



# 2020 Annual Report

FOR THE YEAR ENDING  
DECEMBER 31, 2020



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311 Live Chat  
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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.

# 2020 Annual Report

FOR THE YEAR ENDING  
DECEMBER 31, 2020

Departments responsible for preparing the 2020 Annual Report:  
Finance, Assets and Fleet Division  
Communications and Community Engagement



# 2020 Annual Report

The Annual Report is an overview of the accomplishments and significant projects completed in 2020, as they directly support the goals under seven pillars in the Strategic Plan 2019-2027. The document also includes audited annual financial statements for the previous year.



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Asset  
Management  
and Service  
Excellence



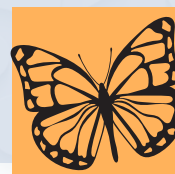
Business  
Attraction,  
Development  
and Retention



Economic  
Capacity and  
Investment  
Readiness



Climate  
Change



Create a  
Healthier  
Community



Housing



Strengthen  
Community  
Vibrancy



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## Mayor's message

Last year was a very different kind of year for Greater Sudbury. The global pandemic meant unprecedented challenges for all of us.

In addition to our regular services – many of which were deemed essential under provincial guidelines – virtually every City department was engaged in the COVID-19 response, from enforcing provincial protocols to working on the front lines as emergency responders and long-term care providers.

There were also many significant achievements happening in the background last year. City Council remained committed to making strategic investments and delivering excellent service during extraordinary times.

We invested almost \$100 million in our networks of roads, water, sewer, bridges and active transportation.

We focused on supporting local businesses through initiatives like making it easier to get patios and sidewalk cafes up and running.

We approved the Community Energy and Emissions Plan and took steps to address climate change at a municipal level, including investing \$5.6 million to replace 11,000 streetlights with energy-efficient LED lights.

With the help of senior levels of government, we saw significant investments in services and supports related to addictions, homelessness and mental health for our most vulnerable.

As COVID-19 continues to be part of our reality, we remain well-positioned financially to support our health partners with public vaccination efforts, and support our business community with economic recovery.

The Annual Report is an opportunity to outline all of the important investments that were made for our community in 2020. I want to thank Council and staff for their continued commitment to providing quality services for our residents.

Brian Bigger  
Greater Sudbury Mayor

## Greater Sudbury City Council (2018-2022)

Greater Sudbury City Council is the decision-making body for the organization of the City of Greater Sudbury. It makes decisions about how municipal services are provided to residents, the level of services provided and how to pay for them.

Our Council is composed of the Mayor, who represents the city as a whole, and 12 Councillors, each of whom represents a ward, or geographic area, of the community.



René Lapierre, Ward 6



Mike Jakubo, Ward 7



Gerry Montpellier, Ward 3



Robert Kirwan, Ward 5



Al Sizer, Ward 8



Geoff McCausland, Ward 4



Joselyne Landry-Altmann, Ward 12



Bill Leduc, Ward 11



Michael Vagnini, Ward 2



Mark Signoretti, Ward 1



Fern Cormier, Ward 10



Deb McIntosh, Ward 9





## Executive Leadership Team

### Message from Ed Archer Chief Administrative Officer

The City of Greater Sudbury's 2020 Annual Report provides a summary of the work led by Council and undertaken by municipal staff to safeguard and enhance our community's sustainability, economic competitiveness and quality of life.

The past year tested Greater Sudbury's ability to adapt and respond due to the presence of the COVID-19 virus. I am proud to note how well our Council, staff and community partners responded to the challenge. We collaborated to reprioritize and adjust service approaches in new and unprecedented ways to keep municipal services accessible and regularly available. Together, we made progress on City Council's strategic priorities while also, at the same time, introducing new service delivery channels and partnerships to sustain our community during a global pandemic.

From a financial perspective, City Council made choices throughout 2020 to adjust service levels so that the corporation would avoid a year-end deficit. These choices are never easy, since all municipal services are important to some segment of our community. Nonetheless, and with support from senior governments, the corporation's year-end position was stronger thanks to Council's choices. We maintain an AA Credit Rating with a stable outlook, one of the strongest credit ratings a municipality can have.

Despite the disruption caused by the COVID-19 virus, almost all municipal services remained available for use throughout 2020 either online, or with modifications for in-person delivery. This is all the more remarkable for the extensive collaboration and support City Council and municipal staff provided to our Public Health colleagues to minimize the virus' effects on our community. Our benchmarking data continues to show Greater Sudbury is one of the lowest-cost municipalities in the province, with service levels and efficiency that are typical for cities with more than 100,000 residents.

It takes a lot of teamwork and collaboration to successfully provide quality services to our community while ensuring taxes remain affordable. I thank Council for their leadership and I thank our staff for their commitment to serving our community throughout 2020 during extraordinary, and very challenging, circumstances.

Ed Archer  
Chief Administrative Officer



The Chief Administrative Officer (CAO) must ensure 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 reports directly 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).

EA



**Tony Cecutti**, General Manager of Growth and Infrastructure



**Kevin Fowke**, General Manager of Corporate Services



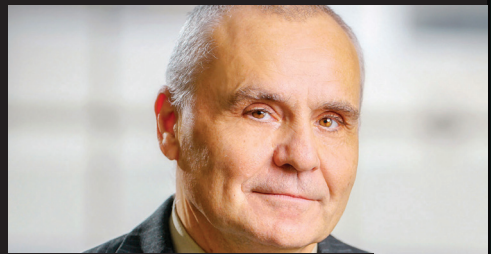
**Steve Jacques**, General Manager of Community Development



**Joseph Nicholls**, General Manager of Community Safety



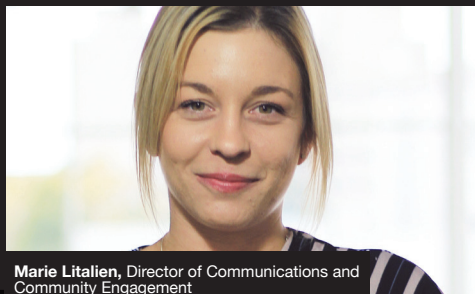
**Kathryn O'Leary**, Executive Coordinator to the CAO and General Manager of Corporate Services



**Ed Stankiewicz**, Executive Director of Finance, Assets and Fleet



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



**Marie Litalien**, Director of Communications and Community Engagement



**Brett Williamson**, Director of Economic Development

## About Our Community

Greater Sudbury is a vibrant and diverse community. Our expansive landscape of both rocky terrain and open fields 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.

**166,000**

population – the largest City in Northern Ontario, by population

Traditional territory of the Anishnaabe peoples of the Robinson Huron Treaty

**1,400**

hectares of parkland

**26%**

french speaking

**3,600**

lane kilometres of roadway

**20+**

different languages spoken at home

**88**

Nations represented on the Bridge of Nations

**714**

Medical Doctor graduates from Northern School of Medicine since 2009

**177 km**

non-motorized trails

**38%**

bilingual population



**3,228**  
square kilometre  
the largest  
municipality in  
Ontario by land area

**58**  
lines of municipal  
service

**2,200**  
post-secondary  
international  
students

**9%**  
of residents  
identify as  
Indigenous

**15**  
GOVA Plus  
vehicles

**12**  
municipal  
wards

**2**  
tertiary educational  
institutions: Northern Ontario  
School of Medicine and  
Laurentian University  
McEwen School  
of Architecture

**35 km**  
of cycling  
infrastructure

**2.6**  
million GOVA  
transit trips

**3**  
landfill  
sites

**330**  
freshwater  
lakes

# Measuring Performance

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

## World Council on City Data (WCCD)

The World Council on City Data certifies 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.

### Greater Sudbury 272 m2/capita

Recreation is an important aspect of northern life, contributing to the health of our residents and vitality of our city. With 100s of local parks, playgrounds and trails, this data also helps us attract visitors to our community with a focus on outdoor recreation opportunities.

## BMA Study

With the data it gathers, the BMA Study allows us to clearly illustrate and support the information being shared with our community. For instance, the City's commitment to affordability and sustainable levels of taxation. Greater Sudbury has the second lowest property taxes out of the 30 municipalities with a population greater than 100,000 and the second lowest property taxes in Northern Ontario. For example:

### Population <100,000\*

|                        |                |
|------------------------|----------------|
| <b>Greater Sudbury</b> | <b>\$3,331</b> |
| Group Average          | \$4,201        |

### Northern Ontario

|                        |                |
|------------------------|----------------|
| Sault Ste. Marie       | \$3,069        |
| <b>Greater Sudbury</b> | <b>\$3,331</b> |
| Group Average          | \$3,677        |
| North Bay              | \$3,700        |
| Thunder Bay            | \$3,885        |
| Timmins                | \$4,403        |



\*for a detached bungalow 2020 BMA Report

## Municipal Benchmarking Network Canada

Municipal Benchmarking Network Canada (MBNCan) and its predecessor organization Ontario Municipal Benchmarking Initiative (OMBI) are networks of Canadian cities collaborating to share consistent data from 17 municipalities to measure performance in 36 separate service areas.

The City of Greater Sudbury reports Key Performance Indicators as part of service profiles included in the annual budget document found at [greatersudbury.ca/budget](http://greatersudbury.ca/budget). Reported numbers reflect the most recent report, from 2019.

The City often performs better than the median when looking at individual performance indicators measured by MBNCan. This means our numbers are better than the data provided by more than half of the other cities. Some of these areas include:

On-Road Traffic Collision Rate  
(Collisions per Million Vehicle KM)

**1.17**  
2019

**2.70**  
median

Emergency Medical Service (EMS)  
Unique Responses per 1,000 Population

**176**  
2019

**131**  
median

Number of Visitor Sessions to Municipal  
Website per Capita

**19.9**  
2019

**11.9**  
median

## Awards and Recognition

GFOA Annual Financial Reporting

Distinguished Budget Presentation Award

Award of Excellence – Economic Development  
Council Canada to Ontario's North Economic  
Development Corporation

Health Services Provider Recognition  
award at the AGM of Réseau du mieux-être  
francophone du Nord de l'Ontario  
(Pioneer Manor)

WCCD ISO 37120 Platinum Certification

Videographer Awards – Award of Distinction Winner 2020  
GOVA Transit COVID-19 Video

Dotcomm Awards – Gold Award Winner 2020 GOVA Transit  
COVID-19 Video



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, 2019**

*Christopher P. Morill*

Executive Director/CEO

# COVID-19: Resiliency when faced with adversity

## Adapting Existing Services



Curbside pickup  
at libraries

Launch of digital  
monthly parking  
permits



Suspension of water  
and wastewater  
surcharge on overdue  
accounts (temporary)

Free metered  
parking downtown  
(temporary)



Repurposed  
arenas to support  
homelessness  
initiatives and  
daycares



## Enhancing Communications



Regular COVID-19 Response  
updates to Council and the public



311 COVID-19  
Call Tracker



Weekly Community  
Control Group meetings

Council and  
Committee meetings  
move to online



Public Engagement moved  
online to ensure projects  
move forward

#greatertogether  
Community  
Resource Portal



## Supporting Services



**311**  
services

Launch of Live Chat with 311, customer service online chat

Enhanced eServices with more than 20 services available online



No interest charged on late tax bill payments (temporary)

Ride GOVA free (temporary)



Redeployment of staff to support core business areas

Waived Fees for Patio Permits and streamlined processes

## Supporting the Community



Emergency Childcare for essential workers



Launch of Business Recovery Support Hotline

Increased support and services for vulnerable populations



Support to Health Sciences North to expedite inspections and approvals for COVID-19 Assessment Centre



Established mobile COVID-19 Assessment Centre for Paramedics to test residents in the community



Paramedic virtual monitoring of COVID-19 patients



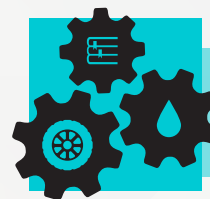
Sharing Library mobile devices with Long-Term Care homes for residents to keep in touch with families virtually

## Strategic Plan

The 2020 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](https://greatersudbury.ca/plans).

Council approved the 2019-2027 City of Greater Sudbury Strategic Plan to guide decisions about the city's evolution over seven years and includes the following seven pillars.

Asset  
Management  
and Service  
Excellence



Customer  
Service  
Strategy

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  
Healthier  
Community



Population  
Health:  
A Call to Action  
2018-2028

Housing



Housing  
Revitalization  
Plan

Strengthen  
Community  
Vibrancy



Communications  
Strategic Plan

Corporate  
Information  
Technology  
Strategic 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

Subwatershed  
Study and  
Stormwater  
Master Plans

Parks, Open  
Space & Leisure  
Master Plan

Housing and  
Homelessness  
Plan

## Plans that Shape our Decisions

The 2019-2027 City of Greater Sudbury Strategic Plan influences our direction and other guiding documents to inform staff's recommendations and the decisions being 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.

## Where do your taxes go?

Emergency Services 34%

**Police Services • 21%**

**Fire Services • 9%**

**Paramedic Services • 4%**

**Roads Maintenance • 19%**

**Social Services • 12%**

**Citizen and Leisure Services • 11%**

**Finance | Admin | HR | Facilities | Fleet • 6%**

**Transit • 6%**

**Garbage and Recycling • 5%**

**Service Partners • 3%**

**Economic Development • 2%**

**Other • 2%**

## 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, each one important to various members of our community.



### Resident Health and Safety

Your municipality is dedicated to keeping our residents safe and healthy through prevention, promotion and maintenance services. This group of services maintains community and individual safety through first response services, infrastructure maintenance and improvements, education programs and law and by-law enforcement.



Animal control and shelter services



Community paramedicine



Security and by-law enforcement



Water collection, operations and maintenance



Building inspections, permit approvals and plans examinations\*



Water\* and wastewater treatment\*



Emergency management, public safety planning and prevention\*



Police services



Fire services, response



Drainage and flood management



Fire safety, education and prevention\*



Public Health Sudbury and Districts



Paramedic services, medical care and transportation\*



Conservation Sudbury

Legend:  
\*legislated services



## Transportation Services

With our large geographical area, the routes that connect us to our destinations are important. This group of services maintains and improves the transit systems and 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 our 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)



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\*



## Asset Management and Service Excellence

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

**\$172.5 million**

Capital budget for 2020 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



▲ **\$10 million**  
from 2019



**Bridge and Culvert Replacement and Rehabilitation Program**

**8 bridges** in 2020  
valued at **\$19 million**



**Launched pilot project to enhance sidewalk snow plowing operations**

**GOAL:**  
**Reinforce infrastructure for new development**

### Large Projects

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

- Event Centre at the Kingsway Entertainment District
- Place des Arts
- Junction East (Library/Art Gallery)
- Junction West (Convention and Performance Centre)



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

**Maley Drive Extension Project**  
Completed construction of Phase  
One, to ease congestion on Kingsway  
and Lasalle Boulevard and reduce  
greenhouse gas emissions from  
slow moving traffics



**\$26.8  
million**

contributed by  
municipality, provincial  
and federal governments

**GOAL:**  
Demonstrate  
innovation and  
cost-effective  
service delivery



**Adopted Significant  
Weather Event**

Notification Protocol  
enhancing communication  
with residents on the  
City's response to  
winter weather events.

**Sustainable Public Transit**

Replacement of 53 buses over eight  
years and improve transit services  
including implementing smart card  
technology and improving three  
Mobility Hubs



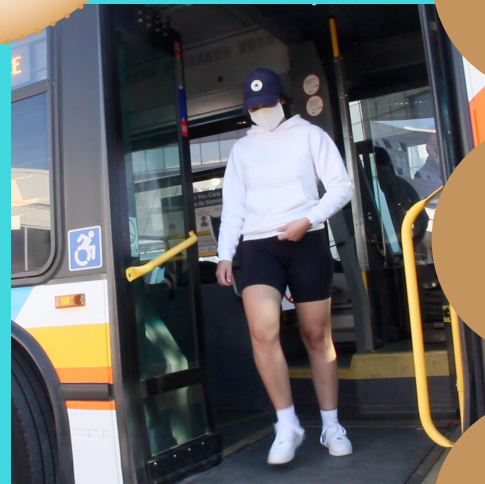
**\$39.7  
million**



**\$33.1  
million**



**\$26.4  
million**



**Launched 311 Live Web Chat**

New Customer Self-Service Portal in Phase One  
of the new CRM system.

