2021 Annual Report

For the Year Ending
December 31, 2021

Greater Grand Sudbury

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Some photos in this document were taken prior to COVID-19 when masking and physical distancing guidelines were not yet in place.

2021 Annual Report

For the Year Ending December 31, 2021

Departments responsible for preparing the 2021 Annual Report:
Finance, Assets and Fleet Division
Communications and Community Engagement

Greater | Grand Sudbury

2021 Annual Report

The Annual Report is an overview of the accomplishments and significant projects completed in 2021, supporting the goals under seven pillars in the Strategic Plan 2019-2027. The document also includes audited annual financial statements for the previous year.

Asset Management and Service Excellence

Business Attraction, Development and Retention

Economic Capacity and Investment Readiness

Climate Change

Create a Heathier Community

Housing

Strengthen Community Vibrancy

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Executive Leadership Team

Message from Ed Archer, Chief Administrative Officer

I am proud to present the City of Greater Sudbury's 2021 Annual Report, providing highlights of our operating results and progress on the goals established by City Council.

There were many unique challenges throughout the year, typically associated with our efforts to address pandemic response needs. With Council's support, staff and community partners made extraordinary efforts to introduce new services and protect our residents from the effects of the COVID-19 virus, all while delivering as many of our regular programs and services as possible.

With the spirit of "never letting a crisis go to waste", City Council and staff used the disruption caused by the pandemic to redesign many of our services and facilities to enhance access, introduce new digital service channels and minimize risks to both customers and staff. With support from senior governments, we changed the physical layout of our city hall and introduced the one-stop service model that not only makes service easier for people to access, but also improves safety and security for everyone, including our staff. Throughout the year, we worked collaboratively with community partners to brainstorm solutions to emerging resident needs, anticipate future challenges and build plans that delivered positive results for our citizens.

Our financial performance was strong throughout 2021, due in no small part to Council's commitment to follow its long-term financial plan. This type of forward-looking perspective was important in the decision to issue debt for planned capital projects, such that we secured a historically low interest rate for the city's borrowing requirements. With decisions like these, a strong management team and effective financial policies, we maintained our AA Credit Rating with a stable outlook, one of the strongest credit ratings a municipality can have.

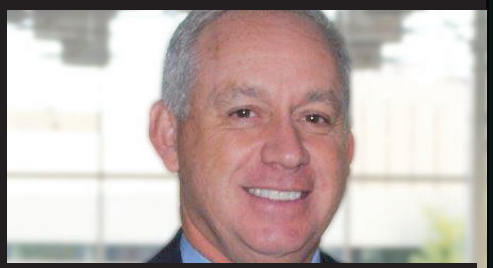
All of these results require a lot of trust, leadership and collaboration. Notwithstanding the many positive outcomes we produced in 2021, the global COVID-19 pandemic remains ongoing as I write this letter and we continue to navigate our service responsibilities in an environment with much uncertainty. I thank Council for their leadership, our community partners for their teamwork and our staff for their resilience and commitment. As this report shows, our community is a better place thanks to our collective service efforts, despite extraordinary circumstances in 2021.

Ed Archer
Chief Administrative Officer

The Chief Administrative Officer (CAO) ensures policies and procedures are in place to implement Council's decisions. Supported by an Executive Coordinator, the CAO works with a team of Executive Leaders. There are four General Managers accountable for four City departments: Corporate Services, Community Development, Community Safety and Growth and Infrastructure. Each General Manager is accountable to the CAO and they, along with key advisory positions that include finance, communications, economic development and strategic initiatives, make up the organization's Executive Leadership Team (ELT).

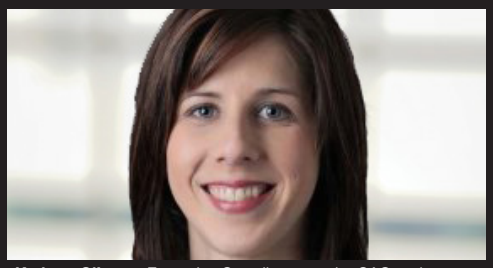
Ed Archer, Cheif Executive Officer

Kevin Fowke, General Manager of Corporate Services

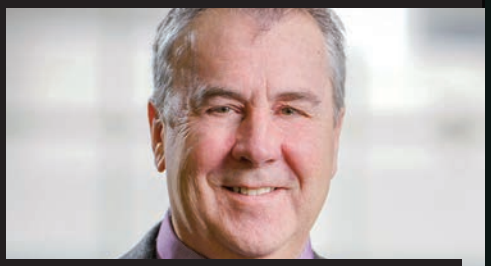


Steve Jacques, General Manager of Community Development

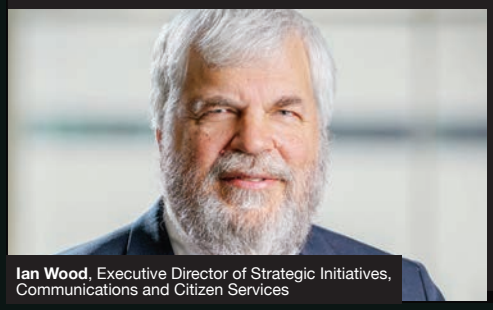
Joseph Nicholls, General Manager of Community Safety



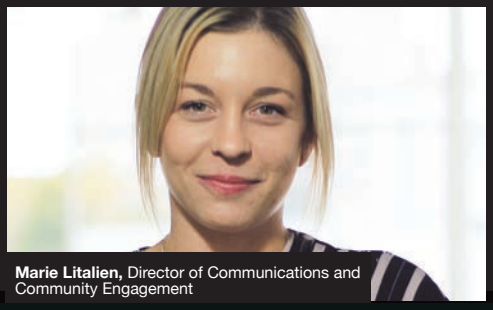
Kathryn O'Leary, Executive Coordinator to the CAO and General Manager of Corporate Services



Tony Cecutti, General Manager of Growth and Infrastructure



Ian Wood, Executive Director of Strategic Initiatives, Communications and Citizen Services

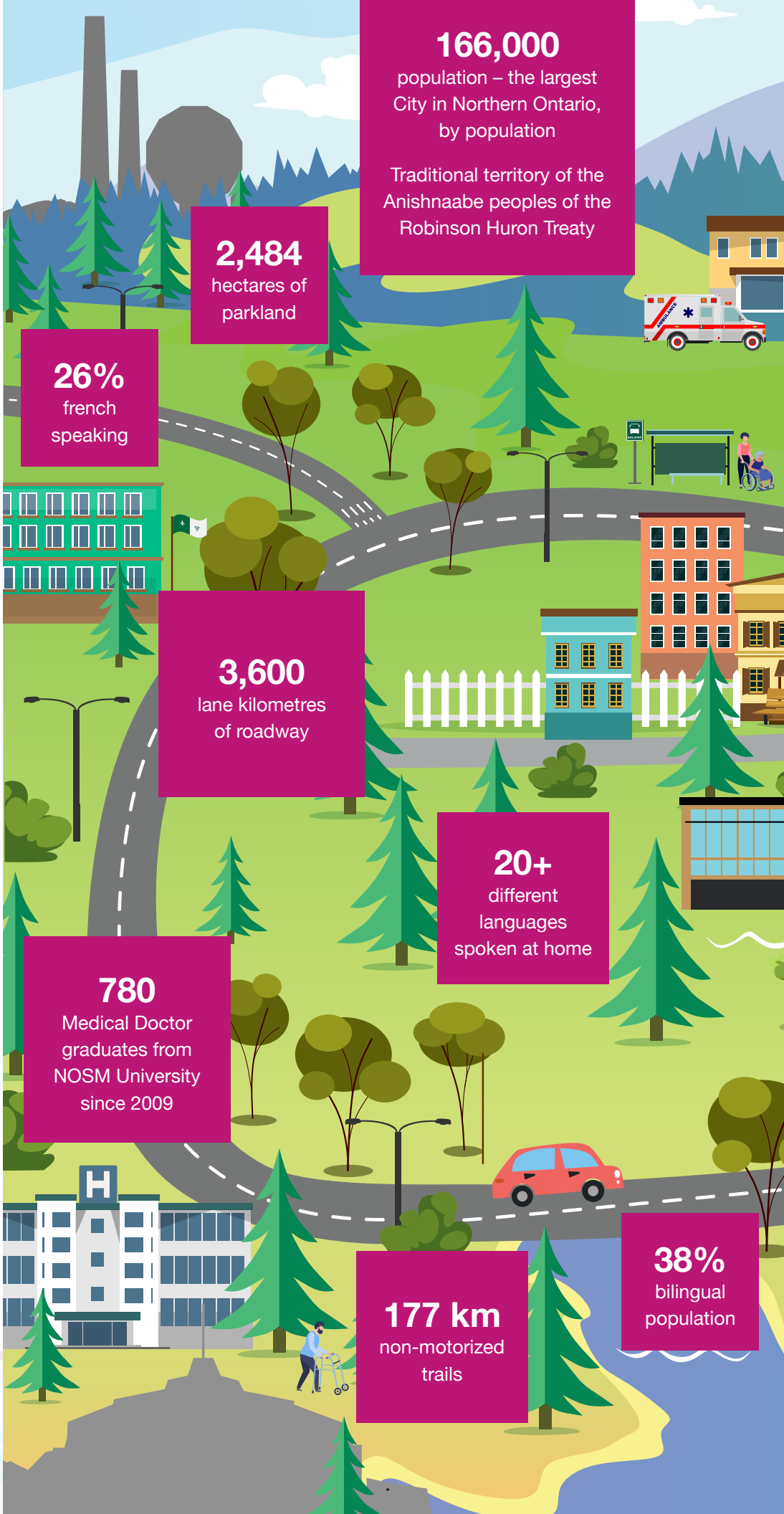


Marie Litalien, Director of Communications and Community Engagement

Meredith Armstrong Director of Economic Development

About Our Community

Greater Sudbury is a vibrant and diverse community. Our expansive landscape is enhanced by our many parks, trails and lakes. Community members come from a variety of cultures and backgrounds, each enriching our community with their own traditions. This beautiful landscape and cultural richness, together with our post-secondary institutions, tourist destinations and numerous amenities, are all interwoven to create our community's unique identity.



3,228
square kilometres the largest municipality in Ontario by land area
58
lines of service
4,003
post-secondary international students
117 km
of active transportation infrastructure
9%
of residents self-identify as Indigenous
12
municipal wards
5
post-secondary institutions: Cambrian College, College Boréal, Laurentian University, NOSM University, University of Sudbury
88
Nations on the Bridge of Nations
35 km
of cycling infrastructure
3
landfill sites
330
freshwater lakes

Measuring Performance

The City of Greater Sudbury is committed to continuous improvement. The best way to make things better is by measuring progress toward goals and objectives. Key Performance Indicators (KPIs) support measurement and comparison across municipalities, thereby building understanding about the delivery of municipal services, and providing important context for decision making.

World Council on City Data (WCCD)

The World Council on City Data certifies (WCCD) cities across the globe under ISO 37120, the first international standard for city data. Through WCCD, a global network of more than 100 cities share comparable and independently verified municipal data in accordance with the ISO standard. The City of Greater Sudbury has received Platinum Certification, the highest certification level offered by the Canada-based, global leader in standardized city data.

Data helps us see how Greater Sudbury compares to cities on a global level.

For example, Greater Sudbury has the most outdoor recreation space per capita compared to the 19 Canadian cities listed at 272 m2/capita. This means that for every person living in Greater Sudbury, there are 272 square metres of outdoor recreation space.

Recreation is an important aspect of a northern lifestyle, contributing to the health of our residents and vitality of our city. With hundreds of local parks, playgrounds and trails, this helps us attract visitors and new residents to our community with a focus on outdoor recreation opportunities.

BMA Management Consulting Inc. Study

Greater Sudbury also compares its financial performance to other communities via the BMA Municipal Study. Using standard data definitions and common measurement bases to support meaningful comparisons, the latest comparisons show Greater Sudbury has the third lowest property taxes out of the 30 municipalities with a population greater than 100,000, and the second lowest property taxes in northern Ontario.

Population >100,000*

Greater Sudbury	**$3,453**
Group Average	$4,269

Northern Ontario

Sault Ste. Marie	$3,183
Greater Sudbury	**$3,453**
Group Average	$3,768
North Bay	$3,797
Thunder Bay	$3,955
Timmins	$4,450

*For a detached bungalow 2021 BMA Report

Municipal Benchmarking Network Canada

The Municipal Benchmarking Network of Canada (MBNCan) is a network of 16 Canadian cities that collaborate to produce and share consistent performance data for 36 services. This helps identify opportunities for improving services, reducing risk and strengthening business planning. The City of Greater Sudbury reports Key Performance Indicators in the annual budget document, online, and through numerous reports to Council. Reported numbers reflect the most recent published report form 2021.

The City often performs better than the median when looking at individual performance indicators measured by MBNCan. The median represents data in the middle of a set. The median is important because it helps to give a clear picture of what the standard is by eliminating the outliers, which could skew the average. This means our City consistently exceeds the performance of more than 50% of other cities.

In comparison to the municipal medians:

16 % ▼

winter road maintenance costs

17.5 % faster

dispatched Emergency Medical Services (2:46 vs. 3:15 minutes)

2,484 hectares

of parkland, highest among the municipalities

42.6% more than the next highest up (Thunder Bay with 1,741 hectares)

492.9% more than the median (504 hectares)

417% lower operating costs per hectare ($2,278 compared to the median of $9,500)

Awards and Recognition

Government Finance Officers Association (GFOA) Distinguished Budget Award

Government Finance Officers Association (GFOA) Canadian Award for Excellence in Financial Reporting Program

Canadian Land Reclamation Association National 2020 Dr. Jack Winch Early Career Award

Standard and Poor's AA Credit Rating with Stable Outlook

Special acknowledgement from the Solicitor General for achieving the mandate to develop a Population Health, Community Safety & Well-Being Plan (PHSWB)

Water/Wastewater Dynamic mechanical analysis (DMA) Testing Project

- Professional Engineers Ontario (PEO) York Chapter Engineering Research Project of the Year Award
- Ontario Water Works Association Water Efficiency Committee Award of Excellence (Public Sector Category)

Junction East video (public engagement launch)

- dotCOM Platinum Award
- Hermes Gold Award

World Council on City Data International Organization for Standardization ISO 37120 Platinum Certification

COVID-19: Resilience in the face of adversity

Enhancing Communications

- Provided 20 regular COVID-19 response updates to Council and the public
- Facilitated 36 Community Control Group meetings
- Hosted 113 Council and Committee meetings online
- Continued resident engagement with virtual opportunities
- Created 267 COVID-19 web pages
- Handled 257,653 calls through the COVID-19 support phoneline to help residents with vaccination bookings and questions.

Adapting Existing Services

- Provided curbside pickup at libraries
- Repurposed arenas to support homelessness initiatives and daycares
- Hosted mass vaccination clinics at arenas and pop-up locations throughout Greater Sudbury
- Redeployed transit drivers to provide mobile vaccination clinics within Public Health Sudbury & Districts service area
- Cancelled interest charged on late tax bill payments for residents (temporary)
- Enhanced eServices with more than 20 services available online
- Waived fees to ride GOVA (temporary)
- Waived Fees for Patio Permits and streamlined processes
- Redeployed staff to support core business areas, such as Pioneer Manor
- Suspended the surcharge for water and wastewater on overdue accounts (temporary)
- Provided free metered parking downtown (temporary)

Supporting the Community

- Coordinated Emergency Childcare for essential workers
- Supported emergency childcare sites for school aged children in collaboration with the early years sector
- Increased support and services for vulnerable populations
- Operated a mobile COVID-19 testing service in collaboration with Health Sciences North's Assessment Centre, delivering over 3,500 in-home COVID-19 tests
- Initiated the Business Recovery Support Hotline
- Provided support to Public Heath Sudbury & Districts vaccination program, including recruitment, onboarding and human resources support for over 140 staff and supervisors
- Shared Library mobile devices with Long-Term Care homes for residents to keep in touch with families virtually
- Facilitated Paramedic virtual monitoring of at-risk COVID-19 patients
- Established the Bridge Housing Program, which provided lodging in a local motel for people experiencing homelessness waiting for housing.

Strategic Plan

The 2021 Annual Report provides highlights of the progress on Council's Strategic Plan 2019-2027. For more information on the priorities and to view details of the Plans that Shape Our Decisions, please visit greatersudbury.ca/plans.

Council approved the 2019-2027 City of Greater Sudbury Strategic Plan as its change agenda for the community. It includes the following:

Asset Management and Service Excellence	Customer Service Strategy; Compass
Business Attraction, Development and Retention	Official Plan
Economic Capacity and Investment Readiness	Economic Development Strategic Plan
Climate Change	Community Energy and Emissions Plan (CEEP)
Create a Heathier Community	Parks, Open Space and Leisure Master Plan
Housing	Housing Revitalization Plan
Strengthen Community Vibrancy	Community Safety and Well-Being Plan; Cultural Plan

Plans that Shape our Decisions

The 2019-2027 City of Greater Sudbury Strategic Plan and other guiding documents influence our direction, inform staff's recommendations and support the decisions made by Council.

The strategies support the Strategic Plan and provide a roadmap to ensure sustainability and improved processes as the City evolves and grows.

- Corporate Information Technology Strategic Plan
- Human Capital Management Plan
- Enterprise Asset Management Policy
- Transportation Master Plan
- Greater Sudbury Transit Action Plan
- Water/ Wastewater 10-Year Financial Plan
- Water/ Wastewater Master Plan
- Roads 10-Year Financial Plan

- From the Ground Up - A Community Economic Development Plan
- Downtown Master Plan

- Tourism Strategy 2019-2023
- Economic Recovery Strategic Plan
- Industrial Lands Strategy

- Subwatershed Study and Stormwater Master Plans

- Housing and Homelessness Plan
- Housing Strategy

- Downtown Community Improvement Plan
- Town Centre Community Improvement Plan
- Affordable Housing Community Improvement Plan
- Brownfield Strategy and Community Improvement Plan
- Public Art Policy

Service Areas Deliver Strategic Priorities

The City of Greater Sudbury is a single-tier municipality, which means it is responsible for all municipal services and assumes all responsibilities set out under the Municipal Act and other provincial legislation. The City has 58 different service areas, and each one is important to members of our community.

Resident Health and Safety

We are committed to keeping our community safe and healthy. These services ensure community and individual safety through first response, infrastructure maintenance and improvements, education, and enforcement.

- Animal control and shelter services
- Security and by-law enforcement
- Building inspections, permit approvals and plans examinations*
- Emergency management, public safety planning and prevention*
- Fire services, response
- Fire safety, education and prevention*
- Paramedic services, medical care and transportation*
- Community paramedicine
- Water collection, operations and maintenance
- Water* and wastewater treatment*
- Police services
- Transportation, road safety and traffic control
- Drainage and flood management
- Public Health Sudbury and Districts
- Conservation Sudbury

Legend: *legislated services

Transportation Services

With our large geographical area, the routes that connect us to our destinations are critical. These services maintain and improve the transit systems, roads, bike lanes and walking paths that help us get around our community.

- Roads and bridges
- Operations and maintenance
- Sidewalks and bike lanes
- Parking
- Project planning, design and delivery
- Construction services
- Transit
- Winter road maintenance
- Greater Sudbury Airport

Corporate Services

Corporate services are the backbone of the City's operations. These departments ensure front-line services can be delivered efficiently and effectively, keeping our residents safe, healthy and connected.

- Information technology
- Legal services*
- Provincial Offences court*
- Clerk's Services and Council support*
- Taxation*
- Accounting and payroll
- Financial planning and budgeting
- Human resources and labour relations
- Compensation and benefits
- Real estate
- Facilities management
- Fleet

Quality of Life

Your municipality is committed to maintaining and improving the quality of life of residents. These services give us opportunities to live, play, learn and come together.

- Service requests and inquiries (311 Services)
- Communications and engagement
- Housing*
- Parks and playgrounds
- Recreation programs and facilities
- Community grants
- Museums and archives
- Libraries
- Cemeteries*
- Children services*
- Long-term care
- Shelters and homelessness
- Ontario Works*

Community Sustainability

A sustainable community has the right pieces in place to support and strengthen a bright future for the residents of our city. We continue to build a strong future for Greater Sudbury through improvements in policies and strategies.

