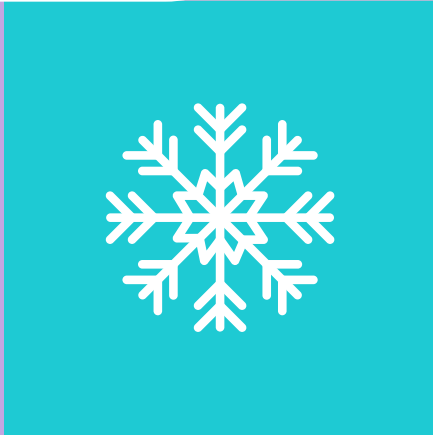




PO Box 5000, Station A  
200 Brady St.  
Sudbury, Ontario P3A 5P3

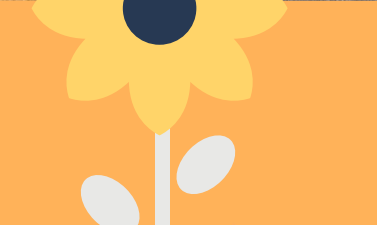
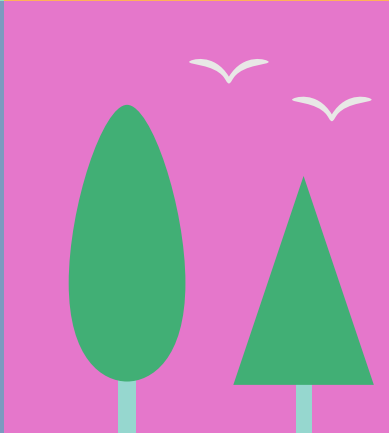
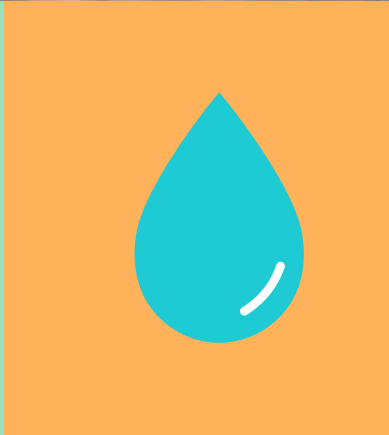
311 Live Chat  
311.greatersudbury.ca  
705.671.2489 (long distance)

greatersudbury.ca



# 2022 Annual Report

For the Year Ending  
December 31, 2022





# 2022 Annual Report

For the Year Ending  
December 31, 2022

Divisions responsible for preparing the 2022 Annual Report:  
Financial Services  
Communications and Community Engagement





# 2022 Annual Report

The Annual Report is an overview of the accomplishments and significant projects completed in 2022, supporting the goals under seven pillars in the Strategic Plan 2019-2027. The document also includes audited annual financial statements for the previous year.



Asset  
Management  
and Service  
Excellence



Business  
Attraction,  
Development and  
Retention



Economic  
Capacity and  
Investment  
Readiness



Climate  
Change



Create a  
Healthier  
Community



Housing



Strengthen  
Community  
Vibrancy





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## A Message from Mayor Paul Lefebvre

I am pleased to share with you the 2022 Annual Report highlighting the City of Greater Sudbury's progress and achievements of the year. Having been elected in 2022, I am honoured to lead Greater Sudbury into a future of promise and prosperity.

Since assuming office at the end of 2022, your new Council has worked collaboratively to renew a comprehensive vision for our city's growth and development. We have reiterated our support for forward-thinking plans aimed at growing our local economy and population, enhancing the quality of life for every resident and celebrating the unique character of all our Greater Sudbury communities.

One key priority is promoting sustainable and inclusive economic growth. We will continue to actively engage with local businesses, entrepreneurs and investors to foster an environment that supports innovation, attracts new industries and nurtures existing ones. Our goal is to create a diversified and resilient local economy that seizes emerging opportunities while also being able to withstand challenges.

We recognize the importance of investing in our infrastructure to meet the evolving needs of our growing population. This includes maintaining existing assets while improving transportation networks, expanding green spaces and revitalizing urban areas for both commercial and residential purposes. By doing so, we can enhance accessibility, promote active and healthy lifestyles, reduce our environmental footprint and create vibrant places that foster community engagement.

We remain committed to addressing the urgent issue of climate change. Our Community Energy and Emissions Plan outlines our ambitious sustainability agenda and will be supported by a new senior staff position to coordinate corporation-wide efforts to reduce greenhouse gases and protect our natural environment. Through partnerships with local organizations and community initiatives, we will work together to ensure a greener and more sustainable future for generations to come.

The accomplishments highlighted in this report are a testament to the dedication of municipal staff and the support of the residents of Greater Sudbury. By working together, we are shaping our city into the thriving and resilient community we envision.

Thank you for placing trust in me as your Mayor. As we move forward together, I invite you to actively participate and contribute your ideas to help shape our shared future.



Paul Lefebvre  
Greater Sudbury Mayor



# Anywhere, Anytime: The 2022 Municipal and School Board Election

On October 24, 2022, voters in Greater Sudbury elected their next Mayor, Ward Councillors and School Board Trustees.

Municipal elections determine who will govern and make decisions that affect the quality of life in a community. By participating in municipal elections and getting involved in local issues, residents have the opportunity to shape the future of their community and ensure that their voices are heard in local governance.

Municipalities play a critical role in ensuring that municipal elections are conducted fairly and in compliance with all relevant laws and regulations.

In 2022, Greater Sudbury's Municipal and School Board Election leveraged the premise of "vote anywhere, anytime", with opportunities to vote either online or in person.

## Preparing for Election Day

- Re-branded Municipal and School Board Elections
- Launched a nine-month strategic communications campaign to encourage voter participation
- Supported by 300 trained municipal staff

## Ballot Counting

- Conducted a central tabulation of ballots
- Used a tabulator that took a digital scanned image of each ballot for enhanced adjudication capacity

## Vote Anywhere, Anytime

- Offered a 10-day window for voters to cast their ballots online, up to and including Election Day
- Provided 27 voting locations on Election Day
- Allowed voters to cast ballots in person at any location, regardless of their home address
- Hosted two days of advanced paper ballot voting at three locations
- Provided free GOVA Transit service on all routes during voting hours on Election Day

## Results

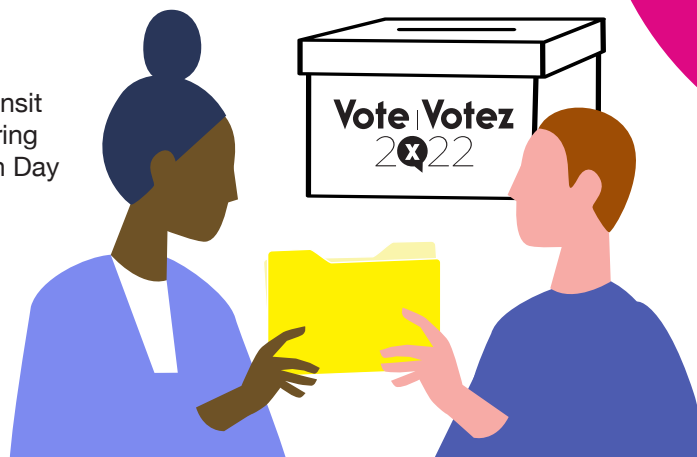
- 42 per cent voter turnout, six per cent higher than the provincial average
- 73 per cent of votes were cast online
- 27 per cent of votes were cast via paper ballot

**Vote | Votez**  
2022

Municipal and School Board **Elections**  
**Les élections** municipales et scolaires

**Your voice matters – don't miss the chance to have your say!**

**Voice Your Choice... Anywhere, Anytime!**





## Greater Sudbury City Council

City Council is the decision-making body for the corporation of the City of Greater Sudbury. It makes decisions about municipal services and service levels and determines how these are provided to residents. Our Council is composed of the Mayor, who represents the city as a whole, and 12 councillors, each of whom represents a ward, or geographic area, of the community.

The contributions of Greater Sudbury's 2018 to 2022 Council were instrumental in achieving the outcomes outlined in the 2022 Annual Report. They served the municipality with hard work, dedication and commitment for the betterment of the entire community.

During an election year such as 2022, the passing of the torch to a new City Council signifies a pivotal moment in democratic governance. Outgoing members of Council prepare to transfer their institutional knowledge, while incoming councillors embrace their roles with a commitment to serving the community's best interests. This transition fosters continuity and facilitates the implementation of fresh perspectives and innovative solutions for the advancement of the City and its residents.

## Greater Sudbury City Council (2022-2026)

**Paul Lefebvre**  
Mayor

**Mark Signoretti**  
Ward 1

**Michael Vagnini**  
Ward 2

**Gerry Montpellier**  
Ward 3

**Pauline Fortin**  
Ward 4

**Michel Parent**  
Ward 5

**René Lapierre**  
Ward 6

**Natalie Labbé**  
Ward 7

**Al Sizer**  
Ward 8

**Deb McIntosh**  
Ward 9

**Fern Cormier**  
Ward 10

**Bill Leduc**  
Ward 11

**Joscelyne Landry-Altman**  
Ward 12



Paul Lefebvre, Mayor



René Lapierre, Ward 6



Natalie Labbé, Ward 7



Gerry Montpellier, Ward 3



Michel Parent, Ward 5



Al Sizer, Ward 8



Pauline Fortin, Ward 4



Joselyne Landry-Altman, Ward 12



Bill Leduc, Ward 11



Mark Signoretti, Ward 1



Fern Cormier, Ward 10



Michael Vagnini, Ward 2



Deb McIntosh, Ward 9



## Message from Ed Archer, Chief Administrative Officer

This 2022 Annual Report describes the significant achievements and progress made by the City of Greater Sudbury. It has been a year of innovation, collaboration and thoughtful strategies that help our city enjoy a prosperous and sustainable future.

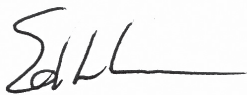
At the heart of our success lies the unwavering commitment of our dedicated municipal staff who work tirelessly to serve the needs of our community. Their passion, expertise and resilience have been instrumental in driving our transformative agenda forward. Together, we contribute results that ensure Greater Sudbury remains a vibrant and inclusive city where every resident can thrive.