**Register Today for  
Customer Service Portal  
[311.greatersudbury.ca](http://311.greatersudbury.ca)**

**NEW**

- Request municipal service online 24/7
- Receive email or text updates to track progress
- Web chat with 311 Customer Service

**311  
services**







## 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.

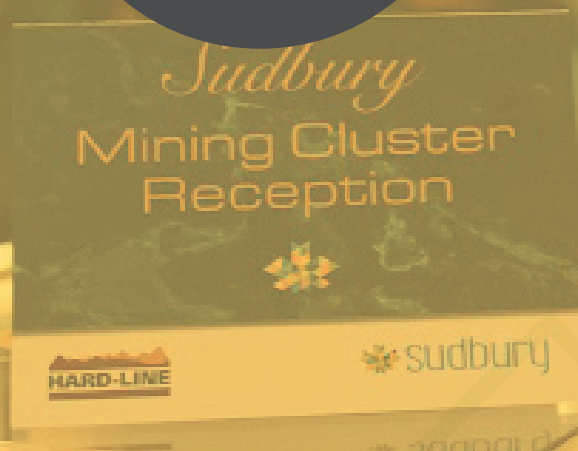
Up to \$1M for Tourism Development Fund to promote and grow tourism industry, supported by funds from the Municipal Accommodation Tax

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



Hosted five senators and four mayors from Columbia to promote mining industry

Hosted over 400 guests at the Sudbury Mining Cluster Reception at the 2020 Prospectors and Developers Association of Canada Conference



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

**\$45,000**

in grants supporting  
startup or expansion of  
nine businesses in the  
Starter Company  
Plus Program



## Regional Business Centre



**252**

outreach activities to promote  
services to the business community  
▲ 56% from 2019



**2,315**

inquiries about business options  
▲ 35% from 2019



**58**

seminars = 86 hours of professional  
development opportunities



**50**

businesses started or expanded  
creating 40 jobs

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

**37**

major land use planning  
applications reviewed

**\$322.9 million**

in construction for  
1,803 building permit applications  
and demolition permits

**444**

new residential housing units  
▲ 177 from 2019

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

**\$21,000**

n Summer Company  
grants to help seven  
students launch  
businesses

**535**

business visits





## Economic Capacity and Investment Readiness

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

Panelist at National Citizen and Immigration Conference 2020, presenting to over 2,000 delegates from across Canada

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



**11**

recommendations granted



**\$135,000**

contributed by GSDC



**42**

candidate invitations for permanent residency in Canada

**\$5 million**

invested in innovative new business ventures through the Sudbury Catalyst Fund, a partnership between the Nickel Basin Federal Development Corporation with the City of Greater Sudbury, FedNor, and NORCAT

**\$250,000**

Verv Technologies

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



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



The Employment Land Strategy will help to ensure Greater Sudbury is well positioned to respond to emerging economic opportunities and can continue to support a diversified economy now and into the future. The strategy will consider future economic and labour force trends, demand for employment, employment land supply, feasibility of development and incentives to meet anticipated demand.

**\$250,000**

FORTAI  
Technology  
and product  
manufacturing

Easy access to online  
data including Planning Act  
Applications Dashboard, Open  
Data and Zoning By-laws and  
Maps to support business and  
development initiatives.

### The Economic Impact of COVID-19

Shortly after the State of Emergency was declared in March, outreach to businesses began to assess the impact of the pandemic on business and share information on various assistance programs. Between January and November 2020, staff conducted 510 outreach visits/calls. While nearly all local businesses were affected in some way, the hardest hit sector was the service industry (tourism, hospitality, retail, etc.), many of whom were forced to close temporarily, with some closing permanently.

Mining was declared an essential industry. The continued operation of the mining sector and the 300-plus firms that constitute Greater Sudbury's mining supply and services sector have helped Greater Sudbury to weather the economic storm.

Developed the  
Economic Recovery  
Strategic Plan to better  
understand the needs of the  
business community, identify  
actions that will streamline  
business and economic  
recovery.

Launch of Business  
Continuity Group to  
share resources to support  
businesses during and  
after COVID-19.



## Climate Change

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

**11,000**

streetlights converted to energy-efficient LED bulbs

**61%**

reduction in electricity savings of over \$1 million per year

**222 t CO2/year**

in reduced greenhouse gas emissions

## 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 while improving quality of life and addressing climate change impacts. A climate change mitigation plan, it 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. The CEEP was unanimously approved by Council on September 22, 2020.

**\$4,000**

in grants through Transportation Demand Management Community Grant Program

**GOAL:**  
Support ecological sustainability

**\$4,900**

Lake Stewardship Grants helping to monitor local lakes to better understand our ecosystems



## Love Your Lake = 274 properties

(11.8 km of shoreline) surveyed on Nepahwin Lake which helps protect our natural resources through lake water quality.

**GOAL:**  
Build climate  
resiliency into  
existing programs



**4,143,430 m<sup>2</sup>**

landfill gas collected,  
▼ greenhouse gases by  
30,250 tonnes of CO<sub>2</sub>



**375 t**

of household  
hazardous waste  
diverted ▲ 1%



**3,770 t**

of Green Cart  
organics  
diverted ▲ 1%



**15,088 t**

of Blue Box  
recyclables  
diverted ▼ 1%

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

Added four new  
eco-friendly vehicles  
to our fleet, furthering  
our commitment to  
reducing emissions

**3**

new ambulances



**1**

Zamboni



**rEVolution**  
electric 100% électrique

**hybridhybride**

## Regreening Program



**66,500**

tree and shrub seedlings  
planted creating over 230  
hectares of green space



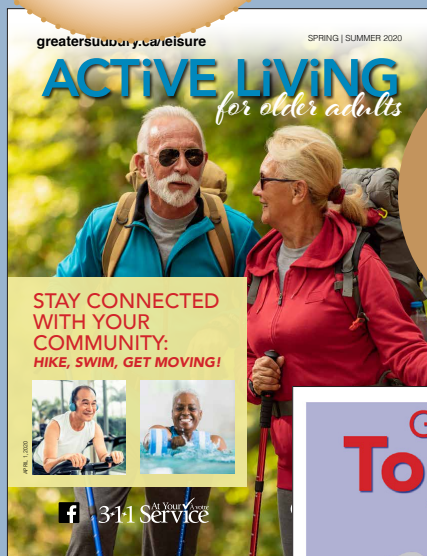


## Create a Healthier Community

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



**4,500**  
Active Living  
Guides distributed  
to older adults

**2,140**  
COVID resource  
guides distributed to  
seniors, in partnership  
with New Horizon's  
for Seniors



More seniors received  
the Elderly Tax Rebate in  
2020, helping more seniors  
pay their property taxes

**759**  
received Elderly Tax  
Rebate in 2020  
▲ 26 from 2019

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



**1,305**  
Community Paramedic home visits

Development of Paramedic Palliative Care Program



**411**  
referrals to community agencies



**3,000+**  
COVID-19 tests administered in March 2020



Expanded Ontario Naloxone Program, in collaboration with Public Health Sudbury & Districts, permitting 24/7 access to Naloxone in Greater Sudbury



Completed new Outdoor Seniors' Exercise Park to encourage physical activity and improve resident health



**7,000**  
COVID-19 tests administered to residents and staff

Twin Forks Splash Pad

Created new recreational opportunities by adding new amenities in Coniston and New Sudbury.

Coniston Skate Park

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



Development and completion of the South End Dog Park, the third dog park in the community.



Renewed 15 playgrounds as part of Phase 2 of the Playground Revitalization Strategy.



## Housing

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

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

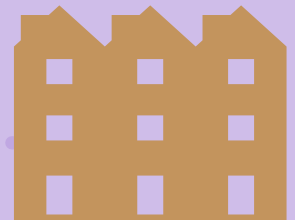
**GOAL:**  
Expand  
affordable and  
attainable housing  
options



### Sparks Street Housing Project

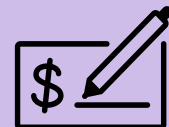
The City of Greater Sudbury has purchased the property at 1310 Sparks Street and will build a small community housing building for residents on the Social Housing Waitlist. It will host up to 14 affordable housing units, which will include space for community support providers. The building will be energy efficient, requiring little energy for space heating and cooling.

Housing Programs help residents and community partners navigate the social housing process. 2020 was a successful year with more residents gaining access to housing programs.



**63**

households through the Investment in Affordable Housing for Ontario – Housing Allowance Program



**653**

households through the Rent Supplement Program



**100**

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



**295**

households housed through centralized wait-list registry

**GOAL:**  
Develop and  
promote solutions  
to support existing  
housing choices



**450**

people connected  
with social housing  
via new online  
application  
portal

Transitioned the Off the Street social housing Low Barrier Emergency Shelter into a year-round Shelter Program connected to support services from the Sudbury Nurse Practitioner Clinic and Harm Reduction Home.

Facilitated the Home for Good program, a provincial investment in supportive housing under the Long-Term Affordable Housing Strategy, resulted in CMHA occupancy of 200 Larch Street for the Off the Street Shelter, Harm Reduction Home, and Nurse Practitioner Clinic.



**200 Larch**

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

### Cultivate your Neighbourhood project

provided funding and supplies to encourage resident gardening in yards and on balconies in housing complexes

Upgraded  
camera systems at  
four Greater Sudbury  
Housing Corporation  
properties





## Strengthen Community Vibrancy

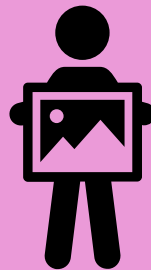
Contribute to lifestyles and economic activity through community amenities, events, facilities and municipal policies.

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

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

**\$25 million**  
spent locally from filmed productions

▲ \$1 million from 2019



**12**  
productions filmed



**450 days**  
of local filming



**230**  
local crew members

**\$571,670**  
in Arts and Culture grants awarded to 39 projects

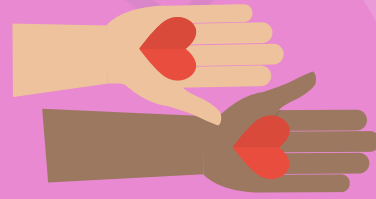


**GOAL:**  
Develop a public art implementation plan

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

## Civic Awards for Volunteerism

Six groups and nine  
individuals recognized  
virtually due to COVID-19



Moved the 2020 Sudbury  
Santa Clause Parade  
to a virtual platform,  
a first for our community!

**592**

animals found new  
families through the  
Greater Sudbury  
Animal Shelter



ALEX TREBEK

Gone from our sight, but never from our hearts.

Remembering Alex Trebek,  
over 583 messages of  
condolences shared

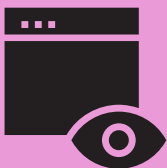
Community Action  
Networks (CAN) bring people  
together to help create strong  
and vibrant communities.



Added one  
new CAN in the  
Kingsmount-Bell Park  
area in 2020 to bring  
the total # of CANs  
to 16!



**2021  
Budget**



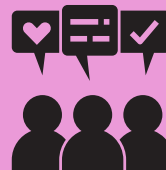
**1,100**

visits to the 2020 online  
Budget Community  
Engagement



**164**

surveys completed



**22**

ideas from  
13 contributors



## Message from Ed Stankiewicz Executive Director of Finance, Assets and Fleet

I am pleased to present the consolidated financials included in the 2020 Greater Sudbury Annual Report. It was a challenging year and I'm proud of what we accomplished while maintaining the path outlined in our Long-term Financial Plan.

Our ongoing financial planning, combined with the priorities outlined in the Corporate Strategic Plan, allowed us the ability to adapt to the challenges the COVID-19 pandemic created for municipalities in providing essential services while managing significant budget pressures and impacts.

The COVID-19 pandemic significantly impacted our plans and projects for the year as a result of increased expenditures and lost revenues associated with our response to the pandemic. Regular reports were provided to Council outlining the financial implications with our response and our efforts to mitigate the effects while still achieving the goals set out in the Strategic Plan.

Council provided direction to address the impact of the pandemic and that direction, combined with provincial restart funding resulted, in a \$9.8 million surplus.. Council's actions helped combat the operating budget pressures which resulted in a favorable year-end position.

Despite the challenging year, we maintained our third consecutive year of an AA Credit Rating with a stable outlook from Standard and Poors (S&P) Global Ratings. S&P's findings noted that even with the pandemic having impacts on our the local economy, the municipality would recover gradually over the next two years with the tax supported debt burden expected to remain manageable.

I want to thank Council for their leadership during a challenging year and staff for their resiliency and dedication to achieving our goals, proving the importance of collaboration to achieve results in times of adversity.

Ed Stankiewicz  
Executive Director of Finance, Assets and Fleet

# STANDARD & POOR'S

The McGraw-Hill Companies

AA/Outlook  
Stable

## 2020 Budget Highlights



**\$619.7 million**  
operating budget



**\$172.5 million**  
capital budget



**\$4.1 million**  
(1.5%) special capital levy  
for infrastructure and  
asset renewal



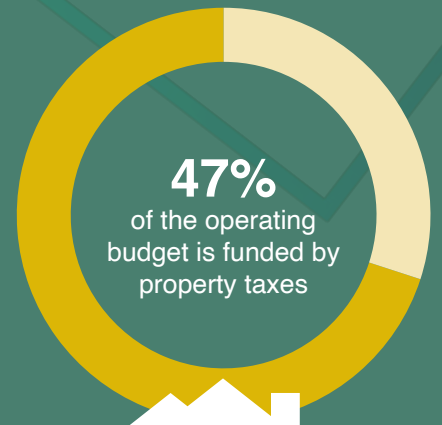
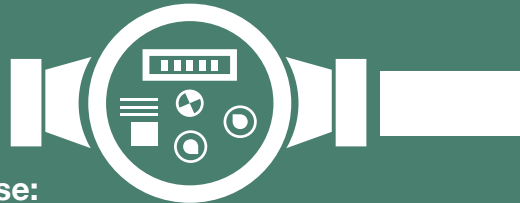


**4.8%**  
W/WW user  
rate increase



**Water Bill Increase:**  
**\$5.13/month**  
average homeowner\*

\*BASED ON USE OF 200 M<sup>3</sup>/YEAR



**47%**  
of the operating  
budget is funded by  
property taxes



**4.8%\***

**Tax Increase**  
(3.3% operating +  
1.5% capital levy)



**\$86 million**  
total investment of capital for  
roads and drains



**\$3.2 million**  
for information technology projects  
to improve customer service



**Property Value:**  
**\$230,000**  
**Tax Bill Increase:**  
**\$12/month**



**\$39 million**  
for W/WW infrastructure



**\$2.3 million**  
in maintenance and improvements  
to leisure facilities  
(Howard Armstrong Recreation  
Centre and Dowling Leisure Centre)



**Property Value:**  
**\$350,000**  
**Tax Bill Increase:**  
**\$19/month**



**\$6.5 million**  
for accelerated bus  
fleet replacement



**\$1.4 million**  
in landfill and waste diversion sites  
(Sudbury and Hanmer)



**Property Value:**  
**\$450,000**  
**Tax Bill Increase:**  
**\$24/month**





# 2020 Financial Information

FOR THE YEAR ENDING DECEMBER 31, 2020

# 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 City of Greater Sudbury's (CGS) management 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, 2020, 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 2020 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 2020 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.



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, 2019

*Christopher P. Morrell*

Executive Director/CEO



## 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 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 completed a comprehensive Long-Term Financial Plan in 2017, with annual updates provided in 2018- 2020. The Corporate Strategic Plan (2019-2027) includes a requirement to maintain a long-range financial plan enabling the City to anticipate and respond to emerging issues and changes in its operating environment. The 2017 Long-Term Financial Plan was implemented to better understand the long-term impact of financial decisions made today. This planning helps manage resources over the long-term and provides more flexibility to meet infrastructure requirements while maintaining a manageable level of debt to support ongoing services and fiscal sustainability.

The Long-Term Financial Plan incorporates key goals and objectives while being fiscally responsible and sustainable.

The updated plan covers 10 years, 2021 to 2030, and incorporates projected funding requirements, tax levy increases, 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

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

The corporation has a debt management policy that limits borrowing so that it represents no more than 10 per cent of annual net revenue, which is well below the provincially imposed maximum for municipalities of no more than 25 per cent of net revenue. The main principles of the Debt Management Policy state debt should be affordable, sustainable and structured so that those who benefit from the asset pay for the debt. The policy also sets out the principles that debt financing should only be considered for:

- new, non-reoccurring infrastructure renewal requirements;
- self-supporting programs and facilities;
- projects where the cost of deferring expenditures exceeds 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 will add to the total bill, 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 recently, they remain near historic lows and the City will access debt markets while rates remain low.



