

Consolidated Financial Statements of

CITY OF GREATER SUDBURY

Year ended December 31, 2012

CITY OF GREATER SUDBURY

Consolidated Financial Statements Index

(in thousands of dollars)

Year ended December 31, 2012

	Page
Management's Responsibility for the Consolidated Financial Statements	1
Auditor's Report	2
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8-34

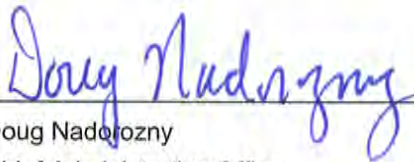
Management's Responsibility for the Consolidated Financial Statements

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 The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

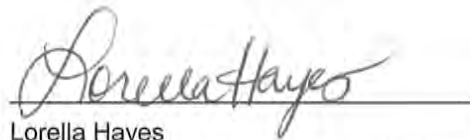
The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely 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 PricewaterhouseCoopers LLP, independent external auditors appointed by the City. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.



Doug Nadrozny
Chief Administrative Officer



Lorella Hayes
Chief Financial Officer and Treasurer



July 10, 2013

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of the City of Greater Sudbury, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Greater Sudbury as at December 31, 2012 and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

The accompanying financial statements schedules as at and for the year ended December 31, 2012 are presented as supplementary information only and are not a required part of the basic consolidated financial statements. The information in these schedules has been subject to audit procedures only to the extent necessary to express an opinion on the consolidated financial statements of the City of Greater Sudbury.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

CITY OF GREATER SUDBURY

Consolidated Statement of Financial Position
(in thousands of dollars)

December 31, 2012, with comparative figures for 2011

	2012	2011
Financial assets		
Cash	\$ 10,104	\$ 8,700
Taxes receivable	7,334	6,611
Accounts receivable	38,072	35,897
Inventory held for resale	1,435	1,253
Investment in Government Business Enterprises (note 2 (b))	82,702	79,965
Investments (note 3)	267,017	223,582
	406,664	356,008
Financial liabilities		
Accounts payable and accrued liabilities	78,074	70,846
Employee benefit obligations (note 5)	50,354	47,708
Deferred revenue - obligatory reserve funds (note 6)	29,538	27,106
Deferred revenue - other	5,461	6,968
Solid waste management facility liability (note 7)	11,375	11,153
Long-term liabilities (note 8)	43,542	46,093
	218,344	209,874
Net financial assets	\$ 188,320	\$ 146,134
Non-financial assets		
Tangible capital assets (note 10)	1,336,882	1,332,785
Inventory of supplies	2,640	2,495
Prepaid expenses	3,642	3,599
	1,343,164	1,338,879
Contractual obligations and commitments (note 11)		
Accumulated Surplus (note 12)	\$ 1,531,484	\$ 1,485,013

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)

Year ended December 31, 2012, with comparative figures for 2011

	2012 Budget (note 13)	2012 Actual	2011 Actual
Revenues			
Government transfers - Provincial	\$ 133,710	\$ 132,334	\$ 141,645
- Federal	11,006	8,329	12,398
Taxation	222,426	222,639	214,772
User charges	106,622	108,934	103,155
Investment income	10,303	10,381	12,243
Fines and penalties	5,347	5,190	5,133
Other revenues (note 14)	17,459	41,260	27,052
Government Business Enterprises net earnings (note 2 (a))	1,066	2,737	154
	507,939	531,804	516,552
Expenses			
General government	22,162	22,023	20,651
Protection to persons and property	80,423	81,273	79,541
Transportation services	93,120	94,621	92,577
Environmental services	77,287	70,798	68,967
Health services	25,576	25,992	25,345
Social and family services	99,964	93,839	93,621
Social housing	35,688	41,340	41,118
Recreation and cultural services	39,282	39,490	47,938
Planning and development	16,479	15,957	15,310
	489,981	485,333	485,068
Annual Surplus	17,958	46,471	31,484
Accumulated surplus, beginning of the year	1,485,013	1,485,013	1,453,529
Accumulated surplus, end of the year	\$ 1,502,971	\$ 1,531,484	\$ 1,485,013

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)