Economic recovery from the COVID-19 pandemic has been a top priority at the City of Greater Sudbury, and I am pleased to report that despite the challenges faced by our community during a global crisis, our services reflect modernization and improvement efforts that make a positive contribution to our quality of life and economic performance. The COVID-19 Economic Recovery Strategic Plan has been a significant priority for the City of Greater Sudbury, and as a result, our local economy is recovering rapidly.

Outlooks indicate that Greater Sudbury will continue to see growth in the coming years.

None of these achievements would have been possible without City Council's leadership and support, significant collaboration among our staff and engagement from our service partners. Resident ideas, input and participation have also been vital in shaping our decisions and actions.

I remain committed, along with all staff, to transparent and accountable performance, developing community partnerships, and delivering high-quality services to meet our community's needs. We have a lot of potential and I look forward to seeing what more we can do together.



Ed Archer  
Chief Administrative Officer

## Executive Leadership Team

**Ed Archer**  
Chief Administrative Officer

**Kathryn O'Leary**  
Executive Co-ordinator to the  
CAO

**Kevin Fowke**  
General Manager of Corporate  
Services

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

**Steve Jacques**  
General Manager of Community  
Development

**Joseph Nicholls**  
General Manager of Community  
Safety

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

**Meredith Armstrong**  
Director of Economic  
Development

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





The Chief Administrative Officer (CAO) ensures the successful implementation of Council's decisions and leads the administration of the organization. Supported by an Executive Co-ordinator, the CAO works with a team of executive leaders.

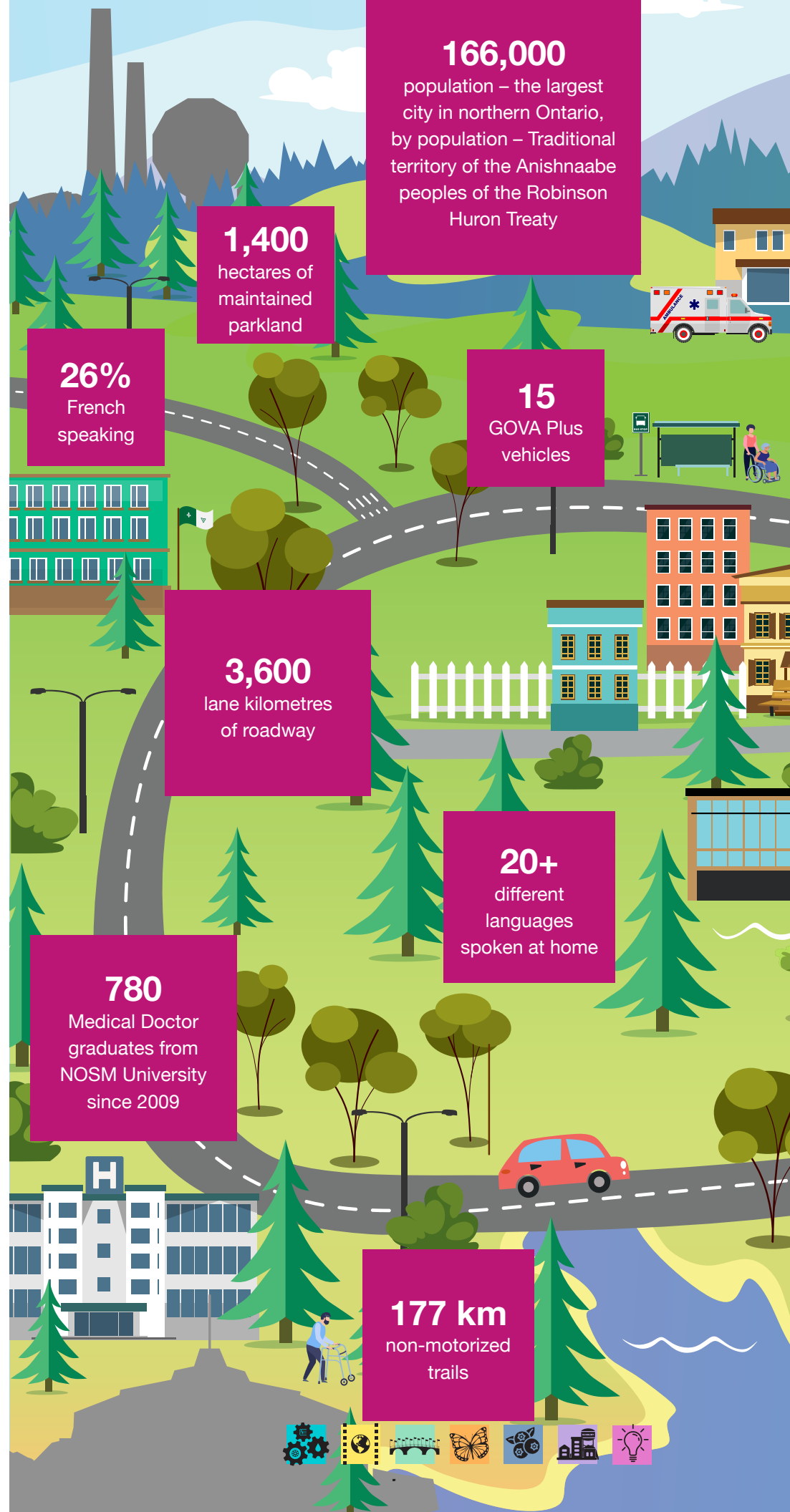
There are four General Managers accountable for four City departments: Corporate Services, Community Development, Community Safety and Growth and Infrastructure.

Each General Manager reports directly to the CAO and they, along with the Executive Co-ordinator and key advisory positions that include Communications, Economic Development and Strategic Initiatives, make up the organization's Executive Leadership Team (ELT).



# About Our Community

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



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

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

**58**  
lines of  
service

**2.6 M**  
GOVA transit  
trips

**140 km**  
of cycling  
infrastructure

**12**  
municipal  
wards

**5**  
post-secondary institutions:  
Cambrian College,  
Collège Boréal, Laurentian  
University, NOSM University,  
University of Sudbury

**88**  
Nations on  
the Bridge  
of Nations

**37%**  
bilingual  
population

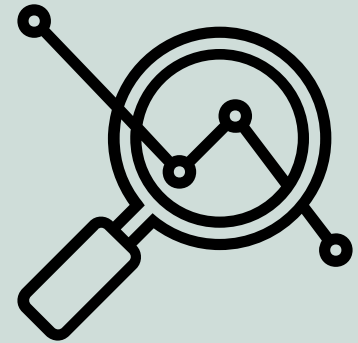
**3**  
landfill  
sites

**330**  
freshwater  
lakes



# Measuring Performance

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



## World Council on City Data (WCCD)

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

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

For example, Greater Sudbury has the most outdoor recreation space per capita compared to the 19 Canadian cities listed, at 272 m<sup>2</sup>/capita. This means that for every person living in Greater Sudbury, there are 272 square metres of outdoor recreation space.

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

## BMA Study

Greater Sudbury also compares its financial performance to other communities via the BMA Municipal Study. Using standard data definitions and common measurement bases to support meaningful comparisons, the latest comparisons in 2022 show Greater Sudbury has the third lowest property taxes out of the 30 municipalities with a population greater than 100,000.



### Population >100,000\*

<b>Greater Sudbury</b>	<b>\$3,550</b>
Group Average	\$4,382

\*For a detached bungalow 2022 BMA Report



## Municipal Benchmarking Network Canada

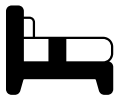
The Municipal Benchmarking Network of Canada (MBNCan) is a network of 16 Canadian cities that collaborate to produce and share consistent performance data for 36 services. This helps identify opportunities for improving services, reducing risk and strengthening business planning. The City of Greater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

The City often produces results that are above the median when looking at individual performance indicators measured by MBNCan. The median represents data in the middle of a set. The median is important because it helps to give a clear picture of what “typical service levels” look like. Unlike the average, which could be influenced by extreme outliers, comparisons to the median offer insights about how our services look compared to a typical municipal service. Based on current comparisons, our city regularly demonstrates service that exceeds more than 50 per cent of other similar-size or larger cities.

### In comparison to the municipal medians:



**43.1** per cent of people on the social housing waitlist were placed in homes, compared to the provincial average of **7.9** per cent / Placed 183 per cent more people on the social housing waitlist in comparison with other municipalities.



**39.2** of emergency shelter beds per 100,000 population are available nightly compared to the municipal median of **29.2**.



**417** regulated child care spaces per 1,000 children (12 and under) compared to the municipal median of **262**.

## Awards and Recognition

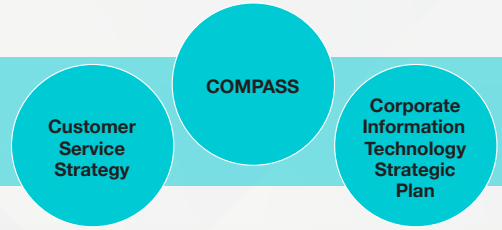
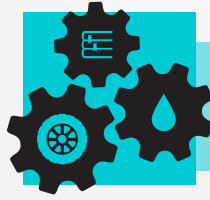
- Canadian Award for Excellence in Financial Reporting Program – Government Finance Officers Association (GFOA)
- Distinguished Budget Award – Government Finance Officers Association (GFOA)
- Leaders in Sustainability Award received by Environmental Services
- Women in Science and Engineering Spotlight (International Women’s Day) for Michaela Pardis (Information Technology)
- Recognized by Built for Zero Canada for achieving a Quality By-Name List for chronic homelessness
- GOVA recognized 50 years of transit services in the community with an event that highlighted the history of public transit within the City of Greater Sudbury and encouraged new ridership
- Blue Flag certification for Moonlight Beach and Bell Park Main Beach – Blue Flag Canada
- Upgraded credit rating (AA Stable to AA+ Stable) – Standard and Poor’s Global Ratings
- Platinum Award for the 2021 Annual Report Design in the Online Media Design eCommunications category – dotCOMM Awards 2022
- Platinum Award for the Innovation Quarters Strategic Communications, Marketing/Promotion Campaign | Integrated Marketing – MarCom Awards
- Gold Award for the Elections Vote | Votez 2022 Campaign, Strategic Communications | Marketing/Promotion Campaign | Integrated Marketing – MarCom Awards

# Strategic Plan

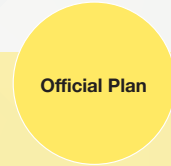
The 2022 Annual Report provides highlights of the progress on Council's Strategic Plan 2019-2027. For more information on the priorities and to view details of the plans that shape our decisions, please visit [greatersudbury.ca/plans](https://www.greatersudbury.ca/plans).