# Credit Rating

From 2018 to 2020, the municipality received an AA debt rating from S&P Global Ratings (S&P) with a stable outlook. A debt 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                | 1     |
| 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.

## 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*. The City has been working to develop asset management plans for all infrastructure assets that comply with legislation. This includes describing the asset's expected performance level based on technical data. 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

The historical capital investment (2019) for infrastructure assets maintained and operated by the City is \$3.22B. These assets are critical for the delivery of service levels expected by the residents of Greater Sudbury.

Asset management provides the City with a framework for consistent, calculated, reliable and transparent decision making. The City of Greater Sudbury will ensure its municipal infrastructure systems are supported by plans and financing decisions that demonstrate effective service support and appropriate regard for managing lifecycle costs.

## Enterprise Risk Management

It is important to acknowledge that every activity carries some degree of risk to which municipalities are continually exposed. To best support City Council and staff in identifying, recognizing, evaluating and mitigating risks, the City has developed an Enterprise Risk Management (ERM) policy.

The policy, which includes the development of an ERM framework, ensures that managing risks is a routine part of decision-making. The framework includes the tools required for decision makers to proactively manage risk, that could have adverse impacts on the City's strategic processes or goals.



## Reserves and Reserve Funds

Reserves are monies authorized by Council to be set aside for future capital and operating needs and are a key component of the City's long-term financial strategy. There are 57 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 incorporates minimum levels for specific reserve funds. At the end of 2020, 12 of the City's 21 reserves (with recommended minimums) were below the minimum range and 9 were at or above. There are 15 reserves (excluding committed reserves) that are not recommended to have a minimum level. Of the 12 reserves that did not meet minimum limits, half is attributable to the lack of historical funding set aside for capital replacements of assets, while the remaining half is lack of funding set aside for future uncertainties such as tax rate stabilization, winter control, post-employment benefits, and insurance.

## 2020 Reserves and Reserve Funds Balance

---

In 2020, the City's reserves increased by 13 per cent from approximately \$139 million at the beginning of 2020 to \$157 million at the end of 2020. This increase represents a net contribution of \$18 million to reserves primarily due to year-end surplus and capital funds set aside to potentially fund deficits relating to COVID-19.

Self-sustaining reserves (mainly water and wastewater services and tax rate stabilization uncommitted) account for a portion of reserves (9 per cent), operating reserves account for 19 per cent of the reserve balance while capital reserves represent 71 per cent of the balance.

Furthermore, approximately 51% of the reserve balance has been committed by Council towards specific projects, while the remaining 49% is uncommitted and would be utilized for funding of future capital projects or scope changes to existing projects, corporate or department deficits (arise when revenues 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. This is based on balances as of December 31, 2020 and does not take into consideration any Council approvals from the 2021 Budget approvals that included significant use of existing reserves and reserve funds.

## Reserves

---

Reserves, which are discretionary in nature, are generally used to offset major fluctuations in operating costs/revenues or to fund future contingent liabilities. Total Reserves in 2020 were \$38.6 million (2019 \$13.0 million), an increase of \$25.7 million.

## Reserve Funds

Reserve Funds are non-discretionary, segregated and restricted to meet specific identified purposes for the municipality. Total Reserve Funds in 2020 were \$118.0 million (2019 \$125.7 million), a decrease of \$7.7 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 formally reported directly in the financial statements, they are key in the financial management and operations of the City. Reserves and Reserve Fund balances are consolidated within the Accumulated Surplus position on the Consolidated Statement of Operations and the breakdown as shown in Note 18 in the audited financial statements.

Overall, the City reserve balance is considered low compared to other municipalities and 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.



### How is the City doing?

Total Reserve and Reserve Funds as a % of Total Expenses

#### What is it?

This ratio represents the percent of annual total expenses that the City's reserves can cover.

#### What is our number vs. the benchmark?

Current: 25.9% (2019 – 22.7%, 2018 – 25.7%)

Benchmark: On average, municipalities range between 10% - 20 %, with a ratio greater than 20% indicating a stronger than average ability to meet unforeseen increases in expenses. For the City, approximately 51% 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.

### Our benchmark

**25.9%**  
2020

**22.7%**  
2019

**25.7%**  
2018

municipalities range between  
10% - 20 %



## Reserves and Reserve Funds

(In thousands of dollars)

Reserves and Reserve Funds

2020

2019

(\$000's)

|                                        | Uncommitted   | Committed     | Uncommitted   | Committed     |
|----------------------------------------|---------------|---------------|---------------|---------------|
| Reserves                               |               |               |               |               |
| Tax rate stabilization                 | 5,868         | 8,122         | 977           | 2,728         |
| Organizational Development Reserve     | 947           | -             | 239           | -             |
| Holding Account - General              | 14,874        | -             | 2,125         | -             |
| Holding Account - Water/Wastewater     | 6,098         | -             | 4,282         | -             |
| Consolidated Entities                  | 2,737         | -             | 2,608         | -             |
| <b>Total Reserves</b>                  | <b>30,524</b> | <b>8,122</b>  | <b>10,230</b> | <b>2,728</b>  |
| Reserve Funds                          |               |               |               |               |
| Human Resource Costs                   | 9,614         | 7,298         | 12,139        | 5,246         |
| Election                               | 1,569         | -             | 1,421         | -             |
| Insurance                              | 1,342         | -             | 983           | -             |
| Parking                                | 1,037         | 124           | 20            | 657           |
| Other                                  | 2,268         | 1,664         | 1,738         | 1,588         |
| Social Housing                         | 2,731         | 6,596         | 7,136         | 1,200         |
| Economic Development                   | 4,391         | 127           | 4,016         | 380           |
| Winter Road Control                    | -             | -             | -             | -             |
| Police Services                        | 195           | -             | 195           | -             |
| Capital Reserve Fund - Fleet/Equipment | 973           | 780           | 409           | 2,924         |
| Capital Reserve Fund - Police          | 3,471         | 4,420         | 1,613         | 6,168         |
| Capital Reserve Fund - general         | 11,608        | 13,796        | 4,296         | 29,395        |
| Capital Reserve Fund - W/WW            | 2,975         | 36,349        | 10,356        | 30,287        |
| Capital Reserve Fund - EMS             | 4,122         | 533           | 2,129         | 1,422         |
| <b>Total Reserve Funds</b>             | <b>46,295</b> | <b>71,685</b> | <b>46,452</b> | <b>79,267</b> |
| <b>TOTAL RESERVE AND RESERVE FUNDS</b> | <b>76,820</b> | <b>79,807</b> | <b>56,682</b> | <b>81,995</b> |

# Budget Process

The municipal operating and capital budgets are prepared annually. City Council is also responsible for funding its share of our service partners: Greater Sudbury Police Service, Public Health Sudbury & Districts, and Conservation Sudbury (Nickel District Conservation Authority).

The first stage of the budget process includes receiving directions from Council regarding its expectations for service levels and the level of taxation it is willing to consider. An analysis of workload requirements and anticipated service levels for each division, in accordance with Council's budget directions, identifies resource requirements. Financial information is prepared in accordance with the operating and capital budget policies to support preliminary reviews that identify inflationary pressures, such as wage adjustments in accordance with collective bargaining agreements, contract cost changes and material price increases.

A review of provincially-mandated programs and service contracts, costs to service growth, and prior year Council decisions and commitments is also conducted. In order to propose service level changes, operating departments prepare comprehensive business cases.

Council provides final approval of the operating and capital budgets. Budgets are monitored by departments in accordance with the Operating Budget and Capital Budget policies. These policies provide fiscal control and accountability. On a quarterly basis, the Finance and Administration Committee of Council reviews variance reports including a year-end projection of operating revenues and expenditures. Furthermore, the Finance and Administration Committee reviews a Capital Variance Report for completed projects.

## 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 2020. 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 in support of 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 1.41 is lower compared to prior years and now falls in the recommended range of 0.75 to 1.5. This change is the result of the new debt secured in 2020. The City remains at the higher end of this range indicating that we are more liquid than our competitors or the level of debt is not as high. Either scenario results in the opportunity to secure more debt and remain within the recommended range of the Long-Term Financial Plan.

The reserves and reserve funds per household increased to \$2,067 within the target range due to the actions of Council ensuring fiscal prudence responding to the COVID pandemic. Capital additions as a percentage of amortization expense has decreased to 161% from the prior year but remains in the target range. The percentage in 2019 increased due in large part by the capitalization of Maley Drive in 2019.

|                                                                |                    | 2020     | 2019     | 2018     | 2017     | 2016     |
|----------------------------------------------------------------|--------------------|----------|----------|----------|----------|----------|
| Sustainability Indicators                                      | Target             |          |          |          |          |          |
| Financial assets to financial liabilities                      | 0.75 to 1.50       | 1.41     | 1.66     | 1.66     | 1.66     | 1.67     |
| Total reserves and reserve funds per household                 | \$2,000 to \$3,500 | \$ 2,067 | \$ 1,830 | \$ 1,981 | \$ 1,931 | \$ 2,132 |
| Total operating expenses as a percentage of taxable assessment | 2.0% to 3.5%       | 2.3%     | 2.4%     | 2.3%     | 2.3%     | 2.2%     |
| Capital additions as a percentage of amortization expense      | 150% to 250%       | 161.1%   | 213.9%   | 111.4%   | 133.2%   | 95.2%    |
| Taxes receivable as a percentage of taxes levied               | n/a                | 3.2%     | 2.8%     | 2.7%     | 3.0%     | 2.4%     |

## Flexibility

Flexibility is the ability of a municipality 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. The City now has a debt per household ratio that is in line with targets, however, the debt servicing costs are now above the target. 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. The opposite can be said if reserves are recommended as the main funding source. Debt, particularly combined with funding opportunities from senior levels of government, is a viable, partial solution to the asset condition issues.

|                                                                                                         |                    | 2020     | 2019     | 2018     | 2017     | 2016     |
|---------------------------------------------------------------------------------------------------------|--------------------|----------|----------|----------|----------|----------|
| Flexibility Indicators                                                                                  | Target             |          |          |          |          |          |
| Residential taxes per household                                                                         | \$3,000 to \$5,000 | \$ 2,472 | \$ 2,349 | \$ 2,258 | \$ 2,176 | \$ 2,072 |
| Debt per household                                                                                      | \$2,000 to \$3,500 | \$ 3,454 | \$ 927   | \$ 1,012 | \$ 1,027 | \$ 1,096 |
| Residential taxes as a percentage of household income                                                   | 3.0% to 5.0%       | 3.85%    | 3.79%    | 3.83%    | 3.85%    | 3.63%    |
| Total taxation as a percentage of total assessment                                                      | 1.0% to 2.5%       | 1.30%    | 1.27%    | 1.24%    | 1.22%    | 1.17%    |
| Debt servicing costs (interest and principal) as a percentage of net revenues                           | 2.0% to 3.0%       | 3.24%    | 1.98%    | 2.32%    | 2.19%    | 2.28%    |
| Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets | 40% to 60%         | 49.2%    | 49.3%    | 48.8%    | 49.7%    | 50.3%    |



## Vulnerability

Vulnerability is the degree to which the City is susceptible to changes in funding sources outside of its control. There is a risk in relying too heavily on funding sources, which can be reduced or eliminated without notice.

The municipality 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 ministries (health and long-term care, education, community and social services etc.).

Over a number of years, the City's reliance on federal and provincial funding has remained consistent as shown by minor fluctuations in government transfers to total revenue. This reliance increased in 2017 due to new programs in social housing and significant investments in infrastructure projects such as the Maley Drive Extension and Clean Water and Wastewater initiatives. In recent years, this trend reverted back as funding for large, one time projects was no longer available. It may be perceived that a higher ratio indicates higher vulnerability; however, we may see increased ratios due to new funding for specific capital projects. The City will continue to maximize grant revenue whenever possible to help address the infrastructure requirements. Taking advantage of these opportunities is reflected in the indicators below.

|                                                              |               | 2020  | 2019  | 2018  | 2017  | 2016  |
|--------------------------------------------------------------|---------------|-------|-------|-------|-------|-------|
| <b>Vulnerability Indicators</b>                              | <b>Target</b> |       |       |       |       |       |
| Ratio of government transfers to total revenue               | n/a           | 0.27  | 0.28  | 0.29  | 0.30  | 0.25  |
| Operating grants as a percentage of total revenues           | 10% to 25%    | 23.2% | 22.0% | 23.2% | 22.6% | 22.9% |
| Capital grants as a percentage of total capital expenditures | 10% to 25%    | 22.6% | 26.0% | 40.2% | 45.3% | 14.1% |

# 2020 Financial Results

The Annual Report includes the Consolidated Financial Statements of the City of Greater Sudbury for the year ended December 31, 2020. 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

### 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 2020 are as follows:

- The 2020 Consolidated Statement of Financial Position reports net financial assets of \$220 million, an increase of \$11 million from \$211 million in 2019.
- The City's accumulated surplus increased from \$1.777 billion in 2019 to \$1.842 billion at December 31, 2020. 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 \$18 million from \$139 million in 2019 to \$157 million in 2020 mainly due to COVID related curtailments.
- The 2020 Consolidated Statement of Operations and Accumulated Surplus indicated an annual surplus of \$65 million compared to \$43 million in 2019.
- Revenues increased by \$16 million from 2019. Council approved a property tax increase of 4.8 per cent, a water rate increase of 4.8 per cent and 3 per cent increase to user fees which is reflective in the increase in taxation and user revenues for 2020.
- Expenses decreased by \$5 million from 2019. Significant decreases were \$7 million related to transportation services, \$7 million for recreation services offset by increases of \$6 million related to general government and \$3 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 2020 Capital Budget:

During 2020, there continued to be infrastructure renewal on projects approved in budgets prior to and in 2020 such as:

| Capital Investment Budget                                     | 2020    |
|---------------------------------------------------------------|---------|
|                                                               | Budget  |
| Arterial / Collector Roads Rehabilitation & Resurfacing       | \$24.7M |
| Bridges & Culverts Replacement & Rehabilitation               | \$19.0M |
| The Junction                                                  | \$11.6M |
| Watermain Priority Replacement & Rehabilitation               | \$9.8M  |
| Automatic Meter Reading Water Meters (W and WW contributions) | \$7.1M  |
| LED Streetlight Conversion                                    | \$6.7M  |
| Accelerated Bus Fleet Replacement Program                     | \$6.5M  |
| Local Roads Rehabilitation & Resurfacing                      | \$5.3M  |
| Annual Recurring Road Programs & Projects                     | \$5.1M  |
| Surface Treatment                                             | \$5.0M  |
| Road & Water/WW Improvements (Roads only)                     | \$3.8M  |
| Lively Water & Sewer Upgrades Project                         | \$3.7M  |
| Sewer Priority Replacement & Rehabilitation                   | \$3.4M  |

During 2020, there continued to be infrastructure renewal on projects approved in budgets prior to and in 2020 such as:

| Capital Investment                            | 2020   |
|-----------------------------------------------|--------|
|                                               | Spend  |
| Maley Drive                                   | \$7.2M |
| MR 35                                         | \$6.5M |
| LED Streetlight Conversion                    | \$6.2M |
| Vermillion Lake Bridge (MR 55)                | \$5.2M |
| Surface Treatment                             | \$5.0M |
| MR 80 - Maley to McCrea Heights               | \$4.7M |
| Whitson Paquette Drain                        | \$4.2M |
| City Fleet Vehicle and Equipment Replacements | \$4.2M |
| Asphalt Patching                              | \$4.1M |
| Valley Wells Upgrades                         | \$3.7M |
| Cycling Infrastructure                        | \$3.2M |
| High Falls Bridge                             | \$3.2M |

## 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

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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 cash, accounts receivable, investments in Government Business Enterprises (GBE) and investments. Financial assets increased by \$231 million in 2020 to \$756 million compared to \$525 million in 2019.

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 \$117 million in 2019 to \$135 million in 2020 due to a combined annual surplus of \$18 million for 2020.

