation revenues may also be impacted by reductions in assessment values resulting from assessment and/or property tax appeals performed by MPAC. An annual adjustment to account for changes in collectability of the City's taxation receivables is reflected in the City's Consolidated Statement of Operations and Accumulated Surplus.

Municipal Land Transfer tax revenues are recognized following the registration of the taxable sale.

User Charges consist of transit fees, utility charges (water, wastewater and solid waste), licensing fees, and fees associated with City programs and facilities rentals. Revenue is recognized when the activity is performed or when the services are rendered.

Government Transfers to the City are recognized as revenues in the period in which the transfer is authorized by the transferring government and all eligibility criteria are met, except if there are stipulations that create an obligation that meets the definition of a liability. Once a liability is recognized, the transfer is recognized as revenue as the obligations related to these stipulations are met.

Development Charges are charges imposed on land development or redevelopment projects. Fees are set by City by-law, which conforms to the requirements of the Development Charges Act, 1997. Development Charges are collected when an above grade building permit is issued and are established as deferred revenues. Once the City incurs growth-related capital expenditures on qualifying capital projects, the City recognizes revenue.

**i. Investments**

Investments consist mainly of government and corporate bonds, money market securities, and guaranteed investment certificates, as well as equity pooled funds. Investments are accounted for at amortized cost. Where there is a permanent loss in value, the investment value is written down to recognize the loss, with the corresponding write-down reflected in the Consolidated Statement of Operations and Accumulated Surplus. Further details can be found in Note 5.

Investment income is reported as revenue in the period earned. Investment income earned on Deferred Revenues, which are referred to as Obligatory Reserve Funds (as they are set aside for specific purposes by legislation, regulation or agreement), is added to the respective Deferred Revenue balances.

Dividends are recognized as revenue when declared.

**j. Deferred revenue**

Deferred Revenues, which include advance payments for tickets, building permits and program registration fees; contributions from developers according to Section 37 of the Planning Act; and revenues set aside for specific purposes, represent revenues which have been collected, but for which the related services have not yet been provided. These liabilities are recorded as deferred revenues and are recognized as revenue in the year the related expenses are incurred or services are performed, as this is the time the eligibility criteria have been met and the amounts considered earned.

**k. Provision for property and liability claims**

Estimated costs to settle Property and Liability Claims are actuarially determined based on available loss information and projections of the present value of estimated future expenses, developed from the City's historical experience on loss payments. Where the costs are deemed to be likely and reasonably determinable, liabilities are included on the Consolidated Statement of Financial Position, with annual changes expensed as operating costs in the Consolidated Statement of

## Operations and Accumulated Surplus.

The TTC has a self-insurance program for Automobile and General Liability claims. When claims are reported, case reserves are initially estimated on an individual basis by adjusters and lawyers. A provision is made, on a present value basis, for claims incurred, for claims incurred-but-not-reported, and for internal and external adjustments.

### **I. Environmental and contaminated site liabilities**

Liabilities related to the remediation of contaminated sites are recorded when all of the following conditions are met:

- Environmental standards exist;
- Contamination exceeds the standard;
- The City is directly responsible or accepts responsibility for the contamination;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the liability can be made.

The estimated amounts of future remediation costs are reviewed annually, based on available information and governing legislation. Where the costs are deemed to be likely and reasonably determinable, liabilities are included in the Consolidated Statement of Financial Position, with annual changes expensed in the Consolidated Statement of Operations and Accumulated Surplus.

The City also provides for the estimated costs to remediate contaminated sites that are in productive use when conditions are identified as not compliant with environmental legislation and associated costs can be reasonably determined.

The Ontario Environmental Protection Act (Act) sets out the regulatory requirements for the closure and maintenance of landfill sites. Under the Act, the City is required to provide for closure and post-closure care of solid waste landfill sites. The costs related to these obligations are provided for all inactive landfill sites and for active landfill sites based on usage.

The estimated liability for the care of the active Green Lane landfill site is the present value of future cash flows associated with closure and post-closure costs discounted using the City's average long-term borrowing rate.

Post-closure care activities for inactive landfill sites are expected to occur in perpetuity and will involve surface and ground water monitoring, maintenance of drainage structures, monitoring leachate and landfill gas, and maintenance of the landfill cover. The costs to close existing landfill sites and to maintain closed solid waste landfill sites are based on estimated future expenditures in perpetuity in current dollars, adjusted for estimated inflation. These costs are reported as a liability on the Consolidated Statement of Financial Position, with annual changes expensed in the Consolidated

## Statement of Operations and Accumulated Surplus.

### **m. Derivative financial instruments**

Financial derivatives (heating fuel swaps) are being used to help manage the TTC's exposure to fluctuating fuel prices by setting a fixed price for a future purchase of a fixed quantity of fuel. Derivative contracts are recorded at their fair value as an asset or liability based on quoted market prices, with changes in fair value, if any, recorded in the Consolidated Statement of Operations and Accumulated Surplus.

### **n. Employee benefit liabilities**

Employee Benefit Liabilities include Sick Leave, Schedule 2 Employer benefits under the Workplace Safety and Insurance (WSIB) Act, Life Insurance, and Extended Health and Dental benefits for early retirees as well as post-amalgamation retirees grandparented from their former area municipality. The costs of these benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends and plan investment performance. Accrued obligations and related costs of plan benefits are recognized net of plan assets.

The costs of WSIB obligations are actuarially determined and recognized in the period they occur. The costs of termination benefits and compensated absences are recognized when the event that obligates the City 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 using discount rates derived from the City's long-term borrowing rate.

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 recognized in the period they occur. Net actuarial gains and losses related to the employee benefits are amortized over the estimated average remaining service life of the related employee group. Employee future benefit assets are presented net of any required valuation allowance. Employee future benefit liabilities are discounted using rates derived from the City's long-term borrowing rate consistent with the duration of the benefit obligations.

The City accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. The City does not recognize any share of the pension plan deficit based on the fair market value of OMERS assets, as this is a joint responsibility of all Ontario municipalities and their employees.

The City continues to administer the Toronto Fire Department Superannuation and Benefit Fund as a defined benefit pension plan covering a closed group of employees hired prior to the establishment of the OMERS pension plan.

**o. Non-financial assets**

Non-Financial Assets are used to provide City services and are not available to discharge existing liabilities. These assets 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 (TCA) are recorded at historical cost or estimated historical cost based on appraisals or other supportable methods where historical cost is not available. Cost includes amounts directly attributable to the acquisition, construction, development or betterment of the asset. Internal labour directly attributable to the construction, development or implementation of a tangible capital asset is capitalized. The City does not capitalize interest costs associated with the acquisition or construction of tangible capital assets. Qualifying costs are recognized as part of the City's Assets Under Construction balance until the underlying assets are ready for their intended use and/or are in service.

The City categorizes its TCA based on two major categories, General and Infrastructure:

- **General capital assets** include those assets which are not part of a network. Land includes all of the City's land except land under roads. Land improvements include outdoor parks and recreation facilities, land improvements around buildings, and the active landfill site. Buildings include office buildings, community centres, police, fire and ambulance stations, TCHC housing units and transit buildings. Machinery and equipment includes equipment used by police, fire and paramedic services, as well as computers and furniture. Corporate fleet and transit buses make up the vehicle assets.
- **Infrastructure assets** include those capital assets which are part of one of three networks: roads, water/wastewater and transit. The land within this category is the value of the land under the City's roads. Water and wastewater treatment plants, pumping stations, and storm facilities are included within Infrastructure buildings and building improvements. Machinery and equipment include expressway signs and traffic signals, as well as equipment within water and wastewater treatment plants and pumping stations. Water and wastewater infrastructure includes pipe networks delivering water and removing waste water. Road networks are inclusive of road bases, surfaces and sidewalks. Transit infrastructure includes the subway system, rolling stock, track work and power distribution assets.

Donated TCAs are recorded at estimated fair market value at the date of donation, with a corresponding recognition of revenue.

Lease arrangements, which transfer substantially all of the risks and benefits that are incidental to ownership, are recognized as a leased TCA and amortized over the lease term. All other forms of lease arrangements are considered to be operating expenses and recognized on the City's Consolidated Statement of Operations and Accumulated Surplus.

Cloud-based software costs are assessed to determine if they meet the definitions of an asset and TCA. In the event the transactions satisfy both of the definitions, the City recognizes all costs associated with preparing the software for its intended use as part of the Assets Under Construction balance. Once the software has been fully implemented and is operational, the City re-classifies the associated costs to TCAs. Ongoing support and maintenance costs are expensed.

The TCA capitalized cost less expected residual value is amortized on a straight-line basis, over the estimated useful life of the assets, at the following rates:

<b>Asset</b>	<b>Useful life</b>
<b>General assets</b>	
Land improvements	10 - 70 years
Buildings and building improvements	10 - 100 years
Machinery and equipment	4 - 75 years
Motor vehicles	5 - 20 years
<b>Infrastructure assets</b>	
Water and wastewater linear	20 - 100 years
Roads linear	4 - 100 years
Transit	3 - 65 years

One-half of the amortization is recorded in the year of acquisition and in the year of disposal. Assets Under Construction are not amortized until the asset is substantially complete and available for productive use.

TCAs are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services. Any impairment is accounted for as a loss in the Consolidated Statement of Operations and Accumulated Surplus.

The City manages and controls various works of art and non-operational historical cultural assets which are not recorded as TCAs and are not amortized. The valuation associated with these assets is not determinable. The City's collection includes historical buildings, artifacts, paintings and

sculptures located at City sites and public display areas.

The City also has and manages various natural assets, including ravines and urban forests, that are used to mitigate and address climate-related risks, as well as provide services to residents and businesses. Currently, PSAS does not require the recognition of natural assets as assets in a public sector entity's financial statements. Separate disclosure, however, has been added for completeness purposes, as well as to demonstrate the City's ongoing commitments in maintaining its natural assets.

**ii. Inventory**

Inventory of materials and supplies, which are often consumed for purposes of providing goods and/or services to residents and businesses, is valued at the lower of cost and replacement cost. Inventory of land held for sale is valued at the lower of cost or net realizable value.

**p. Reserves and reserve funds**

The City has Reserves and Discretionary (i.e. Council-Directed) Reserve Funds, which are reported in the Accumulated Surplus balance on the Consolidated Statement of Financial Position. These historical balances were established in response to a policy, to assist with fiscal management, or demonstrate compliance with legislation.

**q. Expenses**

Expenses are recognized as they are incurred and measurable, as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expenses are recognized as incurred. Expenses paid in the current period attributable to future benefits received are classified as Prepaid Expenses in the City's Non-Financial Assets on the Statement of Financial Position.

**r. Contractual rights and obligations**

Contractual rights reflect future rights to economic resources arising from contracts and/or agreements that will result in both an asset and revenue in future fiscal periods.

Contractual obligations represent obligations, which will result in liabilities upon completion of agreed upon terms specified in contracts and/or agreements in future fiscal periods.