- Economic development
- Community and strategic planning*
- Environmental planning and initiatives
- Development approvals*
- Solid waste collection and management*
- Libraries

Asset Management and Service Excellence

Maximize value of investments in physical infrastructure and initiatives that enable reliable service delivery and promote economic competitiveness.

$144.1 million

Capital budget for 2021 ensured the best investment choices were made by ranking projects based on carefully selected criteria and moving forward with the highest ranked priorities.

GOAL: Establish sustainable asset service levels to assess results from maintenance and renewal efforts

Launched the Key Performance Indicators Dashboard to publicly report on the City's service performance.

311 services

Launched Phase 2 of the Customer Relationship Management System and 311 Online Service Portal with access to twenty-eight online municipal service requests, including pothole reports, curbside collection of household waste and by-law enforcement.

GOAL: Demonstrate innovation and cost-effective service delivery

20 accessible bus shelters installed throughout the city.

10 low floor accessible buses added, to replace aging vehicles within the GOVA fleet, improving rider experience and a resulting in a more modern, safe and reliable transit.

GOAL:
Maximize value of relationships with provincial and federal governments to support community infrastructure plans

$41.5 million
total investment in our community infrastructure

$15.7 million
federal funding

$12 million
provincial funding

$13.7 million
funded by the municipality

$40 million
Designed 27 linear infrastructure projects with internal resources

$563,247
Obtained funding for four projects through the Investing in Canada Infrastructure Program (ICIP)

$447,000
Completed Delki Dozzi track and lighting improvements

$412,800
Completed the Bell Park Walkway Loop Trail development

$150,000
Completed the Fielding Memorial Park Trails improvement

Completed the widening of Municipal Road (MR) 35 from Notre Dame Street East, Azilda, to Highway 144, Chelmsford.

Completed pavement rehabilitation, installed tactile warning surfaces, and improved active transportation through the addition of a new sidewalk on the west side of Auger Avenue, complete with a sod boulevard.

one-stop services un arrêt

Completed a substantial portion of the One-Stop Services Centre at Tom Davies Square.
This upgrade will help improve the resident experience with the City by making all services accessible in one convenient location.

Asset Management and Service Excellence

Maximize value of investments in physical infrastructure and initiatives that enable reliable service delivery and promote economic competitiveness.

$3 million

disbursed of the approved $5 million municipal funding

Large Projects

GOAL: Reinforce infrastructure for new development

Greater Sudbury Event Centre at the Kingsway Entertainment District (KED)

The Greater Sudbury Event Centre (GSEC) will replace the existing 71-year-old Sudbury Community Arena as a location for sporting events and concerts. It will have a capacity of 5,800 for sporting events and 6,500 for concerts and will be an integral part of the Kingsway Entertainment District (KED). The first phase of the KED will also include a casino facility, owned and operated by Gateway Casinos and Entertainment Limited, and an adjoining hotel complex and restaurants. An event space, known as Festival Square, will connect the casino/hotel complex and event centre, creating a year-round outdoor entertainment space.

- Finalized the terms of the Design/Build RFP tender document scheduled to be issued prior to the end of January 2022.
- Developed and issued a Request for Pre-Qualification (RFPQ) on November 1, 2021, for a Venue Operator for the Event Centre, which closed on December 7, 2021. Two firms were shortlisted: ASM Global and OVG Facilities, LLC.
- The Developer announced that Genesis Hospitality will be the hotel partner for the site, and will be responsible to build, own, and operate the hotel.
- All members of the partnership agreed to negotiate a Project Completion Agreement (PCA) that obligates each party to construct and operate their respective facility.

Place des Arts

Place des Arts is northern Ontario's first multidisciplinary arts and culture centre. Located at the corner of Elgin and Larch, north of Medina Lane in downtown Sudbury, the centre is open to the entire community. Place des Arts is the permanent home of seven francophone cultural organizations. Together with other community events, they will offer nearly 850 activities per year, aiming to bring 50,000 people through their doors annually. Designed to be a gathering place for the whole community, the four-story building includes a performance hall, a multipurpose studio, a contemporary art gallery, a youth zone, bistro, a gift and book shop, a daycare centre and office space. Public spaces and services are provided in both official languages.

- Completed final construction work, which took place in the auditorium.
- Approved a $149,000 annual operating grant in the 2021 budget.

In 2016, Council endorsed four Large Projects: the Arena/Event Centre, the Library/Art Gallery, the Greater Sudbury Convention and Performance Centre, and Place des Arts. Each project continues to progress, and each aligns with Council's strategic objective to invest in transformative facilities, spaces and infrastructure initiatives that support economic activity and strengthen community vibrancy.

Junction East (Library/Art Gallery)

Junction East will be a cultural campus in Greater Sudbury's historic downtown that will contribute to a vibrant and healthier community. It is a collaborative effort among the City of Greater Sudbury, Greater Sudbury Public Library, Art Gallery of Sudbury, Sudbury Multicultural and Folk Arts Association and Sudbury Theatre Centre. The new Junction East facility will house the new Central Library, Art Gallery of Sudbury and Multicultural Centre, just steps away from the existing home of the Sudbury Theatre Centre. Through innovative physical spaces and dynamic programming, the new facility will improve access to public spaces, and become a civic landmark and centerpiece for Greater Sudbury. Junction East will create a cultural hub, spur growth in the arts and culture district and contribute to the revitalization of Greater Sudbury's downtown.

- Partnered with WZMH to host a community engagement campaign for the project, which resulted in the design vision for Junction East and preliminary costing. This included virtual public open houses, over 25 community focus groups, over 20 stakeholder sessions and opportunities for community feedback at libraries and online.
- Completed a Net Zero Sustainable Design Feasibility Study for Junction East that modelled eight design scenarios to achieve exceptional building energy performance.

Junction West (Convention and Performance Centre)

Junction West is planned to be a unique, multi-purpose convention and live performance facility. It will feature a community auditorium, a 950-seat main hall that will feature symphony concerts, public lectures and touring stage productions and, in less than 30 minutes, will convert to a flat-floor ballroom that can host 850 conference delegates. This innovative approach will address community needs that were first identified almost three decades ago and will put Greater Sudbury firmly on the next level for public performances and convention business.

- Project remained largely on hold due to the impacts of the pandemic on meetings and performance industries.
- Staff worked with industry experts to monitor potential for hotel investment and assess future of conference industry.

$500,000

secured in funding from the Government of Canada's Cultural Spaces Fund for the advancement of the Junction East Project

Business Attraction, Development and Retention

Position Greater Sudbury as an attractive place to do business, with a focus on job creation, assessment growth and employment opportunities.

GOAL:
Build economic development initiatives to support existing businesses, attract new businesses and promote entrepreneurship

186,620

new industrial gross floor area in square feet (up 86% from 2020)

Increased the new commercial gross floor area (increase of 20% from 2020 to 62,482)

$55,000

in micro grants approved through the Starter Company Plus program to support the startup or expansion of 11 small businesses

$87 million

tendered in construction value to drive 40 infrastructure capital projects with 132 locations forward

$1 million

Tourism Development Fund approved $285,000 in funding to four community projects

TerryFox Sport Complex: **Wi-Fi Project**

Curling Canada Tournament: **Marketing support**

Science North and Dynamic Earth: **Go Deeper**

YES Theatre: **The Refettorio**

GOAL:
Strengthen business and development processes and services to support business growth

$374,313

secured in Federal funding for the Coniston Industrial Park Water Infrastructure Upgrade Project

Regional Business Centre

861

outreach to aspiring entrepreneurs and small business owners

55

seminars hosted = 82 hours of entrepreneurship skills development

38

businesses started or expanded creating 45 jobs

$22,500

in micro grants approved through the Summer Company program to support young entrepreneurs and the startup of 8 summer businesses.

GOAL:
Position Greater Sudbury as the global leader in mining and mining supply/service innovation

Established the Northern Ontario Pavilion at MINExpo 2021 in Las Vegas, including the participation of seven Greater Sudbury companies

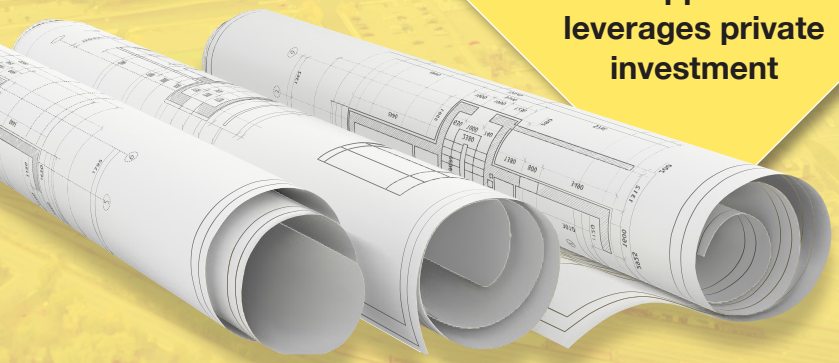
$47,970

provided in support funding to three companies in Greater Sudbury through the Customized Export Development Program

$390,000

approved in funding for 25 Sudbury companies through The Northern Ontario Exports program for export marketing assistance

GOAL:
Revitalize our town centres, nodes and corridors with public investment that supports and leverages private investment



48

major land use planning applications were reviewed by the Planning Services Division

$291.1 million

in construction for 1,841 building permit applications and demolition permits

Economic Capacity and Investment Readiness

Maintain resilience and competitiveness through investments in people and resources and through collaboration with other public sectors and levels of government.

GOAL:
Leverage public sector assets and intergovernmental partnerships to generate new economic activity

The Economic Impact of COVID-19

With ongoing COVID-19 restrictions, 2021 brought another year of unpredictability for our local businesses. While nearly all local businesses were affected in some way, the hardest hit sector continued to be the service industry, including tourism, hospitality and retail, many of whom were forced to close temporarily, or implement unprecedented safety measures to re-open safely. Mining continued to prove an essential industry in Greater Sudbury. The continued operation of the mining sector and the 300-plus firms that constitute Greater Sudbury's mining supply and services sector have helped our city weather the economic storm.

To respond to the challenges faced by our local business owners, the City partnered with the Ontario Together Fund to support them. Our response:

Launched the Next Step Small Business Support Program

18
local small businesses supported

399 hours
of complimentary services provided

16
experts in the fields of digital marketing, marketing, accounting and architecture provided services

Participated in the Job Site Challenge through Invest Ontario to support the promotion of industrial land for investment.

GOAL:
Invest in transformative facilities, spaces and infrastructure initiatives that support economic activity

Innovation Quarters | Quartiers de l'innovation

43, rue Elm St., Sudbury ON P3C 1R7

Progressed the Downtown Business Incubator to support early stage, innovative, high growth business startups across various industries through a $1,159,177 investment by City Council, through the Greater Sudbury Development Corporation.

$84.4 million

in new residential construction in 2021, 43% higher than the five-year average

GOAL:
Support the attraction, integration and Retention of a highly skilled workforce

Launched the Hit Refresh campaign as part of a multi-year workforce development strategy to grow our local labour force, leveraging our exceptional quality of life and competitive advantages to encourage workers to move here.

449

new residential units created, 28% more units than the five-year average

GOAL:
Launch new initiatives to attract and retain more newcomers for integration in new economic development partnerships and opportunities

84

individuals approved to apply for permanent residency through the Rural and Northern Immigration Pilot program

215

newcomers welcomed to the community, including the families of those supported

Provided support to The City of Greater Sudbury was chosen as one of 11 communities to participate in the Rural and Northern Immigration Pilot Program, through Immigration, Refugees, Citizenship Canada. The program works to address labour force shortages in Sudbury while encouraging immigration and population growth.

Climate Change

Demonstrate leadership in the development and promotion of ideas, policies, and actions that positively influence global climate conditions.

GOAL:
Support ecological sustainability

Community Energy and Emissions Plan (CEEP)

The Community Energy and Emissions Plan (CEEP) is the long-term plan to reduce carbon emissions and pollution in Greater Sudbury. The goal is to explore energy opportunities as a community and create a clean local energy future that supports jobs and economic development, all while improving quality of life and addressing climate change impacts. The climate change mitigation plan parallels the City's climate change adaptation planning efforts. The CEEP follows decades of energy and emissions reduction initiatives in the community and responds to City Council's Climate Emergency declaration on May 28, 2019, which included a commitment to achieve net zero emissions by 2050. That means reducing greenhouse gas emissions caused by human activity to as close to zero as possible and removing the remaining emissions from the atmosphere.

$4,000

in grants through Transportation Demand Management Community Grant Program

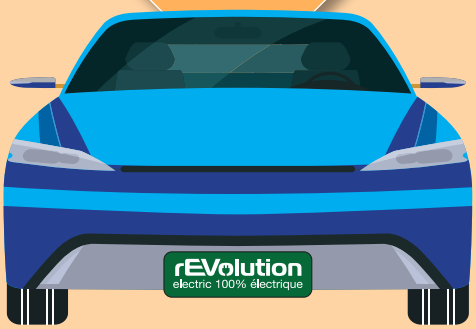
10

new buses added to the fleet

737,064 trips

increase in transit ridership by 23% from 2020

GOAL:
Build climate resiliency into existing programs



Began to realize a lower total cost of ownership to the City's Fleet from the addition of electric vehicles and accompanying charging stations to support Community Energy and Emissions Plan (CEEP) targets.

Conducted an aquatic plant survey on Whitewater Lake and awarded cash grants to several lake stewardship groups for lake-enhancing projects

7,650 m

of active transportation installed, including sidewalk and trails at 10 locations

GOAL:
Develop and strengthen strategies and policies to mitigate impact of climate change

5 hectares
of barren land limed in the St. Charles Lake area

4.5 hectares
fertilized

5 hectares
seeded

138,000
tree, shrub, and understory tree seedlings planted throughout Greater Sudbury

Realized tremendous success in the first year of the 2021-2025 Regreening Plan

Create a Healthier Community

Effect change within the community to improve health, economic and social outcomes for all citizens.

Launched a security pilot program to provide mobile enforcement, supporting safe spaces and services.

GOAL: Advance population health agenda

Installed Outdoor Seniors' Exercise Park on the property at Pioneer Manor with a $25,000 grant from New Horizons for Seniors Program.

Updated mechanical lifting equipment, over-bed tables and mobility-assisted dining room chairs at Pioneer Manor.

Retrofitted 1960 and 1970 Paris St. housing facilities for residents to have privacy while accessing virtual health care during the pandemic.

Provided iPads and smart TVs to every long-term care facility in Greater Sudbury, in partnership with community groups.

Equipped 80 people with Trauma Event Systems Training to prepare them with the tools necessary to support the community through the aftereffects of a traumatic event.

GOAL: Strengthen Indigenous Relations Towards Reconciliation

Appointed the first City Indigenous Relations Project Director.

Officially recognized September 30, National Day for Truth and Reconciliation, to honour the Indigenous people in our community. This day will be observed annually moving forward.

GOAL:
Work with health stakeholders to determine appropriate role in local health team development

Collaborated with numerous community partners to provide additional services to persons experiencing homelessness during the COVID-19 pandemic, including additional shelter and warming centre space, meals and amenities, and the continued funding of additional beds and overnight warming space for youth ages 16 to 24.

Completed patient transports from Central Ontario to Health Sciences North in response to a provincial request to help with COVID-19 surge capacity.

Worked to prepare the site, lay the foundation and install trailers

Hosted engagement sessions and worked with community partners to help ensure the site will be safe and secure for clients, residents and surrounding businesses.

Worked on the temporary supervised consumption site. City Council voted unanimously in favour of a motion directing staff to exhaust all avenues to find a site for these services Selected the property off Energy Court to be the designated location for a temporary supervised consumption site.

GOAL:
Invest in infrastructure to support community recreation with a focus on quality of life

Installed outdoor fitness equipment at Bell Park, donated by New Metric Media

Reinstated Delki Dozzi Cycling Track, including light retrofits as part of the Investing in Canada Infrastructure COVID-19 Resiliency Funding Program

4.5 km

of trails constructed along Whitson River Trail

1,325 m

of new sidewalk created

17

new park benches installed throughout Greater Sudbury, with at least one in each ward, making our parks more age-friendly

Housing

Improve access for all citizens, especially vulnerable populations, to safe, affordable, attainable and suitable housing options.

GOAL:
Expand affordable and attainable housing options

Housing Programs help residents and community partners navigate the social housing process

Implemented Homeless Individuals and Families Information System (HIFIS) 4.0

A web-based service that supports communities by allowing multiple service providers to access real-time homelessness data and refer clients to the services at the right time

63
households subsidized through the provincial Housing Allowance Program

653
households helped through Rent Supplement programs

125
households supported through the Canada-Ontario Housing Benefit Program (COHB)

243
households helped in rent-geared-to-income housing units through the centralized wait list registry

Official Plan and Zoning By-law Updates to Expand Affordable and Attainable Housing Options

GOAL:
Revitalize and improve existing housing stock options

35.7%
Increase in secondary unit registrations

20
two-bedroom housing units converted into one-bedroom to assist with the waitlist demand for one-bedroom units

14
one-bedroom units created as part of the Sparks Street Seniors Housing project

Amended the Zoning By-law to encourage housing development through the introduction of secondary unit policies and changes to residential parking requirements.

Permitted the development of multi-residential buildings, retirement homes and long-term care facilities in new zones.

GOAL:
Develop and promote solutions to support existing housing choices

Developed a Coordinated Access System to match people who are experiencing homelessness to the level of housing and/or supports that best meets their needs. Community partners will work together, instead of the person having to go from place to place.

Implemented a By-Name List, which is a real-time list of people experiencing homelessness in our community.

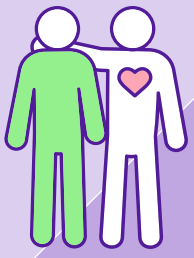
142 people were added to the By-Name list

55 people have been housed, or no longer require housing supports

Added two client navigator staff positions in Social Services. Client navigators work to identify client needs and refer them to services in the community.

Added $150,000 annually in housing allowances to the Housing First program to increase housing options.

Partnered with a local motel to provide additional shelter capacity for those awaiting more permanent housing support.



GOAL:
Solidify the City's role in Greater Sudbury Housing Operations

Approved the Transitional Housing Plan

This 40-unit, multi-residential, clinically supported housing complex will support individuals experiencing chronic homelessness with multiple barriers to housing by providing the support systems they need to successfully move forward in a healthy, sustainable way.

Strengthen Community Vibrancy

Contribute to lifestyles and economic activity through community amenities, events, facilities and municipal policies.

Ongoing commitment to Diversity Policy emphasizing acceptance, inclusion and equality for all.

GOAL:
Develop and implement policies, practices and enabling technologies that encourage meaningful citizen engagement at the neighbourhood and community level

Supported the Community Action Networks (CAN) to bring people together to help create strong and vibrant communities.

Created the Population Health, Community Safety & Well-Being Plan (PHSWB) in partnership with 78 community volunteers, who committed nearly 1,000 hours of collaborative work.

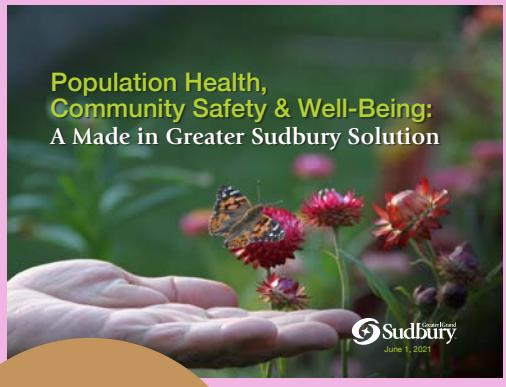
The report addressed four levels of interaction from the framework

Social Development:
Promoting and maintaining community safety and well-being

Prevention:
Proactively reducing identified risks

Risk Intervention:
Mitigating situations of elevated risk

Incident Response:
Critical and non-critical incident response



Established 4 priorities of the PHSWB Advisory Panel for the next 10 years

- Indigenous Relations
- Mental Health and Addictions
- Housing
- Compassionate City recognition

100
seniors helped via the Keeping Seniors' Warm Program and supported by New Horizons

202
public service announcements and news releases kept residents informed

Over to **You**
15
projects engaged residents with complete online engagement campaigns

592
animals found new families through the Greater Sudbury Animal Shelter

GOAL:
Review the official plan and other corporate policies to ensure they are appropriately aligned with the strategic objective of community vibrancy

Provided sampling of two lakes to protect natural heritage resources through lake water quality initiatives (Ramsey and Nepahwin lakes).