The City's investments ended the year at \$514 million which is an increase of \$209 million from 2019. The receipt of the loan proceeds of \$200 million are the largest contributor. As the related capital projects progress the investment amount will decrease.



|                                   | 2020           | 2019           | 2018           | 2017           | 2016           |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Financial assets (\$000's)</b> | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| Cash                              | 14,138         | 16,439         | 8,174          | 6,188          | 7,044          |
| Taxes receivable                  | 11,074         | 9,304          | 8,532          | 9,360          | 7,122          |
| Accounts receivable               | 80,930         | 76,857         | 73,993         | 69,426         | 48,252         |
| Inventory held for resale         | -              | -              | 1,802          | 2,474          | 3,044          |
| Investment in GBE                 | 135,436        | 117,133        | 114,145        | 108,150        | 105,986        |
| Investments                       | 514,370        | 305,473        | 304,800        | 298,357        | 323,144        |
| <b>TOTAL ASSETS</b>               | <b>755,948</b> | <b>525,206</b> | <b>511,446</b> | <b>493,955</b> | <b>494,592</b> |

## Financial liabilities summary

The City's financial liabilities are mostly comprised of accounts payable, employee benefit obligations and long-term liabilities. Financial liabilities have increased by \$221 million from \$315 million in 2019 to \$536 million in 2020.

Accounts payable and accrued liabilities increased by \$18 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. Included in the 2020 amount is an increase of \$6 million payable to the province for programs that were not able to be funded due to COVID impacts.

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 2020 from \$5 million in 2019 to \$11 million in 2020. The increase relates to funds received from the province for COVID expenses that can continue to be used in 2021. Employee benefit obligations have increased by \$3 million from 2019. 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.

Long-term liabilities for 2020 total \$261 million, an increase of \$192 million from 2019. The \$200 million sinking fund debenture is offset by \$8 million of principal repayments.

|                                             | 2020           | 2019           | 2018           | 2017           | 2016           |
|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Financial liabilities (\$000's)</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| Accounts payable and accrued liabilities    | 117,525        | 99,966         | 97,656         | 99,200         | 93,650         |
| Deferred revenue - obligatory reserve funds | 56,025         | 55,191         | 50,418         | 40,489         | 43,463         |
| Deferred revenue - other                    | 10,891         | 4,669          | 4,641          | 3,590          | 3,366          |
| Employee benefit obligations                | 72,152         | 68,860         | 65,209         | 62,523         | 59,075         |
| Solid waste management facility liability   | 17,502         | 15,535         | 14,316         | 14,944         | 14,429         |
| Long-term liabilities                       | 261,802        | 70,264         | 76,530         | 77,472         | 82,597         |
| <b>TOTAL LIABILITIES</b>                    | <b>535,897</b> | <b>314,485</b> | <b>308,770</b> | <b>298,218</b> | <b>296,580</b> |



## 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 \$16 million from \$654 million in 2019 to \$670 million in 2020.

Government Transfers in total were \$184 million a decrease from \$186 million in 2019. The increase in the Provincial transfers was due to COVID related programs and Federal decrease was due to one time gas tax funding in 2019

Taxation for 2020 was \$16 million higher than 2019 primarily due to a tax increase of 4.8 per cent as approved by Council through the annual budget process.

User charges decreased by \$5 million from 2019 from a decrease in usage due to COVID. Transit and Parking revenue decreased by \$4.8 million, Recreation decreased by \$3.7 million with these decreases offset by water user fees.

GBE contributed \$18.3 million to the 2020 annual surplus. A change in accounting at Greater Sudbury Utilities resulted in a surplus of \$21.7 million and the Sudbury Airport Community Development Corporate had a deficit of \$3.4 million.

Note that 64 per cent (64 per cent in 2019) of the City's revenue is attributed to taxation and user fees which are determined and approved through the annual budget process.

|                                  | 2020           | 2019           | 2018           | 2017           | 2016           |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenues (\$000's)               | \$             | \$             | \$             | \$             | \$             |
| Government Transfers, Provincial | 170,819        | 160,598        | 156,171        | 148,686        | 132,062        |
| Government Transfers, Federal    | 12,862         | 25,217         | 21,170         | 31,557         | 4,592          |
| Taxation                         | 298,381        | 282,721        | 267,956        | 257,561        | 246,972        |
| User Charges                     | 131,791        | 136,412        | 131,251        | 124,053        | 119,971        |
| Investment Income                | 14,950         | 12,489         | 11,444         | 10,150         | 10,063         |
| Fines and Penalties              | 4,733          | 5,979          | 6,321          | 7,501          | 6,012          |
| Other                            | 18,319         | 27,664         | 22,307         | 23,762         | 25,440         |
| GBE net earnings                 | 18,303         | 2,988          | 5,995          | 2,164          | 10,769         |
| <b>TOTAL REVENUES</b>            | <b>670,158</b> | <b>654,068</b> | <b>622,615</b> | <b>605,434</b> | <b>555,881</b> |

## Expenses

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Expenses represent the City's costs to provide a wide range of services to more than 166,000 citizens.

Expenses increased in 2020 by \$28 million from \$583 in 2019 to \$611 million in 2020 to maintain existing service levels.

## Expenses by function

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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 \$6.3 million due in large part to the costs of the new debt incurred in March 2020.

Transportation Services decreased by \$7 million from \$126 million to \$119 million due in part to a \$1.5 million decrease in roads maintenance activities which had significant additional investment in 2019 due to available gas tax funds, \$4.0 million decrease in winter control costs and a \$2.0 million decrease in transit expenses because of COVID.

Health Services increased by \$2.0 million from \$32 to \$34 million due to extra costs in Paramedic Services which were funded by the province.

Social and Family Services decreased by \$3 million from \$117 million to

\$120 million due to a \$8 million decrease in childcare costs due to service curtailments offset by a \$5 million increase in assistance to aged persons (Pioneer Manor) with these costs funded by the province.

Recreation and Cultural Services decreased by \$7 million from \$47 million to \$40 million, from the impact of decrease in programming due to COVID.

## Expenses by category

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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 \$4 million. There extraordinary increases in were increases in paramedics and Pioneer Manor due to increased staffing and wage enhancements funded by the province. Decreased recreation programing lowered costs by \$4.8 million compared to 2019.

Materials decreased by \$5 million with the largest decrease of \$4.7 million in roads maintenance due to a decrease in activity from a decrease in available gas tax funds.

Contract services decreased by \$9 million due to lower winter control costs and a \$7.0 million decrease in payments to childcare providers.

Other increased by \$4 million due in large part to the costs of the new debt incurred in March 2020.



|                                       | 2020           | 2019           | 2018           | 2017           | 2016           |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Expenses by Category (\$000's)</b> | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| Salaries wages & employee benefits    | 271,808        | 268,079        | 255,511        | 243,678        | 240,816        |
| Materials                             | 106,149        | 110,963        | 99,398         | 101,445        | 81,597         |
| Contract Services                     | 90,671         | 99,891         | 94,830         | 86,957         | 98,348         |
| Grants and Transfer Payments          | 50,290         | 51,967         | 55,507         | 50,589         | 43,392         |
| Amortization                          | 78,484         | 75,626         | 73,200         | 72,028         | 70,905         |
| Other                                 | 8,026          | 4,045          | 4,143          | 4,179          | 4,058          |
| <b>TOTAL EXPENSES</b>                 | <b>605,428</b> | <b>610,571</b> | <b>582,589</b> | <b>558,876</b> | <b>539,116</b> |

## Accumulated Surplus

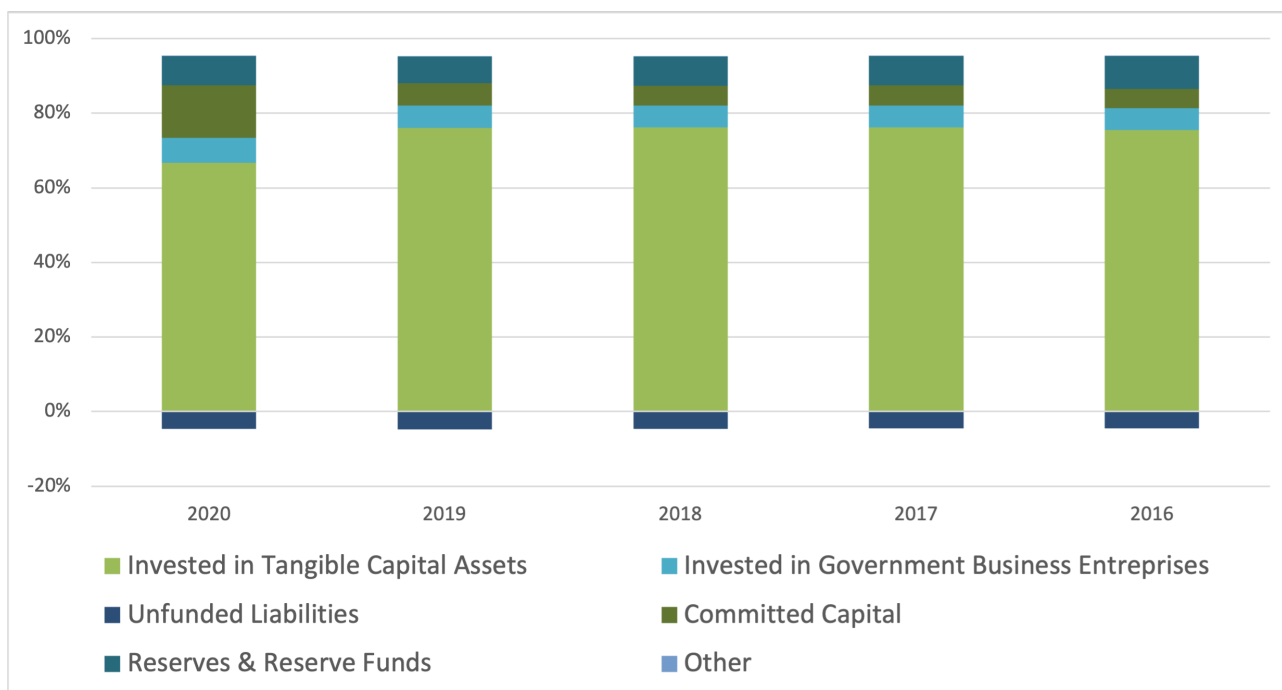
The accumulated surplus is the amount by which all assets, including tangible capital assets, exceed liabilities. An accumulated surplus indicates a government has net resources to provide services in future reporting periods.

The City has an accumulated surplus of \$1.842 billion which is an increase of \$65 million from 2019.

This increase can be attributed to an increased investment in tangible capital assets and committed capital of approximately \$31 million.

Reserves and reserve funds total \$157 million compared to \$139 million in 2019. 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 \$80 million of the total reserve funds are committed.

## Accumulated Surplus

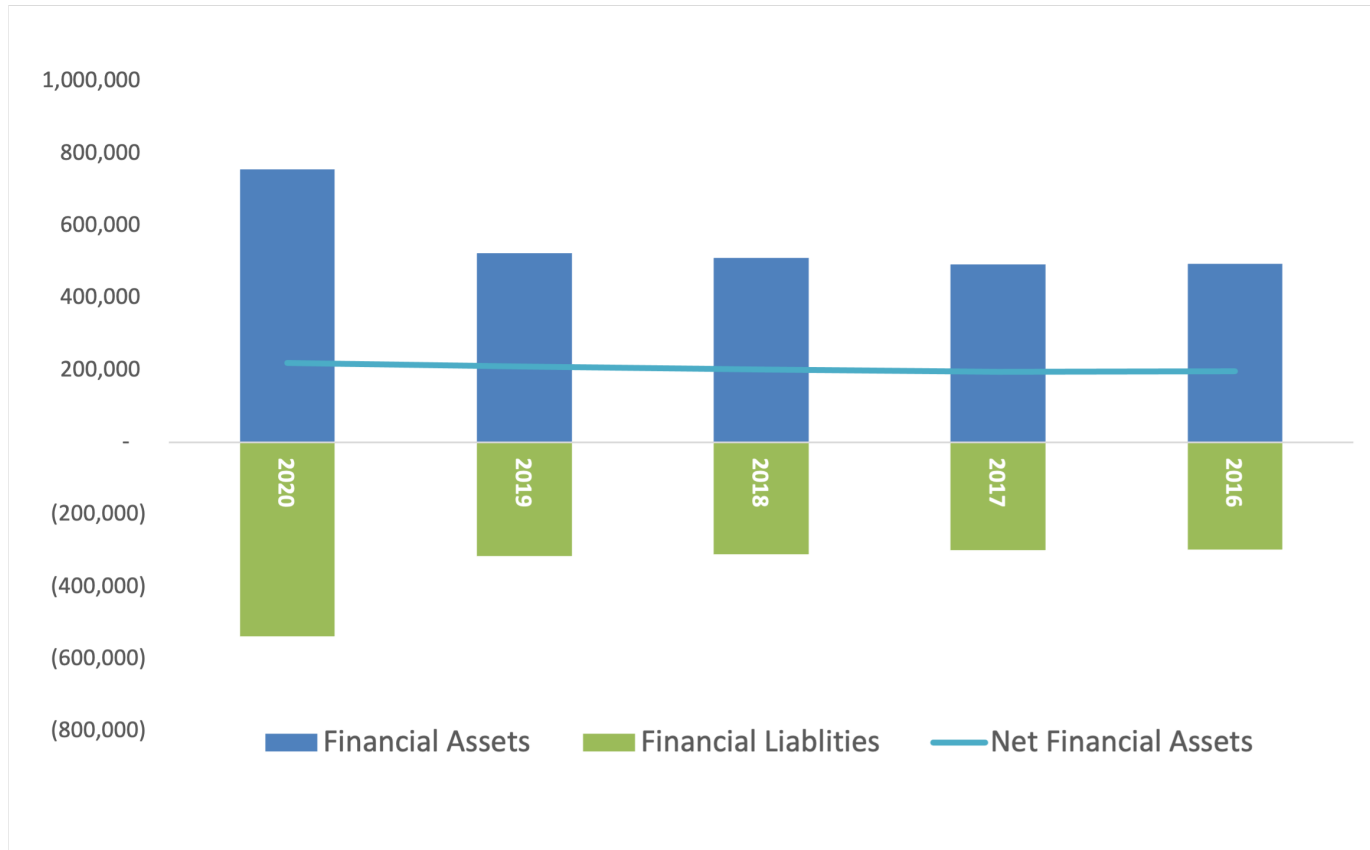


## Consolidated Statement of Change in Net Financial Assets

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



## Consolidated Statement of Cash Flow

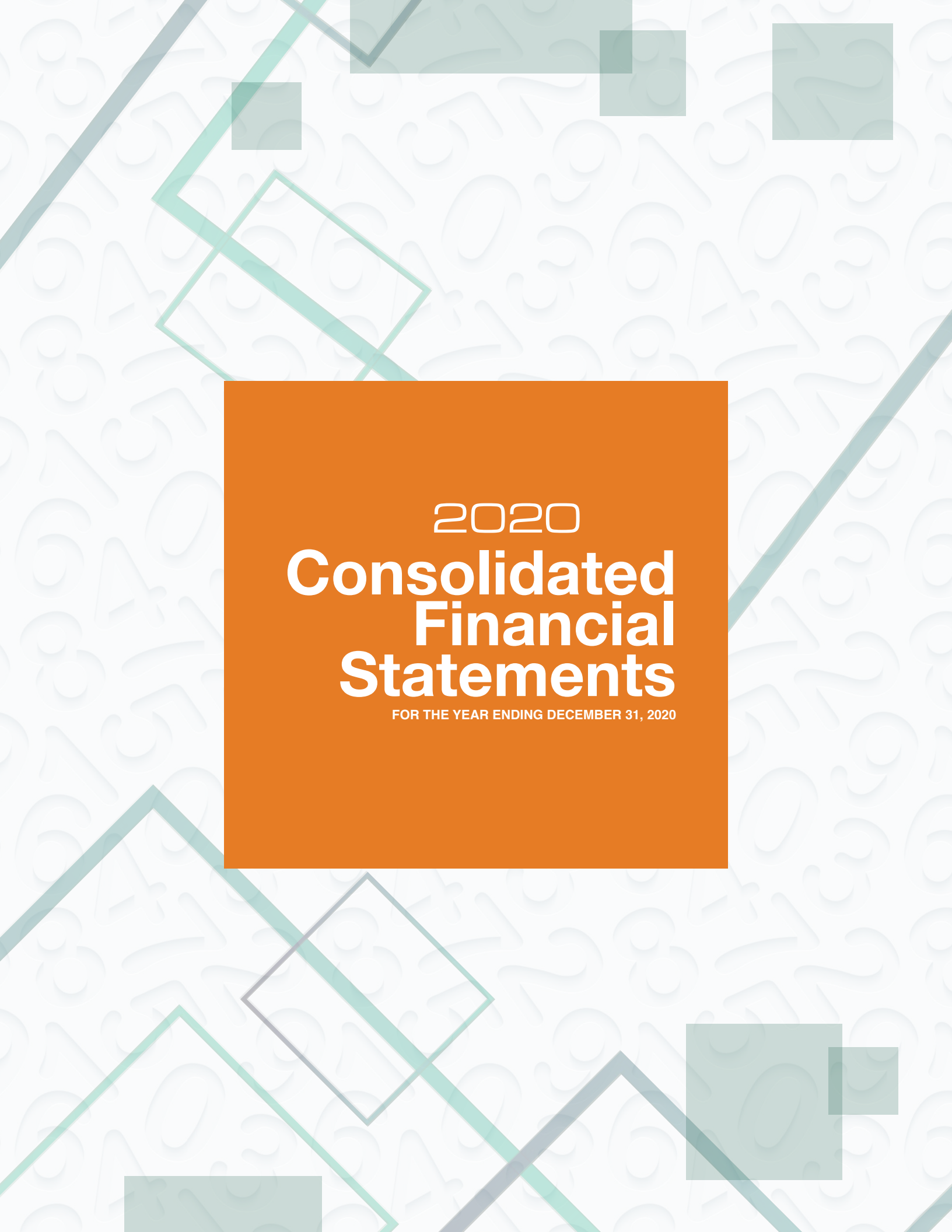
The Consolidated Statement of Cash Flow summarizes the City's cash position and changes during the year by describing the source and uses of cash categorized by operating, capital, investing and financing transactions.