For further details regarding the City's contractual rights and obligations, including nature, extent and timing of these types of transactions, can be found in Note 19.

**s. Contingent assets and liabilities**

Contingent assets and contingent liabilities arise from circumstances when the City is uncertain whether it

has an asset and/or liability on the date of the financial statements. The existence of the asset and/or liability is ultimately dependent upon the occurrence or non-occurrence of a future event that is outside of the entity's control.

For the year ended on December 31, 2022, all disclosures regarding the City's contingent assets and liabilities, including the nature, extent, and basis of estimates (if available), can be found in Note 18.

**i. Loan and line of credit guarantees**

The City provides loan guarantees for various cultural and community-based organizations, which are not consolidated as part of the City's Statements. As the guarantees represent potential financial commitments for the City, these amounts are considered contingent liabilities and not formally recognized as liabilities until the City considers it likely for the borrower to default on its obligation and the amount of the liability can be estimated. The City monitors the status of the organizations, loans, and lines of credit annually and in the event that payment by the City is likely to occur, a provision will be recognized in the Statements.

**t. Related party transactions**

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties also include key management personnel, such as City Councillors and members of the City's Corporate Leadership Team (the City Manager, Deputy City Managers, Chief Financial Officer and Treasurer, Controller and Division Heads), as well as their close family members.

PS 2200 – Related Party Disclosure requires the City to disclose circumstances in which the entity enters into transactions with its related parties at a value different from that which would have been arrived at if the parties were unrelated (i.e. not at arm's length) and these transactions are considered to have a significant financial impact on the City's Statements. In the event qualifying transactions are identified, the City would disclose the nature of relationships with all involved parties, type of related party transaction, and amounts recognized in the Statements.

As of December 31, 2022, the City is not aware of any material related party transactions aside from those that have already been disclosed as part of Note 6, Investments in Government Business Enterprises.

**u. Future accounting pronouncements**

The City continues to assess the impact on its Statements of the following upcoming changes to PSAS.

The City has not adopted any new accounting standards for the year ended on December 31, 2022.

**i. Standards applicable for fiscal years beginning on or after April 1, 2022 (in effect for the City for the year ending on December 31 2023):**

PS 1201 – Financial Statement Presentation replaces PS 1200 – Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements, and introduces a new Statement of Remeasurement Gains and Losses that is separate from the Statement of Operations. This statement reports the changes in the values of financial assets and financial liabilities arising from their remeasurement at current exchange rates and/or fair value, and the government's proportionate share of other comprehensive income arising from the results of government business enterprises and partnerships. The requirements in PS 2601 – Foreign Currency Translation, PS 3041 – Portfolio Investments, and PS 3450 – Financial Instruments, which must be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses. The requirements of these standards are explained further below.

PS 2601 – Foreign Currency Translation replaces PS 2600 – Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported at fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses. However, the new standard also provides an election that will allow for the continued recognition of all exchange gains and losses directly in the Statement of Operations and Accumulated Surplus.

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

PS 3450 – Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments can be elected to be measured at cost, amortized cost or fair value. Unrealized gains and losses arising from changes in fair value are presented in the new Statement of

Remeasurement Gains and Losses.

PS 3280 – Asset Retirement Obligations establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. Upon adoption of this standard, PS 3270 Solid Waste Landfill Closure and Post-closure Liability will no longer apply.

**ii. Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the City for the year ending on December 31, 2024):**

PS 3160 – Public Private Partnerships (P3s) identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the P3 term. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.

PS 3400 – Revenue establishes standards on how to account for and report on revenue, specifically differentiating between revenue arising from transactions that include performance obligations, referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. Taxation revenue is excluded from the scope of this standard.

PSG-8 – Purchased intangibles provides guidelines on accounting and reporting for purchased intangibles. Concurrently, PS 1000 – Financial Statement Concepts has been amended to remove the prohibition in public sector financial statements against recognizing intangibles purchased in an exchange.

**2. Accounts and taxes receivable**

	2022	2021
Federal and provincial government receivables	\$ 1,702	\$ 953
Property taxes receivables	462	381
Trade and other receivables	869	742
<b>Total accounts and taxes receivable</b>	<b>\$ 3,033</b>	<b>\$ 2,076</b>

Included in Federal and Provincial Government receivables are:

- Safe Restart Agreement (SRA) – \$385 (2021 – \$103): intended to support safe restart of the economy following the COVID-19 pandemic. \$nil has been received since December 31, 2022;
- Provincial Operating Support – \$235 (2021 – \$nil): intended to support the City's increased costs related to the COVID-19 pandemic. \$235 has been received since December 31, 2022;
- Provincial Gas Tax (PGT) – \$139 (2021 – \$139): \$139 has been received since December 31, 2022;
- Provincial Transit Infrastructure Fund (PTIF) claims – \$86 (2021 – \$151): \$nil has been received since December 31, 2022; and
- Interim Housing Assistance Program – \$71 (2021 – \$17): \$71 has been received since December 31, 2022.

Federal and Provincial Government Receivables include a receivable of \$218 (2021 – \$239), which reflects the City's estimated reimbursement for various subway projects that were transferred to the Province in 2019.

**3. Loans receivable**

	2022	2021
TCHC promissory notes, loan agreements and receivables, bearing interest rates between 3.0% and 6.0% (2021 – 3.0% to 6.0%) per annum with maturity dates from 2023 to 2057 (2021 – 2022 to 2057)	\$ 75	\$ 76
BTI loan facility and vendor-take-back (VTB) mortgages, bearing an interest rate of 3.3% (2021 – 3.3% to 5.0%) per annum with maturity dates from 2023 to 2027 (2021 – 2022 to 2027)	30	32
Loans receivable from community housing organizations bearing interest rates between 0% and 5.0% (2021 – 0% to 5.0%) per annum, with maturity dates from 2023 to 2074 (2021 – 2022 to 2074)	41	46
Energy loans receivable from organizations to enable the implementation of green initiative projects across the City bearing interest rates between 0% and 3.7% (2021 – 0% to 3.7%) per annum, with maturity dates from 2023 to 2040 (2021 – 2022 to 2040)	29	30
Loan receivable from Maple Leaf Sports and Entertainment Ltd for the expansion of BMO Stadium bearing an interest rate of 4.2% (2021 – 4.2%) per annum with a maturity date of 2034	7	8
Other	4	2
<b>Total loans receivable</b>	<b>\$ 186</b>	<b>\$ 194</b>

**4. Other assets**

	2022	2021
TCHC equal contribution equity in revitalization projects and equal interest Co-Tenancy Agreements for construction	\$ 10	\$ 12
TCHC externally restricted assets under loan agreements for capital expenditures	5	6
Other	29	26
<b>Total other assets</b>	<b>\$ 44</b>	<b>\$ 44</b>

## 5. Investments

	2022		2021	
	Cost	Market value	Cost	Market value
Money market instruments	\$ 2,924	\$ 2,924	\$ 112	\$ 112
Government bonds	1,407	1,313	1,448	1,484
Corporate bonds	1,080	1,020	1,136	1,147
Equities	839	922	758	957
Foreign corporate bonds	60	57	39	39
Mortgages	23	22	118	117
Other	89	97	80	99
<b>Total investments</b>	<b>\$ 6,422</b>	<b>\$ 6,355</b>	<b>\$ 3,691</b>	<b>\$ 3,955</b>

Government bonds include bonds held in trust by the City's insurance carrier as collateral for the provision of automobile and primary liability insurance with a carrying value of \$54 (2021 – \$nil).

The weighted average yield on the cost of the bond investment portfolio during the year was 4.1% (2021 – 3.2%). Maturity dates on investments in the portfolio range from 2026 to 2044 (2021 – 2030 to 2049).

Included in the City's government bonds portfolio are City of Toronto debentures at coupon rates varying from 2.2% to 4.7% (2021 – 1.6% to 4.7%) with a carrying value of \$27 (2021 – \$31).

As at December 31, 2022, the City's investments measured at amortized cost exceed market value, representing a temporary decline in market value but no decline in the amortized cost value reported. There is no impairment due to the low-risk nature of the investments, the high credit ratings of the issuers, and the City's intention to hold these investments to their maturities.

The Toronto Investment Board manages the funds not immediately required by the City, as well as managing the City's investments in accordance with the City's investment standards and Council-approved investment policy.

## 6. Investments in government business enterprises (GBEs)

	2022	2021
Toronto Hydro Corporation	\$ 2,049	\$ 1,969
Toronto Parking Authority	331	325
<b>Total investments in GBEs</b>	<b>\$ 2,380</b>	<b>\$ 2,294</b>

The book value continuity of the City's GBEs is as follows:

	2022	2021
Balance – beginning of year	\$ 2,294	\$ 2,238
Income from operations (Appendix 1)	196	142
Dividends received (Appendix 1)	(85)	(70)
Distribution to City (Appendix 1)	(26)	(20)
Other (Appendix 1)	1	4
<b>Balance - end of year (Appendix 1)</b>	<b>\$ 2,380</b>	<b>\$ 2,294</b>

GBE earnings on the Consolidated Statement of Operations and Accumulated Surplus consist of the following:

	2022	2021
Income from Operations (Appendix 1)	\$ 196	\$ 142
Other (Appendix 1)	1	4
<b>GBE earnings</b>	<b>\$ 197</b>	<b>\$ 146</b>

Condensed, audited financial results for each government business enterprise are disclosed in Appendix 1 to the Notes to these Consolidated Financial Statements.

**6. Investments in GBEs (cont.)**

Related party transactions between the City and its GBEs are as follows:

	<b>2022</b>	<b>2021</b>
Street-lighting, electricity, and maintenance services purchased by the City from Toronto Hydro Corporation	\$ 271	\$ 284
Property taxes paid to the City from Toronto Parking Authority	21	21
Rent expense paid to the City from Toronto Parking Authority	1	2
Property taxes paid to the City from Toronto Hydro Corporation	3	4
	<b>\$ 296</b>	<b>\$ 311</b>

Principal repayments of unsecured Long-Term Debt of the City's GBEs are as follows:

	<b>Due to others</b>
2023	\$ 251
2024	1
2025	-
2026	200
2027	-
Thereafter	2,295
	<b>\$ 2,747</b>

Repayments relate to Toronto Hydro Corporation's long term debt series with interest rates ranging from 1.5% to 5.5% per annum and maturity dates ranging between 2023 to 2063, and Toronto Parking Authority's debt payable relating to the purchase of equipment upgrades, bearing an effective interest rate of 2.3% per annum and maturing on June 30, 2025, with \$0.7 (2021 – \$0.6) due in 2023.

**7. Bank indebtedness**

The City has an unsecured demand revolving credit facility in the amount of \$100 (2021 – \$100) bearing interest at the bank prime rate with an effective rate during 2022 of 1.6% (2021 – 2.5%) per annum.

TCHC has a committed revolving credit facility of \$200 (2021 – \$200) that is available for short-term advances and letters of credit, with standby charges of 0.2%. Short-term advances are available by way of a prime loan at the bank prime rate and bankers' acceptances (BAs) at the bank BA rate plus 1.1%. Short-term drawings of \$58 (2021 – \$43) have been made in 2022. The entity is in compliance with all bank covenants.