Supported three lakes to participate in the Love Your Lake shoreline mapping initiative (Robinson, Silver and Whitson lakes).

Supported 20 businesses in the second year of the Patio Permit Program, in partnership with the Downtown Business Improvement Area (BIA) and Public Health Sudbury & Districts, with patio permit fees waived to help downtown business owners recover from the pandemic.

GOAL:
Strengthen the framework of programs that support the artistic, cultural and creative expression of residents and groups

10

productions hosted, with a total of 365 days of filming

11 million

recorded in local spending from filming in Greater Sudbury

53%

of local crews retained from the community

Supported tenant and community groups in projects that improve the quality of life and place for residents, such as the planting of trees and painting of activity murals on the pavement at 1950 LaSalle Blvd.

Message from Kevin Fowke, General Manager of Corporate Services

I am pleased to present the consolidated financial statements as part of the 2021 Annual Report. It was a challenging year and I'm proud of what we have accomplished, all while maintaining the path outlined in our Long-term Financial Plan.

I would like to thank our retired Executive Director of Finance, Assets and Fleet, Ed Stankiewicz for his service to the City of Greater Sudbury and the legacy of excellence he left behind. He provided 40 years of irreplaceable municipal leadership that has shaped the organization we have today.

Our ongoing excellence in financial planning, combined with the priorities outlined in the Corporate Strategic Plan, have allowed us to adapt to the challenges faced by municipalities throughout the second year of the COVID-19 pandemic. We provided essential services to the people of our community despite significant budget pressures and impacts outside of our control. Our focus continues to be on operational excellence, continuous improvement and sustainability.

In response to the ongoing effects of the COVID-19 pandemic, we were able to adapt and meet our service and performance expectations. Keeping our City strong and reliable has been challenging, but rewarding. Regular reports to City Council outlined the financial and service implications associated with our response, as well as the actions we took to mitigate these risks.

As this report was being prepared, Standard and Poor's Global Ratings communicated that the City's credit rating had moved from AA (Stable) to AA + (Stable) as of June 1, 2022. This upgrade is based on a number of measures they used to gage post pandemic financial condition. This is testament to the hard work and sometimes hard decisions we had to take in response to the pandemic to maintain services to the community and strong financial health.

I want to thank Council for their leadership during another challenging year. Thank you to our City staff for their resilience and dedication to achieving our goals, and for proving the importance of innovation and collaboration to achieve results in times of adversity.

Kevin Fowke
General Manager of Corporate Services

June 21, 2022

STANDARD & POOR'S
The McGraw·Hill Companies

AA/Outlook Stable

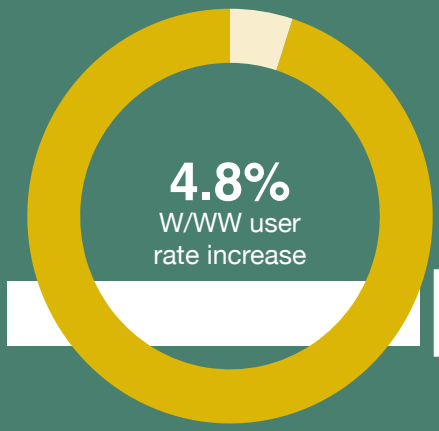
2021 Budget Highlights

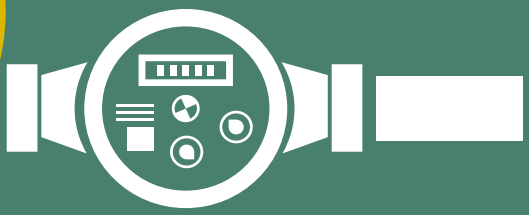
$641 million

operating budget

$144.3 million

capital budget





Water Bill Increase: $10/month

average homeowner*

*BASED ON USE OF 200 M³/YEAR

$58.3 million

total investment of capital for roads and drains

$4.9 million

information technology projects to improve customer service

$45 million

for Water/Wastewater infrastructure

$3.8 million

in maintenance and improvements to leisure related assets (such as Therapeutic Pool and Outdoor Court Resurfacing)

$6.5 million

for accelerated bus fleet replacement and transit technology project

$3.3 million

Sudbury Landfill and Recycling Centre

$4.0 million

in maintenance and improvements to City facilities, mainly Tom Davies Square and 199 Larch Street

$4.1 million

in long-term care, mainly towards the Pioneer Manor Bed Redevelopment

4% Tax Increase

Property Value:
$230,000

Tax Bill Increase:
$10/month

Property Value:
$350,000

Tax Bill Increase:
$15/month

Property Value:
$450,000

Tax Bill Increase:
$20/month

2021 Financial Information

FOR THE YEAR ENDING DECEMBER 31, 2021

Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

City of Greater Sudbury

Ontario

For its Annual Financial Report for the Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

Financial Reporting

Financial Reporting Achievement

The Government Finance Officers Association (GFOA) established an award program to encourage municipal governments throughout the United States and Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

The Canadian Award for Financial Reporting Achievement is presented for an easily readable and efficiently organized annual report whose contents conform to program standards. The annual report must go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance the understanding of financial reporting by municipal governments and address user needs.

The City of Greater Sudbury has published an annual report since 2012 and has earned this award annually since its initial publication demonstrating the City's high standards in financial reporting supported by transparency and full disclosure.

Annual Report and Consolidated Financial Statement

The Executive Leadership team with the guidance of the Director of Finance / Chief Financial Officer is responsible for all information contained in the Annual Report. This report provides the annual consolidated financial statement for CGS for the year ending December 31, 2021, prepared in accordance with legislation and in accordance with generally accepted accounting principles for public sector entities as defined in the Public Sector Accounting Handbook.

The Consolidated Financial Statements include all organizations that are owned or controlled by the City. Some entities are fully consolidated, which means the financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. Government enterprises are recorded using the modified equity method which means that the entity's accounting principles are not adjusted to conform to those of the City, and inter-entity transactions and balances are not eliminated.

The budget presented in the 2021 audited financial statements has been restated to conform to the Public Sector Accounting Standards. The standards require that all interfund transfers, capital expenditures, and debt principal repayments be removed, and amortization, employee future benefits and landfill closure and post closure costs be included. Note 19 to the financial statements reconciles the 2021 operating and capital budgets, as approved by Council, adding the approved consolidated board budgets in-year budget adjustments in accordance with the Operating Budget Policy and adjusted for the items noted above.

External Auditors

The City's external auditors are KPMG LLP, Chartered Accountants. The role of the external auditor is to express an opinion on the annual Consolidated Financial Statements based on their audit. The auditors express their opinion in their Independent Auditor's Report that is attached to the Consolidated Financial Statements. Their opinion confirms that the statements are free from material misstatement. The external auditors are also responsible to advise management and Council of any control or operational issues identified during the audit.

Audit Committee

The Audit Committee is mandated to provide oversight to the Auditor General and to the external auditors. The Committee's responsibilities are to review internal and external reports, including the Auditor General's reports and work plans, to approve the external auditors' annual audit plan, and to review the annual audited consolidated financial statements and external audit finding reports.

Financial Management

The City of Greater Sudbury maintains appropriate systems of internal controls to ensure effective financial management, reliable and relevant financial information, and that assets are safeguarded. Management systems, policies and by-laws are in place for financial management, accounting, budgeting and other processes as required to ensure that transactions are appropriately authorized and recorded, and the integrity and completeness of financial records are assured. Key policies and by-laws include but are not limited to the City's Delegation By-Law, Purchasing By-Law, Reserve and Reserve Fund By-Law, Operating Budget Policy, Capital Budget Policy, Purchasing Authority Policy, Debt Management and Investment Policy.

Staff provide financial information during the year with updated reports on projected operating results and capital project status updates.

Long-Term Financial Plan

The City of Greater Sudbury Corporate Strategic Plan (2019-2027) outlines a priority to maintain a long-term financial plan enabling the City to anticipate and respond to emerging issues and changes in its operating environment.

The Long-Term Financial Plan allows the City to better understand the long-term impact of financial decisions made today. This planning helps manage resources over the long-term and offers more flexibility to meet infrastructure requirements while maintaining a manageable level of debt to support ongoing services and fiscal sustainability.

The Plan is updated annually to adapt to the evolving financial environment and covers 10 years, 2022 to 2031. Several factors are included including projected funding requirements, tax levy increases, projected capital spending, and debt and reserve balances under the current financial model. This information is used as a benchmark for operating and capital budgeting and forecasting.

The key components of long-term financial planning are described in the next sections.

Debt Financing

City Council recently approved increased debt financing for several projects. The information below provides details and context on how debt financing affects our overall financial position.

The corporation has a Debt Management Policy that limits borrowing to no more than 10 per cent of annual net revenue. This is well below the provincially imposed maximum for municipalities of no more than 25 per cent of net revenue.

The main principles of the policy state debt should be affordable, sustainable, and structured in a way that those who benefit from the asset pay for the debt.

The policy sets out principles to describe the projects in which debt can be used including:

- New, non-reoccurring infrastructure renewal requirements.
- Self-supporting programs and facilities.
- Projects where the cost of deferring expenditures exceed debt servicing costs.
- Debt with terms no longer than the anticipated life of the funded asset.

The City's previous reliance on its own source of funding for capital investment has also impacted debt levels. While the issuance of debt can provide increased capital funding, the amount owing, plus the related interest, must be paid off in future years from operating funds. Debt is a trade-off between increased fiscal flexibility in the short-term, versus reduced fiscal flexibility over the term of the repayment.

While interest costs add to the total cost, the rapid escalation of construction costs over the past few years indicates debt financing should lower overall costs in certain circumstances. Although interest rates have fluctuated in 2021, they remain near historic lows allowing the City to access debt markets while rates remain low. Interest rates are forecasted to increase 2022 and 2023, which presents a risk of larger debt repayment budgets than originally anticipated. In response to this risk, the City Council authorized the issuance of 25-year sinking fund debentures in the principal amount of $103 million in the first quarter of 2022, the proceeds of which will be used to fund certain capital projects. The debentures bear interest at a rate of 3.457%, payable semi-annually.

Asset Renewal and Financial Viability

With historic focus on minimizing property taxes that prompted the deferral of a variety of needed asset renewal investments, the City has a significant level of capital asset and infrastructure renewal requirements. This includes the renewal and replacement of roads, water and wastewater mains, equipment and facilities.

Like most Canadian municipalities, the City must overcome multiple challenges in managing assets including:

- Aging infrastructure;
- Expectations of higher levels of service with minimal financial impact;
- Increasingly demanding and complicated legislation with environmental requirements;
- Mitigation of the increased risk involved with the execution of service delivery.

The risk of service interruption can be managed with asset management plans and an investment strategy for asset replacement that, over time, reduces the likelihood of asset failure.

On December 13, 2017, the Province approved O. Reg. 558/17: Asset Management Planning for Municipal Infrastructure under the Infrastructure for Jobs and Prosperities Act, 2015. Since then, the City has been collaboratively working to advance asset management planning. Asset information including data collection and analysis initiatives have been underway to increase knowledge of infrastructure conditions, risk level and level of service for a more comprehensive implementation of lifecycle asset management.

The implementation of asset management planning will address the unmet infrastructure needs that increase the risk of service interruptions due to asset failure, or lower quality service provision due to poor quality assets.

Additionally, annual maintenance costs are increasing as infrastructure continues to age past its useful life. The asset management plan provides strategies to manage these ongoing pressures with life-cycle analysis and a risk framework prepared to identify, understand and manage the risk of service interruption or failure.

Maintaining existing assets in a state of good repair and building new infrastructure to meet current and future needs is necessary to provide required service levels to the community and achieve City Council's priorities.

The historical capital investment (2020) for infrastructure assets maintained and operated by the City is $3.3B. These assets are critical for the delivery of service levels expected by the residents of Greater Sudbury.

Enterprise Risk Management

Every municipal activity carries some degree of risk. To best support City Council and staff in identifying, recognizing, evaluating and mitigating risks, the City has developed an Enterprise Risk Management (ERM) policy.

At the July 13, 2021, meeting of the CGS Finance and Administration Committee, the corporation's first annual Enterprise Risk Register was presented. The document allows City Council and the public to understand the nature and potential implications of enterprise-wide risks as well as the corporation's mitigation strategies. Over time, we can identify trends and emerging risks to enhance City Council's understanding of the need for additional interventions or investments might to ensure the corporation's strategic goals can be realized.

Nine enterprise-wide risks were identified for the Committee, along with an evaluation of their residual risk following mitigation activities and strategies. Six of these were assessed as being within risk tolerance parameters while three were assessed as requiring additional effort. These are:

- Misalignment may exist between financial resource allocations and Council's priorities.
- Asset renewal investments may be insufficient to maintain acceptable condition and service levels.
- The corporation, or the City as a whole, is insufficiently resilient to respond to environmental or economic shocks.
- Global connections and business attraction/development efforts may be insufficient for ensuring Greater Sudbury's economic competitiveness.
- Communications and engagement efforts may be insufficient for building resident trust and confidence.
- Existing human capital management policies and practices may be insufficient for attracting, managing, developing, and retaining top talent to support existing and future operations.
- The corporation may be unprepared for the effects of climate change.
- Corporate service delivery may be insufficiently supported by appropriate technology, datasets, training, or equipment.
- Information entrusted to the corporation may be inadequately protected from unauthorized access.

Reserves and Reserve Funds

Reserves are funds authorized by Council to be set aside for future capital and operating needs. They are a key component of the City's long-term financial strategy. There are 53 Reserves (both uncommitted and committed) maintained by the City for four main purposes:

- To support the sustainability of assets by providing for the renewal, major maintenance and replacement of existing capital assets.
- To smooth the financial impact of unplanned cost increases or revenue reductions, or to stabilize fluctuations on property taxation and/or other fees.
- To respond to or capitalize on opportunities that could impact services such as government matching grants, private sector partnerships or other alternative service delivery methods; and
- To fund new capital assets identified in the long-term corporate strategy to address community growth.
- Reserves are governed through the Reserves, Reserve Funds and Trust Funds By-Law and the Reserve Policy.

In early 2020, Council passed a Reserve Policy as well as changes to the Reserve Fund By-Law that establishes minimum levels for specific Reserve funds. At the end of 2021, 10 of the City's 21 Reserves (with recommended minimums) were below the minimum range and 11 were at or above. There are 15 Reserves (excluding committed

Reserves) that do not have a recommended minimum level. Where Reserves do not meet minimum limits, this generally reflects a historical practice where, for many years, funds were not set aside in a systematic way for the eventual replacement of capital assets that were put into service. Similarly, other Reserves where minimum balances are not being met are intended for future expenditures whose timing and amounts are uncertain. This includes the corporation's tax rate stabilization, winter control, post-employment benefits, and insurance Reserves.

2021 Reserves and Reserve Funds Balance

In 2021, the City's Reserves increased by 15 per cent from approximately $157 million at the beginning of 2021 to $185 million at the end of 2021. This increase represents a net contribution of $29 million to Reserves primarily due to the distribution of the year-end surplus and capital funds set aside to fund potential deficits relating to COVID-19.

Self-sustaining Reserves (mainly water and wastewater services and tax rate stabilization uncommitted) account for a portion of Reserves (6 per cent), operating Reserves account for 23 per cent of the Reserve balance while capital Reserves represent 72 per cent of the balance.

Most (59%) of the Reserves have been committed by Council towards specific projects, while the remaining 41% is uncommitted. These funds will be used to fund future capital projects or address funding requirements due to changes to existing projects, operating deficits (which can arise when revenues are lower than budgeted and/or expenses higher than budgeted), liabilities such as sick leave, WSIB, post-employment benefits or other human resource matters, or other unplanned or unforeseen events such as storm damage and recovery not covered by insurance policies, asset failures, or a pandemic such as COVID-19. These are balances as at December 31, 2021, and do not reflect the use of Reserves used to fund projects approved in the 2022 Budget.

Reserves

Reserves, are discretionary amounts, are generally used to offset major fluctuations in operating costs/revenues or to fund future contingent liabilities. Total Reserves in 2021 were $39.3 million (2020 $38.6 million), an increase of $0.7 million.

Reserve Funds

Reserve Funds are non-discretionary, segregated and restricted to meet specific identified purposes for the municipality. Total Reserve Funds in 2021 were $146 million (2020 $118 million), an increase of $28 million from the prior year. The Reserve and Reserve Funds will help the City meet projected expenditure needs in the coming years. However, draws on Reserve and Reserve Funds in future years to support our growing capital infrastructure and maintenance needs will reduce these balances and therefore reduce the total accumulated surplus.

Although Reserves and Reserve Funds are not specifically featured in the financial statements, they are key resources in the City's financial management and operations. Reserves and Reserve Fund balances are consolidated within the Accumulated Surplus position on the Consolidated Statement of Operations. There is a breakdown in Note 18 in the audited financial statements.

Overall, the City's Reserve balances are considered low compared to other municipalities and compared to municipal best practices. Administration continues to monitor and manage Reserves in accordance with the Reserve and Reserve Fund Policy as well as the Reserves, Reserve Funds and Trust Fund By-Law 2020-56 (Reserve Bylaw) to ensure Reserves continue to support Council priorities and the needs of the City. The Long Term Financial Plan model anticipates an amount equal to one percent of the 2022 net tax levy to be added to the 2023 budget for Council's consideration as a method for increasing Reserve funding balances.

Our Benchmark

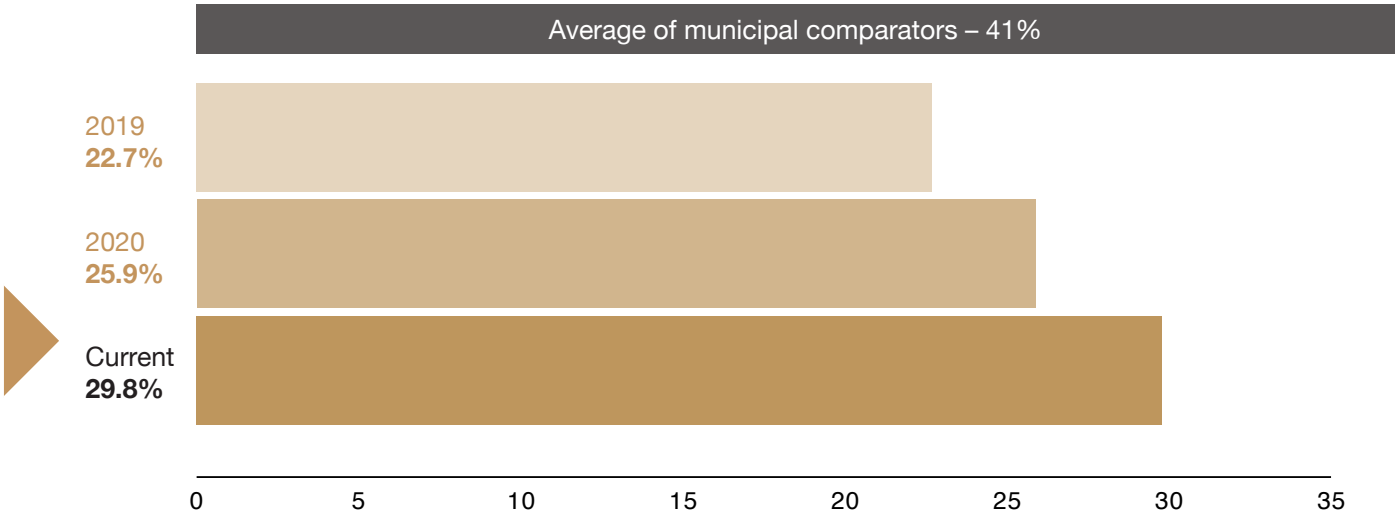
What is the benchmark indicator?

Total Reserve and Reserve Funds as a % of Total Expenses

What is it?

This represents the portion of the City's annual expenses that could be funded by available reserve and reserve funds.

What is our result vs. the benchmark?



Benchmark: The group of cities comparable to Greater Sudbury average 41%, compared to our 29.8%. A ratio greater than 20% indicates a stronger than average ability to meet unforeseen increases in expenses. For the City, approximately 59% of the reserve balance has been committed for various capital projects. The balances are decreased as actual spending occurs, so this ratio will continue to decrease, unless additional funds are contributed in future years.