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

Asset Management and Service Excellence



Business Attraction, Development and Retention



Economic Capacity and Investment Readiness



Climate Change



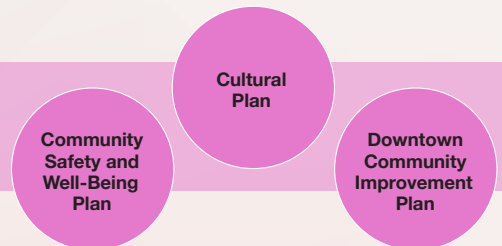
Create a Healthier Community



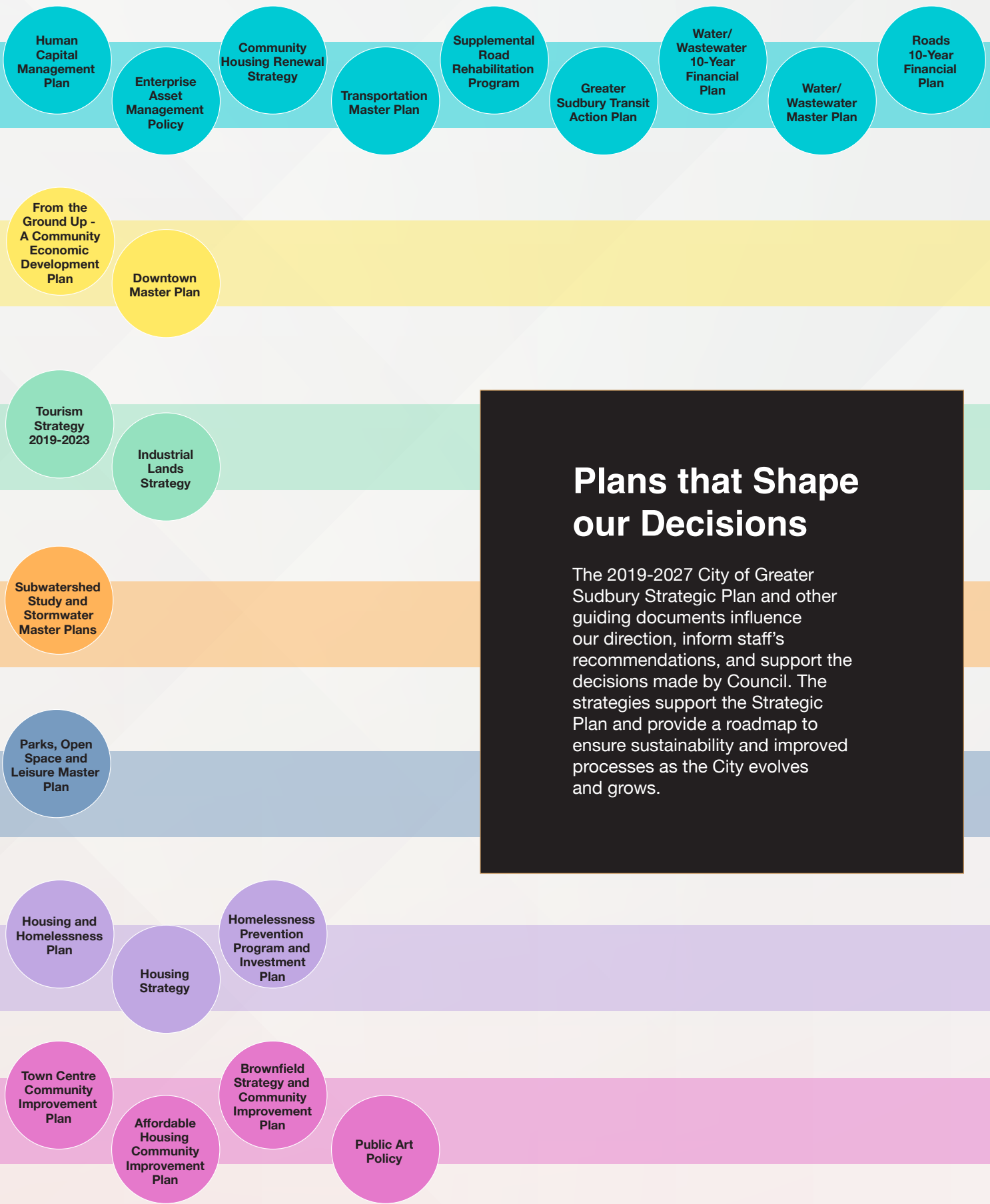
Housing



Strengthen Community Vibrancy







## Plans that Shape our Decisions

The 2019-2027 City of Greater Sudbury Strategic Plan and other guiding documents influence our direction, inform staff's recommendations, and support the decisions made by Council. The strategies support the Strategic Plan and provide a roadmap to ensure sustainability and improved processes as the City evolves and grows.

# Service Areas Deliver Strategic Priorities

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

## Resident Health and Safety

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

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

Legend: \*legislated services



## Transportation Services

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

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

## Quality of Life

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

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

## Corporate Services

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

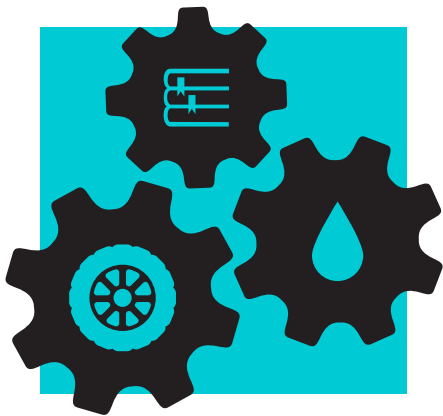
-  Information technology
-  Legal services\*
-  Provincial offences court\*
-  Clerk's services and Council support\*
-  Taxation\*
-  Accounting and payroll
-  Financial planning and budgeting
-  Human resources and labour relations
-  Compensation and benefits
-  Real estate
-  Facilities management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

## Community Sustainability

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

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





## Asset Management and Service Excellence

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

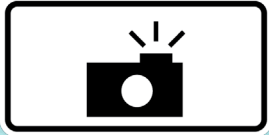
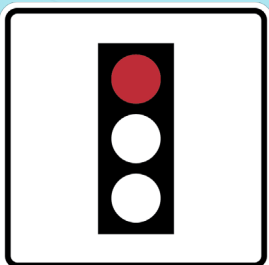
**\$204.6M**

Capital budget for 2022 ensured the best investment choices were made by including projects based on carefully selected criteria and focusing on the highest priorities

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



Began use of the Python 5000 pothole patcher



**RED LIGHT CAMERA**  
**PHOTO AU FEU ROUGE**

Implemented the red-light camera program



Completed a new roundabout in Falconbridge at the intersection of Longyear Drive and Edison Road, retiring and regreening an 800-metre section of Longyear Drive.

**GOAL:**  
Optimize asset service life through the establishment of maintenance plans

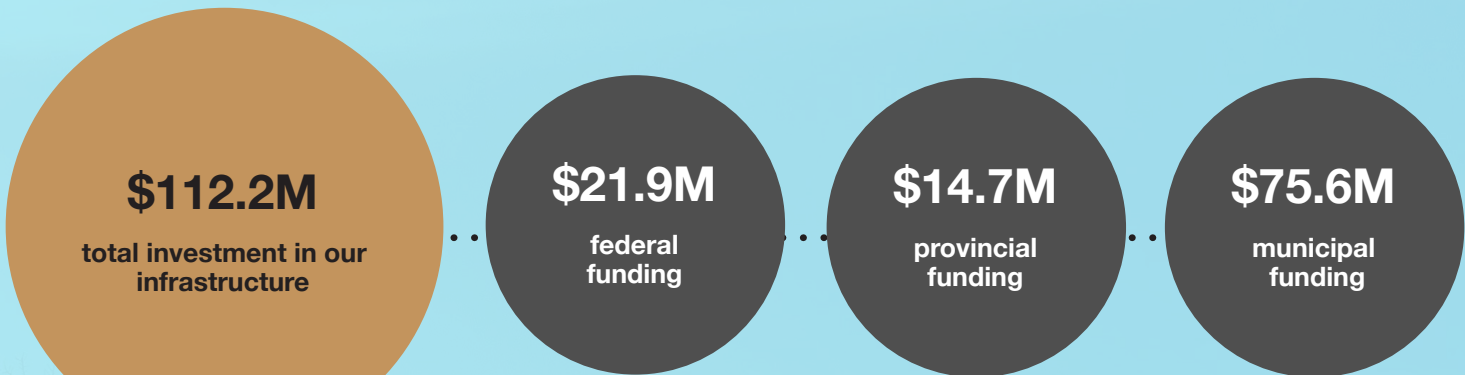


Completed the Ramsey Lake Subwatershed Study and Stormwater Master Plan

Began work on the Solid Waste Management Plan







**\$51.3M**

invested in various road and bridge projects, of which \$15.7M was funded by the federal government and \$10.1M by the Province

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

**\$4.6M**

for transit bus replacements in 2022. This included \$1.9M from the federal government and \$2.7M from the Province



**\$2.3M**

in federal funds towards construction of the Rapid Housing Initiative project

Designed, managed and inspected culvert replacements and the arterial and collector program, including Barry Downe Road, Hyland Drive and Wellington Heights, Kelly Lake Road, MR 24, MR 80, Loach's Road, Rheel Street, Whiltshire Street, Dell Street, Lively infrastructure, Coniston Industrial Park watermain upgrades and the McNaughton Terrace stormwater treatment facility.