TAF has a revolving line of credit with a Canadian chartered bank repayable on demand with interest rate calculated at the bank's prime rate plus 0.5% per annum. The credit limit is the lesser of \$3 or the standard margin value of TAF's fixed income investment portfolio. Security has been provided using TAF's fixed income investment portfolio.

	<b>2022</b>	<b>2021</b>
City, net outstanding cheques	\$ 58	\$ 56
TCHC	58	43
TAF	2	-
<b>Total bank indebtedness</b>	<b>\$ 118</b>	<b>\$ 99</b>

**8. Accounts payable and accrued liabilities**

	<b>2022</b>	<b>2021</b>
Trade payables and accruals	\$ 3,192	\$ 2,798
Tax appeal assessments on property taxes	363	383
Wages payable	255	227
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 3,810</b>	<b>\$ 3,408</b>

## 9. Deferred revenue

Deferred revenue includes balances received in the current and prior years that must be spent on growth related infrastructure, or specific goods and services, which will be delivered in future fiscal years. These amounts are not available for other purposes to ensure compliance with agreements, performance obligations or legislation.

	2022			
	Opening balance	Advance payments received	Recognized as revenue	Ending balance
Advance payments received according to Provincial legislation or agreements	\$ 3,732	\$ 3,820	\$ (3,109)	\$ 4,443
Advance payments received according to third party agreements	1,310	970	(933)	1,347
Advance payments received according to Federal legislation or agreements	462	205	(332)	335
Advance payments received for goods and services	301	319	(309)	311
Other advance payments received	18	175	(165)	28
<b>Total deferred revenue</b>	<b>\$ 5,823</b>	<b>\$ 5,489</b>	<b>\$ (4,848)</b>	<b>\$ 6,464</b>

The following balances are included in the above deferred revenue amounts. The Other balance includes advance payments received in support of various initiatives, including: Toronto-York Spadina Subway Extension, National Child Benefit Supplement, Federal Social Housing and other smaller initiatives.

The following table provides a summary of significant components included in the City's Deferred Revenue balance:

	2022			
	Opening balance	Advance payments received	Recognized as revenue	Ending balance
Development charges	\$ 2,263	\$ 868	\$ (417)	\$ 2,714
Water/ wastewater capital payments	1,135	989	(913)	1,211
Parkland acquisitions/ development	796	213	(131)	878
Section 37/45 Planning Act	398	132	(13)	517
Building Code Act service improvement	183	45	(8)	220
Canada Community-Building Fund	335	-	(168)	167
Advance payments for building permits	142	119	(103)	158
Rapid Housing Initiative	87	204	(160)	131
Community and Social Services programs	17	2,108	(2,038)	87
Other	467	811	(897)	381
<b>Total deferred revenue</b>	<b>\$ 5,823</b>	<b>\$ 5,489</b>	<b>\$ (4,848)</b>	<b>\$ 6,464</b>

**9. Deferred revenue (cont.)**

The following table provides a summary of significant components included in the City's Deferred Revenue balance:

	2021				
	Opening balance		Advance payments received	Recognized as revenue	Ending balance
Advance payments received according to Provincial legislation or agreements	\$ 3,169	\$	1,692	\$ (1,129)	\$ 3,732
Advance payments received according to third party agreements	1,346		1,067	(1,103)	1,310
Advance payments received according to Federal legislation or agreements	412		1,483	(1,433)	462
Advance payments received for goods and services	253		316	(268)	301
Other advance payments received	36		313	(331)	18
<b>Total deferred revenue</b>	<b>\$ 5,216</b>	<b>\$</b>	<b>4,871</b>	<b>\$ (4,264)</b>	<b>\$ 5,823</b>

The following balances are included in the above deferred revenue amounts. The Other balance amount includes advanced payments received in support of various initiatives, including: Toronto-York Spadina Subway Extension, National Child Benefit Supplement, Federal Social Housing and other smaller initiatives.

The following table provides a summary of significant components included in the City's Deferred Revenue balance:

	2021				
	Opening balance		Advance payments received	Recognized as revenue	Ending balance
Development charges	\$ 1,678	\$	929	\$ (344)	\$ 2,263
Water/ wastewater capital payments	1,152		1,064	(1,081)	1,135
Parkland acquisitions/ development	890		170	(264)	796
Section 37/45 Planning Act	388		31	(21)	398
Canada Community-Building Fund	168		1,444	(1,277)	335
Building Code Act service improvement	152		38	(7)	183
Advance payments for building permits	124		114	(96)	142
Rapid Housing Initiative	205		38	(156)	87
Community and Social Services programs	26		35	(44)	17
Other	433		1,008	(974)	467
<b>Total deferred revenue</b>	<b>\$ 5,216</b>	<b>\$</b>	<b>4,871</b>	<b>\$ (4,264)</b>	<b>\$ 5,823</b>

**10. Provision for property and liability claims**

	2022		2021	
Property and liability claims provision	\$	357	\$	341
TTC unsettled accident claims		138		139
<b>Total provision for property and liability claims</b>	<b>\$</b>	<b>495</b>	<b>\$</b>	<b>480</b>

The City's insurance program is administered through a combination of self-insurance and coverage with insurance carriers. The City maintains a corporate insurance reserve fund of \$66 (2021 – \$63) that can be used to finance payments for vehicle, property and liability insurance claim payments, as well as related legal and adjusting expenses

**11. Environmental and contaminated site liabilities**

	<b>2022</b>	<b>2021</b>
Inactive landfill sites	\$ 89	\$ 150
Contaminated site liabilities	270	267
Active landfill site (Green Lane)	16	21
Environmental liabilities (TTC and BTI)	28	30
<b>Total environmental and contaminated site liabilities</b>	<b>\$ 403</b>	<b>\$ 468</b>

Environmental and Contaminated Site liabilities are based on internal expert assessments and/or third-party engineering reports covering estimated costs of remediating sites with known contamination for which City entities are responsible. Given that the estimate of environmental liabilities is based on a number of assumptions, such as remediation methods and average industry remediation rates, actual costs may vary. The estimated amounts of future remediation costs are reviewed annually based on available information and governing legislation, as well as adjusted to account for annual increases in remediation costs.

**a. Liability for contaminated sites held by TPLC**

TPLC owns a number of properties that are not in productive use, where contamination exceeds environmental standards. Although TPLC is responsible for each of these properties, the anticipated land use is not known at this time, therefore, no remediation efforts have been planned. However, in accordance with PS 3260, Liability for Contaminated Sites, recognizing the uncertainty of the remediation action plan until use of this land is known, management has taken a risk management approach to determine a liability of \$219 (2021 – \$216), which is an undiscounted balance, at December 31, 2022. While certain contaminated properties may require additional remediation once the land use is known, at this time, it has been determined that risk can be mitigated through the management or containment of the contaminants, where appropriate, through a combination of engineered and operating measures. Management will continue to monitor this risk and update the liability when conditions change or use is known with greater certainty.

**b. Active landfill sites**

In 2007, the City acquired the Green Lane Landfill, securing the City's long term disposal requirements. The landfill is projected to reach its approved capacity by the end of 2034, based on Toronto achieving a 70% residential waste diversion rate. The post-closure care period is expected to occur in perpetuity.

The estimated liability for the care of this landfill site is the present value of future cash flows associated with closure and post-closure costs discounted using the City's average long-term borrowing rate of 4.3% (2021 – 2.7%).

The estimated present value of future expenditures for closure and post-closure care as at December 31, 2022 is \$16 (2021 – \$21), based on the percentage of total approved capacity used of 63% (2021 – 61%). Undiscounted expenditures are \$26 (2021 – \$37) and the net present value of the total liability has been recorded in the Statement of Financial Position.

In order to help reduce the future impact of these obligations, the City has established reserve funds for the care of these sites. Both of these reserve fund accounts are included as part of the State of Good Repair Reserve Fund (Note 17).

Reserve balances:

	<b>2022</b>	<b>2021</b>
Green Lane Reserve Fund	\$ -	\$ 4
Green Lane Perpetual Care Reserve Fund (GLPC)	8	8
<b>Total</b>	<b>\$ 8</b>	<b>\$ 12</b>

In 2022, the City's contributions to the GPLC reserve amounted to \$0.6 (2021 – \$0.6), which was based on a contribution rate of \$1.30 (unrounded) (2021 – \$1.30) per tonne of waste disposed. This rate is updated annually.

**c. Inactive landfill sites**

The estimated liability for the care of inactive landfill sites is the present value of future cash flows associated with closure and post-closure costs discounted using the City's average long-term borrowing rate of 4.3% (2021 – 2.7%). The estimated present value of future expenditures for post-closure care as at December 31, 2022 was \$89 (2021 – \$150).

In order to help reduce the future impact of these obligations, the City has established a reserve fund for the care of these sites and maintains a trust fund to satisfy the requirements of the Ministry of the Environment, Conservation and Parks. The Solid Waste Management Perpetual Care Reserve Fund is included as part of the State of Good Repair Reserve Fund (Note 17).

	<b>2022</b>	<b>2021</b>
Solid Waste Management Perpetual Care Reserve Fund	\$ 22	\$ 24

**12. Mortgages payable**

	<b>2022</b>	<b>2021</b>
TCHC secured mortgages, collateralized by TCHC housing properties, with interest rates between 0.7% and 12.8% (2021 – 0.7% to 11%) per annum and maturity dates ranging from 2023 to 2053	\$ 413	\$ 361
BTI mortgage, secured by assets and corporate guarantees of Build Toronto Holdings One Inc., BTI and common shares of PT Studios, with an interest rate of 3.3% per annum, maturing on March 15, 2027	27	28
	<b>\$ 440</b>	<b>\$ 389</b>

Principal repayments on mortgages are due as follows:

	<b>2022</b>
2023	\$ 32
2024	31
2025	32
2026	31
2027	30
Thereafter	284
<b>Total</b>	<b>\$ 440</b>

Principal re-payments made in 2022 were \$1 (2021 – \$0.9) on the BTI mortgages and \$30 (2021 – \$48) on the TCHC mortgages.