Reserves and Reserve Funds
(In thousands of dollars)

Reserves and Reserve Funds	2021		2020	
($000's)				
	Uncommitted	Committed	Uncommitted	Committed
Reserves				
Tax rate stabilization	**3,151**	**13,123**	5,868	8,122
Organizational Development Reserve	**522**	**905**	947	-
Holding Account - General	**13,387**	**-**	14,874	-
Holding Account - Water/Wastewater	**3,960**	**-**	6,098	-
Consolidated Entities	**4,290**		2,737	-
Total Reserves	**25,311**	**14,029**	30,525	8,122
Reserve Funds				
Human Resource Costs	**8,888**	**7,091**	7,585	7,298
Election	**1,563**	**-**	1,569	-
Insurance	**1,497**	**-**	1,342	-
Parking	**1,949**	**49**	1,037	124
Other	**956**	**1,447**	970	1,664
Social Housing	**9,440**	**6,487**	2,731	6,596
Library and Citizen Services	**1,371**	**514**	1,298	-
Economic Development	**3,779**	**825**	4,391	127
Winter Road Control	**3,502**	**-**	-	-
Police Services	**2,484**	**448**	2,224	-
Capital Reserve Fund - Fleet/Equipment	**269**	**3,404**	973	780
Capital Reserve Fund - Police	**1,490**	**7,909**	3,471	4,420
Capital Reserve Fund - general	**6,269**	**31,915**	11,608	13,796
Capital Reserve Fund - W/WW	**3,480**	**33,196**	2,975	36,349
Capital Reserve Fund - EMS	**3,909**	**2,296**	4,122	533
Total Reserve Funds	**50,847**	**95,582**	46,295	71,685
TOTAL RESERVE AND RESERVE FUNDS	**76,158**	**109,611**	76,820	79,807

Budget Process

The municipal operating and capital budgets are prepared annually. The following steps are taken when preparing the budgets:

1. Receive direction from City Council regarding expectations for service levels and the level of taxation associated with these.
2. An analysis of workload requirements, in accordance with City Council's budget directions, identifies resource requirements.
3. Financial information is then prepared in accordance with operating and capital budget policies to support preliminary reviews that identify inflationary pressures, contract cost changes and material price increases.
4. Once reviewed by the Executive Leadership Team, City Council is provided recommended operating and capital budgets for deliberation and final approval.

Budgets are then monitored throughout the year in accordance with the operating and capital budget policies. The Finance and Administration Committee is presented with variance reports, which provide a narrative of the corporation's financial activity throughout the year and projected financial position to the end of the fiscal year.

City Council is also responsible for funding the budgets of our service partners, which include:

- City of Greater Sudbury Public Library Board
- Sudbury Airport Community Development Corporation
- Conservation Sudbury
- Public Health Sudbury & Districts
- Greater Sudbury Police Service

Water/Wastewater Budget

Unlike the municipal tax levy, which is applied to all properties in the City to support a variety of services provided to the community, Water/Wastewater Services are paid for by roughly 48,000 residential and non-residential customers.

In 2019, a revised long-range financial plan covering the period 2020 to 2039 recommended an annual rate increase of 4.8 per cent over the next 20 years to achieve financial sustainability. Council approved a 4.8 per cent rate increase for 2021. In accordance with legislation, the plan must be updated prior to the City applying for renewals to its drinking water licenses in the fall of 2024.

Financial Condition

The Public Sector Accounting Board (PSAB) has a Statement of Recommended Practice, which offers guidance to public sector entities regarding discussions about their financial condition.

A city's financial condition reflects its financial health in the context of the overall economic and financial environment, as well as its ability to meet service commitments to the public and financial obligations to creditors, employees and others. PSAB's recommendations define a government's financial condition using the elements of sustainability, flexibility and vulnerability.

See the Glossary for a description of the calculation of all financial condition indicators.

Sustainability

Sustainability is the ability of a municipality to maintain existing service levels and meet existing requirements without increasing its relative debt or property tax levels.

The ratio of financial assets to liabilities at 1.46 is comparable to the prior year and continues to be within the recommended range of 0.75 to 1.5. The City remains at the higher end of this range indicating that we are more liquid than our competitors and/or the level of debt is not as high. Either scenario results in the opportunity to leverage more resources that could be applied to municipal services and remain within the recommended range established in the Long-Term Financial Plan.

The reserves and reserve funds per household increased to $2,451. This is within the target range and reflects Council's decisions to suspend or reduce services as part of its response to the COVID pandemic. Capital additions as a percentage of amortization expense (119%) decreased compared to the prior year. This is below the target range and reflects the challenges associated with completing projects capital during the COVID pandemic.

		2021	2020	2019	2018	2017
Sustainability Indicators	**Target**					
Financial assets to financial liabilities	0.75 to 1.50	**1.46**	1.41	1.66	1.66	1.66
Total reserves and reserve funds per household	$2,000 to $3,500	**$2,451**	$2,067	$1,830	$1,981	$1,931
Total operating expenses as a percentage of taxable assessment	2.0% to 3.5%	**2.4%**	2.3%	2.4%	2.3%	2.3%
Capital additions as a percentage of amortization expense	150% to 250%	**119.3%**	161.1%	213.9%	111.4%	133.2%
Taxes receivable as a percentage of taxes levied	n/a	**3.1%**	3.2%	2.8%	2.7%	3.0%

Flexibility

Flexibility reflects the municipality's ability to increase its financial resources to address additional commitments and changes to service levels. This is done by increasing property tax revenues, increasing reserve balances or by taking on additional debt.

When analyzing the flexibility indicators, the two major factors to consider are reserves and debt. Compared to other municipalities, discretionary reserve funds are lower than the average, which indicates we do not have as much flexibility as the comparators to use reserve funds to immediately address unanticipated expenditures. While the City's debt per household ratio is within the target range, debt servicing costs are now above the target. This indicates repayment terms are relatively shorter and debt will be repaid in the earlier years of the long range financial plan. Our ability to react to unanticipated expenditures, take on new capital spending and change service levels is quite strong if we are willing to issue new debt or raise more revenue. There is still capacity for increased borrowing, which was noted in the Long-Term Financial Plan and by S&P Global when it issued its credit rating analysis. This is important, since reserves are relatively low. Debt, particularly combined with funding opportunities from senior levels of government, is a viable, partial funding solution to address asset renewal needs.

		2021	2020	2019	2018	2017
Flexibility Indicators	**Target**					
Residential taxes per household	$3,000 to $5,000	**$2,588**	$2,472	$2,349	$2,258	$2,176
Debt per household	$2,000 to $3,500	**$3,279**	$3,454	$927	$1,012	$1,027
Residential taxes as a percentage of household income	3.0 to 5.0%	**3.92%**	3.85%	3.79%	3.83%	3.85%
Total taxation as a percentage of total assessment	1.0% to 2.5%	**1.36%**	1.30%	1.27%	1.24%	1.22%
Debt servicing costs (interest and principal) as a percentage of net revenues	2.0% to 3.0%	**4.45%**	3.24%	1.98%	2.32%	2.19%
Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets	40% to 60%	**48.5%**	49.2%	49.3%	48.8%	49.7%

Vulnerability

Vulnerability is the degree to which the City is dependent on, and therefore more vulnerable to changes in, funding sources outside its control. The risk of increased reliance on funding from other levels of government is that the City does not directly control or influence the amount or timing of such revenues.

The City receives several funding grants from senior levels of government including Ontario Municipal Partnership Fund allocations, Provincial and Federal gas taxes and funding agreements with numerous provincial partners including the Ministry of Health and Long-term Care, the Ministry of Education and the Ministry of Children, Community and Social Services.

Historically, the City's ability to rely on federal and provincial funding has remained consistent as shown by minor fluctuations in government transfers to total revenue. It may be perceived that a higher ratio indicates higher vulnerability. However, increased ratios may also result from new funding for specific capital projects. The City will continue to maximize grant revenue, when possible, to help address infrastructure requirements. Taking advantage of these opportunities is reflected in the indicators below.

		2021	2020	2019	2018	2017
Vulnerability Indicators	**Target**					
Ratio of government transfers to total revenue	n/a	**0.26**	0.27	0.28	0.29	0.30
Operating grants as a percentage of total revenues	10% to 25%	**22.4%**	23.2%	22.0%	23.2%	22.6%
Capital grants as a percentage of total capital expenditures	10% to 25%	**29.2%**	22.6%	26.0%	40.2%	45.3%

Credit Rating

From 2018 to 2021, the municipality received an AA credit rating from S&P Global Ratings (S&P) with a stable outlook. A credit rating is intended to represent an evaluation of the credit risk of a debtor, anticipating their ability to repay debt. The AA rating indicates the City has a very strong capacity to pay interest and repay principal. In reviewing the City's financial position and projected debt levels, S&P noted the following in the Rating Score Snapshot:

Key Rating Factors	Score
Institutional framework	2
Economy	2
Financial management	2
Budgetary performance	3
Liquidity	1
Debt Burden	2
Stand-alone credit profile	aa
Issuer credit rating	AA

S&P Global Ratings base ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. The institutional framework is assessed on a six-point scale; 1 being the strongest and 6 being the weakest score. The assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale with 1 being the strongest and 5 the weakest. Even though the pandemic is having near-term impacts on the local economy, it is believed the economy will gradually recover over the next two years with the tax-supported debt burden remaining modest. It is believed the gradual diversification of the local economy, along with a healthy public sector, will help the city in recovery and help mitigate the high exposure to the mining sector and associated price volatility. Furthermore, S&P expects the organization's cost-containment efforts will help sustain robust operating balances. As this report was being prepared, Standard and Poor's Global Ratings communicated that the City's credit rating had moved from AA (Stable) to AA + (Stable) as of June 1, 2022. This upgrade is based on a number of measures used to gage post pandemic financial condition.

2021 Financial Results

The Annual Report includes the Consolidated Financial Statements of the City of Greater Sudbury for the year ended December 31, 2021. These financial statements have been prepared by Finance in accordance with Generally Accepted Accounting Principles as established by the Public Sector Accounting Board and have been audited by KPMG, LLP. The Independent Auditor's Report expresses an unqualified audit opinion.

Highlights

The Consolidated Financial Statements include the following entities which are owned or controlled by the City.

Fully consolidated entities include:

- Greater Sudbury Housing Corporation
- Greater Sudbury Police Services Board
- Downtown Sudbury Business Improvement Area
- Flour Mill Business Improvement Area
- Greater Sudbury Public Library Board
- Greater Sudbury Sinking Fund

In addition, the City invests in two Government Business Enterprises (GBEs):

- Greater Sudbury Airport Community Development Corporation
- Greater Sudbury Utilities Inc.

Key financial highlights for 2021 are as follows:

- The 2021 Consolidated Statement of Financial Position reports net financial assets of $250 million, an increase of $30 million from $220 million in 2020.
- The City's accumulated surplus increased from $1.842 billion in 2020 to $1.912 billion at December 31, 2021. Over 92 per cent of the accumulated surplus is comprised of equity in tangible capital assets and funds for capital projects which represents the service capacity available for future periods.
- The City's reserves and reserve funds (which are included in the accumulated surplus) increased by $29 million from $157 million in 2020 to $186 million in 2021.
- The 2021 Consolidated Statement of Operations and Accumulated Surplus indicated an annual surplus of $70 million compared to $65 million in 2020.
- Revenues increased by $23 million from 2020. Council approved a property tax increase of 4.0 per cent, a water rate increase of 4.8 per cent which is reflective in the increase in taxation and user revenues for 2021.
- Expenses increased by $17 million from 2020. Significant increases were $5 million related to protection services, $4 million for social and family services, $4 million related to general government and $2 million for health services.

Focus on Infrastructure Renewal

The capital budget and spending represent investments in infrastructure assets owned by the City. These assets include roads, buildings, water and wastewater pipes, equipment and vehicles used by staff to provide services to residents, and facilities used by residents to enjoy the services provided by the municipality.

Below are the key infrastructure renewal projects approved in the 2021 Capital Budget:

During 2021, there continued to be infrastructure renewal on projects approved in budgets prior to and in 2021 such as:

Capital Investment	2021 Budget
Arterial / Collector Roads Rehabilitation and Resurfacing	$19.3M
Bridges and Culverts Replacement and Rehabilitation	$14.6M
Road and Water/WW Improvements (Roads only)	$12.6M
Wastewater Plants (WWTP's, Lift Stations)	$9.2M
Watermain Priority Replacement and Rehabilitation	$8.3M
Automatic Meter Reading Water Meters (W and WW contributions)	$7.1M
Water Plants (Water Treatment Plants, Wells, Booster Stations)	$6.7M
Sewer Priority Replacement and Rehabilitation	$5.7M
Accelerated Bus Fleet Replacement Program	$4.5M
Frobisher Depot Salt/Sand Storage	$4.0M
Pioneer Manor Bed Redevelopement	$4.0M
2021 Fleet Replacement Program	$3.2M
Lively Sewers - Phase 2 Wastewater	$2.5M
Maley Drive Extension	$2.3M
Therapeutic Pool	$2.3M
Land Management Information System - Phase 1	$2.0M

Capital Investment	2021
	Spend
Various Arterial/Collector Roads	$15.4M
Various Bridges and Culverts	$10.9M
MR 35	$8.2M
Various Road with W/WW Improvements	$8.1M
Various Watermain Priority projects	$7.6M
Replacememt Buses	$6.4M
Lively Sewer System Upgrades - Wastewater Linear	$6.0M
AMR Water Meters	$4.6M
Whitson Paquette Drain	$3.2M
Fire Engine Replacement	$2.4M
BarryDowne Wesmount-Kingsway	$2.3M
Lift Station Upgrades	$2.3M
1960 Paris Roof Replacement	$2.3M
Various Sewer Priority projects	$2.2M
Lively Sewer System Upgrades - Roads	$2.2M
Val Caron Booster Upgrade	$2.0M
Whitson River Trail	$2.0M
City Fleet Vehicle and Equipment Replacements	$1.9M

Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position is the municipal equivalent of the private sector's Balance Sheet. Among other details, it reports on two key indicators: net financial assets and accumulated surplus.

Financial assets summary

Public Sector Accounting Board standards for reporting require the City to distinguish between financial and non-financial assets. Financial assets are assets on hand, which could be used to discharge liabilities or finance future operations. The difference between financial assets and liabilities, or net financial assets, is an indicator of the City's ability to finance future activities and to meet its liabilities and commitments. Non-financial assets represent economic resources that will be employed by the City to deliver programs and provide services in the future.

The City's financial assets are mostly comprised of investments, investments in Government Business Enterprises (GBE), accounts receivable, and cash. Financial assets increased by $36 million in 2021 to $792 million compared to $756 million in 2020.

The City's investments ended the year at $550 million which is an increase of $36 million from 2020.

Investment in GBEs is the City's investment in the Greater Sudbury Airport Community Development Corporation and Greater Sudbury Utilities Inc. The investment has increased from $135 million in 2020 to $141 million in 2021 due to a combined annual surplus of $6 million for 2021.

	2021	2020	2019	2018	2017
Financial assets ($000's)	**$**	**$**	**$**	**$**	**$**
Cash	**13,510**	14,138	16,439	8,174	6,188
Taxes receivable	**11,125**	11,074	9,304	8,532	9,360
Accounts receivable	**76,431**	80,930	76,857	73,993	69,426
Inventory held for resale	–	–	–	1,802	2,474
Investment in GBE	**140,845**	135,436	117,133	114,145	108,150
Investments	**550,518**	514,370	305,473	304,800	298,357
TOTAL ASSETS	**792,429**	755,948	525,206	511,446	493,955

Financial liabilities summary

The City's financial liabilities are mostly comprised of long-term liabilities, accounts payable, and employee benefit obligations. Financial liabilities have increased by $6 million from $536 million in 2020 to $542 million in 2021.

Long-term liabilities for 2021 total $248 million, a decrease of $13 million from 2020. The net change is due to debt principal repayments.

Accounts payable and accrued liabilities decreased by $6 million and can fluctuate year to year based on the receipt of invoices and timing of payment and the number and size of projects in the year.

The City receives funds for specific purposes under legislation, regulation or agreements that are internally recorded as Obligatory Reserve Funds. These restricted funds are included in liabilities as "Deferred Revenue" on the Statement of Financial Position. Deferred Revenue - Other Funds have increased by $6 million in 2021 from $11 million in 2020 to $17 million in 2020. The increase relates to funds received from the province for COVID expenses that can continue to be used in 2022. Employee benefit obligations have increased by $6 million from 2020. The largest portion of the increase relates to the Workplace Safety Insurance Board (WSIB) liability as the costs to the City continue to be impacted by Post-Traumatic Stress Disorder (PTSD), chronic stress and presumptive cancer claims.

	2021	2020	2019	2018	2017
Financial liabilities ($000's)	**$**	**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities	**111,461**	117,525	99,966	97,656	99,200
Deferred revenue - obligatory reserve funds	**68,563**	56,025	55,191	50,418	40,489
Deferred revenue - other	**16,690**	10,891	4,669	4,641	3,590
Employee benefit obligations	**78,126**	72,152	68,860	65,209	62,523
Solid waste management facility liability	**19,243**	17,502	15,535	14,316	14,944
Long-term liabilities	**248,538**	261,802	70,264	76,530	77,472
TOTAL LIABILITIES	**542,621**	535,897	314,485	308,770	298,218

Consolidated Statement of Operations and Accumulated Surplus

The Consolidated Statement of Operations and Accumulated Surplus is the municipal equivalent of the private sector's Statement of Income and Retained Earnings. It provides a summary of the revenues, expenses, and surplus for the reporting period, and outlines the changes in accumulated surplus.

It is important to note that a surplus does not indicate there is extra cash to spend. Please refer to the Statement of Cash Flows for additional information regarding changes in the cash balance of the City.

Revenues

The City's revenues are used to provide and maintain existing service levels and sustain infrastructure. Revenues are comprised of government transfers, taxation, user charges, investment income, fines and penalties, other revenues and net earnings from Government Business Enterprises (GBE).

Revenues increased by $13 million from $670 million in 2020 to $693 million in 2021.

Government Transfers in total were $183 million a small change from $184 million in 2020. The decrease in the Provincial transfers was due to COVID related programs and Federal increase was due to funding for capital projects.

Taxation for 2021 was $13 million higher than 2020 primarily due to a tax increase of 4.0 per cent as approved by Council through the annual budget process.

User charges increased by $2 million from 2020 this is a result of the reopening of facilities due to COVID-19.

Other revenues increased by $25 million mainly due to the vaccine partnership with PHSD and the sale of assets from the Greater Sudbury Housing Corporation.

GBE contributed $5.4 million to the 2021 annual surplus.

Note that 64 per cent (64 per cent in 2020) of the City's revenue is attributed to taxation and user fees which are determined and approved through the annual budget process.

	2021	2020	2019	2018	2017
Revenues ($000's)	**$**	**$**	**$**	**$**	**$**
Government Transfers, Provincial	**164,116**	170,819	160,598	156,171	148,686
Government Transfers, Federal	**19,001**	12,862	25,217	21,170	31,557
Taxation	**311,769**	298,381	282,721	267,956	257,561
User Charges	**133,614**	131,791	136,412	131,251	124,053
Investment Income	**10,740**	14,950	12,489	11,444	10,150
Fines and Penalties	**5,318**	4,733	5,979	6,321	7,501
Other	**43,278**	18,319	27,664	22,307	23,762
GBE net earnings	**5,409**	18,303	2,988	5,995	2,164
TOTAL REVENUES	**693,245**	670,158	654,068	622,615	605,434

Expenses

Expenses represent the City's costs to provide a wide range of services to more than 166,000 citizens. Expenses increased in 2021 by $18 million from $605 in 2020 to $623 million in 2021 to maintain existing service levels.

Expenses by function

City services are provided by departments and their activities are reported by function in the financial statements as determined by the Ministry of Municipal Affairs.

General Government costs increased by $4.4 million due in large part to the partnership with PHSD for the vaccination clinics. Which is offset by provincial and federal funding received.

Transportation Services decreased by $3 million from $119 million to $116 million due in part to a $3.0 million decrease in winter control costs.

Health Services increased by $2.0 million from $34 to $36 million due to extra costs in Paramedic Services which were funded by the province.