The Consolidated Statement of Cash Flow describes how activities were financed during the reporting period and the effect of activities on the cash balance. The City used its cash during the year to acquire tangible capital assets and repay its debt. The City was required to sell investments during the year to meet the cash requirements due to an increase in accounts receivables.

This statement helps inform readers about whether future cash resources are sufficient for sustaining the City's activities.

Ed Stankiewicz,  
Executive Director of Finance Assets and Fleet





2020

# Consolidated Financial Statements

FOR THE YEAR ENDING DECEMBER 31, 2020

Consolidated Financial Statements of

## **CITY OF GREATER SUDBURY**

And Independent Auditors' report thereon

Year ended December 31, 2020



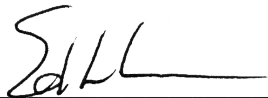
## Management's Responsibility for the Consolidated Financial Statements

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



Ed Stankiewicz  
Executive Director of Finance, Assets  
and Fleet



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

- the consolidated statement of financial position as at December 31, 2020
- 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, 2020, 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 ethical 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.





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### ***Other Information***

Management is responsible for the other information. Other information comprises: the information, other than the financial statements and the auditors' report thereon, included in the "Financial Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the "Financial Report" as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

### ***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.



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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.





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- 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 31, 2021

# CITY OF GREATER SUDBURY

Consolidated Statement of Financial Position

(in thousands of dollars)

December 31, 2020, with comparative information for 2019

|                                                            | 2020         | 2019         |
|------------------------------------------------------------|--------------|--------------|
| <b>Financial assets</b>                                    |              |              |
| Cash                                                       | \$ 14,138    | \$ 16,439    |
| Taxes receivable (note 3)                                  | 11,074       | 9,305        |
| Accounts receivable (note 4)                               | 80,930       | 76,857       |
| Investment in Government Business Enterprises (note 5 (a)) | 135,436      | 117,133      |
| Investments (note 6)                                       | 514,370      | 305,473      |
|                                                            | 755,948      | 525,207      |
| <b>Financial liabilities</b>                               |              |              |
| Accounts payable and accrued liabilities (note 7)          | 117,525      | 99,966       |
| Deferred revenue - obligatory reserve funds (note 9)       | 56,025       | 55,191       |
| Deferred revenue - other (note 10)                         | 10,891       | 4,669        |
| Employee benefit obligations (note 11)                     | 72,152       | 68,860       |
| Solid waste management facility liability (note 12)        | 17,502       | 15,535       |
| Long-term liabilities (note 13)                            | 261,802      | 70,264       |
|                                                            | 535,897      | 314,485      |
| <b>Net financial assets</b>                                | 220,051      | 210,722      |
| <b>Non-financial assets</b>                                |              |              |
| Tangible capital assets (note 14)                          | 1,609,262    | 1,555,109    |
| Inventory of supplies                                      | 6,838        | 5,482        |
| Prepaid expenses                                           | 5,416        | 5,524        |
|                                                            | 1,621,516    | 1,566,115    |
| Contractual rights and contingent assets (note 16)         |              |              |
| Contractual obligations and commitments (note 17)          |              |              |
| Effects of Covid-19 (note 26)                              |              |              |
| <b>Accumulated Surplus (note 18)</b>                       | \$ 1,841,567 | \$ 1,776,837 |

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, 2020, with comparative information for 2019

|                                                           | 2020<br>Budget | 2020<br>Actual | 2019<br>Actual |
|-----------------------------------------------------------|----------------|----------------|----------------|
|                                                           | (note 19)      |                |                |
| <b>Revenues</b>                                           |                |                |                |
| Government transfers - Provincial                         | \$ 154,164     | \$ 170,819     | \$ 160,598     |
| - Federal                                                 | 12,853         | 12,862         | 25,217         |
| Taxation (note 20)                                        | 297,882        | 298,381        | 282,721        |
| User charges                                              | 148,926        | 131,791        | 136,412        |
| Investment income                                         | 10,416         | 14,950         | 12,489         |
| Fines and penalties                                       | 7,123          | 4,733          | 5,979          |
| Other revenues (note 21)                                  | 19,927         | 18,319         | 27,664         |
| Government Business Enterprises net earnings (note 5 (b)) | 5,665          | 18,303         | 2,988          |
|                                                           | 656,956        | 670,158        | 654,068        |
| <b>Expenses</b>                                           |                |                |                |
| General government                                        | 28,571         | 33,749         | 27,448         |
| Protection services                                       | 107,607        | 108,346        | 107,935        |
| Transportation services                                   | 117,416        | 118,586        | 125,510        |
| Environmental services                                    | 103,422        | 102,922        | 99,190         |
| Health services                                           | 32,465         | 34,436         | 31,912         |
| Social and family services                                | 117,712        | 117,431        | 119,578        |
| Social housing                                            | 43,238         | 38,365         | 40,125         |
| Recreation and cultural services                          | 46,024         | 39,736         | 46,807         |
| Planning and development                                  | 14,734         | 11,857         | 12,066         |
|                                                           | 611,189        | 605,428        | 610,571        |
| <b>Annual Surplus</b>                                     | 45,767         | 64,730         | 43,497         |
| <b>Accumulated surplus, beginning of the year</b>         | 1,776,837      | 1,776,837      | 1,733,340      |
| <b>Accumulated surplus, end of the year</b>               | \$ 1,822,604   | \$ 1,841,567   | \$ 1,776,837   |

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, 2020, with comparative information for 2019

|                                                    | 2020<br>Budget | 2020<br>Actual | 2019<br>Actual |
|----------------------------------------------------|----------------|----------------|----------------|
|                                                    | (note 19)      |                |                |
| <b>Annual Surplus</b>                              | \$ 45,767      | \$ 64,730      | \$ 43,497      |
| Acquisition of tangible capital assets             | (172,280)      | (135,484)      | (112,158)      |
| Amortization of tangible capital assets            | 71,458         | 78,484         | 75,626         |
| Loss on sale of tangible capital assets            | -              | 2,475          | 1,918          |
| Proceeds on sale of tangible capital assets        | -              | 372            | 580            |
|                                                    | (55,055)       | 10,577         | 9,463          |
| Use of inventory                                   | -              | (1,355)        | (958)          |
| Prepaid expenses                                   | -              | 107            | (459)          |
| <b>Change in net financial assets</b>              | (55,055)       | 9,329          | 8,046          |
| <b>Net financial assets, beginning of the year</b> | 210,722        | 210,722        | 202,676        |
| <b>Net financial assets, end of the year</b>       | \$ 155,667     | \$ 220,051     | \$ 210,722     |

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, 2020, with comparative information for 2019

|                                                         | 2020      | 2019      |
|---------------------------------------------------------|-----------|-----------|
| <b>Cash flows from operating activities</b>             |           |           |
| Annual Surplus                                          | \$ 64,730 | \$ 43,497 |
| Items not involving cash:                               |           |           |
| Amortization of tangible capital assets                 | 78,484    | 75,626    |
| Loss on sale of tangible capital assets                 | 2,475     | 1,918     |
| Write down of tangible capital assets                   | -         | (1,218)   |
| Developer contributions of tangible capital assets      | (1,812)   | (7,120)   |
| Change in employee benefit obligations                  | 3,292     | 3,651     |
| Change in solid waste management facility liability     | 1,966     | 1,219     |
| Equity income in Government Business Enterprises        | (18,303)  | (2,988)   |
|                                                         | 130,832   | 114,585   |
| Change in non-cash working capital:                     |           |           |
| Increase in accounts and taxes receivable               | (5,983)   | (3,636)   |
| Decrease in inventory held for resale                   | -         | 1,802     |
| Increase in inventory of supplies                       | (1,355)   | (958)     |
| Decrease (increase) in prepaid expenses                 | 107       | (459)     |
| Increase in accounts payable and accrued liabilities    | 17,699    | 2,310     |
| Increase in deferred revenue - obligatory reserve funds | 834       | 4,773     |
| Increase in deferred revenue - other                    | 6,222     | 27        |
| Net change in cash from operating activities            | 148,356   | 118,444   |
| <b>Cash flows from financing activities</b>             |           |           |
| Long-term debt issued                                   | 200,000   | -         |
| Debt principal repayments                               | (4,572)   | (4,367)   |
| Financial obligations payments                          | (3,750)   | (1,760)   |
| Capital lease payments                                  | (139)     | (139)     |
|                                                         | 191,539   | (6,266)   |
| <b>Cash flows from capital activities</b>               |           |           |
| Proceeds on sale of tangible capital assets             | 372       | 580       |
| Cash used to acquire tangible capital assets            | (133,671) | (103,819) |
|                                                         | (133,299) | (103,239) |
| <b>Cash flows from investing activities</b>             |           |           |
| Purchase of investments                                 | (208,897) | (674)     |
| <b>Net increase (decrease) in cash</b>                  | (2,301)   | 8,265     |
| <b>Cash, beginning of the year</b>                      | 16,439    | 8,174     |
| <b>Cash, end of the year</b>                            | \$ 14,138 | \$ 16,439 |
| <b>Supplementary Information</b>                        |           |           |
| Interest received                                       | \$ 8,286  | \$ 7,458  |
| Interest paid                                           | \$ 6,304  | \$ 2,639  |

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

# CITY OF GREATER SUDBURY

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

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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.

#### (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



# CITY OF GREATER SUDBURY

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

## 1. Significant accounting policies (continued)

### (a) Reporting entity (continued)

#### (ii) Related entities (continued)

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

|                                                               | 2020     | 2019     |
|---------------------------------------------------------------|----------|----------|
| Nickel District Conservation Authority                        | \$ 1,018 | \$ 954   |
| Board of Health for the Sudbury & District Health Unit        | 6,950    | 6,318    |
| The City of Greater Sudbury Community Development Corporation | 1,565    | 1,576    |
|                                                               | \$ 9,533 | \$ 8,848 |

#### (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.

# CITY OF GREATER SUDBURY

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

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## 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 August.

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.



# CITY OF GREATER SUDBURY

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

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## 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, and industrial 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.

# CITY OF GREATER SUDBURY

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

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## 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 contributed to OMERS and expensed in 2020 was \$17,891 (2019 - \$17,536). As of December 31, 2020, the OMERS plan, with approximately 526,000 members, has a funding deficit of \$7,655,000 (2019 - surplus \$1,531,000).

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.



# CITY OF GREATER SUDBURY

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

## 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.

# CITY OF GREATER SUDBURY

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

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## 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.

##### (ii) Capital interest

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

##### (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 perpetuity 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.



# CITY OF GREATER SUDBURY

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

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## 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 from 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.

# CITY OF GREATER SUDBURY

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

## 3. Taxes receivable

|                                           | 2020      | 2019     |
|-------------------------------------------|-----------|----------|
| Current taxes and grants in lieu of taxes | \$ 8,609  | \$ 7,686 |
| Taxes in arrears                          | 7,815     | 7,584    |
|                                           | 16,424    | 15,270   |
| Less: allowance for doubtful accounts     | (5,350)   | (5,965)  |
| Net taxes receivable                      | \$ 11,074 | \$ 9,305 |

## 4. Accounts receivable

Accounts receivable consists of the following:

|                                       | 2020      | 2019      |
|---------------------------------------|-----------|-----------|
| Government of Canada                  | \$ 12,661 | \$ 16,830 |
| Province of Ontario                   | 10,662    | 13,144    |
| Other receivables                     | 59,074    | 47,746    |
|                                       | 82,397    | 77,720    |
| Less: allowance for doubtful accounts | (1,467)   | (863)     |
| Net accounts receivable               | \$ 80,930 | \$ 76,857 |



# CITY OF GREATER SUDBURY

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

## 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        | 2020<br>Total | 2019<br>Total |
|--------------------------------------------------|-----------|------------|---------------|---------------|
| Balance, beginning of year                       | \$ 16,139 | \$ 100,994 | \$ 117,133    | \$ 114,145    |
| City's share of operating income<br>for the year | (3,414)   | 21,717     | 18,303        | 2,988         |
| Balance, end of year                             | \$ 12,725 | \$ 122,711 | \$ 135,436    | \$ 117,133    |

The investment of \$122,711 in GSU includes a promissory note receivable of \$52,340 (2019 - \$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, 2020:

### Financial Position

|                                                | SACDC     | GSU       | 2020<br>Total | 2019<br>Total |
|------------------------------------------------|-----------|-----------|---------------|---------------|
| Current assets                                 | \$ 387    | \$ 26,763 | \$ 27,150     | \$ 33,700     |
| Capital assets                                 | 27,530    | 126,412   | 153,942       | 148,837       |
| Other assets                                   | -         | 39,421    | 39,421        | 17,051        |
| Total assets                                   | 27,917    | 192,596   | 220,513       | 199,588       |
| Current liabilities                            | 370       | 20,428    | 20,798        | 22,314        |
| Note payable to the City of<br>Greater Sudbury | 5,270     | 52,340    | 57,610        | 55,637        |
| Long term liabilities                          | 9,552     | 49,458    | 59,010        | 56,845        |
| Total liabilities                              | 15,192    | 122,226   | 137,418       | 134,796       |
| Net assets                                     | \$ 12,725 | \$ 70,370 | \$ 83,095     | \$ 64,792     |

The \$5,270 (2019 - \$3,297) 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.

# CITY OF GREATER SUDBURY

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

## 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, 2020, the City is in compliance with the requirements of By-Law 2017-16.

|                                                 | SACDC      | GSU        | 2020<br>Total | 2019<br>Total |
|-------------------------------------------------|------------|------------|---------------|---------------|
| Revenue                                         | \$ 4,713   | \$ 158,576 | \$ 163,289    | \$ 156,894    |
| Expenses                                        | (8,023)    | (163,681)  | (171,704)     | (150,600)     |
| Interest paid to the City of<br>Greater Sudbury | (100)      | (3,795)    | (3,895)       | (3,910)       |
| Other                                           | -          | 30,768     | 30,768        | 2,345         |
| Other comprehensive income                      | (4)        | (151)      | (155)         | (1,741)       |
| Net income                                      | \$ (3,414) | \$ 21,717  | \$ 18,303     | \$ 2,988      |
| Budgeted net income                             | \$ 2,229   | \$ 3,436   | \$ 5,665      | \$ 3,526      |

### (c) Related Party Transactions

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

- (i) At December 31, 2020, the City has the following amounts included in the consolidated statement of financial position:

A receivable of \$1,215 (2019 - \$1,580) for water billings collected by GSU on behalf of the City.