**\$495,000**

for the park revitalization initiative, funded through federal grants



## Asset Management and Service Excellence

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



**GOAL:**  
Reinforce infrastructure for new development

## Large Projects

### Arena/Event Centre

On July 12, 2022, City Council declined to accept the revised and recommended financing plan for the Arena/Event Centre on the Kingsway, meaning that the project would not proceed in that form. On September 13, 2022, Council provided the following directions to wind down the project, including:

- Resolution CC2022-225, which directed staff to cancel or terminate all contracts and obligations associated with the Event Centre project in an efficient manner.
- Resolution C2022-226, which directed staff to produce a background report, by the end of Q2 2023, to update the building condition assessment and operational effectiveness analysis of the Sudbury Community Arena and provide a high-level summary of options for its replacement or renovation, including comparisons of facility size, amenities and business approach with event centres in other Canadian Hockey League communities.

Project files have been consolidated and retained. As directed by Council, staff will provide a report in 2023 related to the existing Sudbury Community Arena.

### Place des Arts

Place des Arts opened to the public in April 2022 and is the first multidisciplinary arts centre in Northeastern Ontario. Place des Arts is a contemporary arts and culture facility and the permanent home of seven francophone cultural organizations. It will offer nearly 850 activities per year, aiming for 50,000 admissions annually. The four-storey building includes a performance hall, multipurpose studio, contemporary art gallery, youth studio, bistro, early childhood artistic centre with an outdoor play area, and office space. Public spaces and services are provided in French and English. The City of Greater Sudbury contributed \$5 million in capital funding and provided the land for the facility on a long-term lease. The City also provides an annual operating subsidy to Place des Arts, which is independently owned and operated.





In 2016, Council endorsed four Large Projects: the Arena/Event Centre, the Library/Art Gallery (Junction East), the Greater Sudbury Convention and Performance Centre (Junction West) and Place des Arts. These projects aligned with Council's strategic objective to invest in transformative facilities, spaces and infrastructure initiatives that support economic activity and strengthen community vibrancy.

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

## Junction East (Library/Art Gallery)

Together, the Art Gallery of Sudbury, the Greater Sudbury Public Library, the Sudbury Multicultural and Folk Arts Association and the Sudbury Theatre Centre will form the Junction East Cultural Campus. It will reflect and celebrate the diversity and vibrancy of our community, both in its physical structure and in the programs and amenities provided by the partner organizations. The facility will house a central branch library, an art gallery and a multicultural association. It will be an accessible, inviting, contemporary, people-oriented space for connecting citizens to a world of information, technology and each other. Junction East will contribute to the local economy, tourism, drive municipal environmental performance, and provide a welcoming gathering place for residents and visitors alike.

### Project Updates:

- In May 2022, project partners provided a comprehensive project update to Council, which included the updated schematic design, costs and financing, enhanced sustainability and accessibility features.
- In June 2022, Council approved staff recommendations related to the conceptual design, business plan, operational model and financial plan.
- Subsequent to December 31, City Council directed staff to evaluate options that could reduce the project's overall cost. This work remains underway.

## Junction West (Convention and Performance Centre)

On June 28, 2022, a report was brought to City Council with multiple resolutions related to the Junction East Project, which also had an impact on the Junction West project. City Council passed Resolution CC2022-158 which stated that "in consideration of the planned Junction East Cultural Hub project outcomes, the City of Greater Sudbury directs staff to suspend the Junction West/Synergy Centre project and that all files be consolidated and retained for future reference." Since then, staff have carried out the resolution request to suspend the Junction West project and have consolidated and retained all project files.



- Opened the One-Stop Services counter to centralize transactional services and managed 9,690 requests.
- Opened the Development Desk at the One-Stop Services area to better serve residents, stakeholders and investors in navigating the development and permitting processes.
- Secured up to \$1,750,000 from the Province's Streamline Development Approvals Fund to streamline residential development.
- Launched Comprehensive Organizational Management, Productivity, Activity, and Service System (COMPASS) across the organization to support data-driven decision making and provide real-time insights into work done by the City.
- Delivered Hazard Identification and Risk Assessment (HIRA) training to all CGS leaders to enhance health and safety incident prevention measures.
- Added six low-floor accessible buses to replace aging vehicles within the GOVA fleet, improving rider experience and resulting in more modern, safe and reliable transit.





## Regional Business Centre



**1,519**

outreach to aspiring entrepreneurs and small business owners



**63**

seminars hosted to provide over 76 hours of entrepreneurship skills development



**55**

businesses started or expanded, creating 48 new jobs

## Business Attraction, Development and Retention

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

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

**\$9,000**

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

**\$55,000**

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



**\$374,313**

in additional federal funding (FedNor) for the Coniston Industrial Park Water Infrastructure Upgrade Project

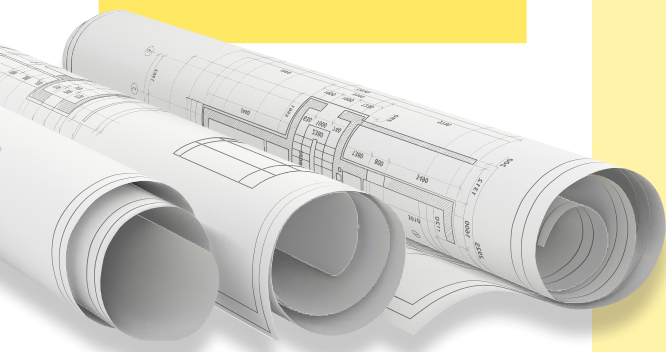
**GOAL:**  
Revitalize our town centres, nodes and corridors with public investment that supports and leverages private investment

**63**

major land use planning applications per year reviewed, analyzed and made recommendations

**2,445**

permit applications processed yearly with a total construction value of \$309 million



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

**The Northern Ontario Exports Program**

- Committed \$286,000 to 25 Greater Sudbury area export building initiatives.
- Supported an additional nine Greater Sudbury based companies in closing \$540,000 in new export sales and generating \$420,000 in pipeline sales to the Nevada mining market through the program’s Nevada In-Market Office for Mining Supply and Service.

**BEV+IN-DEPTH**

Hosted the inaugural Battery Electric Vehicle (BEV) – Mines to Mobility Conference



**230**  
 attendees, including 50 from outside of the region



**30**  
 panelists and speakers from across Ontario’s mining and automotive sector

**\$250,000**

investment in regained through the \$5M Sudbury Catalyst Fund

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

Provided funding and staff support for significant mining sector conferences and trade shows in Greater Sudbury

- NORCAT’s Mining Transformed (September 2022)
- Canadian Institute of Mining, Metallurgy and Petroleum’s (CIM) national Maintenance, Engineering and Reliability/Mine Operators Conference (MEMO) (September 2022)
- Business Sweden’s Canada/Sweden Mining Innovation Summit

**\$8,906,564**

leveraged and granted to the Greater Sudbury Development Corporation through approved projects

**\$558,658**

in Arts and Culture Grants to 33 businesses approved

**\$285,000**

in Tourism Development Funds approved for four community projects:

**\$142,000**

for a trail expansion at Kivi Park

**\$95,000**

for the 50th Anniversary Celebration of the Northern Lights Festival Boreal

**\$7,425**

for the Lake Laurentian Conservation Area’s Paddle Program

**\$40,000**

for Place Des Arts to support the Marketing Strategic Plan



## Economic Capacity and Investment Readiness

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

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

## The Economic Impact of COVID-19

Despite the continued influence of the COVID-19 pandemic, businesses reopened safely in the spring and allowed residents to support the service industry - including tourism, hospitality and retail, many of whom were some of the hardest hit sectors over the summer and fall of 2022.

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

The return of the Greater Sudbury film and television sector continued to be an important economic driver as well. In 2022, more than 19 productions filmed in Greater Sudbury. Three of these were feature films with an economic impact of \$18.2 million.

Despite the impact of COVID-19, in 2022 Greater Sudbury fared comparatively well in terms of employment, seeing an unemployment rate below both provincial and national numbers with an average of 4.36 per cent and an employment rate of 58.59 per cent.

Greater Sudbury's residential sector saw strong investment in multi-unit and single-family dwellings. In 2022, the combined value of construction for new and renovated residential projects was \$119 million and resulted in 457 units of new housing, the highest annual number in the last five years. The City also received 494 planning applications compared to 468 in 2021, showing consistent development activity in the community.

As pandemic restrictions were lifted over the course of the year, the City of Greater Sudbury continued to implement the Economic Recovery Strategic Plan. The City worked with partners on downtown Sudbury economic recovery, supporting key initiatives such as the opening of Place des Arts, the Greater Sudbury Market returning to Elgin Street and the patio program.

In 2022, the City also embarked on a review of Community Improvement Plans (CIPs) to be ready to support future development opportunities. Council adopted the new Strategic Core Area CIP to help rejuvenate areas in Greater Sudbury by providing funding incentives such as grants, loans and rebate programs.

Strengthened the relationship with Invest in Canada to bring several prospective investment attraction opportunities to Greater Sudbury

Increase competitiveness and amplify awareness of the community through continued work with Invest Ontario and the Ministry of Economic Development, Job Creation and Trade through the Ontario Job Site Challenge





Celebrated the grand opening of the Innovation Quarters/ Quartiers de l'Innovation in June 2022

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

**\$1,159,177**  
invested through the Greater Sudbury Development Corporation to progress the Downtown Business Incubator to support early stage, innovative, high-growth business startups across various industries.



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



## Hit Refresh

in Greater Sudbury

Promoted Greater Sudbury through the Hit Refresh/Se renouveau campaign as part of a multi-year strategy of talent attraction.



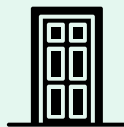
**120**

employers hosted to learn more about immigration and workforce supporting retention and attraction initiatives



**\$66.6 M**

in new residential construction in 2022  
(10 per cent more than the five-year average)



**457**

new residential units created  
(1.8 per cent increase from 2021)

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

**265**  
individuals approved to apply for residency through RNIP

**492**  
newcomers welcomed to Greater Sudbury

**GOAL:**  
Build on opportunities resulting from our clustered networks of health and education institutions

Continued to expand the partnership with Health Sciences North (HSN)/Health Sciences North Research Institute (HSNRI) to position Greater Sudbury as a hub for advanced health research with ongoing support to more than 700 businesses in the healthcare and life sciences sectors.