**13. Long-term debt**

	<b>2022</b>	<b>2021</b>
Unsecured debentures issued by the City, bearing interest at various rates ranging from 0% to 5.3% (2021 – 0% to 6.8%), maturing from 2023 to 2052	\$ 9,140	\$ 7,586
Unsecured green bonds issued by the City, bearing interest at various rates ranging from 2.2% to 3.2% (2021 – 2.2% to 3.2%), maturing from 2031 to 2048	165	780
Unsecured social bonds issued by the City, bearing interest at 1.6% (2021 – 1.6%), maturing in 2030	435	200
Less: sinking fund deposits bearing interest at rates between rates between 2% and 5% (2021 – 2% to 5%)	(2,231)	(1,796)
<b>Unsecured debentures, net of sinking fund deposits</b>	<b>7,509</b>	<b>6,770</b>
TCHC loans from Infrastructure Ontario secured by various floating and fixed income investments at floating and fixed rates between 3.1% and 4.5%, subject to financial covenants, maturing between 2043 to 2049	866	888
TCHC debentures, unsecured, consisting of Series A bonds of \$250 at 4.9% (maturing in 2037) and Series B bonds of \$200 at 5.4% (maturing in 2040)	446	446
TCHC non-revolving, 10-year loan to assist with the financing of the construction for Phase 1 of its Building Renewal Program, which was completed in 2009. The loan was provided at a fixed interest rate of 3.4% with repayment beginning March 15, 2018	14	17
Lakeshore Arena Corporation credit facilities from Infrastructure Ontario, secured by a property mortgage, a general security agreement and assignments of rents and leases, bearing interest at 3.5%, with a maturity date of October 31, 2042	23	25
Others, bearing interest between 4% to 6% maturing from 2026 to 2028	1	-
<b>Consolidated entities debentures</b>	<b>1,350</b>	<b>1,376</b>
<b>Total net long-term debt</b>	<b>\$ 8,859</b>	<b>\$ 8,146</b>

2022 principal repayments total \$465 (2021 – \$471). Principal repayments are due as follows:

	<b>2022</b>
2023	\$ 591
2024	567
2025	547
2026	521
2027	494
Thereafter	6,139
<b>Total</b>	<b>\$ 8,859</b>

**14. Employee benefit liabilities****a. Description of benefits**

The City provides post-retirement benefit plans for hospital, extended healthcare, drug, dental and life insurance benefits; amounts include health care spending accounts for Toronto Firefighters and the Toronto Police Service. Post-employment benefit plans provide income benefits for employees on Long-Term Disability (LTD) and the continuation of benefits (hospital, extended health care, drug, dental and life insurance) in respect thereof; accumulated sick leave benefits; and self-insured WSIB Benefits (for Schedule 2 employers).

The most recent actuarial valuation was completed as at December 31, 2021. The next actuarial valuation for post-retirement and post-employment benefits is scheduled to be performed on December 31, 2024.

**a. Description of benefits (cont.)**

	2022	2021
Sick leave benefits	\$ 402	\$ 479
WSIB obligations	912	939
Other employment and post-employment benefits	2,376	2,889
<b>Total employee accrued benefit obligation</b>	<b>3,690</b>	<b>4,307</b>
Unamortized actuarial gain	979	200
<b>Total employee benefit liabilities</b>	<b>\$ 4,669</b>	<b>\$ 4,507</b>

**b. Reconciliation of the plan assets and accrued benefit obligation, based on the actuarial assessment, to the amounts in the Consolidated Statement of Financial Position:**

	2022				Total
	Post-retirement and post- employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Accrued benefit obligation (Note 14(c))	\$ 3,690	\$ 2,877	\$ 148	\$	6,715
Fair value of plan assets (Note 14(d))	-	3,898	161		4,059
<b>Funding deficit (surplus)</b>	<b>3,690</b>	<b>(1,021)</b>	<b>(13)</b>		<b>2,656</b>
Unamortized actuarial gain	979	-	-		979
Valuation allowance	-	1,021	13		1,034
<b>Employee benefit liability (Note 14(e))</b>	<b>\$ 4,669</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>4,669</b>

	2021				Total
	Post-retirement and post- employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Accrued benefit obligation (Note 14(c))	\$ 4,307	\$ 3,052	\$ 156	\$	7,515
Fair value of plan assets (Note 14(d))	-	4,267	201		4,468
<b>Funding deficit (surplus)</b>	<b>4,307</b>	<b>(1,215)</b>	<b>(45)</b>		<b>3,047</b>
Unamortized actuarial gain	200	-	-		200
Valuation allowance	-	1,215	45		1,260
<b>Employee benefit liability (Note 14(e))</b>	<b>\$ 4,507</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>4,507</b>

**c. Continuity of the accrued benefit obligation, in aggregate:**

	2022				Total
	Post-retirement and post-employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Balance – beginning of year	\$ 4,307	\$ 3,052	\$ 156	\$	7,515
Current service cost	444	81	-		525
Interest cost	107	191	6		304
Actuarial (gain) loss	(822)	(285)	3		(1,104)
Benefits paid	(347)	(214)	(17)		(578)
Plan amendments	1	52	-		53
<b>Balance – end of year</b>	<b>\$ 3,690</b>	<b>\$ 2,877</b>	<b>\$ 148</b>	<b>\$</b>	<b>6,715</b>

	2021				Total
	Post-retirement and post-employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Balance – beginning of year	\$ 4,706	\$ 3,304	\$ 164	\$	8,174
Current service cost	394	96	-		490
Interest cost	85	175	(18)		242
Actuarial (gain) loss	(583)	(362)	7		(938)
Benefits paid	(310)	(197)	3		(504)
Transfer to OMERS	15	36	-		51
Plan amendments	-	-	-		-
<b>Balance – end of year</b>	<b>\$ 4,307</b>	<b>\$ 3,052</b>	<b>\$ 156</b>	<b>\$</b>	<b>7,515</b>

**d. Continuity of the plan assets:**

	2022				Total
	Post-retirement and post-employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Balance – beginning of year	\$ -	\$ 4,267	\$ 201	\$	4,468
Employer contributions	347	135	-		482
Actual return on assets	-	(289)	(23)		(312)
Employer surplus distribution	-	-	-		-
TTC pension administrative expenses	-	(1)	-		(1)
Benefits paid	(347)	(214)	(17)		(578)
<b>Balance – end of year</b>	<b>\$ -</b>	<b>\$ 3,898</b>	<b>\$ 161</b>	<b>\$</b>	<b>4,059</b>

**d. Continuity of the plan assets (cont.):**

	2021				Total
	Post-retirement and post-employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Balance – beginning of year	\$ -	\$ 3,987	\$ 352	\$	4,339
Employer contributions	310	131	-		441
Actual return on assets	-	349	19		368
Employer Surplus Distribution	-	-	(108)		(108)
TTC pension administrative expenses	-	(2)			(2)
Benefits paid	(310)	(198)	(62)		(570)
<b>Balance – end of year</b>	<b>\$ -</b>	<b>\$ 4,267</b>	<b>\$ 201</b>	<b>\$</b>	<b>4,468</b>

The City has established reserve funds to help reduce the future impact of the employee benefit obligation. As at December 31, 2022, the balance in the Employee Benefits Reserve Fund was \$555 (2021 – \$558), which includes \$63 (2021 – \$55) for Sick Leave and \$15 (2021 – \$17) for WSIB. Prior year balances in Note 14(d) were revised to account for category changes that were made for presentation purposes.

**e. Continuity of the City's employee benefit liabilities, in aggregate:**

	2022				Total
	Post-retirement and post-employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Balance – beginning of year	\$ 4,507	\$ -	\$ -	\$	4,507
Current service cost	444	83	-		527
Interest cost (revenue)	107	(71)	(2)		34
Amortization of actuarial (gain) loss	(43)	(68)	33		(78)
Employer contributions	(347)	(135)	-		(482)
Plan amendments	1	52	-		53
Change in valuation allowance	-	139	(31)		108
<b>Balance – end of year</b>	<b>\$ 4,669</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>4,669</b>

	2021				Total
	Post-retirement and post-employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Balance – beginning of year	\$ 4,301	\$ -	\$ -	\$	4,301
Current service cost	394	99	-		493
Interest cost (revenue)	84	(32)	(2)		50
Amortization of actuarial (gain) loss	23	(71)	(5)		(53)
Employer contributions	(310)	(131)	-		(441)
Plan amendments	15	36	-		51
Change in valuation allowance	-	99	7		106
<b>Balance – end of year</b>	<b>\$ 4,507</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>4,507</b>

f. Total expenses related to these employee benefits include the following:

	2022				Total
	Post-retirement and post-employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Current service cost	\$ 444	\$ 83	\$ -	\$	527
Interest cost (revenue)	107	(71)	(2)		34
Amortization of actuarial (gain) loss	(43)	(68)	33		(78)
Plan amendments	1	52	-		53
Change in valuation allowance	-	139	(31)		108
<b>Total expense</b>	<b>\$ 509</b>	<b>\$ 135</b>	<b>\$ -</b>	<b>\$</b>	<b>644</b>

	2021				Total
	Post-retirement and post-employment	TTC pension plan (Note 14, h(ii))	City pension plans (Note 14, h(iii))		
Current service cost	\$ 394	\$ 99	\$ -	\$	493
Interest cost (revenue)	84	(32)	(2)		50
Amortization of actuarial (gain) loss	23	(71)	(5)		(53)
Plan amendments	15	36	-		51
Change in valuation allowance	-	99	7		106
<b>Total expense</b>	<b>\$ 516</b>	<b>\$ 131</b>	<b>\$ -</b>	<b>\$</b>	<b>647</b>

g. Sick leave benefits, WSIB obligations, and post-retirement and post-employment benefits:

The following is a list of actuarial assumptions compiled from actuarial valuations completed for 2022:

	Discount rate for accrued benefit obligation		Discount rate for benefit costs	
	2022	2021	2022	2021
Post-employment	3.8% to 4.3%	1.6% to 2.2%	1.6% to 2.2%	1.2%
Post-retirement	4.6% to 4.7%	2.6% to 2.9%	2.6% to 2.7%	2.0%
Sick leave	3.9% to 4.4%	1.8% to 2.5%	1.8% to 2.5%	1.5%
WSIB	4.3%	2.3% to 2.4%	2.3% to 2.4%	2.0%
Rate of compensation increase	2.5% to 3.5%	1.3% to 3.5%	1.3% to 3.5%	1.3% to 3.5%
Health care inflation – LTD, hospital and other medical	5.0% to 6.1%	5.0% to 6.2%	4.0% to 5.8%	4.0% to 5.9%
Health care inflation – dental care	3.0% to 4.0%	3.0% to 4.0%	3.0% to 4.0%	3.0% to 4.0%
Health care inflation – drugs	6.0% to 6.7%	6.0% to 6.9%	6.0% to 10.2%	6.0% to 10.3%

For 2022 benefit costs and year end 2022 benefit obligations, the health care inflation rate for LTD, hospital, other medical, and drugs is assumed to reduce to a range of 4.0% to 5.0% by 2030 based on the latest actuarial valuation.

## **h. Pension benefits**

### **i. OMERS pension plan**

The City makes contributions to the OMERS, a multi-employer pension plan, on behalf of most of its employees. The plan is a defined benefit plan that specifies the retirement benefit to be received by employees based on length of service and rates of pay. Employees and employers contribute equally to the plan.

The City does not recognize any share of the pension plan deficit based on the fair market value of OMERS assets, as the plan is managed by OMERS and the City does not share risk or control of decisions in the plan administration, benefits, or contributions. The plan is a joint pension plan of all Ontario municipalities and their employees. Employer contributions for current service amounted to \$220 (2021 – \$212) and are expensed in the Consolidated Statement of Operations and Accumulated Surplus. Employees' contributions amounted to \$220 (2021 – \$212). The City is current with all payments to OMERS. As at December 31, 2022, OMERS has a deficit of \$6,678 (2021 – deficit \$3,131).