A payable of \$10 (2019 - \$29) 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:

|                                        | 2020     | 2019     |
|----------------------------------------|----------|----------|
| Property taxes                         | \$ 494   | \$ 472   |
| Interest on promissory note receivable | 3,896    | 3,911    |
|                                        | \$ 4,390 | \$ 4,383 |



# CITY OF GREATER SUDBURY

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

## 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:

|                                                          | 2020     | 2019      |
|----------------------------------------------------------|----------|-----------|
| Billing and collection services for water and wastewater | \$ 1,638 | \$ 1,679  |
| Streetlighting maintenance services                      | 527      | 611       |
| Streetlighting infrastructure                            | 236      | 331       |
| Electricity                                              | 6,165    | 7,740     |
| Telecommunications                                       | 572      | 521       |
|                                                          | \$ 9,138 | \$ 10,882 |

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

|                        | 2020 Interest Rates | Market     | 2020<br>Cost | Market     | 2019<br>Cost |
|------------------------|---------------------|------------|--------------|------------|--------------|
| Short term investments | (0.90% to 2.87%)    | \$ 379,548 | \$ 377,667   | \$ 185,662 | \$ 184,945   |
| Long term investments  | (0.00% to 3.97%)    | 147,732    | 136,703      | 127,315    | 120,528      |
|                        |                     | \$ 527,280 | \$ 514,370   | \$ 312,977 | \$ 305,473   |

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 (2019 - 2021 to 2037).

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, 2020, the City is in compliance with the requirements of By-Law 2013-179.

# CITY OF GREATER SUDBURY

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

## 7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

|                                                       | 2020              | 2019             |
|-------------------------------------------------------|-------------------|------------------|
| Government of Canada                                  | \$ 2,173          | \$ 1,706         |
| Province of Ontario                                   | 8,091             | 1,990            |
| Other payables                                        | 107,261           | 96,270           |
| <b>Total accounts payable and accrued liabilities</b> | <b>\$ 117,525</b> | <b>\$ 99,966</b> |

## 8. Bank indebtedness

The City has an unsecured demand revolving credit facility in the amount of \$10,000 (2019 - \$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% (2019 - 1.95%) per annum. No amounts were drawn against the facility as at December 31, 2020 and 2019.

## 9. Deferred revenue - obligatory reserve funds

Deferred revenue - obligatory reserve funds consist of the following:

|                                                     | December 31,<br>2019 | Externally<br>restricted<br>inflows | Revenue<br>earned  | December 31,<br>2020 |
|-----------------------------------------------------|----------------------|-------------------------------------|--------------------|----------------------|
| Gasoline Tax - Federal                              | \$ 21,151            | \$ 10,255                           | \$ (8,864)         | \$ 22,542            |
| Gasoline Tax - Provincial                           | -                    | 2,919                               | (1,518)            | 1,401                |
| Ontario Community Infrastructure Fund               | 7,533                | 9,454                               | (13,351)           | 3,636                |
| Children's Services - Transition Mitigation Funding | 6,296                | -                                   | -                  | 6,296                |
| Enabling Accessibility Fund                         | 500                  | 10                                  | -                  | 510                  |
| Development Charges Act                             | 2,103                | 5,238                               | (2,665)            | 4,676                |
| Recreational Land (Planning Act)                    | 1,030                | 117                                 | (126)              | 1,021                |
| Sub-Divider Contributions                           | 8,999                | 662                                 | (728)              | 8,933                |
| Building Permit Revenues (Bill 124)                 | 6,602                | 397                                 | -                  | 6,999                |
| Ontario Municipal Commuter Cycling Provincial Grant | 892                  | 10                                  | (902)              | -                    |
| Ontario's Main Street Revitalization Initiatives    | 85                   | 1                                   | (75)               | 11                   |
|                                                     | <b>\$ 55,191</b>     | <b>\$ 29,063</b>                    | <b>\$ (28,229)</b> | <b>\$ 56,025</b>     |



# CITY OF GREATER SUDBURY

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

## 10. Deferred revenue – other

Deferred revenue - other consist of the following:

|                       | December 31,<br>2019 | Externally<br>restricted<br>inflows | Revenue<br>earned | December 31,<br>2020 |
|-----------------------|----------------------|-------------------------------------|-------------------|----------------------|
| Federal government    | \$ 83                | \$ 1,118                            | \$ (459)          | \$ 742               |
| Provincial government | 3,398                | 14,333                              | (8,614)           | 9,117                |
| Municipal government  | 28                   | 2                                   | (28)              | 2                    |
| Other                 | 827                  | 1,202                               | (1,391)           | 638                  |
| Consolidated entities | 333                  | 392                                 | (333)             | 392                  |
|                       | \$ 4,669             | \$ 17,047                           | \$ (10,825)       | \$ 10,891            |

## 11. Employee benefit obligations

Employee benefit obligations consist of the following:

|                                   | 2020      | 2019      |
|-----------------------------------|-----------|-----------|
| Future payments required for:     |           |           |
| WSIB obligations                  | \$ 11,367 | \$ 8,931  |
| Accumulated sick leave benefits   | 5,405     | 6,258     |
| Other post-employment benefits    | 36,673    | 35,515    |
| Liability for Stop Loss Insurance | 732       | 972       |
| Vacation pay                      | 17,975    | 17,184    |
|                                   | \$ 72,152 | \$ 68,860 |

The City has established reserve funds in the amount of \$10,025 (2019 - \$10,988) 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.

# CITY OF GREATER SUDBURY

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

## 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, 2020 for each of the plans.

|                                              | WSIB      | Sick Leave | Other Post-Employment Benefits | 2020 Total | 2019 Total |
|----------------------------------------------|-----------|------------|--------------------------------|------------|------------|
| Accrued benefit liability, beginning of year | \$ 8,931  | \$ 6,258   | \$ 37,656                      | \$ 52,845  | \$ 54,043  |
| Benefit cost                                 | 3,263     | 306        | 1,766                          | 5,335      | 5,002      |
| Interest cost                                | 721       | 185        | 1,343                          | 2,249      | 2,310      |
| Benefit payment                              | (3,618)   | (1,202)    | (2,472)                        | (7,292)    | (6,591)    |
| Actuarial loss (gain)                        | 12,411    | (164)      | 1,582                          | 13,829     | 5,043      |
| Accrued benefit liability, end of year       | 21,708    | 5,383      | 39,875                         | 66,966     | 59,807     |
| Unamortized actuarial gain (loss)            | (10,341)  | 22         | (3,202)                        | (13,521)   | (11,129)   |
|                                              | \$ 11,367 | \$ 5,405   | \$ 36,673                      | \$ 53,445  | \$ 48,678  |

The total employee benefits expense include the following components:

|                                                              | WSIB     | Sick Leave | Other Post-Employment Benefits | 2020 Total | 2019 Total |
|--------------------------------------------------------------|----------|------------|--------------------------------|------------|------------|
| Current period benefit cost                                  | \$ 3,995 | \$ 306     | \$ 1,773                       | \$ 6,074   | \$ 5,974   |
| Prior period cost of plan amendment incurred during the year | -        | -          | -                              | -          | (115)      |
| Amortization of actuarial gain (loss)                        | 2,070    | -          | 1,343                          | 3,413      | 3,149      |
| Interest expense                                             | 721      | 185        | 521                            | 1,427      | 1,488      |
| Total employee benefit expense                               | \$ 6,786 | \$ 491     | \$ 3,637                       | \$ 10,914  | \$ 10,496  |

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, 2020, the initial health care trend rate is 7.6% (2019 - 7.6 %) and the ultimate trend rate is 4.5% (2019 - 4.5%) which is expected to be reached in 2029 (2019 - 2029).



# CITY OF GREATER SUDBURY

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

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## 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% (2019 - 3.85%) minus an inflation rate of 1.89% (2019 - 2.19%) (10-year average of CPI from 2010 to 2020). The estimated total landfill closure and post-closure care expenses are calculated to be \$27,720 (2019 - \$25,181). The estimated liability for the active sites is recognized as the landfill site's capacity is used. At December 31, 2020, an amount of \$17,502 (2019 - \$15,535) with respect to landfill closure and post-closure liabilities has been accrued.

### Active sites

The estimated remaining capacity of the Sudbury landfill site is 43% (3,367,322 cubic meters) (2019 - 45%) of its total estimated capacity and its estimated remaining life is 37 years (2019 - 35 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 32% (531,698 cubic meters) (2019 - 35%) of its total estimated capacity and its estimated remaining life is 18 years (2019 - 25 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 43% (633,513 cubic meters) (2019 - 46%) of its total estimated capacity and its estimated remaining life is 28 years (2019 - 31 years), after which the period for post-closure care is estimated to be 25 years.

### Inactive sites

The City has identified three (2019 - 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% (2019 - 3.85%). The estimated present value of future expenditures for post-closure care is \$2,070 (2019 - \$2,122).

# CITY OF GREATER SUDBURY

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

## 13. Long-term liabilities

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

|                                   | 2020              | 2019             |
|-----------------------------------|-------------------|------------------|
| Debentures (i)                    | \$ 41,099         | \$ 44,883        |
| Sinking Fund Debentures (ii)      | 200,000           | -                |
| Other loans (iii)                 | 14,934            | 15,722           |
| Capital lease obligations (iv)    | 269               | 409              |
| Accrued financial obligations (v) | 5,500             | 9,250            |
|                                   | <b>\$ 261,802</b> | <b>\$ 70,264</b> |

- (i) The debentures bear interest at rates of 3.10% to 5.734%, repayable in aggregate blended monthly payments of \$441 and a semi-annual payment of \$2,416, maturing from March 2023 to March 2050.
- (ii) The sinking fund debentures bear 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 contribution 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 monthly payments of \$13, maturing from April 2021 to April 2023.
- (v) Accrued financial obligations consist of the following:

|                                             | Last Year<br>of<br>Obligation | 2020            | 2019            |
|---------------------------------------------|-------------------------------|-----------------|-----------------|
| Place des Arts                              | 2021                          | \$ 2,000        | \$ 4,500        |
| Maison McCulloch Hospice                    | 2022                          | 300             | 450             |
| Northeastern Ontario Regional Cancer Centre | 2023                          | 812             | 1,113           |
| Health Sciences North                       | 2023                          | 1,888           | 2,587           |
| Health Sciences North (PET Scanner)         | 2025                          | 500             | 600             |
|                                             |                               | <b>\$ 5,500</b> | <b>\$ 9,250</b> |



# CITY OF GREATER SUDBURY

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

## 13. Long-term liabilities (continued)

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

|            |    |         |
|------------|----|---------|
| 2021       | \$ | 12,372  |
| 2022       |    | 10,599  |
| 2023       |    | 9,156   |
| 2024       |    | 8,250   |
| 2025       |    | 7,449   |
| Thereafter |    | 213,976 |
|            | \$ | 261,802 |

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

|                            |    |         |
|----------------------------|----|---------|
| General municipal revenues | \$ | 222,691 |
| Water/wastewater user fees |    | 39,111  |
|                            | \$ | 261,802 |

(d) The City expensed \$6,304 in 2020 (2019 - \$ 2,639) in interest on these borrowings.

# CITY OF GREATER SUDBURY

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

## 14. Tangible capital assets

| Cost                               | Balance<br>December 31,<br>2019 | Additions         | Disposals /<br>Transfers | Balance at<br>December 31,<br>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                             |
| <b>Total</b>                       | <b>\$ 3,111,666</b>             | <b>\$ 163,266</b> | <b>\$ (56,095)</b>       | <b>\$ 3,218,837</b>                |

| Accumulated<br>amortization        | Balance<br>December 31,<br>2019 | Amortization<br>expense | Disposals /<br>Transfers | Balance at<br>December 31,<br>2020 |
|------------------------------------|---------------------------------|-------------------------|--------------------------|------------------------------------|
| General Capital:                   |                                 |                         |                          |                                    |
| 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                         | 7,545                   | (497)                    | 192,690                            |
| <b>Total</b>                       | <b>\$ 1,556,557</b>             | <b>\$ 78,484</b>        | <b>\$ (25,466)</b>       | <b>\$ 1,609,575</b>                |

|                                    | Net book value<br>December 31,<br>2019 | Net book value<br>December 31,<br>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                                 |
| <b>Total</b>                       | <b>\$ 1,555,109</b>                    | <b>\$ 1,609,262</b>                    |



# CITY OF GREATER SUDBURY

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

## 14. Tangible capital assets

| Cost                               | Balance<br>December 31,<br>2018 | Additions         | Disposals /<br>Transfers | Balance at<br>December 31,<br>2019 |
|------------------------------------|---------------------------------|-------------------|--------------------------|------------------------------------|
| General Capital:                   |                                 |                   |                          |                                    |
| Land                               | \$ 78,224                       | \$ 6,967          | \$ -                     | \$ 85,191                          |
| Landfill and land improvements     | 42,514                          | 4,720             | -                        | 47,234                             |
| Buildings                          | 349,254                         | 17,377            | (1,603)                  | 365,028                            |
| Machinery, furniture and equipment | 121,935                         | 4,993             | (4,112)                  | 122,816                            |
| Vehicles                           | 79,737                          | 3,401             | (2,609)                  | 80,529                             |
| Infrastructure:                    |                                 |                   |                          |                                    |
| Land improvements                  | 31,553                          | 326               | -                        | 31,879                             |
| Plants and facilities              | 428,639                         | 7,777             | (398)                    | 436,018                            |
| Roads infrastructure               | 1,260,634                       | 107,253           | (13,747)                 | 1,354,140                          |
| Water and sewer infrastructure     | 539,498                         | 8,953             | (147)                    | 548,304                            |
| Assets under construction          | 90,133                          | 30,501            | (80,107)                 | 40,527                             |
| <b>Total</b>                       | <b>\$ 3,022,121</b>             | <b>\$ 192,268</b> | <b>(102,723)</b>         | <b>\$ 3,111,666</b>                |

| Accumulated<br>amortization        | Balance<br>December 31,<br>2018 | Amortization<br>expense | Disposals /<br>Transfers | Balance at<br>December 31,<br>2019 |
|------------------------------------|---------------------------------|-------------------------|--------------------------|------------------------------------|
| General Capital:                   |                                 |                         |                          |                                    |
| Landfill and land improvements     | \$ 20,122                       | \$ 1,612                | \$ -                     | \$ 21,734                          |
| Buildings                          | 179,891                         | 10,401                  | (1,265)                  | 189,027                            |
| Machinery, furniture and equipment | 75,955                          | 8,126                   | (4,000)                  | 80,081                             |
| Vehicles                           | 44,437                          | 5,399                   | (2,530)                  | 47,306                             |
| Infrastructure:                    |                                 |                         |                          |                                    |
| Land improvements                  | 4,098                           | 656                     | -                        | 4,754                              |
| Plants and facilities              | 220,867                         | 10,425                  | (377)                    | 230,915                            |
| Roads infrastructure               | 777,324                         | 31,580                  | (11,806)                 | 797,098                            |
| Water and sewer infrastructure     | 178,351                         | 7,428                   | (137)                    | 185,642                            |
| <b>Total</b>                       | <b>\$ 1,501,045</b>             | <b>\$ 75,627</b>        | <b>(20,115)</b>          | <b>\$ 1,556,557</b>                |

|                                    | Net book value<br>December 31,<br>2018 | Net book value<br>December 31,<br>2019 |
|------------------------------------|----------------------------------------|----------------------------------------|
| General Capital:                   |                                        |                                        |
| Land                               | \$ 78,224                              | \$ 85,191                              |
| Landfill and land improvements     | 22,392                                 | 25,500                                 |
| Buildings                          | 169,363                                | 176,001                                |
| Machinery, furniture and equipment | 45,980                                 | 42,735                                 |
| Vehicles                           | 35,300                                 | 33,223                                 |
| Infrastructure:                    |                                        |                                        |
| Land improvements                  | 27,455                                 | 27,125                                 |
| Plants and facilities              | 207,772                                | 205,103                                |
| Roads infrastructure               | 483,310                                | 557,042                                |
| Water and sewer infrastructure     | 361,147                                | 362,662                                |
| Assets under construction          | 90,133                                 | 40,527                                 |
| <b>Total</b>                       | <b>\$ 1,521,076</b>                    | <b>\$ 1,555,109</b>                    |

# CITY OF GREATER SUDBURY

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

## 14. Tangible capital assets (continued)

### a) Assets under construction

Assets under construction having a value of \$49,669 (2019- \$40,525) have not been amortized. Amortization of these assets will commence when the asset is put into service.