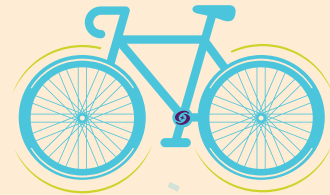


## Community Energy and Emissions Plan (CEEP)

The Community Energy and Emissions Plan (CEEP) is the long-term plan to reduce carbon emissions and pollution in Greater Sudbury. The goal is to explore energy opportunities as a community, and create a clean local energy future that supports jobs and economic development while improving quality of life and addressing climate change impacts.

The climate change mitigation plan parallels the City's climate change adaptation planning efforts. The CEEP follows decades of energy and emissions reduction initiatives in the community and responds to City Council's Climate Emergency declaration on May 28, 2019, which included a commitment to achieve net zero emissions by 2050. That means reducing greenhouse gas emissions caused by human activity to as close to zero as possible and removing the remaining emissions from the atmosphere. The CEEP was unanimously approved by Council on September 22, 2020.

The Paris-Notre Dame Bikeway, Sparks Street Project and Water Meter Replacement and Upgrade Program are just some of the projects that help reduce greenhouse gases as part of the City's five-year action plan for implementing the CEEP.



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

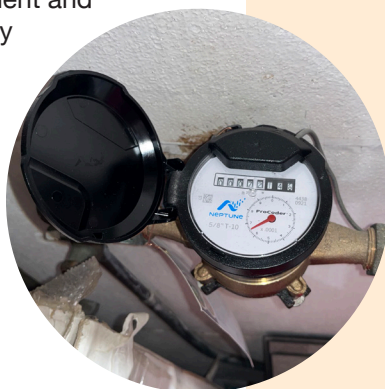
The City has implemented the Incident Management System (IMS) response model into the Emergency Operations Centre (EOC). The EOC has been reconfigured and training on the IMS model continues, positioning the City for success in effectively managing community emergencies and disaster response.

## Climate Change

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

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

Upgraded 21,964 water meters to new Automated Meter Infrastructure to decrease energy use in the drinking water treatment and distribution system by improving the level and quality of water consumption data in support of effective plant utilization, facility planning and long-term asset renewal plans.



Introduced six additional electric vehicles and charging stations to the City fleet in support of CEEP targets



**GOAL:  
Support  
ecological  
sustainability**

**Began the Battery  
Electric Bus Feasibility  
Study and Fleet  
Transition Plan**

- Celebrated the planting of the 10 millionth tree by the City's Regreening Program with the Prime Minister of Canada the Right Honourable Justin Trudeau and Dr. Jane Goodall.
- Hosted the inaugural Battery Electric Vehicle (BEV) In-Depth: Mines to Mobility conference in May 2022 in partnership with the Greater Sudbury Development Corporation, Frontier Lithium, Cambrian College, EV (Electric Vehicle) Society, Electric Autonomy Canada, Accelerate – ZEV (Zero Emission Vehicle) and Ontario Vehicle Innovation Network
- Continued to support the research initiatives that seek to extract critical minerals from tailings in the surrounding area and showcasing the innovation that Greater Sudbury is bringing to the evolving demands for the battery vehicle supply chain.



**8,625 metres**

of active transportation  
installed including  
sidewalks and trails at  
11 locations

**\$3.3 million**

in funding approved from the  
federal government to complete  
the final 2.3 kilometres of the  
Paris-Notre Dame Bikeway  
between Wilma Street and  
Van Horne Street



## Create a Healthier Community

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



**GOAL:**  
Advance population health agenda

- Obtained approval from the Ministry of Long-Term Care for the City of Greater Sudbury’s application for the redevelopment of existing beds at Pioneer Manor and the addition of 11 new beds. This project will see a new five-storey, 160-bed section attached at the back of the facility.
- Launched the Canada Wide Early Learning and Child Care System (CWELCC) to reduce parental fees for child care.
- Added two Client Navigators in the Social Services division to work directly with clients experiencing homelessness through the newly created Municipal Outreach Encampment Team (MOET).
- Implemented the Therapy Dog Program to provide psychological support programs to safeguard against the harmful effects of stressors and/or trauma to first responders.



Canada

**\$4.38M**

from Investing in Canada Infrastructure Program funding to revitalize 28 outdoor basketball and tennis courts.

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



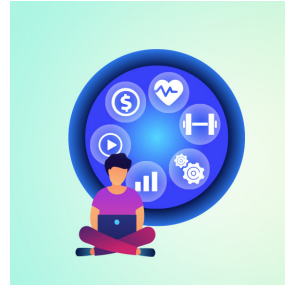
Renewed eight playgrounds in partnership with FedNor through Canada’s Community Revitalization Fund.

Revitalized the Moonlight Beach playground in partnership with United Way Centraide North East Ontario.





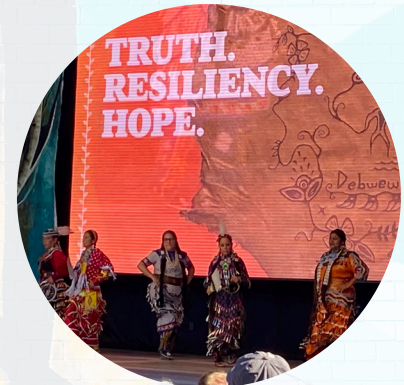
**GOAL:**  
**Build community pride through internal and external promotion of the city**



- Achieved several major milestones of the Human Capital Management Plan (HCMP) to strengthen the City’s relationships with its employees and position the City of Greater Sudbury as an employer of choice.

- Provided the venue and event and staff support for the September 30 event led by Indigenous organizations in commemoration of the National Day for Truth and Reconciliation at Bell Park.
- Recruited the City’s first Indigenous Relations Specialist following consultation with First Nations, Indigenous partners and organizations in Greater Sudbury.
- Provided internship opportunities for Operators-in-Training from First Nations to obtain certification in partnership with Water First Education and Training.
- Partnered with Atikameksheng Anishnawbek to integrate a new lift station serving the Chi-Zhiingwaak Business Park into the Walden Wastewater Treatment Plant.
- Developed a draft agreement to allow First Nations communities to bring their waste to the Sudbury Landfill and Waste Diversion Site.
- Developed an enhanced engagement framework with local community partners and Indigenous service providers to develop and implement the Stronger Together Host Community operating plan for First Nations communities displaced due to flooding or wildfires.

**GOAL:**  
**Strengthen Indigenous relations towards reconciliation**



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

- Opened the temporary supervised consumption urgent needs site in partnership with the non-profit group Réseau ACCESS Network.
- Provided support to the Public Health Sudbury & Districts vaccination program, including recruitment, onboarding, offboarding and human resources support for over 140 staff and supervisors.
- Delivered over 10,000 in-home COVID-19 tests through the operation of a mobile COVID-19 testing service in partnership with Health Sciences North and Ontario Health.



# Housing

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



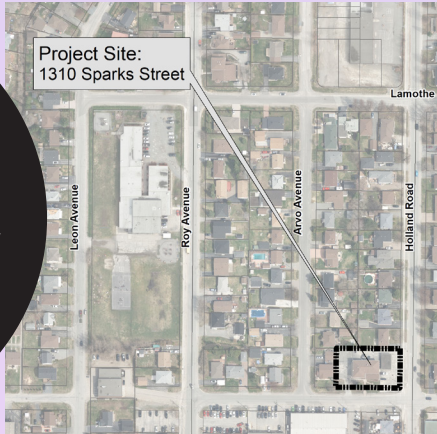
**Official Plan and Zoning By-law Updates to Expand Affordable and Attainable Housing Options**

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



Completed a community engagement plan for the Lorraine Street Affordable Housing project. Residents were invited to learn more about the building design and share their ideas.

Purchased the property at 1310 Sparks St. to build an energy-efficient community housing facility for residents on the social housing waitlist.



Began construction of a 40-unit transitional housing complex geared toward those experiencing homelessness, mental health and addictions and who require support services.





**GOAL:**  
Revitalize and  
improve existing  
housing stock

Completed a  
housing supply and  
demand analysis.



Modernized elevators  
in the Greater Sudbury  
Housing Corporation  
facilities at 166 Louis St.  
and 1960A Paris St.



Replaced roofs across  
a variety of locations  
including 3353 Montpelier  
Rd., 1528 Kennedy St.,  
744 Bruce Ave. and 241  
Second Ave.



Oversaw and funded  
22 capital repair projects  
with community housing  
providers and 26 capital  
repair projects with Urban  
Native Housing.



Created 10 new  
affordable housing units  
by collaborating with  
Raising the Roof and  
Community Builders.

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

- Led the Joint Enforcement Team to conduct approximately 20 joint inspections in relation to illegal rooming house complaints.
- Completed and implemented recommendations of Crime Prevention Through Environmental Design (CPTED) audits at 720 and 744 Bruce St. properties.
- Launched a permanent service level for Security Enforcement Officers to support community safety and well-being with 24/7 Municipal Law Enforcement Officer (MLEO) security monitoring and response.







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

Initiation of a Public Art Master Plan which describes our approach to public art investment and installation.