Year ended December 31, 2012, with comparative figures for 2011

	2012 Budget (note 13)	2012 Actual	2011 Actual
Annual Surplus	\$ 17,958	\$ 46,471	\$ 31,484
Acquisition of tangible capital assets	(98,125)	(74,247)	(90,652)
Amortization of tangible capital assets	68,374	66,707	66,911
Loss (gain) on sale of tangible capital assets	-	(98)	9,240
Proceeds on sale of tangible capital assets	-	3,541	455
	(11,793)	42,374	17,438
Acquisition of inventory of supplies	-	(145)	(877)
Prepaid expenses	-	(43)	(182)
Change in net financial assets	\$ (11,793)	\$ 42,186	\$ 16,379
Net financial assets, beginning of the year	146,134	146,134	129,755
Net financial assets, end of the year	\$ 134,341	\$ 188,320	\$ 146,134

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

CITY OF GREATER SUDBURY

Consolidated Statement of Cash Flows
(in thousands of dollars)

Year ended December 31, 2012, with restated comparative figures for 2011

	2012	2011
Cash flows from operating activities		
Annual Surplus	\$ 46,471	\$ 31,484
Items not involving cash:		
Amortization of tangible capital assets	66,707	66,911
Loss (gain) on sale of tangible capital assets	(98)	9,240
Developer contributions of tangible capital assets	(9,744)	(14,634)
Change in employee benefit obligations	2,646	1,432
Change in solid waste management facility liability	222	(663)
Equity income in Government Business Enterprises	(2,737)	(154)
Change in non-cash working capital:		
Decrease in note receivable	-	4,184
Increase in inventory held for resale	(182)	(323)
Increase (decrease) in deferred revenue obligatory reserve funds	2,432	(3,253)
Decrease in deferred revenue other	(1,507)	(5,329)
Decrease (Increase) in accounts and taxes receivable	(2,898)	18,817
Increase in inventory of supplies	(145)	(877)
Increase in prepaid expenses	(43)	(182)
Increase (decrease) in accounts payable and accrued liabilities	7,228	(2,707)
	108,352	103,946
Cash flows from financing activities		
Debt principal repayments	(2,368)	(1,311)
Financial obligations	(30)	9,036
Capital lease obligations	(153)	(215)
	(2,551)	7,510
Cash flow from capital activities		
Proceeds on sale of tangible capital assets	3,541	455
Cash used to acquire tangible capital assets	(64,503)	(76,018)
	(60,962)	(75,563)
Cash flows from investing activities		
Purchase of investments	(43,435)	(48,227)
Net increase (decrease) in cash	1,404	(12,334)
Cash, beginning of the year	8,700	21,034
Cash, end of the year	\$ 10,104	\$ 8,700
Supplementary Information		
Interest received	\$ 5,010	\$ 6,277
Interest paid	\$ 1,306	\$ 1,389

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, 2012

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 related 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 Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

(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
Sudbury & District Health Unit
City of Greater Sudbury Community Development Corporation

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

1. Significant accounting policies (continued):

(a) Reporting entity (continued):

(ii) Related Entities (continued):

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

	2012	2011
Nickel District Conservation Authority	\$ 601	584
Sudbury & District Health Unit	5,596	5,490
City of Greater Sudbury Community Development Corporation	1,419	1,405
	\$ 7,616	7,479

(iii) Investment in Government Business Enterprises:

Government Business Enterprises comprised of the Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc. ("GSU"), and the Sudbury Airport Community Development Corporation ("SACDC"), 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 are recognized in the fiscal year in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met and reasonable estimates of the amounts can be made.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

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 May.

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 up to four 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, 2012

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 to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenues (i.e. uncollectible amounts, write offs, etc.)

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

User Charges:

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

Fines and Penalties:

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

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

Balances arising from operation of the POA office have been consolidated with these 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.

(c) Expenses:

Expenses are recognized in the year that the events giving rise to the expenses occur and there is a legal or constructive obligation to pay.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

1. Significant accounting policies (continued):

(d) Investments:

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.

(e) Inventory held for resale:

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

(f) 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 City matches contributions made by the employees to OMERS, which is a multi-employer plan. This plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS and expensed in 2012 was \$13,504 (2011 - \$12,150).

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 by reference to market interest rates at the measurement date on high-quality debt instruments with 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, 2012

1. Significant accounting policies (continued):

(g) 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.

(h) 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 related expenses are incurred, services are performed or when stipulations are met.

(i) 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 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	50 - 100 years
Plants and facilities	10 - 60 years
Roads infrastructure	10 - 75 years
Water and wastewater infrastructure	40 - 100 years

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

Amortization is charged from the date of acquisition to the date 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, 2012

1. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

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

(iii) Capital interest:

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

(iv) 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.