During the year, the City added \$336,806 (2019 - \$30,501) to assets under construction and transferred \$37,402 (2019 - \$79,350) 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 \$1,812 (2019 - \$7,120) comprised of the following:

|                              | 2020     | 2019     |
|------------------------------|----------|----------|
| General Capital              |          |          |
| Land                         | \$ 400   | \$ 4,854 |
| Machinery and equipment      | 230      | 289      |
| Infrastructure               |          |          |
| Roads network                | 577      | 1,350    |
| Water and wastewater network | 605      | 627      |
| Total                        | \$ 1,812 | \$ 7,120 |

## 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:

|                           | 2020      | 2019      |
|---------------------------|-----------|-----------|
| Taxation                  | \$ 51,475 | \$ 52,181 |
| Payments in lieu of taxes | 137       | 137       |
|                           | \$ 51,612 | \$ 52,318 |



# CITY OF GREATER SUDBURY

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

## 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:

|                  |                  |
|------------------|------------------|
| 2021             | \$ 4,143         |
| 2022             | 3,959            |
| 2023             | 3,342            |
| 2024             | 812              |
| 2025 and onwards | -                |
|                  | <u>\$ 12,256</u> |

- (b) Contingent assets

As of December 31, 2020, 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, 2020 amounts to approximately \$53,761 (2019 - \$55,330). The proposed financing of these obligations is \$49,176 (2019 - \$37,096) from surplus funds and \$4,585 (2019 - \$18,233) 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:

|                  |                   |
|------------------|-------------------|
| 2021             | \$ 29,651         |
| 2022             | 24,819            |
| 2023             | 20,783            |
| 2024             | 19,039            |
| 2025 and onwards | 73,768            |
|                  | <u>\$ 168,060</u> |

- (c) Contingent liabilities

As at December 31, 2020, 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.

# CITY OF GREATER SUDBURY

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

## 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, 2020 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:

|                                                                              | 2020         | 2019         |
|------------------------------------------------------------------------------|--------------|--------------|
| <b>Surplus</b>                                                               |              |              |
| Invested in tangible capital assets                                          | \$ 1,356,184 | \$ 1,493,914 |
| Invested in government business enterprises                                  | 135,436      | 117,133      |
| Other                                                                        | 787          | 539          |
| Committed capital:                                                           |              |              |
| Capital projects not completed                                               | 320,475      | 139,954      |
| Unfinanced capital projects to be recovered through taxation or user charges | (32,010)     | (21,348)     |
| Unfunded:                                                                    |              |              |
| Landfill closure costs                                                       | (17,502)     | (15,535)     |
| Employee benefits                                                            | (71,330)     | (67,797)     |
| Accrued financial obligations                                                | (7,100)      | (8,700)      |
|                                                                              | 1,684,940    | 1,638,160    |
| <b>Reserves</b>                                                              | 38,647       | 12,958       |
| <b>Reserve funds</b>                                                         | 117,980      | 125,719      |
|                                                                              | \$ 1,841,567 | \$ 1,776,837 |



# CITY OF GREATER SUDBURY

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

## 19. Budget data

Budget data presented in these consolidated financial statements are based on the 2020 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.

|                                                                 | 2020              |
|-----------------------------------------------------------------|-------------------|
| <b>Revenues</b>                                                 |                   |
| Approved budget:                                                |                   |
| Operating                                                       | \$ 609,366        |
| Capital                                                         | 172,546           |
| Consolidated Boards                                             | 24,605            |
|                                                                 | 806,517           |
| Adjustments:                                                    |                   |
| Transfer from reserves to operating                             | (10,383)          |
| Recognize revenues from obligatory reserve funds                | (20,428)          |
| In year budget adjustments - operating                          | 1,761             |
| Operating transfer to capital and future years funding          | (118,396)         |
| Contributed tangible capital assets                             | 1,176             |
| Reclass between revenues and expenses                           | (931)             |
| Reclassification of taxation bad debt expense                   | (2,360)           |
| <b>Total revenues</b>                                           | <b>\$ 656,956</b> |
| <b>Expenses</b>                                                 |                   |
| Approved budget:                                                |                   |
| Operating                                                       | \$ 608,553        |
| Capital                                                         | 172,546           |
| Consolidated Boards (A)                                         | 18,940            |
|                                                                 | 800,039           |
| Adjustments:                                                    |                   |
| Amortization of tangible capital assets                         | 71,458            |
| Transfer to reserves and capital                                | (88,643)          |
| Reduction due to tangible capital assets                        | (173,454)         |
| Post employment benefit expense                                 | 3,651             |
| Landfill closure and post closure expense                       | 1,219             |
| In year budget adjustments - operating                          | 1,761             |
| Reclassification of taxation bad debt expense                   | (2,360)           |
| Debt principal repayments                                       | (12,535)          |
| Reclass between revenues and expenses                           | (931)             |
| Operating expenses budgeted in capital expensed in current year | 10,984            |
| <b>Total expenses</b>                                           | <b>\$ 611,189</b> |
| <b>Annual surplus</b>                                           | <b>\$ 45,767</b>  |

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.

# CITY OF GREATER SUDBURY

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

## 20. Taxation

Taxation consists of:

|                                   | 2020<br>Budget | 2020<br>Actual | 2019<br>Actual |
|-----------------------------------|----------------|----------------|----------------|
| Municipal tax levy                | \$ 289,679     | \$ 289,703     | \$ 274,570     |
| Supplementary taxation            | 2,467          | 1,757          | 2,112          |
| Payment in lieu of property taxes | 8,054          | 8,344          | 7,928          |
| Local improvements                | 42             | 39             | 42             |
|                                   | 300,242        | 299,843        | 284,652        |
| Rebates and tax concessions       | (2,360)        | (1,462)        | (1,931)        |
| Net municipal taxation            | \$ 297,882     | \$ 298,381     | \$ 282,721     |

## 21. Other revenues

Other revenues consist of:

|                                                  | 2020<br>Budget | 2020<br>Actual | 2019<br>Actual |
|--------------------------------------------------|----------------|----------------|----------------|
| Gaming and casino revenues                       | \$ 2,175       | \$ 579         | \$ 2,078       |
| Loss on sale of land and tangible capital assets | -              | (2,474)        | (1,918)        |
| Donated tangible capital assets                  | -              | 1,812          | 7,120          |
| Donations                                        | 57             | 62             | 74             |
| Development Charges earned                       | -              | 2,665          | 2,873          |
| Sub-divider contributions                        | 612            | 729            | 1,327          |
| Miscellaneous recoveries/revenues                | 17,083         | 14,946         | 16,110         |
|                                                  | \$ 19,927      | \$ 18,319      | \$ 27,664      |

## 22. Trust funds

Trust funds amounting to \$17,811 (2019 - \$17,246) 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 has 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.



# CITY OF GREATER SUDBURY

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

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## 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.

# CITY OF GREATER SUDBURY

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

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## 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 childcare services and assist with costs of childcare 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, 2020               | General<br>Government | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health and<br>Social Services | Recreation and<br>Cultural Services | Planning and<br>Development | Government<br>Business<br>Enterprises | Total            |
|---------------------------------|-----------------------|------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------------|-----------------------------|---------------------------------------|------------------|
| <b>Revenues</b>                 |                       |                        |                            |                           |                               |                                     |                             |                                       |                  |
| 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          |
| <b>Expenses</b>                 |                       |                        |                            |                           |                               |                                     |                             |                                       |                  |
| 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          |
| <b>Annual Surplus (Deficit)</b> | <b>\$ 50,066</b>      | <b>\$ (3,359)</b>      | <b>\$ (13,583)</b>         | <b>\$ 12,260</b>          | <b>\$ 221</b>                 | <b>\$ (2,425)</b>                   | <b>\$ 3,247</b>             | <b>\$ 18,303</b>                      | <b>\$ 64,730</b> |

# CITY OF GREATER SUDBURY

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

## 24. Segmented Disclosure (continued)

| December 31, 2019               | General<br>Government | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health and<br>Social Services | Recreation and<br>Cultural Services | Planning and<br>Development | Government<br>Business<br>Enterprises | Total            |
|---------------------------------|-----------------------|------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------------|-----------------------------|---------------------------------------|------------------|
| <b>Revenues</b>                 |                       |                        |                            |                           |                               |                                     |                             |                                       |                  |
| Transfer Payments               | \$ 22,526             | \$ 4,609               | \$ 42,914                  | \$ 575                    | \$ 113,883                    | \$ 528                              | \$ 780                      | \$ -                                  | \$ 185,815       |
| Taxation                        | 24,907                | 88,639                 | 57,543                     | 18,399                    | 52,091                        | 29,481                              | 11,661                      | -                                     | 282,721          |
| User Charges                    | 5,963                 | 5,522                  | 10,975                     | 83,749                    | 20,279                        | 9,196                               | 728                         | -                                     | 136,412          |
| Other                           | 18,523                | 3,600                  | 6,244                      | 7,654                     | 2,704                         | 4,724                               | 2,683                       | 2,988                                 | 49,120           |
|                                 | 71,919                | 102,370                | 117,676                    | 110,377                   | 188,957                       | 43,929                              | 15,852                      | 2,988                                 | 654,068          |
| <b>Expenses</b>                 |                       |                        |                            |                           |                               |                                     |                             |                                       |                  |
| Salaries, Wages and Benefits    | 29,922                | 86,834                 | 36,071                     | 20,750                    | 65,467                        | 21,866                              | 7,169                       | -                                     | 268,079          |
| Materials                       | 8,040                 | 9,414                  | 31,839                     | 22,714                    | 23,384                        | 13,287                              | 2,285                       | -                                     | 110,963          |
| Contract Services               | 5,853                 | 1,656                  | 17,731                     | 29,887                    | 42,565                        | 1,767                               | 432                         | -                                     | 99,891           |
| Grants and Transfer Payments    | 1,555                 | 977                    | 14                         | 66                        | 46,418                        | 1,656                               | 1,281                       | -                                     | 51,967           |
| Amortization                    | 1,191                 | 4,509                  | 37,051                     | 19,769                    | 7,528                         | 5,172                               | 406                         | -                                     | 75,626           |
| Other                           | 686                   | 308                    | 497                        | 1,920                     | 256                           | 332                                 | 46                          | -                                     | 4,045            |
| Allocation of shared expenses   | (19,799)              | 4,237                  | 2,307                      | 4,084                     | 5,997                         | 2,727                               | 447                         | -                                     | -                |
|                                 | 27,448                | 107,935                | 125,510                    | 99,190                    | 191,615                       | 46,807                              | 12,066                      | -                                     | 610,571          |
| <b>Annual Surplus (Deficit)</b> | <b>\$ 44,471</b>      | <b>\$ (5,565)</b>      | <b>\$ (7,834)</b>          | <b>\$ 11,187</b>          | <b>\$ (2,658)</b>             | <b>\$ (2,878)</b>                   | <b>\$ 3,786</b>             | <b>\$ 2,988</b>                       | <b>\$ 43,497</b> |



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2020

## 25. Supplementary financial information

### Schedule of Revenues and Expenses - Library

|                                         | 2020       | 2019       |
|-----------------------------------------|------------|------------|
| <b>Revenues</b>                         |            |            |
| Government transfers (note 1)           | \$ 403     | \$ 403     |
| Fines and fees                          | 40         | 131        |
| Other                                   | 7          | 15         |
|                                         | 450        | 549        |
| <b>Expenses</b>                         |            |            |
| Salaries, wages and benefits            | \$ 4,383   | \$ 4,802   |
| Materials and contract services         | 4,123      | 1,732      |
|                                         | 8,506      | 6,534      |
| <b>Excess of expenses over revenues</b> | \$ (8,056) | \$ (5,985) |

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 dislocating impact. This has resulted in Governments worldwide enacting emergency measures to combat the spread of the virus. Several measures were put in place which include the implementation of travel bans, self-imposed quarantine periods and social distancing. These measures have caused material disruption to individuals, businesses, and organizations globally which has resulted in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. However, the success of these interventions is not currently determinable.

At the time of approval of these financial statements, the Corporation, which conducts business in communities impacted by COVID-19, has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- The closure of a number of indoor and outdoor facilities to the general public;
- Revisions to the delivery of a number of municipal services in order to contribute toward social distancing. In certain instances, the delivery of municipal services has been temporarily suspended during the state of emergency;
- The implementation of working from home requirements for certain municipal employees;
- Work force reductions for temporary and part-time employees; and

# CITY OF GREATER SUDBURY

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

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## 26. Effects of COVID-19 (continued)

- In certain instances, the City has deferred payment timeframes and has waived interest charges, penalties and other fees.

These factors present uncertainty over future cash flows, may cause changes to the assets or liabilities and may have an impact on future operations. An estimate of the financial effect is not practical at this time.





Financial Statements of

# **CITY OF GREATER SUDBURY TRUST FUNDS**

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP  
Claridge Executive Centre  
144 Pine Street  
Sudbury Ontario P3C 1X3  
Telephone (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, 2020
- 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, 2020, 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 LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. 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 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.



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- 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 31, 2021



## CITY OF GREATER SUDBURY

### TRUST FUNDS

#### Statement of Changes in Fund Balances

Year ended December 31, 2020, with comparative information for 2019  
(in thousands of dollars)

|                                            | Home for<br>The Aged<br>Residents'<br>Fund | Subdividers'<br>Deposits | Miscellaneous | Fednor<br>Project -<br>Business<br>Planning<br>Initiative<br>(note 4) | Cemetery<br>Pre-Need | Cemetery<br>Care and<br>Maintenance | Total<br>2020 | Total<br>2019 |
|--------------------------------------------|--------------------------------------------|--------------------------|---------------|-----------------------------------------------------------------------|----------------------|-------------------------------------|---------------|---------------|
| Revenue:                                   |                                            |                          |               |                                                                       |                      |                                     |               |               |
| Plot sales                                 | \$ -                                       | -                        | -             | -                                                                     | 75                   | 239                                 | \$ 314        | \$ 302        |
| Receipts from or on behalf of others       | 1,124                                      | -                        | -             | -                                                                     | -                    | -                                   | 1,124         | 1,122         |
| Interest earned                            | -                                          | 13                       | -             | -                                                                     | 27                   | 171                                 | 211           | 412           |
| Subdividers' deposits                      | -                                          | 1,018                    | -             | -                                                                     | -                    | -                                   | 1,018         | 306           |
|                                            | 1,124                                      | 1,031                    | -             | -                                                                     | 102                  | 410                                 | 2,667         | 2,142         |
| Expenses:                                  |                                            |                          |               |                                                                       |                      |                                     |               |               |
| Disbursements to or on behalf of residents | 1,102                                      | -                        | -             | -                                                                     | -                    | -                                   | 1,102         | 1,118         |
| Refunds                                    | -                                          | 773                      | -             | -                                                                     | -                    | -                                   | 773           | 780           |
| Transfer to City of Greater Sudbury        | -                                          | -                        | -             | -                                                                     | 92                   | 171                                 | 263           | 532           |
|                                            | 1,102                                      | 773                      | -             | -                                                                     | 92                   | 171                                 | 2,138         | 2,430         |
| Change in fund balances in year            | 22                                         | 258                      | -             | -                                                                     | 10                   | 239                                 | 529           | (288)         |
| Fund balances, beginning of year           | 116                                        | 6,914                    | 97            | -                                                                     | 1,343                | 8,713                               | 17,183        | 17,471        |
| Fund balances, end of year                 | \$ 138                                     | 7,172                    | 97            | -                                                                     | 1,353                | 8,952                               | \$ 17,712     | \$ 17,183     |

See accompanying notes to financial statements.