# Strengthen Community Vibrancy

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



**GOAL:**  
**Where relevant, incorporate the objective of community vibrancy into the development of new municipal facilities and infrastructure**

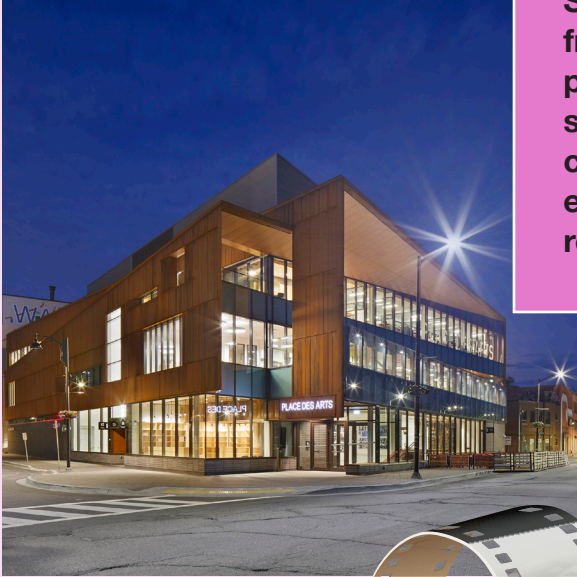
**Ongoing commitment to Diversity Policy emphasizing acceptance, inclusion and equality for all.**



COPPER CLIFF MUSEUM | MUSÉE DE COPPER CLIFF

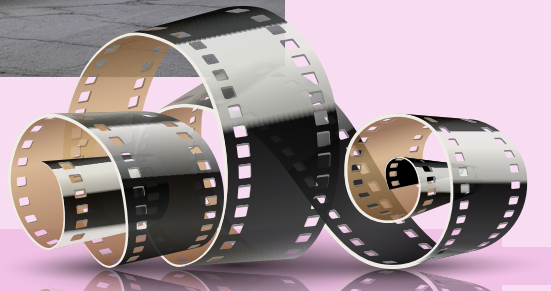
- Began the development of a Museums Revitalization Plan, which will provide recommendations to support our current heritage assets and establish a vision for the future of museum services.
- Continued major capital improvements to Anderson Farm Museum, including an archaeological assessment of a portion of the museum grounds.





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

Celebrated the public opening of Place des Arts, the first multidisciplinary arts centre in Northeastern Ontario.



**Supported Greater Sudbury Housing tenant and community groups in projects that improve the quality of life and place for residents:**

- Installed new garden boxes at 241 Second Ave.
- Painting of activity murals on the pavement at 1200 Attlee Ave.



**19**

productions hosted, with a total of 539 days of filming



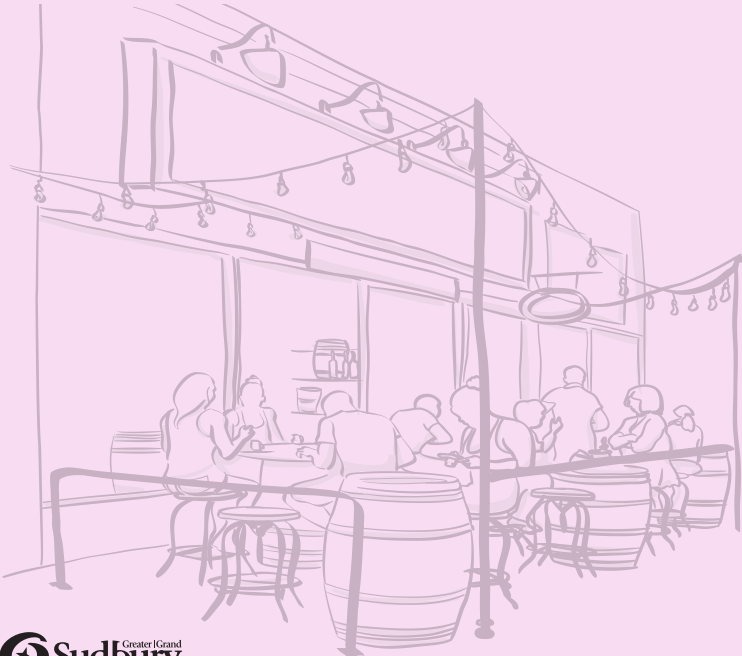
**\$18.2 M**

in local spending



**57%**

of the crews include local talent from the community



Supported 20 businesses in the second year of the Patio Permit Program in partnership with the Downtown Business Improvement Area (BIA) and Public Health Sudbury & Districts, to streamline patio processes and waive patio permit fees, in support of downtown businesses recovering from the pandemic.

# Message from Kevin Fowke, General Manager of Corporate Services

I am pleased to present the consolidated financial statements as part of the 2022 Annual Report.

Standard and Poor's Global Ratings upgraded the City's credit rating from AA (Stable) to AA + (Stable) as of June 1, 2022. This was reaffirmed in September, during their annual review. This strong financial footing is reflected in this year's fiscal performance and the service outcomes they reflect for the community.

We continue to follow a long-term financial plan which assists Council and the community to understand the many challenges and opportunities that exist in our environment. It is a critical component of our annual cycle of linking plans to Council's strategic priorities and detailing the costs associated with providing services to the community while maintaining the assets used to make Greater Sudbury a great place to live, work and play. Our budget then solidifies the plan for a given year or years and we begin monitoring both costs and service outcomes against the plan.

The annual report is one way to share data about the City's financial condition and provide insights into the service outcomes we have produced. The City's finance division is evolving both the way City services are budgeted and the kinds of reporting that is available for Council and interested community members alike. Our Comprehensive Organizational Management and Service System (COMPASS) will allow future annual reports to feature service and activity costs for the City's 58 lines of business. It will also be used to ensure quality planning that leads to the service outcomes we desire as we account for and analyze literally every hour of staff time.

This annual report is a way to check in on results and provide key, detailed information about the municipal corporation's fiscal health. We are pleased to provide highlights of service performance and our audited financial statements for 2022.

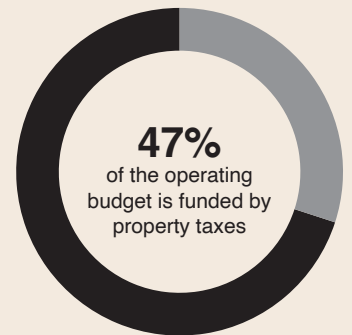


Kevin Fowke  
General Manager of Corporate Services

June 21, 2023

# STANDARD & POOR'S

The McGraw-Hill Companies

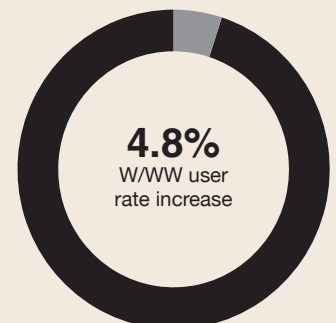


**3.1%**  
Tax Increase



**Property Value:**  
\$350,000

**Tax Bill Increase:**  
\$13/month





# 2022 Service Reporting Highlights



**\$661.8M** operating budget



**\$743,000**

for enhanced bylaw enforcement at parks, municipal housing, transit and City facilities



**\$392,500**

for Minnow Lake boardwalk restoration



**\$60,000**

to develop an urban forest master plan



**\$177,000**

to convert park lighting to LED



**\$110,000**

to develop a transit electric bus system needs study and implementation plan



**\$162.4** capital budget



**\$23.4M**

for bridge and culvert replacement



**\$9.5M**

investment in leisure assets



**\$29.9M**

continued investment in bed redevelopment at Pioneer Manor



**\$14.5M**

for improvements to roads throughout the city



**\$5.8M**

for drain and stormwater improvements



The background features a complex arrangement of geometric shapes and patterns. In the top left, there's a yellow and white checkered pattern. Below it, a large orange triangle points downwards. To the right, a series of vertical blue and white stripes form a triangular shape pointing right. The bottom left corner has a purple and white checkered pattern, and a large pink triangle points upwards from the bottom. The central text is contained within a black square.

# 2022 Financial Information

FOR THE YEAR ENDING DECEMBER 31, 2022





Government Finance Officers Association

**Canadian Award  
for  
Financial Reporting**

Presented to

**City of Greater Sudbury**

**Ontario**

For its Annual  
Financial Report  
for the Year Ended

December 31, 2021

*Christopher P. Merrill*  
Executive Director/CEO

# Financial Reporting

## Financial Reporting Achievement

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

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

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

## Annual Report and Consolidated Financial Statement

The Executive Leadership team with the guidance of the Director of Finance / Chief Financial Officer is responsible for all information contained in the Annual Report. This report provides the annual consolidated financial statement for CGS for the year ending December 31, 2022, prepared in accordance with legislation and with generally accepted accounting principles for public sector entities as defined in the Public Sector Accounting Handbook.

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

The budget presented in the 2022 audited financial statements has been restated to conform to the Public Sector Accounting Standards. The standards require that all interfund transfers, capital expenditures, and debt principal repayments be removed, and amortization, employee future benefits and landfill closure and post closure costs be included. Note 19 to the financial statements reconciles the 2022 operating and capital budgets, as approved by Council, adding the approved consolidated board budgets in-year budget adjustments in accordance with the Operating Budget Policy and adjusted for the items noted above.



## External Auditors

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

## Audit Committee

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

## Financial Management

The City of Greater Sudbury maintains appropriate systems of internal controls to ensure effective financial management, reliable and relevant financial information, and assets are safeguarded. Management systems, policies and by-laws are in place for financial management, accounting, budgeting and other processes as required to ensure that transactions are appropriately authorized and recorded, and the integrity and completeness of financial records are assured. Key policies and by-laws include, the Delegation Bylaw, Purchasing Bylaw, Reserve and Reserve Fund Bylaw, Operating Budget Policy, Capital Budget Policy, Purchasing Authority Policy, Debt Management and Investment Policy.

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

## Long-Term Financial Plan

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

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

The Plan is updated annually to reflect the evolving financial environment. It covers ten years, from 2023 to 2032. It offers the ability to model potential financial and service scenarios and describes the City's financial position under those scenarios, considering variables such as external funding requirements, the anticipated tax levy and debt and reserve balances. This information is used as a benchmark for operating and capital budgeting and forecasting.

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

## Debt Financing

Over the last five years, City Council approved debt financing for several projects. The information below provides details and context on how debt financing affects our overall financial position.

The corporation has a Debt Management Policy that limits its annual debt repayment to no more than 10 per cent of annual net revenue. Currently, less than 4 per cent of net revenue is required to fund debt repayments. These levels are both well below the provincially imposed maximum for municipalities, which establishes a limit of no more than 25 per cent of net revenue. The municipality's debt policy includes principles that indicate debt should be affordable, sustainable and structured in a way that those who benefit from the asset pay for the debt.

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

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

While debt can provide increased capital funding, the amount owing, plus the related interest, must be paid in future years from operating funds. Debt is a trade-off between increased fiscal flexibility in the short-term versus reduced fiscal flexibility over the term of the repayment.