(v) Inventory:

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

(vi) 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 and equipment are the categories where nominal values were assigned.

(vii) 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.

(j) 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, 2012

1. Significant accounting policies (continued):

(k) 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, solid waste management facility liability 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.

In addition, the City's implementation of the Public Sector Accounting Handbook PS 3150 in 2009 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

2. Investment in Government Business Enterprises:

The Sudbury Airport Community Development Corporation (SACDC) and Greater Sudbury Utilities Inc. (GSU) are owned and controlled by the City of Greater Sudbury. These corporations are business enterprises of the City and are accounted for on a modified equity basis in these consolidated financial statements.

(a) The following table provides condensed supplementary financial information for the year ending December 31, 2012:

	SACDC	GSU	2012 Total	2011 Total
Financial Position				
Current assets	\$ 1,208	\$31,369	\$ 32,577	\$ 32,614
Capital assets	17,169	88,792	105,961	101,650
Other assets	-	18,910	18,910	14,895
Total assets	18,377	139,071	157,448	149,159
Current liabilities	610	21,278	21,888	18,668
Note payable to the City of Greater Sudbury	57	52,341	52,398	53,253
Long-term liabilities	9,117	43,684	52,801	49,614
Total liabilities	9,784	117,303	127,087	121,535
Net assets	\$ 8,593	\$ 21,768	\$ 30,361	\$ 27,624

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

2. Investment in Government Business Enterprises (continued):

(a) The following table provides condensed supplementary financial information for the year ending December 31, 2012 (continued):

	SACDC	GSU	2012 Total	2011 Total
Results of operations:				
Revenue	\$ 6,261	\$ 122,790	\$ 129,051	\$ 122,035
Expenses	(5,269)	(117,277)	(122,546)	(117,883)
Gain (loss) on sale of assets	-	19	19	(203)
Interest paid to the City of Greater Sudbury	-	(3,787)	(3,787)	(3,795)
Net income (loss)	\$ 992	\$ 1,745	\$ 2,737	\$ 154
Budgeted net income for 2012	\$ 730	\$ 336	\$1,066	

(b) The investment at December 31, 2012 consists of the following:

	SACDC	GSU	2012 Total	2011 Total
Balance, beginning of year	\$ 7,602	72,363	79,965	79,811
City's share of operating income for the year	992	1,745	2,737	154
Balance, end of year	\$ 8,594	74,108	82,702	79,965

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

- (i) The investment includes a promissory note of \$52,341 (2011 - \$52,341) from the Greater Sudbury Utilities Inc. 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 of the City.

The investment includes a promissory note of \$2,881 (2011 - \$1,488) from The Sudbury Airport Community Development Corporation that 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, 2012

2. Investment in Government Business Enterprises (continued):

(c) Related party transactions between the City and its government business enterprises are as follows (continued):

(ii) At December 31, 2012, the City has the following amounts included in the Consolidated Statement of Financial Position:

A receivable of \$2,165 (2011 - \$1,117) for water billings collected by Greater Sudbury Utilities Inc.

A payable of \$136 (2011 - \$46) for electricity and water bill payments collected by the City of Greater Sudbury on behalf of Greater Sudbury Utilities.

(iii) Revenues included in the Consolidated Statement of Operations of the City are:

	2012	2011
Property taxes	\$ 248	\$ 174
Interest on promissory note receivable	3,779	3,795
	<u>\$ 4,027</u>	<u>\$ 3,969</u>

(iv) Expenses included in the Consolidated Statement of Operations of the City are:

	2012	2011
Billing and collection services for water and waste water	\$ 842	\$ 757
Streetlighting maintenance services	741	531
Streetlighting infrastructure	802	348
Electricity	5,144	5,788
Telecommunications	395	392
Telecommunications infrastructure	-	219
	<u>\$ 7,924</u>	<u>\$ 8,035</u>

(v) There is an amount of \$2,938 (2011 – \$2,386) held in the Trust funds administered by the City for The Sudbury Airport Community Development Corporation which are not included in these consolidated financial statements.

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.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

3. Investments:

The investments consisting of term deposits, treasury bills, ONE Fund Money Market and Bond Market funds and bonds earn rates of return ranging from 0.5% to 6.73% per annum and are recorded at cost adjusted for amortization of discounts and premiums.