The date of the most recently filed actuarial valuation for funding purposes for the OMERS Primary Pension Plan was December 31, 2021. The next required filing of an actuarial valuation for funding purposes will be performed with a date no later than December 31, 2024.

### **ii. TTC pension plan**

The TTC participates in a defined benefit pension plan (TTC Pension Fund). The TTC Pension Fund is administered by the Toronto Transit Commission Pension Fund Society (Society), a separate legal entity. The Board of Directors (Board) of the Society consists of 10 voting members, five of whom are appointed from the TTC and five are appointed from the Amalgamated Transit Union Local 113 (ATU). Pursuant to the Sponsors Agreement between the ATU and the TTC, the TTC Pension Fund was registered as a Jointly Sponsored Pension Plan (JSPP) effective January 1, 2011.

The plan is accounted for as a joint defined benefit plan as the TTC and its employees jointly share the risk in the plan and share control of decisions related to the plan administration and to the level of benefits and contributions on an ongoing basis. The TTC is required to account for its portion of the plan (i.e. 50%) and therefore, recognized 50% of the pension expense incurred during the year and 50% of the plan's assets and obligations.

Effective January 1, 2019, in lieu of the TTC paying the administrative expenses of the TTC Pension Fund Society directly, the TTC and the Society agreed that the TTC would make a fixed contribution to the Society each January. The fixed contribution is adjusted annually based on the Toronto consumer price index.

The plan covers substantially all employees of the TTC (and the Society) who have completed six months of continuous service. Under the Plan, contributions are made by the plan members and matched by the TTC (or the Society, as an employer). The contribution rates are set by the Board, subject to the funding requirements determined in the actuarial report and subject to the limitations in the Sponsors Agreements between ATU and the TTC.

The plan provides pensions to members, based on a formula that factors in the length of credited service and best four years of pensionable earnings up to a base year. A formula exists that sets a target for pensioner increases. The Board of Directors of the Society make decisions with respect to affordable pension formula updates, pension indexing and plan improvements based on the results of the most recent funding valuation and the priorities set out in the plan's by-laws and funding policy.

Effective January 1, 2020, the base year for the TTC pension plan and the funded supplemental pension plans were updated to December 31, 2019 from December 31, 2018. In addition, the survivor benefit date was updated to January 1, 2022 (from January 1, 2021) and an ad hoc increase of up to 2.0% (December 31, 2021 – 1.0%) was granted to all pensioners. The TTC's share of the prior service cost of these plan amendments have been reflected in the Consolidated Statement of Operations and Accumulated Surplus.

The effective date of the most recent actuarial valuation for funding purposes for the TTC Pension Fund was January 1, 2021. The next required actuarial valuation for funding purposes will be performed as at January 1, 2024. The effective date of the most recent valuation for accounting purposes was December 31, 2022.

As a result of market conditions throughout 2022, plan assets experienced a temporary decline in market value and lower rates of return than prior years, however, no long term impairment is expected.

**ii. TTC pension plan (cont.)**

Actuarial assumptions for the TTC Pension Plan are as follows:

	<b>2022</b>	<b>2021</b>
Discount rate	7.1%	6.2%
Actual rate of return on plan assets	(6.5%)	9.2%
Expected rate of return on plan assets	6.2%	5.3%
Rate of increase in salaries	1.3% to 3.3%	1.3% to 3.3%
Inflation rate	2.0%	2.0%

**iii. City Pension Plans**

During 2020, the City completed the merger of the Civic, Metro, Police and York pension plans with OMERS. OMERS has taken over responsibility to pay future benefits. As a result, the City has no continuing obligation related to these plans at December 31, 2021. The Metro plan has assets remaining at December 31, 2022 representing unclaimed pension amounts as well as employer amounts to cover miscellaneous expenses.

The City continues to administer the Toronto Fire Department Superannuation and Benefit Fund, a defined benefit pension plan that provides benefits to employees who were employed prior to the establishment of the OMERS pension plan. The plan covers a closed group of employees hired prior to July 1, 1968 and provides for pensions based on length of service and final average earnings. The overall accounting valuation for funding purposes for the City's pension plan was completed on December 31, 2022. The next required accounting valuation for funding purposes will be performed as at December 31, 2023.

As at December 31, 2022, there were 237 (2021 – 264) Fire pensioners with an average age of 84.3 years (2021 – 83.6 years) and 285 (2021 – 291) survivors and beneficiaries with an average age of 83.9 years (2021 – 83.3 years), in receipt of a pension. Pension payments during the year were \$18 (2021 – \$18). Given that there are no active members in the plan, there are no contributions being made into the plan.

The financial status of the City Pension Plans, which includes assets that will be distributed to members in future fiscal years, as at December 31, 2022 is as follows:

	<b>2022</b>			<b>2021</b>
	<b>Pension assets – market value – end of year</b>	<b>Actuarial pension obligation – end of year</b>	<b>Net actuarial surplus</b>	<b>Net actuarial surplus</b>
Toronto Civic Employee Pension Plan	\$ -	\$ -	\$ -	\$ -
Metropolitan Toronto Pension Plan	-	-	-	1
Metropolitan Toronto Police Pension Plan	-	-	-	-
Toronto Firefighters Pension Plan	161	148	13	44
<b>Total of City Pension Plans</b>	<b>\$ 161</b>	<b>\$ 148</b>	<b>\$ 13</b>	<b>\$ 45</b>

Actuarial assumptions for the Toronto Fire Department Superannuation and Benefit Plan:

	<b>2022</b>	<b>2021</b>
Discount rate	4.4%	4.9%
Actual rate of return on plan assets	11.1%	9.0%
Expected rate of return on plan assets	4.4%	4.9%
Inflation rate	2.0%	2.0%

**15. Inventories**

	<b>2022</b>	<b>2021</b>
Inventories	\$ 287	\$ 231
Properties held for resale	38	38
<b>Total inventories</b>	<b>\$ 325</b>	<b>\$ 269</b>

**16. Tangible capital assets**

	<b>2022</b>			<b>2021</b>
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>	<b>Net book value</b>
<b>General</b>				
Land	\$ 4,474	\$ -	\$ 4,474	\$ 4,203
Land improvements	2,609	1,213	1,396	1,234
Buildings and building improvements	13,858	4,829	9,029	8,430
Machinery and equipment	3,607	2,118	1,489	1,498
Motor vehicles	3,028	1,997	1,031	1,136
<b>Total general</b>	<b>27,576</b>	<b>10,157</b>	<b>17,419</b>	<b>16,501</b>
<b>Infrastructure</b>				
Land	140	-	140	140
Buildings and building improvements	984	277	707	723
Machinery and equipment	3,103	1,584	1,519	1,607
Water and wastewater linear	7,794	2,746	5,048	4,668
Roads linear	5,708	2,691	3,017	2,645
Transit	11,039	5,236	5,803	5,779
<b>Total infrastructure</b>	<b>28,768</b>	<b>12,534</b>	<b>16,234</b>	<b>15,562</b>
<b>Assets under construction</b>	<b>6,689</b>	<b>-</b>	<b>6,689</b>	<b>6,323</b>
<b>Total tangible capital assets</b>	<b>\$ 63,033</b>	<b>\$ 22,691</b>	<b>\$ 40,342</b>	<b>\$ 38,386</b>

The value of donated assets received during the year was \$8 (2021 – \$18).

The City recognized an additional write down of \$nil (2021 – \$2) of assets under construction during the year.

**17. Accumulated Surplus**

	<b>2022</b>	<b>2021</b>
Historical surplus	\$ 1,350	\$ 1,926
Reserves and reserve funds (a)	5,427	4,104
Net Investment in TCA (b)	30,640	29,383
Liabilities to be funded from future revenues (c)	(5,164)	(4,987)
<b>Total accumulated surplus</b>	<b>\$ 32,253</b>	<b>\$ 30,426</b>
<b>(a) Reserves and reserve funds</b>		
<b>Reserves:</b>		
Corporate	866	687
Stabilization	1,956	1,391
Water and wastewater	104	62
Donations	2	2
<b>Total reserves</b>	<b>2,928</b>	<b>2,142</b>
<b>Reserve funds:</b>		
Employee benefits	612	569
Corporate	1,402	986
Community initiatives	165	165
State of Good Repair (Note 11)	320	242
<b>Total reserves funds</b>	<b>2,499</b>	<b>1,962</b>
<b>Total reserves and reserve funds</b>	<b>\$ 5,427</b>	<b>\$ 4,104</b>
<b>(b) Net Investment in TCA</b>		
Tangible capital assets (Note 16)	40,342	38,386
Mortgages payable (Note 12)	(440)	(389)
Long-term debt (Note 13)	(8,859)	(8,146)
Environmental and contaminated site liabilities (Note 11)	(403)	(468)
<b>Total net investment in TCA</b>	<b>\$ 30,640</b>	<b>\$ 29,383</b>
<b>(c) Liabilities to be funded from future revenues</b>		
Employee benefit liabilities (Note 14)	(4,669)	(4,507)
Provision for property and liability claims (Note 10)	(495)	(480)
<b>Total liabilities to be funded</b>	<b>\$ (5,164)</b>	<b>\$ (4,987)</b>

## 18. Contingent assets and liabilities

### a. Contingent assets

In the ordinary course of business, various claims and lawsuits are brought by the City. It is the opinion of management that the settlement of these actions will result in the City's favour and that the settlement amounts will be available for the City's use. These contingent assets are not recorded in the Statements.

In February 2022, the Toronto City Council enacted By-Law 97-2022, Taxation, Vacant Home Tax, which imposes a 1% tax levy of the Current Value Assessment (CVA) on all Toronto residences that are declared, deemed, or determined vacant for more than six months during the previous year. The tax is effective from 2022, and taxes are payable in 2023. Taxes levied on properties deemed or determined vacant for 2022 will be recognized as taxation revenue in the fiscal year 2023. A reasonable amount cannot be estimated as fiscal year 2022 is the inaugural year for the vacant home tax program, with vacant property declarations not being provided by taxpayers/residents until well into 2023. As a result, the City has established a program to review the taxpayers' declarations submitted in 2023 to arrive at a reasonable estimate of the tax amount.

### b. Contingent legal liabilities

In the normal course of its operations, labour relations, and completion of capital projects, the City is subject to various litigations, arbitrations, and claims. Where the occurrence of a future event is considered likely to result in a loss with respect to an existing condition and potential liability is reasonably estimated, amounts have been included in accrued liabilities. Management believes that the ultimate disposition of the matters will not materially exceed the provisions recorded in the accounts. In other cases when the ultimate outcome of the claims cannot be determined at this time, any additional losses related to claims will be recorded in the period during which the liability is determinable. Amounts recorded in the accounts have not been disclosed in the financial statements as disclosure may adversely impact the outcome. Management's estimate is based on an analysis of specific claims and historical experience with similar claims.