Social and Family Services increased by $4 million from $117 million to $121 million due to a $8 million increase in childcare costs offset by a $4 million decrease in social assistance caseload costs. Additional provincial and federal funding was received to support Covid-19 response efforts, including homelessness supports and services.

	2021	2020	2019	2018	2017
Expenses by Function ($000's)	**$**	**$**	**$**	**$**	**$**
General Government	**38,193**	33,749	27,448	25,343	23,700
Protection Services	**113,837**	108,346	107,935	104,245	98,041
Transportation Services	**116,384**	118,586	125,510	108,320	113,519
Environmental Services	**102,539**	102,922	99,190	92,411	92,760
Health Services	**36,574**	34,436	31,912	31,941	30,493
Social and Family Services	**121,726**	117,431	119,578	116,550	105,405
Social Housing	**39,696**	38,365	40,125	40,747	39,599
Recreation and Cultural Services	**40,284**	39,736	46,807	50,705	42,911
Planning and Development	**13,624**	11,857	12,066	12,327	12,448
TOTAL EXPENSES	**622,857**	605,428	610,571	582,589	558,876

Expenses by category

Expenses are also broken down by major expense categories: salaries, wages and benefits, materials, contract services, grants and transfer payments, amortization and other.

Salaries, wages and benefits have increased $12 million. The increase is related to temporary additional staffing and wage enhancements funded by the province for paramedics, Pioneer Manor and vaccination clinics hosted by the City. Reopening of recreation programs in 2021 also contributed to the increase in wages compared to 2020.

Materials decreased by $3 million with the largest decrease in roads maintenance due to a decrease in activity.

Contract services increased by $6 million due to the partnership with PHSD to support the delivery of the Covid-19 vaccine program across the city. This included support for call centers and mass vaccination clinics including mobile, transit and home-bound clinics.

	2021	2020	2019	2018	2017
Expenses by Category ($000's)	**$**	**$**	**$**	**$**	**$**
Salaries wages and employee benefits	**284,408**	271,808	268,079	255,511	243,678
Materials	**103,641**	106,149	110,963	99,398	101,445
Contract Services	**96,355**	90,671	99,891	94,830	86,957
Grants and Transfer Payments	**48,896**	50,290	51,967	55,507	50,589
Amortization	**80,121**	78,484	75,626	73,200	72,028
Other	**9,436**	8,026	4,045	4,143	4,179
TOTAL EXPENSES	**622,857**	605,428	610,571	582,589	558,876

Accumulated Surplus

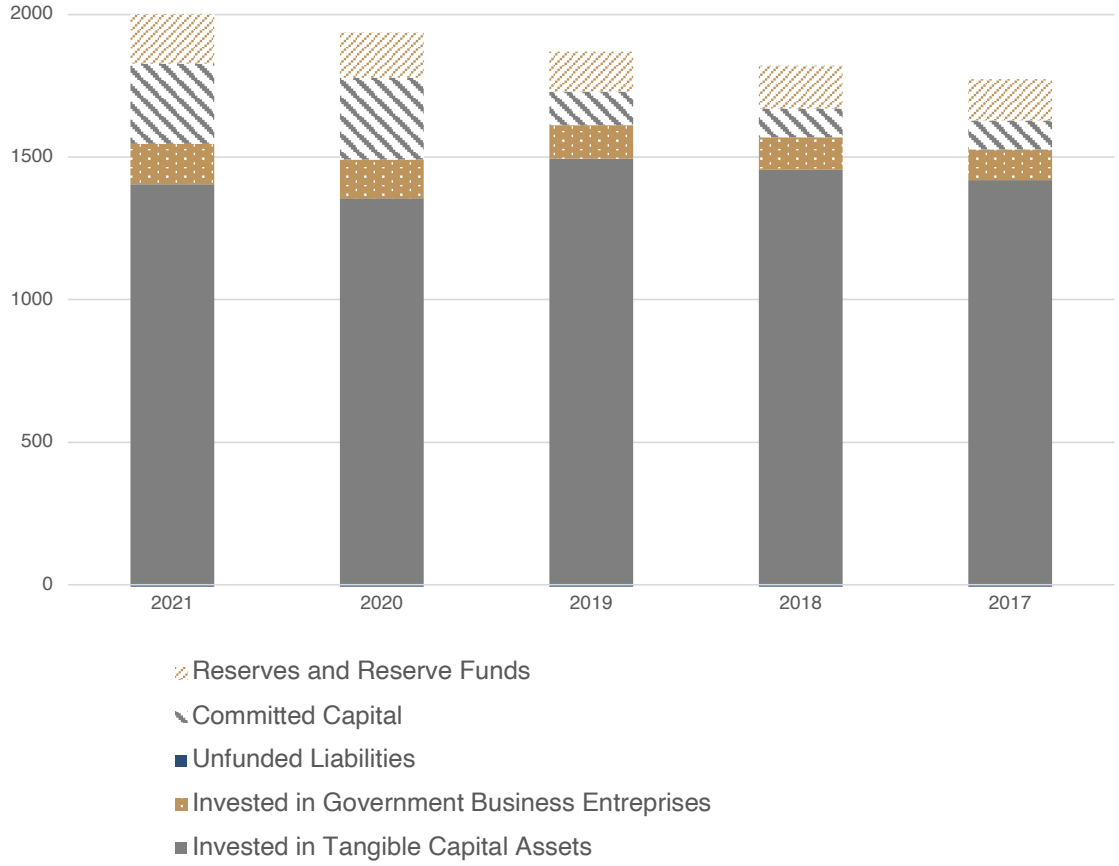
The accumulated surplus is the amount by which all assets, including tangible capital assets, exceed liabilities. An accumulated surplus indicates a government has net resources to provide services in future reporting periods.

The City has an accumulated surplus of $1.912 billion which is an increase of $70 million from 2020.

This increase can be attributed to an increased investment in tangible capital assets and committed capital of approximately $42 million.

Reserves and Reserve Funds total $185 million compared to $157 million in 2020. It's important to note that a portion of the Reserve Funds are committed to previous Council-approved capital budget and other projects until spent on the related project. Approximately $110 million of the total reserve funds are committed.

Accumulated Surplus

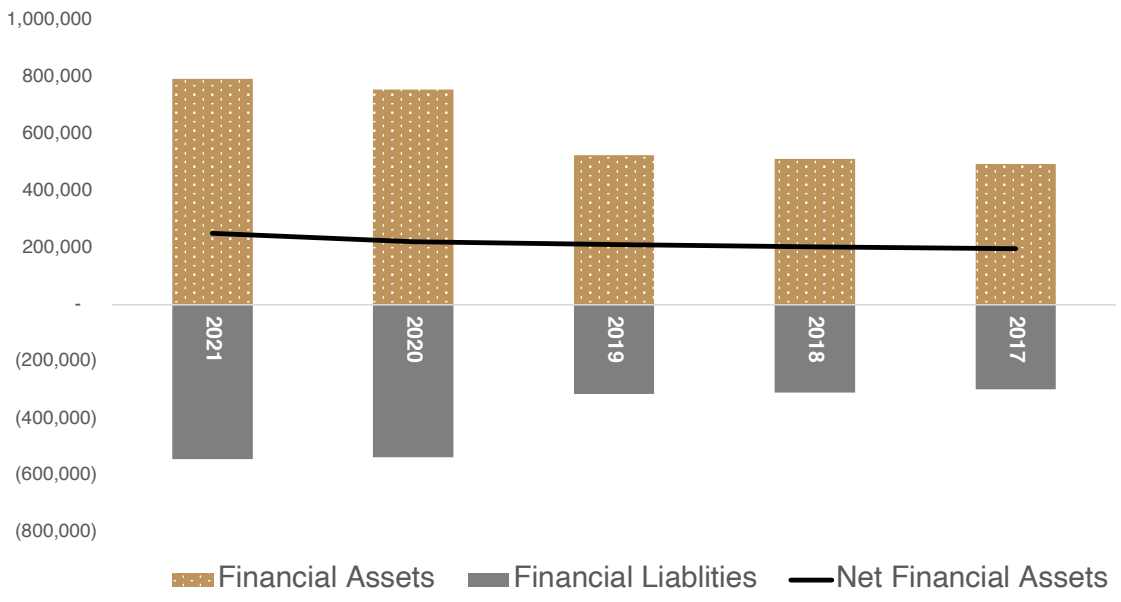


Consolidated Statement of Change in Net Financial Assets

The Consolidated Statement of Change in Net Financial Assets summarizes the change in net financial assets as a result of annual operations, tangible capital asset transactions and changes in other non-financial assets.

The City's net financial asset position is positive indicating that it has the financial resources available to meet cost increases or revenue losses.

Net financial assets



2021

Consolidated Financial Statements

FOR THE YEAR ENDING DECEMBER 31, 2021

Consolidated Financial Statements of

CITY OF GREATER SUDBURY

And Independent Auditors' report thereon

Year ended December 31, 2021

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the City of Greater Sudbury (the "City") are the responsibility of the City's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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

Ed Archer
Chief Administrative Officer

Kevin Fowke
General Manager, Corporate Services

May 24, 2022

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of Greater Sudbury

Opinion

We have audited the accompanying consolidated financial statements of the City of Greater Sudbury, (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2021, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
KPMG Canada provides services to KPMG LLP.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
May 24, 2022

CITY OF GREATER SUDBURY

Consolidated Statement of Financial Position
(in thousands of dollars)
December 31, 2021, with comparative information for 2020

		2021		2020
Financial assets				
Cash	$	13,510	$	14,138
Taxes receivable (note 3)		11,125		11,074
Accounts receivable (note 4)		76,431		80,930
Investment in Government Business Enterprises (note 5 (a))		140,845		135,436
Investments (note 6)		550,518		514,370
		792,429		755,948
Financial liabilities				
Accounts payable and accrued liabilities (note 7)		111,461		117,525
Deferred revenue - obligatory reserve funds (note 9)		68,563		56,025
Deferred revenue - other (note 10)		16,690		10,891
Employee benefit obligations (note 11)		78,126		72,152
Solid waste management facility liability (note 12)		19,243		17,502
Long-term liabilities (note 13)		248,538		261,802
		542,621		535,897
Net financial assets		249,808		220,051
Non-financial assets				
Tangible capital assets (note 14)		1,649,660		1,609,262
Inventory of supplies		6,848		6,838
Prepaid expenses		5,639		5,416
		1,662,147		1,621,516
Contractual rights and contingent assets (note 16)				
Contractual obligations and commitments (note 17)				
Effects of Covid-19 (note 26)				
Accumulated Surplus (note 18)	$	1,911,955	$	1,841,567

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

CITY OF GREATER SUDBURY

Consolidated Statement of Operations and Accumulated Surplus
(in thousands of dollars)
December 31, 2021, with comparative information for 2020

	2021 Budget (note 19)	2021 Actual	2020 Actual
Revenues			
Government transfers - Provincial	$ 156,515	164,116	$ 170,819
- Federal	18,660	19,001	12,862
Taxation (note 20)	311,326	311,769	298,381
User charges	141,195	133,614	131,791
Investment income	10,491	10,740	14,950
Fines and penalties	6,945	5,318	4,733
Other revenues (note 21)	20,585	43,278	18,319
Government Business Enterprises net earnings (note 5 (b))	484	5,409	18,303
	666,201	693,245	670,158
Expenses			
General government	38,782	38,193	33,749
Protection services	110,304	113,837	108,346
Transportation services	119,074	116,384	118,586
Environmental services	104,478	102,539	102,922
Health services	35,301	36,574	34,436
Social and family services	120,312	121,726	117,431
Social housing	34,917	39,696	38,365
Recreation and cultural services	43,512	40,284	39,736
Planning and development	14,944	13,624	11,857
	621,624	622,857	605,428
Annual Surplus	44,577	70,388	64,730
Accumulated surplus, beginning of the year	1,841,567	1,841,567	1,776,837
Accumulated surplus, end of the year	$ 1,886,144	1,911,955	$ 1,841,567

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

CITY OF GREATER SUDBURY

Consolidated Statement of Change in Net Financial Assets
(in thousands of dollars)
December 31, 2021, with comparative information for 2020

	2021 Budget (note 19)	2021 Actual	2020 Actual
Annual Surplus	$ 44,577	70,388	$ 64,730
Acquisition of tangible capital assets	(175,267)	(122,509)	(135,484)
Amortization of tangible capital assets	75,406	80,121	78,484
Loss (gain) on sale of tangible capital assets	1,839	(9,346)	2,475
Proceeds on sale of tangible capital assets	-	11,336	372
	(53,445)	29,990	10,577
Use of inventory	-	(191)	(1,355)
Prepaid expenses	-	(42)	107
Change in net financial assets	(53,445)	29,757	9,329
Net financial assets, beginning of the year	220,051	220,051	210,722
Net financial assets, end of the year	$ 166,606	249,808	$ 220,051

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

CITY OF GREATER SUDBURY

Consolidated Statement of Cash Flow
(in thousands of dollars)
December 31, 2021, with comparative information for 2020

	2021	2020
Cash flows from operating activities		
Annual Surplus	$ 70,388	$ 64,730
Items not involving cash:		
Amortization of tangible capital assets	80,121	78,484
Loss (gain) on sale of tangible capital assets	(9,346)	2,475
Developer contributions of tangible capital assets	(3,679)	(1,812)
Change in employee benefit obligations	5,974	3,292
Change in solid waste management facility liability	1,740	1,966
Equity income in Government Business Enterprises	(5,409)	(18,303)
	139,789	130,832
Change in non-cash working capital:		
Decrease (increase) in accounts and taxes receivable	4,098	(5,983)
Increase in inventory of supplies	(10)	(1,355)
Decrease (increase) in prepaid expenses	(223)	107
Increase (decrease) in accounts payable and accrued liabilities	(5,714)	17,699
Increase in deferred revenue - obligatory reserve funds	12,538	834
Increase in deferred revenue - other	5,799	6,222
Net change in cash from operating activities	156,277	148,356
Cash flows from financing activities		
Long-term debt issued	-	200,000
Debt principal repayments	(12,378)	(4,572)
Financial obligations payments	(1,250)	(3,750)
Capital lease issued	724	-
Capital lease payments	(274)	(139)
	(13,178)	191,539
Cash flows from capital activities		
Proceeds on sale of tangible capital assets	11,088	372
Cash used to acquire tangible capital assets	(118,582)	(133,671)
	(107,494)	(133,299)
Cash flows from investing activities		
Purchase of investments	(36,233)	(208,897)
Net increase (decrease) in cash	(628)	(2,301)
Cash, beginning of the year	14,138	16,439
Cash, end of the year	$ 13,510	$ 14,138
Supplementary Information		
Interest received	$ 7,524	$ 8,286
Interest paid	$ 7,047	$ 6,304

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

The City of Greater Sudbury is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes including the Municipal Act, 2001, Provincial Offences Act and other legislation.

1. Significant accounting policies

The consolidated financial statements of the City of Greater Sudbury (the "City") are prepared by management in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

(a) Reporting entity

(i) Consolidated entities

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These boards, organizations and entities include:

Greater Sudbury Housing Corporation
Greater Sudbury Police Services Board
Downtown Sudbury
Flour Mill Business Improvement Area
Greater Sudbury Public Library Board

All interdepartmental and inter-organizational assets and liabilities and revenue and expenses have been eliminated.

The City maintains separate fund for the purpose of providing for periodic repayments on debt to be retired by means of sinking funds. The financial activity and position of this fund are disclosed separately in the sinking funds financial statements.

(ii) Related entities

These consolidated financial statements do not reflect the assets, liabilities, sources of financing, expenses and the activities of the following boards, organizations and entities which are not under the control of Council:

Nickel District Conservation Authority
Board of Health for the Sudbury & District Health Unit
The City of Greater Sudbury Community Development Corporation

1. Significant accounting policies (continued)

(a) Reporting entity (continued)

(ii) Related entities (continued)

The following contributions were made by the City to these entities:

	2021	2020
Nickel District Conservation Authority	$ 1,089	$ 1,018
Board of Health for the Sudbury & District Health Unit	7,297	6,950
The City of Greater Sudbury Community Development Corporation	1,576	1,565
	$ 9,962	$ 9,533

(iii) Investment in Government Business Enterprises

Government Business Enterprises (GBE) include the Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc. (GSU), and the Sudbury Airport Community Development Corporation (SACDC), and are accounted for by the modified equity method.

Under the modified equity method, the business enterprise's accounting principles are not adjusted to conform with those of the City and inter-organization transactions and balances are not eliminated.

(iv) Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities of Le Conseil Scolaire de District Catholique du Nouvel-Ontario, Sudbury Catholic District School Board, Rainbow District School Board and Conseil Scolaire Du District Du Grand Nord De L'Ontario are not reflected in these consolidated financial statements.

(b) Revenue recognition

Government transfers

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulations is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the City.

1. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Taxation and related revenues

Annually, the City bills and collects property tax revenues for municipal purposes as well as provincial education taxes on behalf of the Province of Ontario (the "Province") for education purposes. The authority to levy and collect property taxes is established under the Municipal Act, 2001, the Assessment Act, the Education Act, and other legislation.

The amount of the total annual municipal property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council approved policies, in order to raise the revenues required to meet operating budget requirements. Education tax rates are established by the Province each year in order to fund the cost of education on a Province wide basis.

Property assessments, on which property taxes are based, are established by the Municipal Property Assessment Corporation (MPAC), a not-for-profit corporation funded by all of Ontario's Municipalities. The current value assessment (CVA) of a property represents an estimated market value of a property as of a fixed date. Assessed values for all properties within the municipality are provided to the City in the returned assessment roll in December of each year.

The amount of property tax levied on an individual property is the product of the CVA of the property (assessed by MPAC), the municipal tax rate for the class (approved by Council) and the education rates (approved by the Province), together with any adjustments that reflect Council approved mitigation or other tax policy measures, rebate programs, etc.

Property taxes are billed by the City twice annually. The interim billing, issued in February is based on approximately 50% of the total property taxes in the previous year, and provides for the cash requirements of the City for the initial part of the year. Final bills are issued in June.

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The City may receive supplementary assessment rolls over the course of the year from MPAC, identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class and on the supplementary/omitted due dates approved by Council.

1. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Taxation and related revenues (continued)

Taxation revenues in any year may also be reduced by reductions in assessment values resulting from assessment and/or property tax appeals. Each year, an amount is identified within the annual operating budget and accrued in the consolidated financial statements to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenues (i.e. uncollectible amounts, write offs, etc.).

In the City of Greater Sudbury, annual property tax increases for properties within the commercial, industrial and multi-residential tax classes have been subject to limitations on the maximum allowable year-over-year increase since 1998, in order to mitigate dramatic tax increases due to changes in assessed values.

User charges

User charges relate to various programs, and fees imposed based on specific activities, such as: transit fees, leisure services, water, wastewater and solid waste. Revenue is recognized when the activity is performed or when the services are rendered.

Fines and penalties

Fines and penalties revenue is primarily generated from the Provincial Offences Administration (POA) office.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor License Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

Balances arising from operation of the POA office have been consolidated with these consolidated financial statements. The City cannot reliably estimate the collections of this revenue, accordingly, revenue is recognized on the cash basis.

Other revenue

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year, are deferred and reported as liabilities.

1. Significant accounting policies (continued)

(c) Investments and investment income

Investments are recorded at cost less any amounts written off to reflect a permanent decline in value.

Investment income is reported as revenue in the period earned. Investment income earned on reserve funds that are set aside for specific purposes by legislation, regulation or agreement, is added to the fund balance and forms part of the respective deferred revenue balances.

(d) Inventory held for resale

Inventory held for resale, is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

(e) Pensions and employee benefits

The City makes contributions to the Ontario Municipal Employees' Retirement System plan (OMERS), a multi-employer pension plan, on behalf of most of its employees. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, the City does not recognize any share of the pension plan deficit, as this is a joint responsibility of all Ontario municipalities and their employees. Employer's contributions for current and past service are included as an expense on the consolidated statement of operations and accumulated surplus.

The amount employer contributed to OMERS and expensed in 2021 was $17,524 (2020 - $17,891). The amount of employee contributions to OMERS in 2021 was $17,524 (2020 - $17,891). As of December 31, 2021 the OMERS plan, with approximately 541,000 members, has a funding deficit of $69,000 (2021 - deficit $7,655,000).