The cost and market values are as follows:

	2012		2011	
	Market	Cost	Market	Cost
Short-term investments	\$ 183,928	183,185	\$ 140,672	140,228
Long-term investments	89,576	83,832	88,725	83,354
	\$ 273,504	267,017	\$ 229,397	223,582

4. Bank indebtedness:

The City has an unsecured demand revolving credit facility in the amount of \$10,000 (2011 - \$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 2.5% (2011 - 2.5%) per annum.

5. Employee benefit obligations:

Details of the obligations at December 31 are as follows:

	2012	2011
Future payments required for:		
WSIB obligations	\$ 1,633	\$ 1,067
Accumulated sick leave benefits	6,344	6,134
Other post-employment benefits	28,379	27,115
Vacation pay	13,998	13,392
	\$ 50,354	\$ 47,708

The City has established reserve funds in the amount of \$10,210 (2011 - \$8,412) 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, 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.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

5. Employee benefit obligations (continued):

The following table sets out the results as determined by the actuarial valuations completed for the year ended December 31, 2012 for each of the plans.

	WSIB	Sick Leave	Other Post-Employment Benefits	2012 Total	2011 Total
Accrued benefit liability, beginning of year	\$ 3,119	5,708	30,857	39,684	\$ 35,989
Benefit cost	871	328	1,251	2,450	2,000
Interest cost	181	285	1,522	1,988	1,775
Benefit payments	(815)	(357)	(2,115)	(3,287)	(3,690)
Actuarial gain (loss)	(394)	649	(1,589)	(1,334)	3,610
Accrued benefit liability, end of year	2,962	6,613	29,926	39,501	39,684
Unamortized actuarial gain (loss)	(1,329)	(269)	(1,547)	(3,145)	(5,368)
	\$ 1,633	6,344	28,379	36,356	\$ 34,316

The total expense related to these employee benefits include the following components:

	WSIB	Sick Leave	Other Post-Employment Benefits	2012 Total	2011 Total
Current period benefit cost	\$ 871	328	1,251	2,450	\$ 2,000
Prior period cost of plan amendment incurred during the year	-	-	84	84	4
Amortization of actuarial loss (gain)	330	(46)	606	890	648
Benefit interest expense	181	285	1,522	1,988	1,775
Total benefit expense	\$ 1,382	567	3,463	5,412	\$ 4,427

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	2.1%	2.3%	2.3%
Expected level of salary increases	N/A	2.1%	2.1%
Discount rate	4.5%	4.5%	4.5%

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

5. Employee benefit obligations (continued):

For other post employment benefits, as at December 31, 2012, the initial health care trend rate is 8.03% (2011 – 8.29%) and the ultimate trend rate is 4.5% (2011 – 4.5%) which is expected to be reached in 2029 (2011 – 2029).

6. Deferred revenue - obligatory reserve funds:

The balances in deferred revenue - obligatory reserve funds consist of:

	2012	2011
Sub-divider contributions	\$ 6,751	\$ 7,529
Development Charges Act	539	497
Recreational Land (The Planning Act)	818	674
Gasoline Tax - Province	1,097	376
Gasoline Tax - Federal	12,514	10,169
Building Permit Revenues (Bill 124)	7,819	7,861
	\$ 29,538	\$ 27,106

7. 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 4.85% (2011 - 5%) minus an inflation rate of 1.80% (2011 - 1.87%) (10-year average of CPI from 2003 to 2012). The estimated total landfill closure and post-closure care expenses are calculated to be \$19,534 (2011 - \$19,384). The estimated liability for the active sites is recognized as the landfill site's capacity is used. At December 31, 2012 an amount of \$11,375 (2011 - \$11,153) with respect to landfill closure and post-closure liabilities has been accrued.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

7. Solid waste management facility liability (continued):

Active sites:

The estimated remaining capacity of the Sudbury landfill site is 52% (4,070,000 cubic meters) (2011 - 53%) of its total estimated capacity and its estimated remaining life is 36 years (2011 - 37 years), after which the period for post-closure care is estimated to be 25 years.

The estimated remaining capacity of the Valley East landfill site is 36% (715,000 cubic meters) (2011 - 37%) of its total estimated capacity and its estimated remaining life is 23 years (2011 - 24 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 56% (823,000 cubic meters) (2011 - 55%) of its total estimated capacity and its estimated remaining life is 33 years (2011 - 24 years), after which the period for post-closure care is estimated to be 25 years.