### c. Loan and line of credit guarantees

The City currently guarantees operating lines of credit and capital loans under Council approved policies for organizations that have a financial relationship with the City. The City monitors the status of these lines of credit, loans, and the financial position of the organizations. As at December 31, 2022 all loans and lines of credit are in good standing and no provision has been recorded (2021 – \$nil). Organizations that have received a guarantee from the City also pledged various assets for security purposes.

#### i. Loan guarantees

Loan guarantees provided by the City are to support the capital initiatives of organizations that will assist in increasing participation in sports, recreation, culture and community-based activities. The total amount of all capital loan guarantees provided by the City under the policy for capital loan guarantees is limited to an aggregate total of \$300, with individual loan guarantees being limited to a maximum of \$10 unless otherwise approved by Council.

In 2022, the City provided capital loan guarantees to various organizations amounting to \$31 (2021 – \$35). The City's guarantees are set to expire between 2023 and 2049 (2021 – 2022 and 2049).

#### ii. Line of credit guarantees

The intended purpose of line of credit guarantees is to enable culture and community-based organizations to obtain a line of credit for operational cash requirements in the event no other economic resources are available. Organizations are required to submit audited financial statements and business plans to demonstrate their financial viability and capacity to repay the funds on an annual basis. The City is authorized to provide line of credit guarantees of \$10 in aggregate.

In 2022, the City provided line of credit guarantees that have an aggregate value of \$6 (2021 – \$6).

## 19. Contractual rights and obligations

### a. Contractual rights

The City is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenues in the future. The City has significant contractual rights to revenues from a lease agreement for a City-owned property that is estimated to generate revenues of \$25 over the next five-year period and \$10 from a Meridian Credit Union naming rights sponsorship.

**b. Contractual obligations**

The City and its consolidated entities have entered into various agreements and contracts for goods, services and planned capital activity to support the delivery of services to residents and businesses.

The City's procurement of goods and services are completed in accordance with the City's purchasing by-law (Municipal Code Chapter 195, Purchasing), which requires City Council authorization to negotiate, enter into, and execute significant agreements and contracts. The City's most significant contractual obligations and estimates of amounts payable over the coming years have been summarized in the below tables:

**i. City of Toronto**

<b>Commitments</b>	<b>Amounts to be paid in:</b>						<b>Total</b>
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Thereafter</b>	
Service agreements for winter maintenance services	\$ 149	\$ 149	\$ 149	\$ 149	\$ 149	\$ 751	\$ 1,496
Transfer payment agreement with the Province of Ontario and Metrolinx for the SmartTrack Program	-	-	1,489	-	-	-	1,489
Various agreements for purchase of goods and services for miscellaneous operational needs	219	206	153	125	68	43	814
Various agreements for purchase of goods and services for multiple major capital projects	379	178	110	48	50	38	803
Construction agreements for the Ashbridges Bay Treatment Plant	121	76	94	32	17	29	369
Construction and engineering services agreements for the Basement Flooding Protection Program	121	118	57	14	19	34	363
Highland Creek Treatment Plant Biosolids Implementation Project and South Facility Upgrades Project	44	63	31	35	33	55	261
Service agreements for curbside collection services	69	52	54	33	13	27	248
Service agreements for waste transport services in the City	18	18	19	19	20	63	157
Service agreement for landfill operations, management and construction services	10	10	10	10	10	41	91
Construction agreements for the Coxwell Bypass Tunnel	29	32	22	-	-	-	83
Construction of a new 900-600mm Transmission watermain	20	35	25	-	-	-	80
Construction agreements for Liquid Train Upgrades and rehabilitation at the Highland Creek Treatment Plant	29	18	13	3	3	12	78

**i. City of Toronto (cont.)**

<b>Commitments</b>	<b>Amounts to be paid in:</b>						<b>Total</b>
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Thereafter</b>	
Reconstruction of the Wallace-Emerson Community Recreation Facility and Above Base Park Improvements	7	41	30	-	-	-	78
Provision of operation and maintenance services of the Disco Road organics processing facility	12	12	12	12	12	17	77
Construction of North East Scarborough Community Centre and Child Care Centre	30	23	8	-	-	-	61
Service agreement for Financial Information System	25	12	-	-	-	-	37
Construction agreement for the St. Lawrence Market North Redevelopment	26	-	-	-	-	-	26
Service agreements for single stream recyclable materials processing and marketing activities	19	-	-	-	-	-	19
<b>Total commitments</b>	<b>\$ 1,327</b>	<b>\$ 1,043</b>	<b>\$ 2,276</b>	<b>\$ 480</b>	<b>\$ 394</b>	<b>\$ 1,110</b>	<b>\$ 6,630</b>

**ii. City agencies, corporations, and government business enterprises:**

<b>Commitments</b>	<b>Amounts to be paid in:</b>						<b>Total</b>
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Thereafter</b>	
Various agreements for the purchase of goods and services for multiple TTC capital projects	\$ 131	\$ 126	\$ 75	\$ 28	\$ -	\$ 7	\$ 367
Agreement for the provision of 264 Light Rail vehicles to the TTC - 204 delivered to date	69	200	80	-	-	-	349
Agreement for the provision of 336 Hybrid Electric Buses	130	150	-	-	-	-	280
Various agreements for the purchase of goods and services for the TCHC capital projects and operational needs	143	-	-	-	-	-	143
Various agreements for the purchase of goods and services for the Toronto Parking Authority capital projects and operational needs	16	7	-	-	-	10	33
Agreement for the provision of 160 Low Floor Wheel trans Mini-Buses to the TTC - 61 delivered to date	28	-	-	-	-	-	28

## ii. City agencies, corporations, and government business enterprises (cont.):

Commitments	Amounts to be paid in:						Total
	2023	2024	2025	2026	2027	Thereafter	
Various agreements for the purchase of goods and services for the Toronto Hydro Corporation's capital projects and operational needs	17	3	1	1	1	2	25
Various agreements for the purchase of goods and services for the TWRC's capital projects and operational needs	1	1	1	1	1	6	11
<b>Total commitments</b>	<b>\$ 535</b>	<b>\$ 487</b>	<b>\$ 157</b>	<b>\$ 30</b>	<b>\$ 2</b>	<b>\$ 25</b>	<b>\$ 1,236</b>

## c. Lease commitments

At December 31, 2022, the City is committed to future minimum annual operating lease payments, mainly for facilities and equipment. Lease commitments over the next five years and thereafter are as follows:

	2022
2023	\$ 76
2024	40
2025	37
2026	27
2027	21
Thereafter	108
	<b>\$ 309</b>

**20. Budget data**

Budget data presented in these Statements is based on the 2022 operating and capital budgets approved by Council. Adjustments to budgeted values were required to provide comparative budget figures based on the full accrual basis of accounting, which includes the capitalization of capital expenditures to TCA, the recognition of debt proceeds as a liability and non-cash expenditures such as amortization on tangible capital assets. The following chart reconciles the approved cash-based budget with the budget figures as presented in these Statements:

	Approved by Council:			Consolidated entities	Adjustments	Total adjusted budget
	Operating	Capital	Non-levy			
<b>Revenue:</b>						
Property and taxation from other governments	\$ 5,032	\$ -	\$ -	\$ -	\$ (124)	\$ 4,908
Government transfers	4,111	734	-	(4)	92	4,933
User charges	1,426	1,269	1,967	(54)	(1,167)	3,441
Municipal land transfer tax	944	-	-	-	-	944
Other revenue sources	1,468	2,966	-	(16)	(3,648)	770
Rent and concessions	61	-	-	417	-	478
Development charges	-	551	-	-	-	551
Investment income	219	-	-	-	(30)	189
<b>Total revenues</b>	<b>13,261</b>	<b>5,520</b>	<b>1,967</b>	<b>343</b>	<b>(4,877)</b>	<b>16,214</b>
<b>Expenses:</b>						
Transportation	2,755	2,152	181	(29)	(637)	4,422
Social and family services	3,115	479	-	-	(221)	3,373
Protection to persons and property	1,975	129	-	-	(7)	2,097
Recreation and cultural services	1,005	396	-	(36)	(120)	1,245
Environmental services	172	1,533	1,786	-	(1,848)	1,643
General government	3,071	514	-	-	(2,129)	1,456
Social housing	463	161	-	410	225	1,259
Health services	653	32	-	-	(22)	663
Planning and development	52	124	-	8	10	194
<b>Total expenses</b>	<b>13,261</b>	<b>5,520</b>	<b>1,967</b>	<b>353</b>	<b>(4,749)</b>	<b>16,352</b>
<b>Annual deficit</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10)</b>	<b>\$ (128)</b>	<b>\$ (138)</b>

The following adjustments were made to revenue and expenditures to eliminate transactions that were not based on PSAS. Revenue adjustments represent exclusion of amounts recognized as revenue for cash budgeting purposes, but not PSAS, such as: contributions to the City's reserves and discretionary reserve funds, as well as proceeds from the issuance of long-term debt. Expenditure adjustments represent exclusion of amounts recognized as expenses for cash budgeting purposes, but not PSAS, such as withdrawals from the City's reserves and discretionary reserve funds, and principal repayments for the City's long-term debt.

**20. Budget data (cont.)****a. Revenue adjustments (decrease of \$4,877):**

- Contributions to the City's operating fund, capital fund, and reserve and discretionary reserve funds (\$2,036 – decrease)
- Proceeds from the issuance of long-term debt (\$2,372 – decrease)
- Reclassification between revenue and expense (\$340 – decrease)
- Internal cost recoveries (\$312 – decrease)
- Consolidated entities' budgets – revenues (\$41 – decrease)
- Sale of properties and other adjustments required for accrual accounting (\$224 – increase)

**b. Expenditure adjustments (decrease of \$4,749):**

- Withdrawals from the City's operating fund, capital fund and reserve and discretionary reserve funds (\$2,224 – decrease)
- Capitalization of tangible capital assets and recognition of amortization (\$1,393 – decrease)
- Reclassification between revenue and expense (\$340 – decrease)
- Debt principal repayments (\$439 – decrease)
- Internal charges (\$312 – decrease)
- Consolidated entities' budgets – expenditures (\$22 – decrease)
- Other adjustments required for accrual accounting (\$19 – decrease)

**21. Property taxes and taxation from other governments**

	<b>2022</b>	<b>2021</b>
Tax levies from annual return of the property assessment roll	\$ 4,825	\$ 4,616
Tax levies from supplementary and omitted returns of the property assessment roll	47	58
Payments in lieu of tax	81	70
Heads and beds levy on institutions	19	19
Other	2	4
<b>Total Property Taxes and taxation from other governments</b>	<b>\$ 4,974</b>	<b>\$ 4,767</b>

**22. Government transfers****a. Government transfers by function**

	<b>2022</b>	<b>2021</b>
Social and family services	\$ 2,238	\$ 1,905
Transportation	461	363
Health services	318	338
General government	218	100
Protection to persons and property	63	65
Social housing	56	75
Planning and development	51	39
Environmental services	46	33
Recreation and cultural services	26	21
	<b>3,477</b>	<b>2,939</b>
<b>Add:</b>		
COVID-19 impacts	935	1,662
Ministry of Health COVID-19 vaccination program	51	81
<b>Total transfers by function</b>	<b>\$ 4,463</b>	<b>\$ 4,682</b>

**b. Government transfers by source**

	2022	2021
<b>Operating transfers</b>		
Federal	\$ 555	\$ 348
Provincial	3,236	3,795
Other	20	14
<b>Total operating transfers</b>	<b>3,811</b>	<b>4,157</b>
<b>Capital transfers</b>		
Federal	520	375
Provincial	126	147
Other	2	3
<b>Total capital transfers</b>	<b>648</b>	<b>525</b>
<b>Other transfers</b>	<b>4</b>	<b>-</b>
<b>Total transfers by source</b>	<b>\$ 4,463</b>	<b>\$ 4,682</b>

In 2022, the City continued to receive transfer payments from the Province of Ontario as part of the Safe Restart Agreement (Agreement) to support municipal operating pressures that arose from the City's responses to, and impact of, the pandemic, including but not limited to increases in public health protocols and initiatives, and sustained reductions in ridership figures on municipal transit systems.