While interest costs can increase a project's total cost, debt financing may still be the preferred choice during periods of rapid construction cost escalation, where securing a firm price now could avoid inflationary increases later.

Although interest rates fluctuated in 2022, they remained near historic lows, allowing the City to access debt markets while rates remained low. With interest rates forecasted to increase in 2022, City Council authorized the issuance of 25-year sinking fund debentures in the principal amount of \$103 million in the first quarter. The debentures bear interest at a rate of 3.457 per cent, payable semi-annually.

## Corporate Risk

Managing risk is a routine part of the municipal decision-making process. To best support City Council and staff in identifying, recognizing, evaluating and mitigating risks, the City has developed an Enterprise Risk Management (ERM) policy and implementation framework.

A mature process is in place to assess and report on risk at all levels of the corporation. Most risks are identified and mitigated at a divisional level, while those with the potential for more significant, enterprise-wide impacts are reviewed by the Executive Leadership Team (ELT) and reported to City Council on a quarterly basis.

At the July 13, 2021, meeting of the Finance and Administration Committee, the corporation's first annual Enterprise Risk Register was presented. The document allows Council and the public to understand the nature and potential implications of enterprise-wide risks and the mitigation strategies being applied to each. The tracking of residual risk over time identifies trends and emerging risks and enhances both staff and Council's understanding of where additional interventions or investments might be required to ensure the strategic goals of the corporation can be realized.



There are nine enterprise-wide risks, as follows:

**1. Financial Resources**

Misalignment may exist between financial resource allocations and Council's priorities.

**2. Response to Environmental or Economic Change**

The corporation, or the City as a whole, may be insufficiently resilient to respond to environmental or economic shocks.

**3. Economic Competitiveness**

Global connections and business attraction and development efforts may be insufficient for ensuring Greater Sudbury's economic competitiveness.

**4. Resident Trust and Confidence**

Communications and engagement efforts may be insufficient for building resident trust and confidence.

**5. Employee Engagement and Retention**

Existing human capital management policies and practices may be insufficient for attracting, managing, developing and retaining top talent to support existing and future operations.

**6. Information Security**

Information entrusted to the corporation may be inadequately protected from unauthorized access.

**7. Internal Resources**

Corporate service delivery may be insufficiently supported by appropriate technology, datasets, training or equipment.

**8. Asset Renewal**

Asset renewal investments may be insufficient to maintain acceptable condition and service levels. With a historic focus on minimizing property taxes that prompted the deferral of a variety of asset renewal investment needs, the City has a significant level of capital asset and infrastructure renewal requirements. This includes the renewal and replacement of roads, water and wastewater mains, equipment and facilities.

**9. Climate Change**

The corporation may be unprepared for the effects of climate change.

These risks informed staff's development of the draft 2023 budget in a variety of ways. For example, they informed choices about operating plans, influenced the capital project prioritization process and prompted the development of business cases for Council's review, all to manage the potential for these risks to become real and reduce the corporation's ability to achieve its desired objectives.



## Reserves and Reserve Funds

Reserves are funds authorized by Council to be set aside for future capital and operating needs. They are a key component of the City's long-term financial strategy. There are 55 reserves (both uncommitted and committed) maintained by the City for four main purposes:

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

Reserves are governed through the Reserves, Reserve Funds and Trust Funds Bylaw and the Reserve Policy.

In early 2021, Council passed a Reserve Policy as well as changes to the Reserve Fund Bylaw that establishes minimum levels for specific reserve funds. At the end of 2022, 11 of the City's 21 reserves (with recommended minimums) were below the minimum range and 10 were at or above. There are 15 reserves (excluding committed reserves) that do not have a recommended minimum level. Where reserves do not meet minimum limits, this generally reflects a historical practice where, for many years, funds were not set aside in a systematic way for the eventual replacement of capital assets that were put into service. Similarly, other reserves where minimum balances are not being met are intended for future expenditures whose timing and amounts are uncertain. This includes the corporation's tax rate stabilization, winter control, post-employment benefits and insurance reserves.

## 2022 Reserves and Reserve Funds Balance

In 2022, the City's reserves increased by five per cent from approximately \$186 million at the beginning of 2022 to \$195 million at the end of 2022. This increase represents a net contribution of \$9 million to reserves primarily due to the distribution of the year-end surplus and funds from the sale of scattered housing units by the Greater Sudbury Housing Corporation.

Self-sustaining reserves (mainly water and wastewater services and tax rate stabilization uncommitted) account for 6 per cent of reserves, operating reserves account for 22 per cent of the reserve balance while capital reserves represent 72 per cent of the balance.

Most (58 per cent) of the reserves have been committed by Council toward specific projects, while the remaining 42 per cent is uncommitted. These funds will be used to fund future capital projects or address funding requirements for changes to existing projects, operating deficits (which can arise when revenues are lower than budgeted and/or expenses higher than budgeted), liabilities such as sick leave, Workplace Safety Insurance Board (WSIB), post-employment benefits or other human resource matters, or other unplanned or unforeseen events such as storm damage and recovery not covered by insurance policies, asset failures, or a pandemic, such as COVID-19. These are balances as of December 31, 2022, and reflect the use of reserves to fund projects approved in the 2023 Budget.



## Our Benchmark



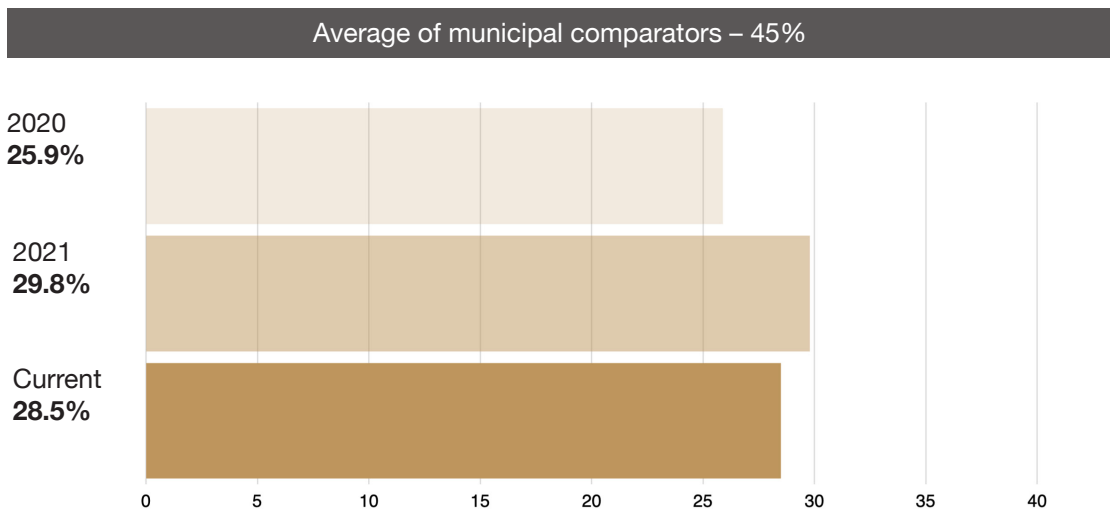
### How is the City doing?

Total Reserve and Reserve Funds as a Per Cent of Total Expenses

### What is it?

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

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



Benchmark: On average, municipalities range between 10 - 20 per cent, with a ratio greater than 20 per cent indicating a stronger than average ability to meet unforeseen increases in expenses. For the City, approximately 58 per cent of the reserve balance has been committed for various capital projects. The balances are decreased as actual spending occurs, so this ratio will continue to decrease, unless additional funds are contributed in future years.

## Reserves and Reserve Funds

(In thousands of dollars)

Reserves and Reserve Funds (\$000's)	2022		2021	
	Uncommitted	Committed	Uncommitted	Committed
<b>Reserves</b>				
Tax Rate Stabilization	3,995	11,435	3,151	13,123
Organizational Development Reserve	728	486	522	905
Holding Account - General	3,293	-	13,387	-
Holding Account - Water/Wastewater	4,621	-	3,960	-
Consolidated Entities	4,065		4,290	-
<b>Total Reserves</b>	<b>16,703</b>	<b>11,922</b>	<b>25,311</b>	<b>14,029</b>
<b>Reserve Funds</b>				
Human Resource Costs	7,785	6,179	8,888	7,091
Election	1,051	-	1,563	-
Insurance	1,348	-	1,497	-
Parking	2,021	793	1,949	49
Other	1,075	1,655	956	1,447
Social Housing	9,818	13,001	9,440	6,487
Library and Citizen Services	1,720	501	1,371	514
Economic Development	4,271	476	3,779	825
Winter Road Control	3,582	-	3,502	-
Police Services	3,283	1,105	2,484	448
Capital Reserve Fund - Fleet/Equipment	718	3,770	269	3,404
Capital Reserve Fund - Police	3,154	8,855	1,490	7,909
Capital Reserve Fund - General	16,193	37,872	6,269	31,915
Capital Reserve Fund - W/WW	4,952	24,300	3,480	33,196
Capital Reserve Fund - EMS	3,753	3,052	3,909	2,296
<b>Total Reserve Funds</b>	<b>64,727</b>	<b>101,559</b>	<b>50,847</b>	<b>95,582</b>
<b>TOTAL RESERVE AND RESERVE FUNDS</b>	<b>81,430</b>	<b>113,481</b>	<b>76,158</b>	<b>109,611</b>



# Budget Process

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

1. Staff receive direction from City Council regarding expectations for service levels and the level of taxation associated with these.
2. Staff analyze workload requirements, in accordance with City Council's budget directions, and identify resource requirements.
3. Staff prepare financial information in accordance with operating and capital budget policies to support preliminary reviews that identify inflationary pressures, contract cost changes and material price increases.
4. The Executive Leadership Team reviews the proposed budget and then provides City Council with the recommended operating and capital budgets for deliberation and final approval.

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

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

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

## Water/Wastewater Budget

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

In 2019, a revised long-range financial plan covering the period 2021 to 2039 recommended an annual rate increase of 4.8 per cent over the next 20 years to achieve financial sustainability. Council approved a 4.8 per cent rate increase for 2022. In accordance with legislation, the plan must be updated prior to the City applying for renewals to its drinking water licences in the fall of 2024.