8. Long-term liabilities:

(a) Long-term liabilities reported on the consolidated statement of financial position consist of the following:

	2012	2011
Debentures (i)	\$ 18,478	\$ 19,680
Capital lease obligations (ii)	563	716
Other loans (iii)	3,465	3,631
Accrued financial obligations (iv)	21,036	22,066
	\$ 43,542	\$ 46,093

(i) The debentures bear interest at rates of 5.386% to 5.734%, repayable in aggregate blended monthly payments of \$189, maturing in March, 2023 to December, 2024.

(ii) The capital lease obligations bear interest at a rate of 5.75%, repayable in aggregate blended monthly payments of \$16, maturing in March, 2016.

(iii) The other loans bear interest at rates of 0% to 5.49%, repayable in aggregate blended annual payments of \$364, maturing in October 2013 to November, 2029.

(a) Long-term liabilities reported on the consolidated statement of financial position consist of the following (continued):

(iv) Accrued financial obligations consist of the following:

	Last Year of Obligation	2012	2011
Health Sciences North	2023	\$ 7,471	\$ 8,171
Northeastern Ontario Regional Cancer Centre	2023	3,229	3,529
Laurentian University (School of Architecture)	2019	10,000	10,000
Physician Service Agreements	2015	336	366
		\$ 21,036	\$ 22,066

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
 (in thousands of dollars)
 Year ended December 31, 2012

8. Long-term liabilities (continued):

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

	2013	\$	6,314
	2014		3,789
	2015		3,816
	2016		3,744
	2017		3,794
	Thereafter		22,085
		\$	43,542

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

General Municipal revenues	\$	40,087
Water/wastewater user fees		3,455
	\$	43,542

The City expensed \$1,296 in 2012 (2011 - \$ 1,379) in interest on these borrowings.

9. 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:

	2012	2011
Taxation	\$ 49,690	\$ 47,806
Payments in lieu of taxes	138	137
	\$ 49,828	\$ 47,943

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2012

10. Tangible capital assets:

Cost	Balance December 31, 2011	Additions	Disposals	Balance at December 31, 2012
General Capital:				
Land	\$ 62,936	\$ 1,688	\$ (863)	\$ 63,761
Landfill and land improvements	29,599	854	(391)	30,062
Buildings	291,157	11,143	(2,922)	299,378
Machinery, furniture and equipment	91,206	5,292	(2,219)	94,279
Vehicles	70,039	2,193	(1,695)	70,537
Infrastructure:				
Land improvements	20,096	2,309	-	22,405
Plants and facilities	317,270	8,985	(545)	325,710
Roads infrastructure	1,100,577	15,841	(2,929)	1,113,489
Water and sewer infrastructure	456,273	8,240	(323)	464,190
Assets under construction	26,955	17,702		44,657
Total	\$ 2,466,108	\$ 74,247	\$ (11,887)	\$ 2,528,468

Accumulated amortization	Balance December 31, 2011	Amortization expense	Disposals	Balance at December 31, 2012
General Capital:				
Land	\$ -	\$ -	\$ -	\$ -
Landfill and land improvements	11,577	1,017	(221)	12,373
Buildings	123,188	8,357	(1,022)	130,523
Machinery, furniture and equipment	53,108	6,867	(2,215)	57,760
Vehicles	35,847	4,751	(1,696)	38,902
Infrastructure:				
Land improvements	1,746	292		2,038
Plants and facilities	157,590	9,055	(216)	166,429
Roads infrastructure	617,207	29,968	(2,788)	644,387
Water and sewer infrastructure	133,060	6,400	(286)	139,174
Assets under construction	-			-
Total	\$ 1,133,323	\$ 66,707	\$ (8,444)	\$ 1,191,586

	Net book value December 31, 2011	Net book value December 31, 2012
General Capital:		
Land	\$ 62,936	\$ 63,761
Landfill and land improvements	18,022	17,689
Buildings	167,969	168,855
Machinery, furniture and equipment	38,098	36,519
Vehicles	34,192	31,635
Infrastructure:		
Land improvements	18,350	20,367
Plants and facilities	159,680	159,281
Roads infrastructure	483,370	469,102
Water and sewer infrastructure	323,213	325,016
Assets under construction	26,955	44,657
Total	\$ 1,332,785	\$ 1,336,882

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
 (in thousands of dollars)
 Year ended December 31, 2012