Vacation entitlements are accrued for as entitlements are earned.

Sick leave benefits are accrued when they are vested and subject to pay out when an eligible employee leaves the City's employ.

Other post-employment benefits are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. The discount rate used to determine the accrued benefit obligation was determined with reference to the City's cost of borrowing at the measurement date taking into account the cash flows that match the timing and amount of expected benefit payments.

Actuarial gains (losses) on the accrued benefit obligation arise from the difference between actual and expected experiences and from changes in actuarial assumptions used to determine the accrued benefit obligation. These gains (losses) are amortized over the average remaining service period of active employees.

1. Significant accounting policies (continued)

(f) Deferred revenue - obligatory reserve funds

The City receives certain sub-divider contributions and other revenues under the authority of federal and provincial legislation and City by-laws. These funds, by their nature, are restricted in their use and, until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

(g) Deferred revenue – other

The City receives certain amounts pursuant to funding agreements that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recorded as deferred revenue and are recognized as revenue in the fiscal year the eligibility criteria has been met (i.e. related expenses are incurred, services are performed) except when stipulations are present and to the extent that the transfer give rise to an obligation that meets the definition of a liability.

(h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets (TCA) are recorded at cost which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
General Capital	
Landfill and Land improvements	15 - 75 years
Buildings	15 - 60 years
Machinery, furniture and equipment	2 - 50 years
Vehicles	2 - 20 years
Infrastructure	
Land improvements	25 - 100 years
Plants and facilities	5 - 80 years
Roads infrastructure	10 - 75 years
Water and wastewater infrastructure	15 - 100 years

Landfill sites are amortized using the units of production method based upon the capacity used during the year.

Half of the annual amortization is recorded as amortization expense in the year of acquisition or construction and in the year of disposal. Assets under construction are not amortized until the asset is put into service.

1. Significant accounting policies (continued)

(h) Non- financial assets (continued)

(i) Tangible capital assets (continued)

(i) Contributions of tangible capital assets

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

(iii) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(iv) Inventory

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(v) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made or where there was no future benefit related to the asset, the tangible capital asset was recognized at a nominal value. Land, buildings and machinery, furniture and equipment are the categories where nominal values were assigned.

(vi) Works of art and historical treasures

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(i) Landfill closure and post closure liability

The costs to close existing landfill sites and to maintain closed solid waste landfill sites are based on estimated future expenditures in current dollars, adjusted for estimated inflation. The estimated liability for active sites is recognized as the landfills site capacity is used. These costs are reported as a liability on the consolidated statement of financial position.

1. Significant accounting policies (continued)

(j) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods.

Significant items subject to such estimates and assumptions include valuation allowances for taxes receivable, accounts receivable and post-employment benefits. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

Actual results could differ from these estimates.

2. Accounting standards issued but not yet adopted

Section PS 1201, Financial Statement Presentation, PS 3041, Portfolio Investments, PS 3280, Asset Retirement Obligations, PS 3450, Financial Instruments, are effective for fiscal years beginning on or after April 1, 2022. While early adoption is permitted, all four of the standards must be adopted in the same year except for PS 3280. PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. PS 3041, Portfolio Investments provides guidance on how to account for and report portfolio investments. PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of tangible capital assets. PS 3450, Financial Instruments provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

Section PS 2601 Foreign Currency Translation is effective for fiscal years beginning on or after April 1, 2022. This section includes guidance on deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign exchange gains and losses The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

Section PS 3400, Revenue is effective for fiscal years beginning on or after April 1, 2023 , early adoption is permitted. This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising form transactions that include performance obligations and transactions that do not have performance obligations. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

3. Taxes receivable

	2021	2020
Current taxes and grants in lieu of taxes	$ 8,380	$ 8,609
Taxes in arrears	7,395	7,815
	15,775	16,424
Less: allowance for doubtful accounts	(4,650)	(5,350)
Net taxes receivable	$ 11,125	$ 11,074

4. Accounts receivable

Accounts receivable consists of the following:

	2021	2020
Government of Canada	$ 13,343	$ 12,661
Province of Ontario	10,664	10,662
Other receivables	53,691	59,074
	77,698	82,397
Less: allowance for doubtful accounts	(1,267)	(1,467)
Net accounts receivable	$ 76,431	$ 80,930

5. Investment in Government Business Enterprises

The SACDC and GSU are 100% owned and controlled by the City. These corporations are business enterprises of the City and are accounted for on a modified equity basis in these consolidated financial statements.

(a) The investment in Government Business Enterprises consists of the following:

	SACDC	GSU	2021 Total	2020 Total
Balance, beginning of year	$ 12,725	122,711	135,436	$ 117,133
City's share of operating income for the year	1,206	4,203	5,409	18,303
Balance, end of year	$ 13,931	126,914	140,845	$ 135,436

The investment of $126,914 in GSU includes a promissory note receivable of $52,340 (2020 - $52,340) which is unsecured and bears interest at a rate of 7.25% per annum. The note is repayable in full upon six months written notice from the City.

(b) Supplementary Information

The following tables provide condensed supplementary financial information for the year ended December 31, 2021:

Financial Position

	SACDC	GSU	2021 Total	2020 Total
Current assets	$ 2,808	28,317	31,125	$ 27,150
Capital assets	25,521	134,425	159,946	153,943
Other assets	-	36,247	36,247	39,421
Total assets	28,329	198,989	227,318	220,514
Current liabilities	795	18,849	19,644	20,798
Note payable to the City of Greater Sudbury	4,658	52,340	56,998	57,610
Long term liabilities	8,945	53,226	62,171	59,010
Total liabilities	14,398	124,415	138,813	137,418
Net assets	$ 13,931	74,574	88,505	$ 83,096

The $4,658 (2020 -$5,270) note payable to the City from SACDC accrues interest at the City's average monthly rate of return on investments plus 1% and has no specified terms of repayment.

5. Investment in Government Business Enterprises (continued)

b) Supplementary Information (continued)

By-Law 2017-16 authorized an increased loan to the Sudbury Airport Community Development Corporation to $7,500. The By-Law provides flexibility to temporarily exceed the $7,500 limit for bridge financing in order to complete subsidized projects. As at December 31, 2021, the City is in compliance with the requirements of By-Law 2017-16.

	SACDC	GSU	2021 Total	2020 Total
Revenue	$ 9,060	145,233	154,293	$ 163,289
Expenses	(7,722)	(136,005)	(143,727)	(171,704)
Interest paid to the City of Greater Sudbury	(136)	(3,795)	(3,931)	(3,895)
Other	-	(1,353)	(1,353)	30,768
Other comprehensive income	4	123	127	(155)
Net income	$ 1,206	4,203	5,409	$ 18,303
Budgeted net income	$ (2,951)	3,435	484	5,665

(c) Related Party Transactions

Related party transactions between the City and its government business enterprises are as follows:

(i) At December 31, 2021, the City has the following amounts included in the consolidated statement of financial position:

A receivable of $991 (2020 - $1,215) for water billings collected by GSU on behalf of the City.

A payable of $11 (2020 - $10) for electricity and water bill payments collected by the City on behalf of GSU.

(ii) Revenues included in the Consolidated Statement of Operations and Accumulated Surplus of the City are:

	2021	2020
Property taxes	$ 502	$ 494
Interest on promissory note receivable	3,930	3,896
	$ 4,432	$ 4,390

5. Investment in Government Business Enterprises (continued)

c) Related Party Transactions (continued)

(iii) Expenses included in the Consolidated Statement of Operations and Accumulated Surplus of the City are:

	2021	2020
Billing and collection services for water and wastewater	$ 1,831	$ 1,638
Streetlighting maintenance services	475	527
Streetlighting infrastructure	37	236
Electricity	5,535	6,165
Telecommunications	583	572
	$ 8,461	$ 9,138

Transactions with related parties are in the normal course of operations and are recorded at the exchange amount, which is the amount agreed to by the related parties. It is management's opinion that the exchange amount represents fair market value for these services.

6. Investments

		2021		2020	
	2021 Interest Rates	Market	Cost	Market	Cost
Short term investments	(0.70% to 3.65%)	$ 414,564	412,567	$ 379,548	377,667
Long term investments	(0.00% to 3.97%)	146,226	137,951	147,732	136,703
		$ 560,790	550,518	$ 527,280	514,370

The investments consisting of term deposits, treasury bills, high interest savings accounts and bonds earn rates of return ranging from 0.00% to 3.97% per annum and are recorded at cost adjusted for amortization of discounts and premiums. Maturity dates on long term investments range from 2022 to 2050 (2020 - 2022 to 2050).

By-Law 2013-179 adopted the Investment Policy which allows up to $150,000 to be invested in long-term instruments (greater than one year). The remainder of the portfolio is restricted to short-term investments (one year and shorter). At December 31, 2021, the City is in compliance with the requirements of By-Law 2013-179.

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2021	2020
Government of Canada	$ 2,682	$ 2,173
Province of Ontario	5,459	8,091
Other payables	103,320	107,261
Total accounts payable and accrued liabilities	$ 111,461	$ 117,525

8. Bank indebtedness

The City has an unsecured demand revolving credit facility in the amount of $10,000 (2020 - $10,000) bearing interest at the bank's prime rate less 0.5% for Bankers' Acceptance and 0.9% on loans with an effective rate of 1.95% (2020 - 1.95%) per annum. No amounts were drawn against the facility as at December 31, 2021 and 2020.

9. Deferred revenue - obligatory reserve funds

Deferred revenue - obligatory reserve funds consist of the following:

	December 31, 2020	Externally restricted inflows	Revenue earned	December 31, 2021
Gasoline Tax - Federal	$ 22,542	20,462	(11,365)	$ 31,639
Gasoline Tax - Provincial	1,401	2,873	(1,865)	2,409
Ontario Community Infrastructure Fund	3,636	9,349	(8,494)	4,491
Children's Services - Transition Mitigation Funding	6,296	-	-	6,296
Enabling Accessability Fund	510	7	-	517
Development Charges Act	4,676	5,208	(4,088)	5,796
Recreational Land (Planning Act)	1,021	161	-	1,182
Sub-Divider Contributions	8,933	343	(721)	8,555
Building Permit Revenues (Bill 124)	6,999	84	(1,512)	5,571
Ontario Safe Restart Funding	-	3,459	(1,364)	2,095
Ontario's Main Street Revitalization Initiatives	11	1	-	12
	$ 56,025	41,947	(29,409)	$ 68,563

10. Deferred revenue – other

Deferred revenue - other consist of the following:

	December 31, 2020	Externally restricted inflows	Revenue earned	December 31, 2021
Federal government	$ 742	471	(932)	$ 281
Provincial government	9,117	18,319	(12,192)	15,244
Municipal government	2	-	(2)	-
Other	638	726	(616)	748
Consolidated entities	392	417	(392)	417
	$ 10,891	19,933	(14,134)	$ 16,690

11. Employee benefit obligations

Employee benefit obligations consist of the following:

	2021	2020
Future payments required for:		
WSIB obligations	$ 14,189	$ 11,367
Accumulated sick leave benefits	5,541	5,405
Other post-employment benefits	37,993	36,673
Liability for Stop Loss Insurance	992	732
Vacation pay	19,411	17,975
	$ 78,126	$ 72,152

The City has established reserve funds in the amount of $10,370 (2020 - $10,025) to mitigate the future impact of these obligations.

The City is a Schedule 2 employer under the provisions of the Workplace Safety and Insurance Board Act (WSIB), and as such, remits payments to the WSIB as required to fund disability payments.

Accumulated sick leave benefits accrue to certain employees of the City and are paid out either on approved retirement or upon termination or death.

Other post-employment benefits represent the City's share of the cost to provide certain employees with extended benefits upon early retirement.

Liability for stop loss insurance represents future payments for claims relating to catastrophic losses that occurred during the insured period and has exceeded or will exceed the City's deductible.

11. Employee benefit obligations (continued)

The following table sets out the results as determined by the actuarial valuations completed for the year ended December 31, 2021 for each of the plans.

	WSIB	Sick leave	Other Post-Employment Benefits	2021 Total	2020 Total
Accrued benefit liability, beginning of year	$ 11,367	5,405	36,673	53,445	$ 52,845
Benefit cost	3,532	326	1,941	5,799	5,335
Interest cost	757	174	1,286	2,217	2,249
Benefit payments	(3,887)	(363)	(2,536)	(6,786)	(7,292)
Actuarial gain (loss)	29,020	(800)	(1,483)	26,737	13,829
Accrued benefit liability, end of year	40,789	4,742	35,881	81,412	66,966
Unamortized actuarial gain (loss)	(26,600)	799	2,112	(23,689)	(13,521)
	$ 14,189	5,541	37,993	57,723	$ 53,445

The total employee benefits expense include the following components:

	WSIB	Sick Leave	Other Post-Employment Benefits	2021 Total	2020 Total
Current period benefit cost	$ 3,532	326	1,941	5,799	$ 5,335
Amortization of actuarial gain (loss)	2,420	(1)	629	3,048	2,449
Interest expense	757	174	1,286	2,217	2,249
Total employee benefit expense	$ 6,709	499	3,856	11,064	$ 10,033

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimates. The following represents the more significant assumptions made:

	WSIB	Sick Leave	Other Post-Employment Benefits
Expected inflation rate	2.0%	2.0%	2.0%
Expected level of salary increases	N/A	3.1%	3.1%
Discount rate	3.25%	3.25%	3.60%

For other post employment benefits, as at December 31, 2021, the initial health care trend rate is 5.35% (2020 - 7.6 %) and the ultimate trend rate is 4.35% (2020 - 4.5%) which is expected to be reached in 2031 (2020 - 2029).

12. Solid waste management facility liability

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability, which is prepared by an engineering firm, is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management. Future events may result in significant changes to the estimated total expenses; capacity used or total capacity, useful life and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The City has three active and three inactive landfill sites. Estimated total expenses for these six sites represent the sum of the discounted future cash flows for closure and post-closure care activities discounted using an average borrowing rate of 3.50% (2020 - 3.50%) minus an inflation rate of 1.70% (2020 - 1.61%) (10-year average of CPI from 2010 to 2020). The estimated total landfill closure and post-closure care expenses are calculated to be $29,880 (2020 - $27,720). The estimated liability for the active sites is recognized as the landfill site's capacity is used. At December 31, 2021, an amount of $19,243 (2020 - $17,502) with respect to landfill closure and post-closure liabilities has been accrued.

Active sites

The estimated remaining capacity of the Sudbury landfill site is 42% (3,291,523 cubic meters) (2020 - 43%) of its total estimated capacity and its estimated remaining life is 37 years (2020 - 37 years), after which the period for post-closure care is estimated to be 25 years.

The estimated remaining capacity of the Valley East landfill site is 30% (491,118 cubic meters) (2020 - 32%) of its total estimated capacity and its estimated remaining life is 15 years (2020 - 18 years), after which the period for post-closure care is estimated to be 25 years.

The estimated remaining capacity of the Rayside-Balfour landfill site is 41% (608,363 cubic meters) (2020 - 43%) of its total estimated capacity and its estimated remaining life is 25 years (2020 - 28 years), after which the period for post-closure care is estimated to be 25 years.

Inactive sites

The City has identified three (2020 - three) inactive landfill sites for which it retains responsibility for all costs relating to closure and post-closure care.

Post-closure care activities for 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 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 3.50% (2020 - 3.50%). The estimated present value of future expenditures for post-closure care is $2,044 (2020 - $2,070).

13. Long-term liabilities

(a) Long-term liabilities consist of the following:

	2021	2020
Debentures (i)	$ 37,148	$ 41,099
Sinking fund debentures (ii)	200,000	200,000
Other loans (iii)	14,097	14,934
Capital lease obligations (iv)	718	269
Accrued financial obligations (v)	4,250	5,500
	$ 256,213	$ 261,802
Total value of sinking fund deposits	(7,675)	-
Net Long-term Liabiliites	$ 248,538	$ 261,802

i. The debentures bear interest at rates of 3.10% to 5.734%, repayable in aggregate blended monthly payments of $441, maturing from March 2023 to March 2035.

ii. The sinking fund debenture bears an interest rate of 2.416%, payable semi annually. On an annual basis the City, starting March 2021, must contribute $4.2 million to a sinking fund, with the City's sinking fund contributions and associated investment income used to repay the debenture at maturity in March 2050.

iii. The other loans bear interest at rates of 5.47% to 6.162%, repayable in aggregate blended annual payments of $354 and an aggregated blended monthly payment of $116, maturing from March 2025 to May 2035.

iv. The capital lease obligations bear interest at a rate of 0%, repayable in aggregate blended annual payments of $274, maturing from Feb 2023 to Dec 2025.

v. Accrued financial obligations consist of the following:

	Last Year of Obligation	2021	2020
Place des Arts	2022	2,000	2,000
Maison McCulloch Hospice	2022	150	300
Northeastern Ontario Regional Cancer Centre	2023	511	812
Health Sciences North	2023	1,189	1,888
Health Sciences North (PET Scanner)	2025	400	500
		$ 4,250	$ 5,500

13. Long-term liabilities (continued)

(b) The principal payments on long-term liabilities are due as follows:

2022	$	12,744
2023		9,301
2024		8,394
2025		7,494
2026		7,530
Thereafter		129,276
Interst to be earned on sinking funds		73,799
	$	248,538

(c) The City's long-term liabilities are to be recovered from the following sources:

General municipal revenues	$	211,615
Water/wastewater user fees		36,923
	$	248,538

(d) The City expensed $7,047 in 2021 (2020 - $ 6,304) in interest on these borrowings.

14. Tangible capital assets

Cost		Balance December 31, 2020	Additions	Disposals / Transfers		Balance at December 31, 2021
General Capital:						
Land	$	87,675	1,264	(752)	$	88,187
Landfill and land improvements		48,719	3,062	(39)		51,742
Buildings		370,475	5,532	(3,083)		372,924
Machinery, furniture and equipment		125,274	5,257	(2,395)		128,136
Vehicles		84,731	10,742	(7,429)		88,044
Infrastructure:						
Land improvements		31,929	1,445	(12)		33,362
Plants and facilities		439,228	10,916	(41)		450,103
Roads infrastructure		1,424,398	37,110	(6,044)		1,455,464
Water and sewer infrastructure		556,736	20,248	(1,406)		575,578
Assets under construction		49,672	51,084	(24,397)		76,359
Total	$	3,218,837	146,660	(45,598)	$	3,319,899

Accumulated amortization		Balance December 31, 2020	Amortization expense	Disposals / Transfers		Balance at December 31, 2021
General Capital:						
Land	$	-	-	-	$	-
Landfill and land improvements		23,471	1,727	(39)		25,159
Buildings		199,129	10,718	(2,784)		207,063
Machinery, furniture and equipment		83,756	7,523	(2,348)		88,931
Vehicles		49,114	5,779	(7,210)		47,683
Infrastructure:						
Land improvements		5,414	687	(9)		6,092
Plants and facilities		241,010	10,016	(35)		250,991
Roads infrastructure		814,991	35,927	(5,630)		845,288
Water and sewer infrastructure		192,690	7,745	(1,404)		199,031
Assets under construction		-	-	-		-
Total	$	1,609,575	80,121	(19,459)	$	1,670,238

		Net book value December 31, 2020				Net book value December 31, 2021
General Capital:						
Land	$	87,675			$	88,187
Landfill and land improvements		25,248				26,583
Buildings		171,349				165,861
Machinery, furniture and equipment		41,518				39,205
Vehicles		35,617				40,361
Infrastructure:						
Land improvements		26,515				27,270
Plants and facilities		198,218				199,112
Roads infrastructure		609,403				610,176
Water and sewer infrastructure		364,047				376,547
Assets under construction		49,672				76,359
Total	$	1,609,262			$	1,649,660

14. Tangible capital assets

Cost		Balance December 31, 2019	Additions	Disposals / Transfers		Balance at December 31, 2020
General Capital:						
Land	$	85,191	2,838	(354)	$	87,675
Landfill and land improvements		47,234	1,485	-		48,719
Buildings		365,028	6,228	(781)		370,475
Machinery, furniture and equipment		122,816	6,743	(4,285)		125,274
Vehicles		80,529	7,880	(3,678)		84,731
Infrastructure:						
Land improvements		31,879	50	-		31,929
Plants and facilities		436,018	3,330	(120)		439,228
Roads infrastructure		1,354,140	88,941	(18,683)		1,424,398
Water and sewer infrastructure		548,304	8,965	(533)		556,736
Assets under construction		40,527	36,806	(27,661)		49,672
Total	$	3,111,666	163,266	(56,095)	$	3,218,837

Accumulated amortization		Balance December 31, 2019	Amortization expense	Disposals / Transfers		Balance at December 31, 2020
General Capital:						
Land	$	-	-	-	$	-
Landfill and land improvements		21,734	1,737	-		23,471
Buildings		189,027	10,712	(610)		199,129
Machinery, furniture and equipment		80,081	7,855	(4,180)		83,756
Vehicles		47,306	5,461	(3,653)		49,114
Infrastructure:						
Land improvements		4,754	660	-		5,414
Plants and facilities		230,915	10,214	(119)		241,010
Roads infrastructure		797,098	34,300	(16,407)		814,991
Water and sewer infrastructure		185,642	7,546	(498)		192,690
Assets under construction		-	-	-		-
Total	$	1,556,556	78,484	(25,467)	$	1,609,575

		Net book value December 31, 2019			Net book value December 31, 2020
General Capital:					
Land	$	85,191		$	87,675
Landfill and land improvements		25,500			25,248
Buildings		176,001			171,346
Machinery, furniture and equipment		42,735			41,518
Vehicles		33,223			35,617
Infrastructure:					
Land improvements		27,125			26,515
Plants and facilities		205,103			198,218
Roads infrastructure		557,042			609,407
Water and sewer infrastructure		362,662			364,046
Assets under construction		40,527			49,672
Total	$	1,555,109		$	1,609,262

14. Tangible capital assets (continued)

a) Assets under construction

Assets under construction having a value of $76,356 (2020- $49,669) have not been amortized. Amortization of these assets will commence when the asset is put into service.