The City recognized \$453 (2021 – \$739) of revenues, which were used to respond to municipal transit costs and lost revenues, as well as \$nil (2021 – \$450) of revenues, which were ultimately used to respond to municipal operating pressures. The City also recognized \$235 (2021 – \$nil) of operating support from the provincial government, which was intended to support the City's increased costs related to the COVID-19 pandemic. Other amounts recognized includes Social Services Relief Funding and other funding of \$114 (2021 – \$306), and amounts allocated for Toronto Public Health's Safe Restart efforts of \$114 (2021 – \$134).

The City recognized \$71 (2021 – \$19) as part of the Government of Canada's Interim Housing Assistance Program. This additional transfer payment was provided by the federal government to recognize the City's efforts in offering interim housing services to asylum claimants in 2022.

In comparison to prior years, financial support from senior levels of government has been decreasing, resulting in increased financial pressures for the City.

Further details associated with government transfers can be found in Appendix 2, Consolidated Schedule of Segment Disclosure – Service.

**23. Other revenue sources**

	2022	2021
Sale of properties and recycled materials	\$ 196	\$ 68
Utilities cut and other recoveries	138	146
Hotel, lodging and sign tax	67	26
Other income	397	447
<b>Total other revenue sources</b>	<b>\$ 798</b>	<b>\$ 687</b>

**24. Total expenses**

	<b>2022</b>	<b>2021</b>
Salaries, wages and benefits	\$ 6,679	\$ 6,418
Contracted services	1,911	1,754
Amortization (Schedule 1)	1,645	1,554
Materials	1,318	1,284
Transfer payments to agencies, corporations, and other external organizations	1,501	1,427
Interest on long-term debt	375	361
Other	426	445
<b>Total expenses</b>	<b>\$ 13,855</b>	<b>\$ 13,243</b>

Further details associated with the City's expenses can be found in Appendix 2, Consolidated Schedule of Segment Disclosure – Service.

**25. Comparative amounts**

Certain 2021 comparative amounts have been regrouped from the Statements previously presented, to conform with the presentation adopted in 2022.

**26. Subsequent events**

TPLB made a provision of \$22 relating to the Canada Emergency Wage Subsidy (CEWS), which was applied for and received in 2020. Subsequent to year end, Canada Revenue Agency (CRA) completed their assessment of TPLB's CEWS claims and concluded that all funding previously received is to be repaid to the CRA.

**27. Sector-based greenhouse gas (GHG) emission reductions (unaudited)**

Toronto's climate action strategy (TransformTO Net Zero Strategy) lays out a set of long-term, low-carbon goals and strategies to reduce local greenhouse gas emissions, and improve our health, grow the economy, and progress social equity. Under this strategy, Toronto's targets are to reduce GHG emissions from 1990 levels by 30 per cent by 2020, 45 per cent by 2025, 65 per cent by 2030 and net zero by 2040. Toronto has released its 2020 sector-based inventory on community-wide GHG emissions which indicates that the City exceeded its 2020 target of a 30 per cent reduction in GHG emissions from the 1990 baseline. In 2020, Toronto's emissions were 43 per cent lower than in 1990 but since this is an anomaly year due to the COVID-19 pandemic, emissions are expected to approach pre-pandemic levels in subsequent years. Additional efforts will need to be undertaken to reach the next interim target of 45 per cent GHG emissions reduction by 2025, from 1990 levels.

## Schedule 1: Consolidated schedule of tangible capital assets

As at and for the year ended December 31, 2022

	Cost					Accumulated Amortization				Net book value
	Beginning	Additions	Disposals / transfers	Donated	Ending	Beginning	Amortization	Disposals	Ending	
<b>General</b>										
Land	\$ 4,203	\$ 295	\$ (32)	\$ 8	\$ 4,474	\$ -	\$ -	\$ -	\$ -	\$ 4,474
Land improvements	2,238	385	(14)	-	2,609	1,004	209	-	1,213	1,396
Buildings and building improvements	12,985	904	(31)	-	13,858	4,555	299	(25)	4,829	9,029
Machinery and equipment	3,452	211	(56)	-	3,607	1,954	220	(56)	2,118	1,489
Motor vehicles	2,993	109	(74)	-	3,028	1,857	212	(72)	1,997	1,031
<b>Total general</b>	<b>25,871</b>	<b>1,904</b>	<b>(207)</b>	<b>8</b>	<b>27,576</b>	<b>9,370</b>	<b>940</b>	<b>(153)</b>	<b>10,157</b>	<b>17,419</b>
<b>Infrastructure</b>										
Land	140	-	-	-	140	-	-	-	-	140
Buildings and building improvements	975	9	-	-	984	252	25	-	277	707
Machinery and equipment	3,098	5	-	-	3,103	1,491	93	-	1,584	1,519
Water and wastewater linear	7,318	506	(30)	-	7,794	2,650	110	(14)	2,746	5,048
Roads linear	5,219	489	-	-	5,708	2,574	117	-	2,691	3,017
Transit	10,655	384	-	-	11,039	4,876	360	-	5,236	5,803
<b>Total infrastructure</b>	<b>27,405</b>	<b>1,393</b>	<b>(30)</b>	<b>-</b>	<b>28,768</b>	<b>11,843</b>	<b>705</b>	<b>(14)</b>	<b>12,534</b>	<b>16,234</b>
<b>Assets under construction</b>	<b>6,323</b>	<b>396</b>	<b>(30)</b>	<b>-</b>	<b>6,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,689</b>
<b>Total</b>	<b>\$ 59,599</b>	<b>\$ 3,693</b>	<b>\$ (267)</b>	<b>\$ 8</b>	<b>\$ 63,033</b>	<b>\$ 21,213</b>	<b>\$ 1,645</b>	<b>\$ (167)</b>	<b>\$ 22,691</b>	<b>\$ 40,342</b>

## Schedule 1: Consolidated schedule of tangible capital assets

As at and for the year ended December 31, 2021

	Cost					Accumulated Amortization				Net book value
	Beginning	Additions	Disposals / transfers	Donated	Ending	Beginning	Amortization	Disposals	Ending	
<b>General</b>										
Land	\$ 4,188	\$ 14	\$ (14)	\$ 15	\$ 4,203	\$ -	\$ -	\$ -	\$ -	\$ 4,203
Land improvements	1,887	355	(7)	3	2,238	805	201	(2)	1,004	1,234
Buildings and building improvements	12,275	764	(54)	-	12,985	4,345	260	(50)	4,555	8,430
Machinery and equipment	3,244	266	(58)	-	3,452	1,797	215	(58)	1,954	1,498
Motor vehicles	2,960	112	(79)	-	2,993	1,719	216	(78)	1,857	1,136
<b>Total general</b>	<b>24,554</b>	<b>1,511</b>	<b>(212)</b>	<b>18</b>	<b>25,871</b>	<b>8,666</b>	<b>892</b>	<b>(188)</b>	<b>9,370</b>	<b>16,501</b>
<b>Infrastructure</b>										
Land	140	-	-	-	140	-	-	-	-	140
Buildings and building improvements	958	17	-	-	975	230	22	-	252	723
Machinery and equipment	3,015	83	-	-	3,098	1,397	94	-	1,491	1,607
Water and wastewater linear	7,247	73	(2)	-	7,318	2,554	98	(2)	2,650	4,668
Roads linear	5,031	188	-	-	5,219	2,469	105	-	2,574	2,645
Transit	10,291	364	-	-	10,655	4,533	343	-	4,876	5,779
<b>Total infrastructure</b>	<b>26,682</b>	<b>725</b>	<b>(2)</b>	<b>-</b>	<b>27,405</b>	<b>11,183</b>	<b>662</b>	<b>(2)</b>	<b>11,843</b>	<b>15,562</b>
<b>Assets under construction</b>	<b>5,141</b>	<b>1,187</b>	<b>(5)</b>	<b>-</b>	<b>6,323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,323</b>
<b>Total</b>	<b>\$ 56,377</b>	<b>\$ 3,423</b>	<b>\$ (219)</b>	<b>\$ 18</b>	<b>\$ 59,599</b>	<b>\$ 19,849</b>	<b>\$ 1,554</b>	<b>\$ (190)</b>	<b>\$ 21,213</b>	<b>\$ 38,386</b>

## Appendix 1: Consolidated schedule of government business enterprises

As at and for the year ended December 31, 2022 with comparatives to 2021

Condensed financial results (\$)	Toronto Hydro Corporation		Toronto Parking Authority		Total	
	2022	2021	2022	2021	2022	2021
<b>Fiscal year ended</b>						
<b>Financial position</b>						
<b>Assets</b>						
Current	\$ 526	\$ 490	\$ 119	\$ 102	\$ 645	\$ 592
Capital	6,144	5,735	230	222	6,374	5,957
Other	277	188	42	42	319	230
<b>Total assets</b>	<b>6,947</b>	<b>6,413</b>	<b>391</b>	<b>366</b>	<b>7,338</b>	<b>6,779</b>
<b>Liabilities</b>						
Current	1,183	808	55	35	1,238	843
Long-term	3,703	3,623	5	6	3,708	3,629
<b>Total liabilities</b>	<b>4,886</b>	<b>4,431</b>	<b>60</b>	<b>41</b>	<b>4,946</b>	<b>4,472</b>
<b>Net equity</b>	<b>\$ 2,061</b>	<b>\$ 1,982</b>	<b>\$ 331</b>	<b>\$ 325</b>	<b>\$ 2,392</b>	<b>\$ 2,307</b>
<b>City's share (Note 6)</b>	<b>\$ 2,049</b>	<b>\$ 1,969</b>	<b>\$ 331</b>	<b>\$ 325</b>	<b>\$ 2,380</b>	<b>\$ 2,294</b>
<b>Results of operations</b>						
Revenues	3,741	3,633	129	97	3,870	3,730
Expenses	3,576	3,496	97	88	3,673	3,584
<b>Net income</b>	<b>\$ 165</b>	<b>\$ 137</b>	<b>\$ 32</b>	<b>\$ 9</b>	<b>\$ 197</b>	<b>\$ 146</b>
<b>City's share (Note 6)</b>	<b>\$ 165</b>	<b>\$ 137</b>	<b>\$ 32</b>	<b>\$ 9</b>	<b>\$ 197</b>	<b>\$ 146</b>
Distribution to City (Note 6)	-	-	26	20	26	20
Dividends paid to City (Note 6)	85	70	-	-	85	70
Net book value of assets sold from the City to Toronto Hydro Corporation	12	13	-	-	12	13