10. Tangible capital assets (continued):

Cost	Balance December 31, 2010	Additions	Disposals	Balance at December 31, 2011
General Capital:				
Land	\$ 59,639	\$ 3,556	\$ (259)	\$ 62,936
Landfill and land improvements	27,895	1,709	(5)	29,599
Buildings	268,592	26,715	(4,150)	291,157
Machinery, furniture and equipment	86,097	7,014	(1,905)	91,206
Vehicles	69,499	5,043	(4,503)	70,039
Infrastructure:				
Land improvements	11,152	8,944	-	20,096
Plants and facilities	300,831	16,970	(531)	317,270
Roads infrastructure	1,084,063	34,189	(17,675)	1,100,577
Water and sewer infrastructure	444,315	12,659	(701)	456,273
Assets under construction	53,103	13,468	(39,616)	26,955
Total	\$ 2,405,186	\$ 130,267	\$ (69,345)	\$ 2,466,108

Accumulated amortization	Balance December 31, 2010	Amortization expense	Disposals	Balance at December 31, 2011
General Capital:				
Land	\$ -	\$ -	\$ -	\$ -
Landfill and land improvements	10,886	694	(2)	11,578
Buildings	119,290	7,713	(3,815)	123,188
Machinery, furniture and equipment	48,131	6,862	(1,885)	53,108
Vehicles	35,472	4,724	(4,350)	35,846
Infrastructure:				
Land improvements	1,475	271	-	1,746
Plants and facilities	149,281	8,749	(440)	157,590
Roads infrastructure	594,754	31,598	(9,145)	617,207
Water and sewer infrastructure	127,158	6,300	(398)	133,060
Assets under construction	-	-	-	-
Total	\$ 1,086,447	\$ 66,911	\$ (20,035)	\$ 1,133,323

	Net book value December 31, 2010	Net book value December 31, 2011
General Capital:		
Land	\$ 59,639	\$ 62,936
Landfill and land improvements	17,009	18,021
Buildings	149,302	167,969
Machinery, furniture and equipment	37,966	38,098
Vehicles	34,027	34,193
Infrastructure:		
Land improvements	9,677	18,350
Plants and facilities	151,550	159,680
Roads infrastructure	489,309	483,370
Water and sewer infrastructure	317,157	323,213
Assets under construction	53,103	26,955
Total	\$ 1,318,739	\$ 1,332,785

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

10. Tangible capital assets (continued):

a) Assets under construction:

Assets under construction having a value of \$44,657 (2011 - \$26,955) have not been amortized. Amortization of these assets will commence when the asset is put into service.

During the year, the City added \$27,766 (2011 - \$13,468) to assets under construction and transferred \$10,064 (2011 - \$39,616) 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 \$9,744 (2011 - \$14,635) comprised of the following:

	2012	2011
General Capital		
Land	\$ 76	\$ 763
Land improvements	905	316
Machinery and equipment	544	370
Infrastructure		
Land improvements	96	110
Roads network	4,347	7,135
Water and wastewater network	3,776	5,941
Total	\$ 9,744	\$ 14,635

11. Contractual obligations and commitments:

(a) Contracts for capital projects:

The balance of capital works uncompleted under contracts in progress at December 31, 2012 amounts to approximately \$23,603 (2011 - \$13,728). The proposed financing of these obligations is \$23,603 (2011 - \$13,728) from surplus funds.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
 (in thousands of dollars)
 Year ended December 31, 2012

11. Contractual obligations and commitments (continued):

(b) Contracts for services:

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

2013	\$	14,218
2014		10,529
2015		10,755
2016		7,063
2017		908
	\$	43,473

(c) Contingent liabilities:

As at December 31, 2012, 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.

12. Accumulated surplus:

Accumulated surplus consists of the following:

	2012	2011
Surplus:		
Invested in tangible capital assets	\$ 1,314,151	\$ 1,308,523
Invested in government business enterprise	82,702	79,965
Other	1,629	1,449
Committed capital:		
Capital projects not completed	75,462	76,015
Unfinanced capital projects to be recovered through taxation or user charges	(20,330)	(17,161)
Unfunded:		
Landfill closure costs	(11,375)	(11,153)
Employee benefits	(50,354)	(47,708)
Accrued financial obligations	(17,200)	(19,200)
	1,374,685	1,370,730
Reserves	10,966	11,171
Reserve funds	145,833	103,112
	\$ 1,531,484	\$ 1,485,013

