

2020 Annual Report

Presented To:	Audit Committee
Meeting Date:	May 31, 2021
Type:	Managers' Reports
Prepared by:	Christina Dempsey Accounting Services
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides a recommendation regarding the Annual Financial Statements which are prepared in accordance with the Municipal Act, 2001, section 294.1, annual financial statements must be prepared and approved in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board.

Resolution

That the City of Greater Sudbury accepts the Consolidated Financial Statements of the City of Greater Sudbury and the Financial Statements of the City of Greater Sudbury Trust Funds for the year ended December 31, 2020 as outlined in the report entitled "2020 Annual Report" from the General Manager of Corporate Services, presented at the Audit Committee meeting on May 31, 2021.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to operational matters and has no direct connection to the Community Energy & emissions Plan.

Financial Implications

There are no financial implications associated with this report.

Background

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

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

The financial results of these entities include the assets, liabilities, revenues and expenses of these entities. Any inter-organization transactions have been eliminated.

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

- Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc.
- Sudbury Airport Community Development Corporation

These investments are accounted for by the modified equity method, therefore, these investments are recorded as assets in the Consolidated Statement of Financial Position and their net earnings are recorded as revenues in the Consolidated Statement of Operations and Accumulated Surplus. Inter-organization transactions and balances are not eliminated.

The Consolidated Financial Statements include the following components:

Name	Purpose	Comments
Consolidated Statement of Financial Position	Provides a summary of the City's consolidated: <ul style="list-style-type: none"> • financial assets, • financial liabilities, • non-financial assets and • accumulated surplus 	Major components include: <ul style="list-style-type: none"> • Investment in GBE • Investments • Accounts payable and accrued liabilities • Employee benefit obligations • Long term liabilities • Tangible Capital Assets
Consolidated Statement of Operations and Accumulated Surplus	Provides a summary of the City's consolidated: <ul style="list-style-type: none"> • Revenues (includes operating, capital funding and contributions from reserves and reserve funds, GBE net earnings) • Expenses, • accumulated surplus 	Major components include: <ul style="list-style-type: none"> • Government Transfers (operating and capital) • Taxation • User charges • Expenses categorized by: <ul style="list-style-type: none"> ▪ Function (Service area) and ▪ Object (Types of expenses)
Consolidated Statement of Change in Net Financial Assets	Provides a summary of the change in the City's consolidated net financial assets as a result of operations, tangible capital asset transactions and changes in other non-financial assets.	This statement indicates the whether the City has the ability to generate sufficient net revenues to fund it's capital and non-financial needs.
Consolidated Statement of Cash Flow	Provides the City's consolidated cash position and changes that affected the cash position.	Major components include: <ul style="list-style-type: none"> • Adjustments for non-cash transactions • Financial activities (i.e. long term debt transactions) • Capital activities (i.e. Tangible Capital Asset transactions) and

Name	Purpose	Comments
		<ul style="list-style-type: none"> Investing activities (i.e. purchase / sale of investments)
Notes	Provides additional information regarding the City's significant accounting policies and additional information to supplement the statements above.	<ul style="list-style-type: none"> Revenue recognition policies Summary of GBE activities Long term debt information Accumulated Surplus details Budget reconciliation

Subsequent to Council ratification (June 15, 2021), the following financial reports for the year ended December 31, 2020 will be available on the City's website:

- Annual Report including the Consolidated Financial Statements of the City of Greater Sudbury
- Financial Information Return for the Consolidated City of Greater Sudbury
- Financial Statements of the City of Greater Sudbury Trust Funds
- Financial Statements of the Sudbury Airport Community Development Corporation
- Consolidated Financial Statements of Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc.
- Financial Statements of Downtown Sudbury
- Financial Statements of the Greater Sudbury Housing Corporation
- Financial Statements of the City of Greater Sudbury Community Development Corporation
- Financial Statements of the Sudbury and District Health Unit

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
- 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 for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 31, 2021

CITY OF GREATER SUDBURY

TRUST FUNDS

Statement of Financial Position

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

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fednor Project - Business Planning Initiative (note 4)	Cemetery Pre-Need	Cemetery Care and Maintenance	Total 2020	Total 2019
Assets								
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
Liabilities and Fund Balances								
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 Changes in Fund Balances

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

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fednor Project - Business Planning Initiative (note 4)	Cemetery Pre-Need	Cemetery Care and Maintenance	Total 2020	Total 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 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)

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.

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

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.

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.