During the year, the City added $51,084 (2020 - $336,806) to assets under construction and transferred $24,149 (2020 - $37,402) from assets under construction to tangible capital assets.

b) Developer contributions of tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is $3,679 (2020 - $1,812) comprised of the following:

		2021		2020
General Capital				
Land	$	289	$	400
Machinery and equipment		302		230
Infrastructure				
Plant and Facilities		11		-
Roads network		1,716		577
Water and wastewater network		1,361		605
Total	$	3,679	$	1,812

15. Operations of school boards

Further to note 1(a) (iv), taxation and other revenues generated from the operations of the school board excluded from reported revenues are comprised of the following:

		2021		2020
Taxation	$	48,531	$	51,475
Payments in lieu of taxes		137		137
	$	48,668	$	51,612

16. Contractual rights and contingent assets

(a) Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for lease agreements. The following table summarizes the contractual rights of the City:

2022	$ 3,958
2023	4,491
2024	910
2024	98
2026 and onwards	74
	$ 9,531

(b) Contingent assets

As of December 31, 2021, certain legal actions are pending in favour to the City. An estimate of the contingency cannot be made since the outcome of these matters is interminable. Should any gain result from the resolution of these matters, such gain would be realized to operations in the year of disposition.

17. Contractual obligations and commitments

(a) Contracts for capital projects

The balance of capital works uncompleted under contracts in progress at December 31, 2021 amounts to approximately $55,608 (2020 - $53,761). The proposed financing of these obligations is $51,503 (2020 - $49,176) from surplus funds and $4,105 (2020 - $4,585) from external sources.

(b) Contracts for services

The City has entered into contracts with third parties to provide various services to the City. The minimum anticipated payments under these contracts are as follows:

2022	$ 28,913
2023	23,048
2024	20,519
2025	14,318
2026 and onwards	64,052
	$ 150,850

(c) Contingent liabilities

As at December 31, 2021, certain legal actions are pending against the City. An estimate of the contingency cannot be made since the outcome of these matters is indeterminable. Should any loss result from the resolution of these matters, such loss would be charged to operations in the year of disposition.

17. Contractual obligations and commitments (continued)

(d) Liability for contaminated sites

A contaminated site is an unproductive site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. A liability for remediation of contaminated sites is recognized when the City is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate for the amount can be made. As at December 31, 2021 there is no liability recorded in the consolidated financial statements. The City will continue to review contaminated sites on an annual basis and when the criteria for recognition have been met, a liability will be recorded.

18. Accumulated surplus

Accumulated surplus consists of the following:

	2021	2020
Surplus		
Invested in tangible capital assets	$ 1,405,231	$ 1,356,184
Invested in government business enterprises	140,845	135,436
Other	699	787
Committed capital:		
Capital projects not completed	305,201	320,475
Unfinanced capital projects to be recovered through taxation or user charges	(24,003)	(32,010)
Unfunded:		
Landfill closure costs	(19,243)	(17,502)
Employee benefits	(77,043)	(71,330)
Accrued financial obligations	(5,500)	(7,100)
	1,726,187	1,684,940
Reserves	39,339	38,647
Reserve funds	146,429	117,980
	$ 1,911,955	$ 1,841,567

19. Budget data

Budget data presented in these consolidated financial statements are based on the 2021 operating and capital budgets approved by Council and Local Boards. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

		2021
Revenues		
Approved budget:		
Operating	$	622,838
Capital		172,546
Consolidated Boards		20,938
		816,322
Adjustments:		
Transfer from reserves to operating		(13,964)
Recognize revenues from obligatory reserve funds		(18,516)
In year budget adjustments - operating		1,979
Operating transfer to capital and future years funding		(118,397)
Contributed tangible capital assets		1,839
Reclass between revenues and expenses		(702)
Reclassification of taxation bad debt expense		(2,360)
Total revenues	$	666,201
Expenses		
Approved budget:		
Operating	$	622,354
Capital		172,546
Consolidated Boards (A)		20,938
		815,838
Adjustments:		
Amortization of tangible capital assets		75,406
Transfer to reserves and capital		(92,200)
Reduction due to tangible capital assets		(175,268)
Post employment benefit expense		3,292
Landfill closure and post closure expense		1,967
In year budget adjustments - operating		1,979
Reclassification of taxation bad debt expense		(2,360)
Debt principal repayments		(15,440)
Reclass between revenues and expenses		(702)
Operating expenses budgeted in capital expensed in current year		9,112
Total expenses	$	621,624
Annual surplus	$	44,577

Budget figures have been reclassified for purposes of these consolidated financial statements to comply with Public Sector Accounting Board reporting requirements and are not audited.

(A) The approved budgets of the Consolidated Boards include amortization. Their budgets also provide figures for the acquisition of tangible capital assets.

20. Taxation

Taxation consists of:

	2021 Budget	2021 Actual	2020 Actual
Municipal tax levy	$ 302,704	302,733	$ 289,703
Supplementary taxation	2,467	2,769	1,757
Payment in lieu of property taxes	8,493	8,554	8,344
Local improvements	22	22	39
	313,686	314,078	299,843
Rebates and tax concessions	(2,360)	(2,309)	(1,462)
Net municipal taxation	$ 311,326	311,769	$ 298,381

21. Other revenues

Other revenues consist of:

	2021 Budget	2021 Actual	2020 Actual
Gaming and casino revenues	$ 2,175	880	$ 579
Loss (gain) on sale of land and tangible capital assets	-	3,567	(2,474)
Donated tangible capital assets	-	3,679	1,812
Donations	120	56	62
Development Charges earned	-	4,088	2,665
Sub-divider contributions	1,702	2,233	729
Miscellaneous recoveries/revenues	16,588	28,775	14,946
	$ 20,585	43,278	$ 18,319

22. Trust funds

Trust funds amounting to $18,195 (2020 - $17,811) administered by the City are not included in the consolidated financial statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated surplus.

23. Comparative information

Certain comparative information have been reclassified to conform with the financial statement presentation adopted in the current year. These changes have no effect on the annual surplus previously reported in the prior year.

24. Segmented disclosure

The City is a diversified municipal government institution that provides a wide range of services to more than 166,000 citizens. Services include water, roads, fire, police, emergency medical services, waste management, public transit, recreation programs, economic development, land use planning and health and social services. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, along with the services they provide, and are as follows:

General Government

General Government consists of Office of the Mayor, Council expenses, Administrative Services (including Clerks, Elections, Communications, Legal and Information Technology Services), Human Resources, Auditor General and Finance Departments. Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues, relating to governance, strategic planning and service delivery.

Transportation Services

This area is responsible for management of Roadways including traffic and winter control, Transit services, and the administration and operation of City-owned parking lots. This section also provides employee services to the SACDC.

Protection Services

This section consists of Fire, Police, contribution to the Nickel District Conservation Authority, Animal Control, Building Services, Emergency measures and management of Provincial Offences Act. Police Services ensures the safety of the lives and property of citizens; preserves peace and order; prevents crimes from occurring; detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection and extinguishment of fires. The Building Services Division processes permit applications and ensure compliance with the Ontario Building Code and with By-Laws enacted by Council.

Environmental Services

In addition to the management of Waterworks, Sanitary and Storm Sewer systems, this area is responsible for Waste Collection, Waste Disposal and Recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water and sewer system. This section produces quality effluents meeting regulatory requirements and minimizing environmental degradation.

24. Segmented disclosure (continued)

Health and Social Services

This section consists of Ambulance Services, Social Services including Housing Services, Childcare, Assistance to Aged Persons, Cemetery Services as well as the City's contribution to the Health Unit and Hospital. The Social Services division is responsible for the administration and delivery of the Ontario Works Act. Ontario Works is an employment based, provincially mandated program, cost-shared with the Ministry of Community and Social Services. To enable low-income families to pursue employment and educational opportunities, Children Services deliver child care services and assist with costs of child care via the provision of subsidies. Pioneer Manor is a Long-Term Care facility providing 24-hour care and services to 433 residents. Housing Services reflects the cost of administering and delivering social housing programs downloaded from the Province.

Recreation and Cultural Services

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs and provides management of arenas and leisure facilities. This section also contributes to the information needs of the City's citizens through the provision of library and cultural services and by preserving local history and managing archived data.

Planning and Development Services

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities. The Planning and Development Division ensures that the City of Greater Sudbury is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that Sudbury is an enjoyable and beautiful community to live, work, play and shop. This section also provides leadership in matters relating to landscape restoration, ecosystem health, biological integrity, energy conservation, air and lake water quality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, certain government grants and other revenue are apportioned to services based on a percentage of operations.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2020

24. Segmented Disclosure (continued)

December 31, 2021	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Government Business Enterprises	Total
Revenues									
Transfer Payments	$ 49,381	$ 5,028	$ 26,680	$ 664	$ 98,332	$ 1,597	$ 1,435	$ -	$ 183,117
Taxation	22,793	97,901	69,607	19,304	56,089	34,067	12,008	-	311,769
User Charges	5,517	5,211	5,961	93,000	19,560	3,624	742	-	133,614
Other	23,492	2,730	7,139	8,405	8,876	4,851	3,842	5,409	64,745
	101,183	110,870	109,387	121,373	182,857	44,139	18,027	5,409	693,245
Expenses									
Salaries, Wages and Benefits	35,574	91,538	37,629	22,547	72,020	17,369	7,731	-	284,408
Materials	9,617	10,407	23,424	21,826	25,007	10,516	2,844	-	103,641
Contract Services	4,378	1,368	11,453	33,893	43,043	1,483	738	-	96,355
Grants and Transfer Payments	968	1,090	2	64	43,556	1,977	1,239	-	48,896
Amortization	1,301	4,240	41,581	19,940	7,279	5,377	404	-	80,121
Other	2,771	749	1,539	1,857	217	2,202	102	-	9,436
Allocation of shared expenses	(19,073)	4,445	1,717	2,412	6,874	3,057	566	-	-
	35,536	113,837	117,345	102,539	197,996	41,981	13,624	-	622,857
Annual Surplus (Deficit)	$ 65,647	(2,967)	(7,958)	18,834	(15,139)	2,158	4,403	5,409	$ 70,388

24. Segmented Disclosure (continued)

December 31, 2020	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Government Business Enterprises	Total
Revenues									
Transfer Payments	$ 31,031	$ 4,241	$ 32,230	$ 9	$ 114,897	$ 489	$ 784	$ -	$ 183,681
Taxation	28,399	92,301	62,721	19,416	53,150	30,668	11,726	-	298,381
User Charges	5,325	5,527	6,125	88,770	20,337	5,141	566	-	131,791
Other	19,060	2,918	3,927	6,987	2,069	1,013	2,028	18,303	56,305
	83,815	104,987	105,003	115,182	190,453	37,311	15,104	18,303	670,158
Expenses									
Salaries, Wages and Benefits	31,427	87,545	36,280	21,570	70,647	17,144	7,195	-	271,808
Materials	8,647	9,062	27,134	23,731	24,720	10,929	1,926	-	106,149
Contract Services	5,700	1,433	13,355	33,325	35,096	1,259	503	-	90,671
Grants and Transfer Payments	719	1,024	3	65	45,408	1,721	1,350	-	50,290
Amortization	1,287	4,186	39,890	19,775	7,627	5,311	408	-	78,484
Other	4,548	619	483	1,839	249	234	54	-	8,026
Allocation of shared expenses	(18,579)	4,477	1,441	2,617	6,485	3,138	421	-	-
	33,749	108,346	118,586	102,922	190,232	39,736	11,857	-	605,428
Annual Surplus (Deficit)	$ 50,066	(3,359)	(13,583)	12,260	221	(2,425)	3,247	18,303	$ 64,730

25. Supplementary financial information

Schedule of Revenues and Expenses - Library

		2021		2020
Revenues				
Government transfers (note 1)	$	403	$	403
Fines and fees		40		40
Other		22		7
		465		450
Expenses				
Salaries, wages and benefits	$	5,018	$	4,383
Materials and contract services		3,795		4,123
		8,813		8,506
Excess of expenses over revenues	$	(8,348)	$	(8,056)

1. The government transfers are comprised of the following:

Provincial				
Ministry of Tourism and Culture - Operating	$	403	$	403
	$	403	$	403

26. Effects of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social impacts. During the year ended December 31, 2021, the City experienced COVID-19 related declines in revenues (primarily user charges) and increased costs in select service areas. The Federal and Provincial governments provided funding, which included the Safe Restart Agreement, the Social Services Relief Fund, and funding from various provincial ministries including Health, Long Term Care, and Municipal Affairs and Housing.

Senior levels of government have shown some continued commitment to provide funding to offset the financial impacts that COVID-19 has had on municipalities. There continues to remain uncertainty in the upcoming year with respect to user charges revenue and additional pandemic-related costs. The ultimate duration and magnitude of the COVID-19 pandemic, including the occurrence of additional future waves, is unknown. Management continues to monitor the impact on financial results, operations, supply chain and workforce and there are no additional adjustments at this time.

27. Subsequent event:

Subsequent to year-end, City Council authorized the issuance of 25-year sinking fund debentures in the principal amount of $103 million, the proceeds of which will be used to fund certain capital projects. The debentures bear interest at a rate of 3.457%, payable semi-annually. The principal amount of the debentures will be payable upon the maturity in March 2047. On an annual basis, the City will contribute $2.6 million to a sinking fund, with the City's sinking fund contributions and associated investment income used to repay the debentures at maturity.

Financial Statements of

CITY OF GREATER SUDBURY
Sinking Fund

And Independent Auditors' Report thereon

Year ended December 31, 2021

KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury ON P3C 1X3
Canada
Tel 705-675-8500
Fax 705-675-7586

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of Greater Sudbury

Opinion

We have audited the financial statements of City of Greater Sudbury – Sinking Fund (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations and accumulated surplus for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of City of Greater Sudbury - Sinking Fund as at December 31, 2021, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***Auditors' Responsibilities for the Audit of the Financial Statements*** section of our report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
KPMG Canada provides services to KPMG LLP.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 24, 2022

THE CITY OF GREATER SUDBURY SINKING FUND

Statement of Financial Position
(in thousands of dollars)

December 31, 2021

		2021
Assets		
Cash	$	3,386
Investments (note 5)		4,289
	$	7,675
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$	6
Actuarial requirements (note 1)		4,305
		4,311
Accumulated Surplus		3,364
	$	7,675

See accompanying notes to financial statements.

THE CITY OF GREATER SUDBURY SINKING FUND

Statement of Operations and Accumulated Surplus
(in thousands of dollars)

Year ended December 31, 2021

		2021
Revenue:		
Contributions	$	7,590
Investment income		85
		7,675
Expenses:		
Changes in actuarial requirements (note 1)		4,305
Audit fees		6
		4,311
Excess of revenue over expenses		3,364
Accumulated Surplus, beginning of the year		-
Accumulated Surplus, end of year	$	3,364

See accompanying notes to financial statements.

THE CITY OF GREATER SUDBURY
SINKING FUND

Statement of Cash Flows
(in thousands of dollars)

Year ended December 31, 2021

		2021
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	$	3,364
Items not involving cash:		
Amortization of discount on investments		(79)
		3,285
Change in non-cash working capital items:		
Increase in actuarial requirement		4,305
Net change in cash from operating activities		7,590
Investing activities:		
Acquisition of investments		(4,204)
Increase in cash during the year		3,386
Cash, beginning of year		-
Cash, end of year	$	3,386

See accompanying notes to financial statements.

CITY OF GREATER SUDBURY

Sinking Fund

Notes to Financial Statements
(in thousands of dollars)
Year ended December 31, 2021

The City of Greater Sudbury - Sinking Fund is a separate fund maintained for the purpose of providing periodic repayments for debt to be retired by means of Sinking Fund. The amount issued was $200,000 with a maturity date of March 12, 2050.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized below:

a) Basis of accounting:

The Entity follows the accrual basis of accounting for revenues and expenditures.

b) Revenue recognition:

Contributions are recognized in the year receivable. Interest income is recognized as revenue when earned.

c) Investments:

Investments are recorded at amortized cost. The discounts or premiums on investments are amortized on a straight-line basis over the term of the investment.

Investment purchases are accounted for on the settlement date. There are no transaction costs incurred in the purchase of investments.

d) Provision of actuarial requirements:

The actuarial requirements of the Sinking Fund represent the amount required which, together with interest compounded annually, will be sufficient to retire the related debenture at maturity.

2. Contributions:

In 2021, contributions to the Entity were $7,590.

3. Financial instruments:

The Entity is subject to market risk and interest rate risk with respect to the investment portfolio.

4. Investment portfolio:

The Entity's investments are governed by the Municipal Act and the City of Greater Sudbury's investment policy. The investment practice of the Entity's administration is to generally hold investments until maturity. At the end of 2021, investments totaled $4,289, which are recorded at amortized cost. The investments have a market value of $4,263 at the end of the year. The market value represents the realizable value of the investments if they were sold at December 31, 2021.

		2021
Provincial Government Bonds	$	4,289

Investments consists of provincial government bonds bearing yield rates from 2.28% - 2.92%, maturing from June 2037 - June 2047.

Financial Statements of

CITY OF GREATER SUDBURY
TRUST FUNDS

And Independent Auditors' Report thereon

Year ended December 31, 2021

KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury ON P3C 1X3
Canada
Tel 705-675-8500
Fax 705-675-7586

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of Greater Sudbury

Opinion

We have audited the financial statements of The City of Greater Sudbury Trust Funds (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The City of Greater Sudbury Trust Funds as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 24, 2022

CITY OF GREATER SUDBURY

TRUST FUNDS

Statement of Financial Position

December 31, 2021, with comparative information for 2020
(in thousands of dollars)

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fednor Project - Business Planning Initiative (note 4)	Cemetery Pre-Need	Cemetery Care and Maintenance	Total 2021	Total 2020
Assets								
Cash	$ 234	1,069	-	-	-	-	$ 1,303	$ 1,360
Due from City of Greater Sudbury (note 3)	-	6,230	97	-	1,375	9,190	16,892	16,451
Loans receivable	-	-	-	117	-	-	117	117
Allowance for doubtful loans	-	-	-	(117)	-	-	(117)	(117)
	$ 234	7,299	97	-	1,375	9,190	$ 18,195	$ 17,811
Liabilities and Fund Balances								
Accounts payable	$ 84	-	-	-	-	-	$ 84	$ 99
Fund balances	150	7,299	97	-	1,375	9,190	18,111	17,712
Effects of COVID-19 (note 5)								
	$ 234	7,299	97	-	1,375	9,190	$ 18,195	$ 17,811

See accompanying notes to financial statements.