CITY OF GREATER SADBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

13. Budget data:

Budget data presented in these consolidated financial statements are based on the 2012 operating and capital budgets approved by Council. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

	2012
Revenues	
Approved budget:	
Operating	\$ 475,474
Capital	95,815
Consolidated Boards	19,427
	<u>590,716</u>
Adjustments:	
Transfer from reserves to operating	(6,629)
Recognize revenues from obligatory reserve funds	10,060
In year budget adjustments	805
Operating transfer to capital and future years funding	(84,271)
Reclassification of taxation bad debt expense	(2,742)
Total revenues	<u>507,939</u>
Expenses	
Approved budget:	
Operating	\$ 475,474
Capital	95,815
Consolidated Boards (A)	18,361
	<u>589,650</u>
Adjustments:	
Amortization of Tangible Capital Assets	66,064
Transfer to reserves and capital	(70,605)
Reduction due to Tangible Capital Assets (TCA)	(95,815)
Post employment benefit expense	1,450
Landfill closure and post closure expense	277
In year budget adjustments	805
Reclassification of taxation bad debt expense	(2,742)
Debt principal repayments	(3,306)
Operating expenses budgeted in capital expensed in current year	4,203
Total expenses	<u>489,981</u>
Annual surplus	<u>\$ 17,958</u>

The budget data above does not include amounts for the cost of contributed tangible capital assets (TCA) and the related revenue and gain or loss on the sale of TCA as management cannot estimate the value of these transactions from year to year.

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

(A) The approved budget of the Consolidated Boards includes amortization. Their budget also provides 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, 2012

14. Other revenues:

Other revenues consist of:

	2012	2011
Gaming and Casino Revenues	\$ 2,507	\$ 2,539
Gain (loss) on sale of land and Tangible Capital Assets	290	(9,240)
Donated Tangible Capital Assets	9,744	14,625
Donations	1,274	792
Development Charges earned	4,688	6,314
Subdivider contributions	1,985	2,477
Miscellaneous recoveries	20,059	8,218
Miscellaneous revenues	713	1,327
	\$ 41,260	\$ 27,052

15. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

16. Trust funds:

Trust funds amounting to \$15,626 (2011 - \$12,200) 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.

17. Segmented disclosure:

The City of Greater Sudbury is a diversified municipal government institution that provides a wide range of services to more than 160,000 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.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2012

17. Segmented disclosure (continued):

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 Sudbury Airport Community Development Corporation.

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 ensure the safety of the lives and property of citizens; preserve peace and order; prevent 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.

Health and Social Services

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

Recreation and Cultural Services

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

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2012

17. Segmented disclosure (continued):

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, 2012

17. Segmented Disclosure (continued)

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Government Business Enterprises	Total
Revenues									
Transfer payments	\$ 2,398	12,241	15,439	1,515	99,809	4,557	4,704	\$	140,663
Taxation	17,368	68,059	54,495	-	45,284	26,398	11,035		222,639
User charges	4,187	4,841	10,188	63,042	17,358	8,339	979		108,934
Other	1,565	9,807	25,487	7,256	5,791	5,522	1,403	2,737	59,568
	25,518	94,948	105,609	71,813	168,242	44,816	18,121	2,737	531,804
Expenses									
Salaries, wages and benefits	24,828	65,365	28,599	16,839	55,367	18,383	7,534		216,915
Materials	5,569	6,704	18,809	11,661	22,888	10,426	2,574		78,631
Contract services	4,381	1,643	11,539	23,690	31,909	2,566	2,464		78,192
Grants and transfer payments	144	650	25	52	38,576	691	2,516		42,654
Amortization	855	3,285	33,885	16,901	6,673	4,610	498		66,707
Other	780	343	161	267	479	168	36		2,234
Allocation of shared expenses	(14,534)	3,283	1,603	1,388	5,279	2,646	335		-
	22,023	81,273	94,621	70,798	161,171	39,490	15,957	-	485,333
Annual surplus	\$ 3,495	13,675	10,988	1,015	7,071	5,326	2,164	2,737	\$ 46,471

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
Year ended December 31, 2012