## CITY OF GREATER SUDBURY TRUST FUNDS

### Statement of Financial Position

December 31, 2020, with comparative information for 2019  
(in thousands of dollars)

|                                           | Home for<br>The Aged<br>Residents'<br>Fund | Subdividers'<br>Deposits | Miscellaneous | Fednor<br>Project -<br>Business<br>Planning<br>Initiative<br>(note 4) | Cemetery<br>Pre-Need | Cemetery<br>Care and<br>Maintenance | Total<br>2020 | Total<br>2019 |
|-------------------------------------------|--------------------------------------------|--------------------------|---------------|-----------------------------------------------------------------------|----------------------|-------------------------------------|---------------|---------------|
| <b>Assets</b>                             |                                            |                          |               |                                                                       |                      |                                     |               |               |
| Cash                                      | \$ 237                                     | 1,123                    | -             | -                                                                     | -                    | -                                   | \$ 1,360      | \$ 1,289      |
| Due from City of Greater Sudbury (note 3) | -                                          | 6,049                    | 97            | -                                                                     | 1,353                | 8,952                               | 16,451        | 15,957        |
| Loans receivable                          | -                                          | -                        | -             | 117                                                                   | -                    | -                                   | 117           | 117           |
| Allowance for doubtful loans              | -                                          | -                        | -             | (117)                                                                 | -                    | -                                   | (117)         | (117)         |
|                                           | \$ 237                                     | 7,172                    | 97            | -                                                                     | 1,353                | 8,952                               | \$ 17,811     | \$ 17,246     |
| <b>Liabilities and Fund Balances</b>      |                                            |                          |               |                                                                       |                      |                                     |               |               |
| Accounts payable                          | \$ 99                                      | -                        | -             | -                                                                     | -                    | -                                   | \$ 99         | \$ 63         |
| Fund balances                             | 138                                        | 7,172                    | 97            | -                                                                     | 1,353                | 8,952                               | 17,712        | 17,183        |
| Effects of COVID-19 (note 5)              |                                            |                          |               |                                                                       |                      |                                     |               |               |
|                                           | \$ 237                                     | 7,172                    | 97            | -                                                                     | 1,353                | 8,952                               | \$ 17,811     | \$ 17,246     |

See accompanying notes to financial statements.



## CITY OF GREATER SUDBURY

### TRUST FUNDS

#### Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019  
(in thousands of dollars)

|                                                             | 2020     | 2019     |
|-------------------------------------------------------------|----------|----------|
| Cash provided by (used in):                                 |          |          |
| Operating activities:                                       |          |          |
| Annual surplus (deficit)                                    | \$ 529   | \$ (288) |
| Changes in non-cash working capital items:                  |          |          |
| Decrease (increase) in due from the City of Greater Sudbury | (494)    | 270      |
| Increase (decrease) in accounts payable                     | 36       | (19)     |
| Increase (decrease) in cash during the year                 | 71       | (37)     |
| Cash, beginning of year                                     | 1,289    | 1,326    |
| Cash, end of year                                           | \$ 1,360 | \$ 1,289 |

See accompanying notes to financial statements.

# CITY OF GREATER SUDBURY

## TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2020  
(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.



# CITY OF GREATER SUDBURY

## TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2020  
(in thousands of dollars)

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### 3. Due from the City of Greater Sudbury:

At December 31, 2020, the Funds have amounts due from the City of \$16,451 (2019 - \$15,957) 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 \$1,353 and \$8,952 pertaining to the Cemetery Pre-Need and Cemetery Care and Maintenance Funds which both bear interest at the rate of 1.89% (2019 - 2.58% and 4.08%, respectively) 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.



2020  
**Statistical  
Information**

FOR THE YEAR ENDING DECEMBER 31, 2020

## Consolidated Statement of Financial Position

(In thousands of dollars)

|                                             | 2020      | 2019      | 2018      | 2017      | 2016      |
|---------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Financial assets                            | \$        | \$        | \$        | \$        | \$        |
| Cash                                        | 14,138    | 16,439    | 8,174     | 6,188     | 7,044     |
| Taxes receivable                            | 11,074    | 9,304     | 8,532     | 9,360     | 7,122     |
| Accounts receivable                         | 80,930    | 76,857    | 73,993    | 69,426    | 48,252    |
| Inventory held for resale                   | -         | -         | 1,802     | 2,474     | 3,044     |
| Investment in GBE                           | 135,436   | 117,133   | 114,145   | 108,150   | 105,986   |
| Investments                                 | 514,370   | 305,473   | 304,800   | 298,357   | 323,144   |
|                                             | 755,948   | 525,207   | 511,446   | 493,955   | 494,592   |
| Financial liabilities                       |           |           |           |           |           |
| Accounts payable and accrued liabilities    | 117,525   | 99,966    | 97,656    | 99,200    | 93,650    |
| Deferred revenue - obligatory reserve funds | 56,025    | 55,191    | 50,418    | 40,489    | 43,463    |
| Deferred revenue - other                    | 10,891    | 4,669     | 4,641     | 3,590     | 3,366     |
| Employee benefit obligations                | 72,152    | 68,860    | 65,209    | 62,523    | 59,075    |
| Solid waste management facility liability   | 17,502    | 15,535    | 14,316    | 14,944    | 14,429    |
| Long-term liabilities                       | 261,802   | 70,264    | 76,530    | 77,472    | 82,597    |
|                                             | 535,897   | 314,485   | 308,770   | 298,218   | 296,580   |
| Net financial assets                        | 220,051   | 210,722   | 202,676   | 195,737   | 198,012   |
| Non-financial assets                        |           |           |           |           |           |
| Tangible capital assets                     | 1,609,262 | 1,555,109 | 1,521,076 | 1,488,881 | 1,439,235 |
| Other                                       | 12,254    | 11,006    | 9,589     | 8,696     | 9,508     |
|                                             | 1,621,516 | 1,566,115 | 1,530,665 | 1,497,577 | 1,448,743 |
| Accumulated Surplus                         | 1,841,567 | 1,776,837 | 1,733,340 | 1,693,313 | 1,646,755 |

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

|                                               | 2020             | 2019             | 2018             | 2017             | 2016             |
|-----------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Revenues                                      | \$               | \$               | \$               | \$               | \$               |
| Government Transfers, Provincial              | 170,819          | 160,598          | 156,171          | 148,686          | 132,062          |
| Government Transfers, Federal                 | 12,862           | 25,217           | 21,170           | 31,557           | 4,592            |
| Taxation                                      | 298,381          | 282,721          | 267,956          | 257,561          | 246,972          |
| User Charges                                  | 131,791          | 136,412          | 131,252          | 124,053          | 119,971          |
| Investment Income                             | 14,950           | 12,489           | 11,444           | 10,150           | 10,063           |
| Fines and Penalties                           | 4,733            | 5,979            | 6,321            | 7,501            | 6,012            |
| Other                                         | 18,319           | 27,664           | 22,307           | 23,762           | 25,440           |
| GBE net earnings                              | 18,303           | 2,988            | 5,995            | 2,164            | 10,769           |
| <b>Total Revenues</b>                         | <b>670,158</b>   | <b>654,068</b>   | <b>622,616</b>   | <b>605,434</b>   | <b>555,881</b>   |
| <b>Expenses by Object</b>                     |                  |                  |                  |                  |                  |
| Salaries wages & employee benefits            | 271,808          | 268,079          | 255,511          | 243,678          | 240,816          |
| Materials                                     | 106,149          | 110,963          | 99,398           | 101,445          | 81,597           |
| Contract Services                             | 90,671           | 99,891           | 94,830           | 86,957           | 98,348           |
| Grants and Transfer Payments                  | 50,290           | 51,967           | 55,507           | 50,589           | 43,392           |
| Amortization                                  | 78,484           | 75,626           | 73,200           | 72,028           | 70,905           |
| Other                                         | 8,026            | 4,045            | 4,143            | 4,179            | 4,058            |
| <b>Total Expenses</b>                         | <b>605,428</b>   | <b>610,571</b>   | <b>582,589</b>   | <b>558,876</b>   | <b>539,116</b>   |
| <b>Annual Surplus</b>                         | <b>64,730</b>    | <b>43,497</b>    | <b>40,027</b>    | <b>46,558</b>    | <b>16,765</b>    |
| <b>Accumulated Surplus, Beginning of Year</b> | <b>1,776,837</b> | <b>1,733,340</b> | <b>1,693,313</b> | <b>1,646,755</b> | <b>1,629,990</b> |
| <b>Accumulated Surplus, End of Year</b>       | <b>1,841,567</b> | <b>1,776,837</b> | <b>1,733,340</b> | <b>1,693,313</b> | <b>1,646,755</b> |

**Analysis of Expenses by Function**  
(in thousands of dollars)

|                                  | 2020           | 2019           | 2018           | 2017           | 2016           |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| General Government               | 33,749         | 27,448         | 25,343         | 23,700         | 25,269         |
| Protection Services              | 108,346        | 107,935        | 104,245        | 98,041         | 94,588         |
| Transportation Services          | 118,586        | 125,510        | 108,320        | 113,519        | 110,610        |
| Environmental Services           | 102,922        | 99,190         | 92,411         | 92,760         | 87,338         |
| Health Services                  | 34,436         | 31,912         | 31,941         | 30,493         | 28,713         |
| Social and Family Services       | 117,431        | 119,578        | 116,550        | 105,405        | 103,845        |
| Social Housing                   | 38,365         | 40,125         | 40,747         | 39,599         | 33,912         |
| Recreation and Cultural Services | 39,736         | 46,807         | 50,705         | 42,911         | 42,112         |
| Planning and Development         | 11,857         | 12,066         | 12,327         | 12,448         | 12,729         |
| <b>Total Expenses</b>            | <b>605,428</b> | <b>610,571</b> | <b>582,589</b> | <b>558,876</b> | <b>539,116</b> |



| <b>Reserves and Reserve Funds</b><br>(In thousands of dollars) | <b>2020</b>    | <b>2019</b>    | <b>2018</b>    | <b>2017</b>    | <b>2016</b>    |
|----------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Reserves</b>                                                | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| Working funds                                                  | -              | -              | 338            | 625            | 629            |
| Tax rate stabilization                                         | 13,991         | 3,705          | 2,233          | 4,072          | 4,884          |
| General government                                             | 15,821         | 2,364          | 786            | 742            | 433            |
| Environmental Services                                         | 6,098          | 4,281          | -              | -              | -              |
| Health, social services and housing                            | 2,425          | 2,299          | 2,648          | 3,442          | 1,706          |
| Planning and development                                       | 312            | 309            | 514            | 536            | 855            |
| <b>TOTAL RESERVES</b>                                          | <b>38,647</b>  | <b>12,958</b>  | <b>6,519</b>   | <b>9,417</b>   | <b>8,507</b>   |
| <b>Equipment Replacement</b>                                   | <b>4,008</b>   | <b>7,478</b>   | <b>4,968</b>   | <b>5,359</b>   | <b>6,076</b>   |
| Employee benefit obligations                                   | 10,026         | 10,988         | 13,963         | 15,150         | 15,715         |
| Insurance                                                      | 1,342          | 984            | 839            | 1,714          | 1,610          |
| General government                                             | 22,954         | 16,736         | 22,847         | 21,890         | 21,711         |
| Protection services                                            | 6,572          | 6,311          | 6,837          | 7,423          | 6,834          |
| Transportation services                                        | 6,470          | 12,566         | 18,049         | 24,034         | 37,630         |
| Environmental Services                                         | 39,416         | 40,681         | 46,051         | 32,508         | 34,057         |
| Health, social services and housing                            | 14,572         | 12,643         | 12,335         | 11,836         | 11,394         |
| Recreation and cultural services                               | 1,712          | 997            | 2,262          | 2,765          | 3,288          |
| Planning and development                                       | 10,883         | 16,317         | 15,072         | 13,604         | 13,814         |
| Other                                                          | 25             | 18             | 9              | -              | -              |
| <b>TOTAL RESERVE FUNDS</b>                                     | <b>117,980</b> | <b>125,719</b> | <b>143,232</b> | <b>136,283</b> | <b>152,129</b> |
| <b>TOTAL RESERVE AND RESERVE FUNDS</b>                         | <b>156,627</b> | <b>138,677</b> | <b>149,751</b> | <b>145,700</b> | <b>160,636</b> |

| <b>Additional Information</b><br>(In thousands of dollars) | <b>2020</b>    | <b>2019</b>    | <b>2018</b>    | <b>2017</b>    | <b>2016</b>    |
|------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>NET FINANCIAL ASSETS</b>                                | <b>220,051</b> | <b>210,722</b> | <b>202,676</b> | <b>195,737</b> | <b>198,012</b> |
| <b>NET DEBT PER CAPITA</b>                                 | <b>1,621</b>   | <b>435</b>     | <b>474</b>     | <b>479</b>     | <b>510</b>     |
| <b>LONG-TERM LIABILITIES</b>                               |                |                |                |                |                |
| Supported by                                               |                |                |                |                |                |
| Property taxation                                          | 39,111         | 29,054         | 33,306         | 32,315         | 35,587         |
| Water/wastewater user fees                                 | 222,691        | 41,210         | 43,224         | 45,157         | 47,010         |
|                                                            | <b>261,802</b> | <b>70,264</b>  | <b>76,530</b>  | <b>77,472</b>  | <b>82,597</b>  |

## Additional Information (continued)

| Municipal Statistics                                                          | 2020      | 2019      | 2018      | 2017      | 2016      |
|-------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Population                                                                    | 166,000   | 166,000   | 161,500   | 161,500   | 161,500   |
| Households                                                                    | 75,791    | 75,776    | 75,612    | 75,434    | 75,337    |
| Employees                                                                     |           |           |           |           |           |
| Full time employees                                                           | 2,074     | 2,032     | 2,012     | 1,993     | 1,990     |
| Part time hours                                                               | 866,996   | 848,390   | 855,580   | 859,209   | 830,619   |
| Crew hours                                                                    | 156,186   | 153,980   | 160,614   | 149,762   | 149,601   |
| Service Information                                                           |           |           |           |           |           |
| Building Permit Values (in 000's)                                             | 324,115   | 281,389   | 291,624   | 384,024   | 254,506   |
| Average monthly social assistance case load                                   | 3,450     | 3,527     | 3,486     | 3,474     | 3,523     |
| Lane Kilometers of roads                                                      | 3,572     | 3,561     | 3,536     | 3,535     | 3,625     |
| Annual volume of treated wastewater (megalitres)                              | 30,570    | 30,668    | 24,803    | 30,766    | 30,368    |
| Annual volume of treated drinking water (megalitres)                          | 17,744    | 19,597    | 20,056    | 18,339    | 18,766    |
| Annual disposal of solid waste (tonnes)                                       | 97,785    | 99,796    | 95,825    | 97,283    | 101,884   |
| Annual diversion of solid waste (tonnes)                                      | 44,163    | 40,472    | 31,497    | 32,223    | 31,675    |
| Regular service passenger Transit trips                                       | 2,885,960 | 4,605,502 | 4,432,000 | 4,063,000 | 4,171,000 |
| Tax collection rate                                                           | 3.3%      | 2.9%      | 2.8%      | 3.1%      | 2.4%      |
| Property Tax Collection (in 000's)                                            | \$335,864 | \$322,059 | \$307,611 | \$295,671 | \$289,203 |
| Taxable Assessment (\$ millions)                                              |           |           |           |           |           |
| Residential assessment                                                        | \$15,485  | \$15,137  | \$14,835  | \$14,419  | \$14,368  |
| Commercial assessment                                                         | \$2,358   | \$2,251   | \$2,101   | \$1,983   | \$1,937   |
| Industrial assessment                                                         | \$495     | \$480     | \$408     | \$706     | \$513     |
| Benchmark Information                                                         |           |           |           |           |           |
| % of paved lane km where condition is rated good to very good                 | 40%       | 41%       | 39.0%     | 39.0%     | 39.0%     |
| # of conventional transit passenger trips per person in service area per year | 19.3      | 30.8      | 29.6      | 27.1      | 27.9      |
| # of wastewater main backups per 100 km of waste water main per year          | 7.3       | 8.5       | 2.8       | 2.5       | 4.4       |
| % of wastewater estimated to have bypassed treatment                          | 1.4%      | 0.8%      | 0.7%      | 0.7%      | 1.1%      |
| # of water main breaks per 100 km of water distribution pipe per year         | 7.1       | 6.4       | 9.8       | 9.3       | 9.0       |
| % of residential solid waste diverted for recycling                           | 42.7%     | 41.4%     | 45.0%     | 44.5%     | 43.3%     |
| Top Employers                                                                 |           |           |           |           |           |
| Vale                                                                          | 3,800     | 3,800     |           |           |           |
| City of Greater Sudbury                                                       | 3,000     | 2,500     |           |           |           |
| Government of Canada - Tax Services                                           | 3,500     | 2,500     |           |           |           |
| Rainbow District School Board                                                 | 1,600     | 1,600     |           |           |           |



# 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

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### 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 Charges:

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

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### 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

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### 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

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### 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

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### 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.