## Appendix 2: Consolidated schedule of segment disclosure — service

As at and for the year ended December 31, 2022

	General government	Protection to persons and property	Transporta- tion	Environ- mental	Health	Social and family	Social housing	Recreation and cultural	Planning and devel- opment	Consolidated
Taxation*	\$ 6,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,012
User charges	99	232	939	1,644	1	61	18	157	73	3,224
Government transfers**	1,069	63	461	46	399	2,292	56	26	51	4,463
Net GBE income	197	-	-	-	-	-	-	-	-	197
Other	473	76	346	174	10	16	479	170	42	1,786
<b>Total revenues</b>	<b>7,850</b>	<b>371</b>	<b>1,746</b>	<b>1,864</b>	<b>410</b>	<b>2,369</b>	<b>553</b>	<b>353</b>	<b>166</b>	<b>15,682</b>
Salaries, wages, and benefits	575	1,898	1,826	282	520	705	228	585	60	6,679
Materials	270	50	341	144	23	220	146	121	3	1,318
Contracted services	46	31	532	231	33	818	119	85	16	1,911
Interest on long- term debt	26	7	209	11	1	21	75	12	13	375
Transfer payments	(128)	53	(2)	125	55	1,222	134	91	(49)	1,501
Other	152	13	58	27	6	80	51	33	6	426
Amortization	134	52	872	240	4	14	245	82	2	1,645
<b>Total expenses</b>	<b>1,075</b>	<b>2,104</b>	<b>3,836</b>	<b>1,060</b>	<b>642</b>	<b>3,080</b>	<b>998</b>	<b>1,009</b>	<b>51</b>	<b>13,855</b>
<b>Annual surplus (deficit)</b>	<b>\$ 6,775</b>	<b>\$ (1,733)</b>	<b>\$ (2,090)</b>	<b>\$ 804</b>	<b>\$ (232)</b>	<b>\$ (711)</b>	<b>\$ (445)</b>	<b>\$ (656)</b>	<b>\$ 115</b>	<b>\$ 1,827</b>

\*Taxation revenues are allocated to General Government for presentation purposes however fund all divisional activities and consolidated entities as required.

\*\* Government transfers includes \$935 of revenues recognized for COVID-19 Impacts and \$51 for Ministry of Health COVID-19 Vaccination Program.

## Appendix 2: Consolidated schedule of segment disclosure — service

As at and for the year ended December 31, 2021

	General government	Protection to persons and property	Transporta- tion	Environ- mental	Health	Social and family	Social housing	Recreation and cultural	Planning and devel- opment	Consolidated
Taxation*	\$ 5,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,939
User charges	96	223	629	1,628	-	58	18	82	64	2,798
Government transfers**	1,622	65	363	33	461	2,003	75	21	39	4,682
Net GBE income	146	-	-	-	-	-	-	-	-	146
Other	388	64	253	182	13	18	473	207	78	1,676
<b>Total revenues</b>	<b>8,191</b>	<b>352</b>	<b>1,245</b>	<b>1,843</b>	<b>474</b>	<b>2,079</b>	<b>566</b>	<b>310</b>	<b>181</b>	<b>15,241</b>
Salaries, wages, and benefits	543	1,797	1,734	282	545	684	221	555	57	6,418
Materials	264	36	372	139	29	179	146	83	36	1,284
Contracted services	141	27	406	240	45	640	116	111	28	1,754
Interest on long- term debt	22	9	203	10	1	14	76	13	13	361
Transfer payments	(153)	51	(6)	224	57	1,064	122	88	(20)	1,427
Other	131	14	103	26	6	73	37	42	13	445
Amortization	118	51	836	227	4	4	232	77	5	1,554
<b>Total expenses</b>	<b>1,066</b>	<b>1,985</b>	<b>3,648</b>	<b>1,148</b>	<b>687</b>	<b>2,658</b>	<b>950</b>	<b>969</b>	<b>132</b>	<b>13,243</b>
<b>Annual surplus (deficit)</b>	<b>\$ 7,125</b>	<b>\$ (1,633)</b>	<b>\$ (2,403)</b>	<b>\$ 695</b>	<b>\$ (213)</b>	<b>\$ (579)</b>	<b>\$ (384)</b>	<b>\$ (659)</b>	<b>\$ 49</b>	<b>\$ 1,998</b>

\*Taxation revenues are allocated to General Government for presentation purposes however fund all divisional activities and consolidated entities as required.

\*\* Government transfers includes \$1,662 of revenues recognized for COVID-19 Impacts and \$81 for Ministry of Health COVID-19 Vaccination Program.

## Appendix 3: Consolidated schedule of segment disclosure — entity

As at and for the year ended December 31, 2022

		City	Toronto Police Service	Toronto Transit Commission	Toronto Public Library	Toronto Community Housing Corporation	Other Agencies and Corporations	Total
Taxation*	\$	6,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,012
User charges		2,339	31	748	2	18	86	3,224
Government transfers		3,828	62	466	6	48	53	4,463
Net GBE income		197	-	-	-	-	-	197
Other		954	38	220	11	466	97	1,786
<b>Total revenues</b>		<b>13,330</b>	<b>131</b>	<b>1,434</b>	<b>19</b>	<b>532</b>	<b>236</b>	<b>15,682</b>
Salaries, wages, and benefits		3,350	1,237	1,616	162	213	101	6,679
Materials		1,000	28	259	3	145	(117)	1,318
Contracted services		1,373	23	334	36	116	29	1,911
Interest on long-term debt		291	5	-	-	75	4	375
Transfer payments		3,481	12	(1,389)	(218)	(313)	(72)	1,501
Other		307	4	41	4	51	19	426
Amortization		562	43	749	37	245	9	1,645
<b>Total expenses</b>		<b>10,364</b>	<b>1,352</b>	<b>1,610</b>	<b>24</b>	<b>532</b>	<b>(27)</b>	<b>13,855</b>
<b>Annual surplus (deficit)</b>	<b>\$</b>	<b>2,966</b>	<b>\$ (1,221)</b>	<b>\$ (176)</b>	<b>\$ (5)</b>	<b>\$ -</b>	<b>\$ 263</b>	<b>\$ 1,827</b>

\*Taxation revenues are allocated to City for presentation purposes to fund all consolidated entities as required.

## Appendix 3: Consolidated schedule of segment disclosure — entity

As at and for the year ended December 31, 2021

	City	Toronto Police Service	Toronto Transit Commission	Toronto Public Library	Toronto Community Housing Corporation	Other Agencies and Corporations	Total
Taxation*	\$ 5,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,939
User charges	2,253	27	459	1	18	40	2,798
Government transfers	4,220	64	343	6	2	47	4,682
Net GBE income	146	-	-	-	-	-	146
Other	666	29	224	9	623	125	1,676
<b>Total revenues</b>	<b>13,224</b>	<b>120</b>	<b>1,026</b>	<b>16</b>	<b>643</b>	<b>212</b>	<b>15,241</b>
Salaries, wages, and benefits	3,227	1,179	1,543	153	221	95	6,418
Materials	789	16	257	3	145	74	1,284
Contracted services	1,291	18	261	35	116	33	1,754
Interest on long-term debt	274	7	-	-	76	4	361
Transfer payments	3,500	15	(1,519)	(206)	(307)	(56)	1,427
Other	273	6	92	3	36	35	445
Amortization	511	42	723	36	233	9	1,554
<b>Total expenses</b>	<b>9,865</b>	<b>1,283</b>	<b>1,357</b>	<b>24</b>	<b>520</b>	<b>194</b>	<b>13,243</b>
<b>Annual surplus (deficit)</b>	<b>\$ 3,359</b>	<b>\$ (1,163)</b>	<b>\$ (331)</b>	<b>\$ (8)</b>	<b>\$ 123</b>	<b>\$ 18</b>	<b>\$ 1,998</b>

\*Taxation revenues are allocated to City for presentation purposes to fund all consolidated entities as required.

## Appendix 4: Consolidated schedule of segment disclosure — tangible capital assets by entity

As at and for the year ended December 31, 2022 with comparatives to 2021

	City, including Toronto Public Service	Toronto Transit Commission	Toronto Community Housing Corporation	Toronto Public Library	Other Agencies and Corporations	Total
<b>2022</b>						
<b>General</b>						
Cost	\$ 10,450	\$ 9,303	\$ 6,737	\$ 559	\$ 527	\$ 27,576
Accumulated amortization	3,031	3,989	2,843	223	71	10,157
<b>Net book value</b>	<b>7,419</b>	<b>5,314</b>	<b>3,894</b>	<b>336</b>	<b>456</b>	<b>17,419</b>
<b>Infrastructure</b>						
Cost	17,731	11,037	-	-	-	28,768
Accumulated amortization	7,298	5,236	-	-	-	12,534
<b>Net book value</b>	<b>10,433</b>	<b>5,801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,234</b>
<b>Assets under construction</b>	<b>4,508</b>	<b>1,494</b>	<b>119</b>	<b>80</b>	<b>488</b>	<b>6,689</b>
<b>Total</b>	<b>22,360</b>	<b>12,609</b>	<b>4,013</b>	<b>416</b>	<b>944</b>	<b>40,342</b>
<b>2021</b>						
<b>General</b>						
Cost	\$ 9,522	\$ 8,919	\$ 6,386	\$ 514	\$ 530	\$ 25,871
Accumulated amortization	2,828	3,639	2,601	215	87	9,370
<b>Net book value</b>	<b>6,694</b>	<b>5,280</b>	<b>3,785</b>	<b>299</b>	<b>443</b>	<b>16,501</b>
<b>Infrastructure</b>						
Cost	16,751	10,654	-	-	-	27,405
Accumulated amortization	6,968	4,875	-	-	-	11,843
<b>Net book value</b>	<b>9,783</b>	<b>5,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,562</b>
<b>Assets under construction</b>	<b>4,380</b>	<b>1,374</b>	<b>78</b>	<b>99</b>	<b>392</b>	<b>6,323</b>
<b>Total</b>	<b>\$ 20,857</b>	<b>12,433</b>	<b>3,863</b>	<b>398</b>	<b>835</b>	<b>38,386</b>