CITY OF GREATER SUDBURY

TRUST FUNDS

Statement of Changes in Fund Balances

Year ended December 31, 2021, with comparative information for 2020
(in thousands of dollars)

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fednor Project - Business Planning Initiative (note 4)	Cemetery Pre-Need	Cemetery Care and Maintenance	Total 2021	Total 2020
Revenue:								
Plot sales	$ -	-	-	-	96	238	$ 334	$ 314
Receipts from or on behalf of others	1,236	-	-	-	-	-	1,236	1,124
Interest earned	-	8	-	-	18	117	143	211
Subdividers' deposits	-	1,024	-	-	-	-	1,024	1,018
	1,236	1,032	-	-	114	355	2,737	2,667
Expenses:								
Disbursements to or on behalf of residents	1,224	-	-	-	-	-	1,224	1,102
Refunds	-	905	-	-	-	-	905	773
Transfer to City of Greater Sudbury	-	-	-	-	92	117	209	263
	1,224	905	-	-	92	117	2,338	2,138
Change in fund balances in year	12	127	-	-	22	238	399	529
Fund balances, beginning of year	138	7,172	97	-	1,353	8,952	17,712	17,183
Fund balances, end of year	$ 150	7,299	97	-	1,375	9,190	$ 18,111	$ 17,712

See accompanying notes to financial statements.

CITY OF GREATER SUDBURY

TRUST FUNDS

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020
(in thousands of dollars)

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 399	$ 529
Changes in non-cash working capital items:		
Increase in due from the City of Greater Sudbury	(441)	(494)
Increase (decrease) in accounts payable	(15)	36
Increase (decrease) in cash during the year	(57)	71
Cash, beginning of year	1,360	1,289
Cash, end of year	$ 1,303	$ 1,360

See accompanying notes to financial statements.

CITY OF GREATER SUDBURY
TRUST FUNDS
Notes to Financial Statements

Year ended December 31, 2021
(in thousands of dollars)

The City of Greater Sudbury Trust Funds (the "Funds") consists of various trust funds administered by the City of Greater Sudbury (the "City").

The Funds are not subject to income taxes under Section 149 (1) of the Income Tax Act (Canada).

1. Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

These financial statements include trust funds administered by the City as well as those within organizations that are accountable for the administration of their financial affairs and resources to City Council and are owned or controlled by the City. The Fund's financial statements are the responsibility of management and have been prepared in accordance with the accounting policy set out below.

2. Significant accounting policies:

(a) Revenue recognition:

Revenues from all sources are reported as revenue in the period in which they are earned.

(b) Financial instruments:

Financial assets and liabilities are recorded at fair value on initial recognition. They are then subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Funds has not elected to carry any such financial assets or liabilities at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Funds determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Funds expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

3. Due from the City of Greater Sudbury:

At December 31, 2021, the Funds have amounts due from the City of $16,892 (2020 - $16,451) that arose as a result of investment and banking transactions due to the City maintaining bank accounts or holding investments on behalf of the Funds. These amounts are non-interest bearing other than $1,375 and $9,190 pertaining to the Cemetery Pre-Need and Cemetery Care and Maintenance Funds which both bear interest at the rate of 1.27% (2020 – 1.89%) and are due on demand.

4. Fednor Project Business Planning Initiative:

Fednor has advanced $117 to be used by the Regional Business Centre, a division of the City, to aid small businesses. The advance is non-interest bearing. The funds were subsequently loaned to small businesses. The loans are non-interest bearing and have been fully provided for. The Regional Business Centre may be asked by Fednor to repay its advance or the advance may be forgiven. To date, Fednor has not asked for repayment or forgiven the advance.

5. Effects of COVID-19:

In March of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Funds have experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Lower average general interest rates causing a significant decrease in interest revenues
- Working from home requirements for those able to do so, as well as putting in place measures to limit and control access to the premises by staff.
- Enhanced protocols implemented in line with Public Health guidelines.

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provides additional evidence relating to conditions that existed as at year end.

2021

Statistical Information

FOR THE YEAR ENDING DECEMBER 31, 2021

Consolidated Statement of Financial Position

(In thousands of dollars)

	2021	2020	2019	2018	2017
Financial assets	**$**	$	$	$	$
Cash	**13,510**	14,138	16,439	8,174	6,188
Taxes receivable	**11,125**	11,074	9,304	8,532	9,360
Accounts receivable	**76,431**	80,930	76,857	73,993	69,426
Inventory held for resale	**-**	-	-	1,802	2,474
Investment in GBE	**140,845**	135,436	117,133	114,145	108,150
Investments	**550,518**	514,370	305,473	304,800	298,357
	792,429	755,948	525,207	511,446	493,955
Financial liabilities					
Accounts payable and accrued liabilities	**111,461**	117,525	99,966	97,656	99,200
Deferred revenue - obligatory reserve funds	**68,563**	56,025	55,191	50,418	40,489
Deferred revenue - other	**16,690**	10,891	4,669	4,641	3,590
Employee benefit obligations	**78,126**	72,152	68,860	65,209	62,523
Solid waste management facility liability	**19,243**	17,502	15,535	14,316	14,944
Long-term liabilities	**248,538**	261,802	70,264	76,530	77,472
	542,621	**535,897**	**314,485**	**308,770**	**298,218**
Net financial assets	**249,808**	**220,051**	**210,722**	**202,676**	**195,737**
Non-financial assets					
Tangible capital assets	**1,649,660**	1,609,262	1,555,109	1,521,076	1,488,881
Other	**12,487**	12,254	11,006	9,589	8,696
	1,662,147	**1,621,516**	**1,566,115**	**1,530,665**	**1,497,577**
Accumulated Surplus	**1,911,955**	**1,841,567**	**1,776,837**	**1,733,340**	**1,693,313**

Consolidated Statement of Operations and Accumulated Surplus
(In thousands of dollars)

	2021	2020	2019	2018	2017
Revenues	**$**	$	$	$	$
Government Transfers, Provincial	**164,116**	170,819	160,598	156,171	148,686
Government Transfers, Federal	**19,001**	12,862	25,217	21,170	31,557
Taxation	**311,769**	298,381	282,721	267,956	257,561
User Charges	**133,614**	131,791	136,412	131,252	124,053
Investment Income	**10,740**	14,950	12,489	11,444	10,150
Fines and Penalties	**5,318**	4,733	5,979	6,321	7,501
Other	**43,278**	18,319	27,664	22,307	23,762
GBE net earnings	**5,409**	18,303	2,988	5,995	2,164
TOTAL REVENUES	**693,245**	**670,158**	**654,068**	**622,616**	**605,434**
Expenses by Object					
Salaries wages and employee benefits	**284,408**	271,808	268,079	255,511	243,678
Materials	**103,641**	106,149	110,963	99,398	101,445
Contract Services	**96,355**	90,671	99,891	94,830	86,957
Grants and Transfer Payments	**48,896**	50,290	51,967	55,507	50,589
Amortization	**80,121**	78,484	75,626	73,200	72,028
Other	**9,436**	8,026	4,045	4,143	4,179
TOTAL EXPENSES	**622,857**	**605,428**	**610,571**	**582,589**	**558,876**
Annual Surplus	70,388	64,730	43,497	40,027	46,558
Accumulated Surplus, Beginning of Year	1,841,567	1,776,837	1,733,340	1,693,313	1,646,755
Accumulated Surplus, End of Year	1,911,955	1,841,567	1,776,837	1,733,340	1,693,313

Analysis of Expenses by Function
(in thousands of dollars)

	2021	2020	2019	2018	2017
General Government	**35,536**	27,448	25,343	23,700	25,269
Protection Services	**113,837**	107,935	104,245	98,041	94,588
Transportation Services	**117,345**	125,510	108,320	113,519	110,610
Environmental Services	**102,539**	99,190	92,411	92,760	87,338
Health Services	**36,574**	31,912	31,941	30,493	28,713
Social and Family Services	**121,725**	119,578	116,550	105,405	103,845
Social Housing	**39,696**	40,125	40,747	39,599	33,912
Recreation and Cultural Services	**41,981**	46,807	50,705	42,911	42,112
Planning and Development	**13,624**	12,066	12,327	12,448	12,729
TOTAL EXPENSES	**622,857**	**610,571**	**582,589**	**558,876**	**539,116**

Reserves and Resesrve Funds
(In thousands of dollars)

	2021	2020	2019	2018	2017
Reserves	$	$	$	$	$
Working funds	-	-	-	338	625
Tax rate stabilization	**16,274**	13,991	3,705	2,233	4,072
General government	**19,105**	15,821	2,364	786	742
Environmental Services	**3,960**	6,098	4,281	-	-
Health, social services and housing	-	2,425	2,299	2,648	3,442
Planning and development	-	312	309	514	536
TOTAL RESERVES	**38,647**	**12,958**	**6,519**	**9,417**	**8,507**
Reserve Funds					
Equipment Replacement	**5,516**	4,008	7,478	4,968	5,359
Employee benefit obligations	**8,880**	10,026	10,988	13,963	15,150
Insurance	**1,497**	1,342	984	839	1,714
General government	**51,448**	22,954	16,736	22,847	21,890
Protection services	**8,200**	6,572	6,311	6,837	7,423
Transportation services	**5,500**	6,470	12,566	18,049	24,034
Environmental Services	**36,676**	39,416	40,681	46,051	32,508
Health, social services and housing	**22,222**	14,572	12,643	12,335	11,836
Recreation and cultural services	**1,885**	1,712	997	2,262	2,765
Planning and development	**4,605**	10,883	16,317	15,072	13,604
Other	-	25	18	9	-
TOTAL RESERVE FUNDS	**146,429**	**117,980**	**125,719**	**143,232**	**136,283**
TOTAL RESERVE AND RESERVE FUNDS	**185,768**	**156,627**	**138,677**	**149,751**	**145,700**

Additional Information (In thousands of dollars)	2021	2020	2019	2018	2017
NET FINANCIAL ASSETS	**249,808**	**220,051**	**210,722**	**202,676**	**195,737**
NET DEBT PER CAPITA	**1,539**	**1,621**	**435**	**474**	**479**
Long-Term Liabilities					
Supported by					
Property taxation	**36,923**	39,111	29,054	33,306	32,315
Water/wastewater user fees	**211,615**	222,691	41,210	43,224	45,157
	248,538	**261,802**	**70,264**	**76,530**	**77,472**

Additional Information (continued)

	2021	2020	2019	2018	2017
Municipal Statistics					
Population	**166,000**	166,000	166,000	161,500	161,500
Households	**75,776**	75,791	75,776	75,612	75,434
Employees					
Full time employees	**2,098**	2,074	2,032	2,012	1,993
Part time hours	**914,694**	1,023,182	1,002,370	1,016,194	1,008,971
Service Information					
Building Permit Values (in 000's)	**291,206**	324,115	281,389	291,624	384,024
Average monthly social assistance case load	**2,726**	3,450	3,527	3,486	3,474
Lane Kilometers of roads	**3,572**	3,572	3,561	3,536	3,535
Annual volume of treated wastewater (megalitres)	**24,971**	30,570	30,668	24,803	30,766
Annual volume of treated drinking water (megalitres)	**19,545**	17,744	19,597	20,056	18,339
Annual disposal of solid waste (tonnes)	**93,406**	97,785	99,796	95,825	97,283
Annual diversion of solid waste (tonnes)	**36,408**	44,163	40,472	31,497	32,223
Regular service passenger Transit trips	**2,358,113**	2,885,960	4,605,502	4,432,000	4,063,000
Tax collection rate	**3.2%**	3.3%	2.9%	2.8%	3.1%
Property tax levies (net tax increase after asessement growth)	**4.0%**	4.8%	4.8%	3.0%	3.6%
Property tax collection (in 000's)	**$348,844**	$335,864	$322,059	$307,611	$295,671
Taxable Assessment ($ millions)					
Residential assessment	**$15,572**	$15,485	$15,137	$14,835	$14,419
Commercial assessment	**$2,374**	$2,358	$2,251	$2,101	$1,983
Industrial assessment	**$493**	$495	$480	$408	$706
Benchmark Information					
% of paved lane km where condition is rated good to very good	**40%**	40%	41%	39.0%	39.0%
# of conventional transit passenger trips per person in service area per year	**15.4**	19.3	30.8	29.6	27.1
# of wastewater main backups per 100 km of waste water main per year	**5.6**	7.3	8.5	2.8	2.5
% of wastewater estimated to have bypassed treatment	**47.0%**	1.4%	0.8%	0.7%	0.7%
# of water main breaks per 100 km of water distribution pipe per year	**8.2**	7.1	6.4	9.8	9.3
% of residential solid waste diverted for recycling	**39.0%**	42.7%	41.4%	45.0%	44.5%

Top Employers

Health Sciences North

Vale

City of Greater Sudbury

Government of Canada - Tax Services

Rainbow District School Board

Revenue and Expense Categories

The following refer to the revenue and expense categories used in the statement of operations, accumulated surplus and related notes.

Revenues

Municipal Tax Levy:

This category consists of supplementary taxation and payments-in-lieu of taxation received from government agencies.

Government Transfer-Provincial:

This category consists of grants received from the Province of Ontario for specific functions such as Ontario Works, Housing Services, Children Services, Emergency Medical Services, and the Ontario Municipal Partnership Fund.

Government Transfer-Federal:

This category consists of grants received from the Federal government for specific functions funded through agencies such as FedNor and Human Resources Development Canada.

User Changes:

This category consists of fees for use of services including, but not limited to, ice and hall rentals, leisure activities, cemetery fees, library fees, applications for building permits, water/wastewater, and transit.

Investment Income:

This category accounts for all investment income, interest on Greater Sudbury Utility note, interest on tax arrears, and interest earned on internal capital financing.

Other Revenues:

This category includes revenues such as the Ontario Lottery and Gaming Corporation and Provincial Offences Act fines collected.

Expenses

Salaries, Wages and Benefits:

This category consists of compensation for all employees such as salaries, benefits, service pay, overtime, car allowance, and boot and tool allowance.

Materials:

This category includes items such as office supplies, salt and sand, asphalt, gravel and shop supplies, tax writeoffs, insurance costs, telephone costs, property taxes, and other general expenses.

Contract Services:

This category consists of items that are outsourced, such as, but not limited to, Housing Services providers, Children Services providers, Ontario Works, roads maintenance contracts, vehicle repairs, hired or rental equipment, and professional services.

Grants and Transfer Payments:

This category consists of any grants given to community groups and outside boards such as Conservation Sudbury (Nickel District Conservation Authority), Sudbury and District Health Unit, Arts and Culture grants, grants to playgrounds, and transfer payments to Ontario Works recipients.

Glossary

Accruals:

Revenues or expenditures that have been recognized for that fiscal year, but not received or disbursed until a subsequent fiscal year.

Assessment:

This is the property value determined by Municipal Property Assessment Corporation (MPAC).

Assessment Growth:

The total assessed value of all new properties built, less the value of properties demolished in a given year. An increase in assessment growth allows the municipality to collect the total property tax amount over more properties.

Assets:

Resources owned or held by the City which have monetary value.

Base Budget:

Cost of continuing the existing levels of service in the current budget year.

Benchmarking:

An exercise whereby one organization's results are compared to those of another comparable organization providing the same or similar services based on similar methods or accounting for costs.

Budget Document:

The compilation of the spending plans for the various funds, along with supporting schedules, tables and charts which, in total, comprises the annual revenue and expenditure plan.

Capital Budget:

The annual Council approved plan of the City for expenditures and revenues to acquire, construct or rehabilitate capital assets.

Capital (Debt) Financing:

Portion of the operating budget required to service the debt assumed by the City from capital expenditures of the current and previous years.

Capital Improvement Project:

Non-routine capital expenditures that generally cost more than $50,000 resulting in the purchase of equipment, construction, renovation or acquisition of land, infrastructure and/ or buildings with an expected useful life of at least five years. Capital improvement projects are designed to prevent the deterioration of the city's existing infrastructure, and respond to and anticipate the future growth of the city.

Commitments:

Projected cash flow expenditures beyond the Council approved budget year that require future year cash flow to complete the approved project. In essence, it allows a project tender to be executed in the current year that requires future year cash flows to complete.

Current Value Assessment:

A valuation placed upon real estate or other property by the Municipal Property Assessment Corporation as a basis for levying taxes.

Debt:

The amount of all obligations for the payment of interest and principal due by certain agreements and by-laws as incurred such as debentures, promissory notes, leases, letters of credit and other financial commitments and guarantees.

Debt Ratio:

Total debt divided by total assets. Used by finance and budget staff to assess fiscal health of the organization.

Encumbrance:

The formal accounting recognition of commitments to expend resources in the future.

External Financing:

Financing from sources external to the City such as provincial or federal funding and grant subsidies.

Fiscal Year:

The period designated by the City for the beginning and ending of financial transactions. The fiscal year for the City of Greater Sudbury begins January 1 and ends December 31.

Infrastructure:

Facilities that support the continuance and growth of a community. Examples include roads, water lines, sewers, public buildings, parks.

Infrastructure Renewal requirement:

The need for capital investment/infusion to sustain, replace and/or renew aging infrastructure.

Operating Budget:

The annual Council approved plan of the City for expenditures, revenues, staffing levels and service levels for operations of the City taking place from January 1 to December 31 of each year.

Performance Measures:

Measurement of service performance indicators that reflect the amount of money spent on services and the resulting outcomes at a specific level of services provided.

Program Support:

The allocation of indirect costs such as financial services, human resources and information technology, etc. to departments.

Property Tax:

An individual property assessment multiplied by the property tax rate in a given year.

Reserves and Reserve Funds:

Funds generally set aside for significant future purchases, to replace major capital infrastructure, are accumulated to meet growing liability, or to provide a buffer for significant unanticipated expenditures beyond the control of Council.

Revenue:

Financial resources received from taxes, user fees and other levels of government.

Special Capital Levy:

An amount collected from property taxation that is above the amount currently allocated to fund capital expenditures.

Taxation Levy:

The total property tax levied by a municipality.

Tax Rate:

A rate used to determine the amount of property tax payable. Taxes on individual properties are calculated by multiplying a property's current value assessment (CVA) by the applicable tax rate.

Financial Indicators Net Financial Position:

Difference between liabilities and assets.

Own Source Revenue:

Revenues generated directly by the City of Greater Sudbury.

Sustainability

Financial Position per Capita:

Net Financial Position divided by the population.

Net Financial Liability:

Net Financial Position divided by the City's own source revenues.

Asset Consumption Ratio:

Accumulated amortization expenses over the total gross cost of capital assets. A higher ratio indicates a higher need for replacement.

Ratio of Financial Assets to Liabilities:

Total amount of financial assets divided by the total amount of liabilities.

Ratio of Debt to Revenue:

Total amount of debt divided by the total amount of revenue.

Debt per Household:

Total amount of debt divided by the total number of households.

Flexibility

Tax Discretionary Reserves as a % of Taxation:

Total amount of tax reserves divided by the total amount of tax revenue collected.

Discretionary Reserves as a % of Own Source Revenues:

Total value of reserves divided by the amount of own source revenue.

Total Reserves per Capita:

Total reserves in relation to population.

Vulnerability

Taxes Receivable as a per cent of Tax Levied:

Total amount of taxes receivable divided by the amount of taxes levied.

Tax Debt Interest as a % of Own Source Revenues:

Total amount of tax debt interest divided by the City's own source revenue.

Debt to Reserve Ratio:

Total amount of outstanding debt over the total reserve and reserve fund balances (excluding obligatory reserve funds).

Total Debt Charges as a per cent of Own Source Revenues:

Total amount of debt principal and interest payments divided by the City's own source revenue.

Total Debt Outstanding per Capita:

Total amount of debt divided by population.

Debt Outstanding as a per cent of Own Source Revenues:

Total amount of outstanding debt divided by the City's own source revenues.

Ratio of Debt Charges to Total Revenue:

Total amount of debt charges divided by the total amount of revenue.

Municipal Taxes as a % of Household Income:

Average residential taxes divided by the average household income.

Rates Covered Ratio:

Measure of the City's own source revenue divided by the total expenditures.

Ratio of Government Transfers to Total Revenue:

Total amount of Federal and Provincial transfers divided by the total amount of revenue.