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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
Financial assets		
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
Financial liabilities		
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
Net financial assets	220,051	210,722
Non-financial assets		
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)		
Accumulated Surplus (note 18)	\$ 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 Budget	2020 Actual	2019 Actual
	(note 19)		
Revenues			
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
Expenses			
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
Annual Surplus	45,767	64,730	43,497
Accumulated surplus, beginning of the year	1,776,837	1,776,837	1,733,340
Accumulated surplus, end of the year	\$ 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 Budget (note 19)	2020 Actual	2019 Actual
Annual Surplus	\$ 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)
Change in net financial assets	(55,055)	9,329	8,046
Net financial assets, beginning of the year	210,722	210,722	202,676
Net financial assets, end of the year	\$ 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
Cash flows from operating activities		
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
Cash flows from financing activities		
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)
Cash flows from capital activities		
Proceeds on sale of tangible capital assets	372	580
Cash used to acquire tangible capital assets	(133,671)	(103,819)
	(133,299)	(103,239)
Cash flows from investing activities		
Purchase of investments	(208,897)	(674)
Net increase (decrease) in cash	(2,301)	8,265
Cash, beginning of the year	16,439	8,174
Cash, end of the year	\$ 14,138	\$ 16,439
Supplementary Information		
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

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

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

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

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

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

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 Total	2019 Total
Balance, beginning of year	\$ 16,139	\$ 100,994	\$ 117,133	\$ 114,145
City's share of operating income 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 Total	2019 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 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 Total	2019 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 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 Cost	Market	2019 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
Total accounts payable and accrued liabilities	\$ 117,525	\$ 99,966

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, 2019	Externally restricted inflows	Revenue earned	December 31, 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
	\$ 55,191	\$ 29,063	\$ (28,229)	\$ 56,025

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, 2019	Externally restricted inflows	Revenue earned	December 31, 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

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
	<u>\$ 261,802</u>	<u>\$ 70,264</u>

- (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 of 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
		<u>\$ 5,500</u>	<u>\$ 9,250</u>

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 December 31, 2019	Additions	Disposals / Transfers	Balance at December 31, 2020
General Capital:				
Land	\$ 85,191	\$ 2,838	\$ (354)	\$ 87,675
Landfill and land improvements	47,234	1,485	-	48,719
Buildings	365,028	6,228	(781)	370,475
Machinery, furniture and equipment	122,816	6,743	(4,285)	125,274
Vehicles	80,529	7,880	(3,678)	84,731
Infrastructure:				
Land improvements	31,879	50	-	31,929
Plants and facilities	436,018	3,330	(120)	439,228
Roads infrastructure	1,354,140	88,941	(18,683)	1,424,398
Water and sewer infrastructure	548,304	8,965	(533)	556,736
Assets under construction	40,527	36,806	(27,661)	49,672
Total	\$ 3,111,666	\$ 163,266	\$ (56,095)	\$ 3,218,837
Accumulated amortization	Balance December 31, 2019	Amortization expense	Disposals / Transfers	Balance at December 31, 2020
General Capital:				
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
Total	\$ 1,556,557	\$ 78,484	\$ (25,466)	\$ 1,609,575
Net book value December 31, 2019				Net book value December 31, 2020
General Capital:				
Land	\$ 85,191			\$ 87,675
Landfill and land improvements	25,500			25,248
Buildings	176,001			171,346
Machinery, furniture and equipment	42,735			41,518
Vehicles	33,223			35,617
Infrastructure:				
Land improvements	27,125			26,515
Plants and facilities	205,103			198,218
Roads infrastructure	557,042			609,407
Water and sewer infrastructure	362,662			364,046
Assets under construction	40,527			49,672
Total	\$ 1,555,109			\$ 1,609,262

CITY OF GREATER SUDBURY

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

14. Tangible capital assets

Cost	Balance December 31, 2018	Additions	Disposals / Transfers	Balance at December 31, 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
Total	\$ 3,022,121	\$ 192,268	(102,723)	\$ 3,111,666
Accumulated amortization	Balance December 31, 2018	Amortization expense	Disposals / Transfers	Balance at December 31, 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
Total	\$ 1,501,045	\$ 75,627	\$ (20,115)	\$ 1,556,557
	Net book value December 31, 2018			Net book value December 31, 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
Total	\$ 1,521,076			\$ 1,555,109

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
Surplus		
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
Reserves	38,647	12,958
Reserve funds	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
Revenues	
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)
Total revenues	\$ 656,956
Expenses	
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
Total expenses	\$ 611,189
Annual surplus	\$ 45,767

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 Budget	2020 Actual	2019 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 Budget	2020 Actual	2019 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

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

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

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 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	\$ 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
Expenses									
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
Annual Surplus (Deficit)	\$ 44,471	\$ (5,565)	\$ (7,834)	\$ 11,187	\$ (2,658)	\$ (2,878)	\$ 3,786	\$ 2,988	\$ 43,497

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
Revenues		
Government transfers (note 1)	\$ 403	\$ 403
Fines and fees	40	131
Other	7	15
	450	549
Expenses		
Salaries, wages and benefits	\$ 4,383	\$ 4,802
Materials and contract services	4,123	1,732
	8,506	6,534
Excess of expenses over revenues	\$ (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

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.

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