17. Segmented Disclosure (continued)

December 31, 2011	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Government Business Enterprises	Total
Revenues									
Transfer payments	\$ 2,676	12,321	24,197	2,104	100,680	7,926	4,139	\$ 154,043	
Taxation	15,182	63,259	53,940	-	41,512	32,768	8,111	214,772	
User charges	3,813	4,609	10,084	59,364	16,882	7,695	708	103,155	
Other	1,211	8,647	12,288	9,472	4,974	4,367	3,469	44,582	
	22,882	88,836	100,509	70,940	164,048	52,756	16,427	154	516,552
Expenses									
Salaries, wages and benefits	24,029	63,249	27,899	16,545	52,866	17,980	6,847	209,415	
Materials	4,351	6,836	17,662	10,285	23,965	20,296	3,176	86,571	
Contact Services	3,882	1,660	10,456	24,555	32,447	2,180	2,030	77,210	
Grants and transfer payments	150	620	7	61	38,417	652	2,222	42,129	
Amortization	812	3,340	35,475	16,181	6,596	4,020	487	66,911	
Other	818	684	115	383	497	322	13	2,832	
Allocation of shared expenses	(13,391)	3,152	963	957	5,296	2,488	535	-	
	20,651	79,541	92,577	68,967	160,084	47,938	15,310	485,068	
Annual surplus	\$ 2,231	9,295	7,932	1,973	3,964	4,818	1,117	154	\$ 31,484

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2012

18. Supplementary financial information

i) Schedule of Revenues and Expenses - Library

		2012		2011
Revenues:				
Government transfers (note 1)	- Provincial	\$ 412	\$	419
	- Federal	-		20
Fines and fees		145		156
Other		17		10
		574		605
Expenses:				
Salaries, wages and benefits		\$ 4,482	\$	4,284
Materials and contract services		1,596		1,558
		6,078		5,842
Excess of revenue over expenses		\$ (5,504)	\$	(5,237)

1. The government transfers are comprised of the following:

Provincial

Ministry of Tourism and Culture - Operating	\$ 403	\$	403
Ministry of Tourism and Culture - Other	7		13
Ontario Library Service - North	2		3
	\$ 412	\$	419

Federal

Fednor	\$ -	\$	12
Human Resources Development Canada	-		8
	\$ -	\$	20

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2012

18. Supplementary financial information

ii) Schedule of Revenues and Expenses - Children's Services

	REVENUES (1)			EXPENSES			
	Ministry of Education	Legislated Cost Share (Calculated)	Total	Gross Expenses	Other Offsetting Revenue	Adjusted Gross Expenses	
A380 – Administration	309	50%	309	619	966	-	966
A425 – Administration, ELCC	46	50%	46	92	92	-	92
A371 – Fee Subsidy, DA	3,252	20%	813	4,065	2,852	(542)	2,310
A429 – Fee Subsidy, ELCC	381	20%	95	476	470	(59)	411
A663 – Fee Subsidy, ELCD	389	0%	-	389	150	-	150
A664 – Fee Subsidy, Extended Day		0%	-	-	260	(21)	239
A400 – Ontario Works, Formal	504	20%	126	630	1,309	-	1,309
A401 – Ontario Works, Informal	80	20%	20	100	43	-	43
A661 – Operating, ELCD	8,734	0%	-	8,734	9,382	(855)	8,527
A411 – Operating, Minor Capital		0%	-	-	-	-	-
A412 – Capacity Funding to Support Transformation	27	0%	-	27	-	-	-
A393 – Pay Equity Union Settlement	240	0%	-	240	225	-	225
A375 – Repairs & Maintenance	24	0%	-	24	221	-	221
A515 – Small Water Works		0%	-	-	-	-	-
A376 – Special Needs Resourcing	690	20%	173	863	863	-	863
A430 – Special Needs Resourcing, ELCC	56	20%	14	70	70	-	70
A713 – Transition, Capital	96	0%	-	96	-	-	-
A665 – Transition, Operating	299	0%	-	299	299	-	299
A384 - TWOMO		0%	-	-	-	-	-
A446 – Wage Improvement, Non-Profit	518	0%	-	518	528	-	528
A644 – Wage Improvement, Commercial	69	0%	-	69	59	-	59
A391 – Wage Subsidy, Commercial	279	20%	70	349	260	-	260
A432 – Wage Subsidy, Commercial, ELCC	20	20%	5	25	25	-	25
A390 – Wage Subsidy, Non-Profit	1,479	20%	370	1,849	1,937	-	1,937
A431 – Wage Subsidy, Non-Profit, ELCC	260	20%	65	325	325	-	325
TOTAL	17,752		2,106	19,858	20,336	(1,477)	18,859

(1) Most recent Amended Service agreement.