# Financial Condition

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

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

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

## Sustainability

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

The ratio of financial assets to liabilities at 1.43 is comparable to the prior two years and continues to be within the recommended range of 0.75 to 1.5. The City remains at the higher end of this range indicating that we are more liquid than our competitors and/or our level of debt is not as high. Either scenario results in the opportunity to leverage more resources that could be applied to municipal services and remain within the recommended range of the Long-Term Financial Plan.

The reserves and reserve funds per household increased to \$2,572. This is within the target range, however, as noted previously, 58 per cent is committed. Capital additions as a percentage of amortization expense (146 per cent) increase compared to the prior year. This is below the target range and reflects the challenges associated with completing capital projects during the COVID-19 pandemic.

		2022	2021	2020	2019	2018
Sustainability Indicators	Target					
Financial assets to financial liabilities	0.75 to 1.50	<b>1.43</b>	1.46	1.41	1.66	1.66
Total reserves and reserve funds per household	\$2,000 to \$3,500	<b>\$2,572</b>	\$2,451	\$2,067	\$1,830	\$1,981
Total operating expenses as a percentage of taxable assessment	2.0% to 3.5%	<b>2.6%</b>	2.4%	2.3%	2.4%	2.3%
Capital additions as a percentage of amortization expense	150% to 250%	<b>146.5%</b>	119.3%	161.1%	213.9%	111.4%
Taxes receivable as a percentage of taxes levied	n/a	<b>3.0%</b>	3.1%	3.2%	2.8%	2.7%



## Flexibility

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

When analyzing the flexibility indicators, the two major factors to consider are reserves and debt. Compared to other municipalities, discretionary reserve funds are lower than the average, which indicates we do not have as much flexibility as comparators to use reserve funds to immediately address unanticipated expenditures.

The City's debt per household ratio is now above the target range as well as the debt servicing costs. Our ability to react to unanticipated expenditures, take on new capital spending and change service levels still remains quite strong if we are willing to issue new debt or raise more revenue. There is still capacity for increased borrowing, which was noted in the Long-Term Financial Plan and by S&P Global when it issued its credit rating analysis. This is important since reserves are relatively low. Debt, particularly combined with funding opportunities from senior levels of government, is a viable, partial funding solution to address asset renewal needs.

		2022	2021	2020	2019	2018
Flexibility Indicators	Target					
Residential taxes per household	\$3,000 to \$5,000	<b>\$2,694</b>	\$2,588	\$2,472	\$2,349	\$2,258
Debt per household	\$2,000 to \$3,500	<b>\$4,466</b>	\$3,279	\$3,454	\$927	\$1,012
Residential taxes as a percentage of household income	3.0 to 5.0%	<b>4.03%</b>	3.92%	3.85%	3.79%	3.83%
Total taxation as a percentage of total assessment	1.0% to 2.5%	<b>1.41%</b>	1.36%	1.30%	1.27%	1.24%
Debt servicing costs (interest and principal) as a percentage of net revenues	2.0% to 3.0%	<b>3.59%</b>	4.45%	3.24%	1.98%	2.32%
Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets	40% to 60%	<b>48.1%</b>	48.5%	49.2%	49.3%	48.8%

## Vulnerability

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

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

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

		2022	2021	2020	2019	2018
Vulnerability Indicators	Target					
Ratio of government transfers to total revenue	n/a	<b>0.27</b>	0.26	0.27	0.28	0.29
Operating grants as a percentage of total revenues	10% to 25%	<b>22.5%</b>	22.4%	23.2%	22.0%	23.2%
Capital grants as a percentage of total capital expenditures	10% to 25%	<b>30.6%</b>	29.2%	22.6%	26.0%	40.2%



## Credit Rating

From 2018 to 2022, the municipality received an AA debt rating from Standard & Poor’s (S&P) Global Ratings with a stable outlook.

In June 2022, S&P Global Ratings revised the City’s AA credit rating to AA+ with a stable outlook. This was reaffirmed by S&P in September 2022 during its annual review.

The credit rating is an assessment of the municipality’s financial health based on factors such as historic financial performance, policies, economic growth and long-term plans. It influences the interest rate paid on any new debt the City takes on, such as the financing required for asset renewal, or for initiatives that support growth and economic activity throughout the municipality.

This strong financial position enables the City to continue to move forward on the strategic priorities of City Council, while maintaining economic capacity, investment readiness and competitiveness as a hub for health care and employment in northern Ontario.

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

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest. The stable outlook reflects the expectation that in the next two years, a healthy mining sector will help expand the economy. It is also expected that the City will continue to execute its large capital program, resulting in moderately higher after-capital deficits, but that it will continue to generate healthy operating surpluses.



# 2022 Financial Results

The Annual Report includes the Consolidated Financial Statements of the City of Greater Sudbury for the year ended December 31, 2022. These financial statements have been prepared by the City's Financial Services division in accordance with Generally Accepted Accounting Principles as established by the Public Sector Accounting Board and have been audited by KPMG, LLP. The Independent Auditor's Report expresses an unqualified audit opinion.

## Highlights

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

### Fully consolidated entities include:

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

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

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

### Key financial highlights for 2022 are as follows:

- The 2022 Consolidated Statement of Financial Position reports net financial assets of \$283 million, an increase of \$34 million from \$249 million in 2021.
- The City's accumulated surplus increased from \$1.912 billion in 2021 to \$1.961 billion at December 31, 2022. Over 95 per cent of the accumulated surplus is comprised of equity in tangible capital assets and funds for capital projects which represents the service capacity available for future periods.
- The City's reserves and reserve funds (which are included in the accumulated surplus) increased by \$9 million from \$186 million in 2021 to \$195 million in 2022.
- The 2022 Consolidated Statement of Operations and Accumulated Surplus indicated an annual surplus of \$50 million compared to \$70 million in 2021.
- Revenues increased by \$41 million from 2021. Council approved a property tax increase of 3.1 per cent, a water rate increase of 4.8 per cent which is reflective in the increase in taxation and user revenues for 2022.
- Expenses increased by \$61 million from 2021. Significant increases were \$19 million related to transportation services, \$15 million for social and family services, and \$13 million related to recreational and cultural services.



## Focus on Infrastructure Renewal

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

Below are the key infrastructure renewal projects approved in the 2022 Capital Budget. Some larger projects in the planning and engineering stages (e.g. the Junction and Pioneer Manor Bed Redevelopment) have larger budget amounts reflecting the original plan for the project, however the timing and design and construction differs due to a variety of factors. Throughout 2022, there continued to be infrastructure renewal on projects approved in budgets prior to and in 2022 such as:

Capital Investment	2022
	Budget
Pioneer Manor Bed Redevelopment	\$29.9M
Bridges & Culverts Replacement & Rehabilitation	\$23.4M
The Junction	\$20.2M
Arterial/Collector Roads Rehabilitation & Resurfacing	\$17.5M
Roads with Water/Wastewater Improvements	\$10.5M
Paris Notre Dame Bikeway	\$5.5M
Second Avenue Stormwater Facility Design	\$4.5M
Well Asset Renewal and Upgrades	\$4.5M
Accelerated Bus Fleet Replacement Program	\$4.0M
Lively Sewer Upgrades - Phase 2 (Roads)	\$4.0M
Transit Technology Project	\$3.8M
Watermain Priority Replacement & Rehabilitation	\$3.8M
Fleet Replacement Program	\$3.7M
Sewer Priority Replacement & Rehabilitation	\$3.3M
Lionel E Lalonde Centre Therapeutic/Leisure Pool	\$2.9M



<b>Capital Investment</b>	<b>2022</b>
	<b>Spend</b>
Bridges & Culverts Replacement & Rehabilitation	\$15.0M
Arterial/Collector Roads Rehabilitation & Resurfacing	\$13.6M
Roads with Water/Wastewater Improvements	\$11.7M
Watermain Priority Replacement & Rehabilitation	\$8.4M
Automated Meter Infrastructure	\$5.8M
Replacement Transit Buses	\$4.7M
Wastewater Treatment Plants	\$4.1M
Sewer Priority Replacement & Rehabilitation	\$3.9M
Various Water Treatment Plants	\$3.2M
Fleet Replacement Program	\$2.7M
Lorraine Street Building	\$2.2M
Coniston Industrial Park - Watermain Improvements	\$1.8M
Event Centre	\$1.7M
Pioneer Manor Bed Redevelopment	\$1.7M
Whitson Paquette Drain	\$1.6M
The Junction	\$1.5M
Recycling Center Tipping Floor	\$1.4M
Ambulances	\$1.2M





## Consolidated Statement of Financial Position

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


### Financial assets summary

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

The City's financial assets are mostly comprised of investments, investments in Government Business Enterprises (GBE), accounts receivable and cash. Financial assets increased by \$145 million in 2022 to \$937 million compared to \$792 million in 2021.

The City's investments ended the year at \$671 million which is an increase of \$121 million from 2021.

Investment in GBEs is the City's investment in the Greater Sudbury Airport Community Development Corporation and Greater Sudbury Utilities Inc. The investment has increased from \$141 million in 2021 to \$143 million in 2022 due to a combined annual surplus of \$2 million for 2022.



	2022	2021	2020	2019	2018
<b>Financial assets (\$000's)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash	22,480	13,510	14,138	16,439	8,174
Taxes receivable	11,189	11,125	11,074	9,304	8,532
Accounts receivable	89,604	76,431	80,930	76,857	73,993
Inventory held for resale	-	-	-	-	1,802
Investment in GBE	142,765	140,845	135,436	117,133	114,145
Investments	671,399	550,518	514,370	305,473	304,800
<b>TOTAL ASSETS</b>	<b>937,437</b>	<b>792,429</b>	<b>755,948</b>	<b>525,206</b>	<b>511,446</b>

## Financial liabilities summary

The City's financial liabilities are mostly comprised of long-term liabilities, accounts payable and employee benefit obligations. Financial liabilities have increased by \$111 million from \$543 million in 2021 to \$654 million in 2022.

Long-term liabilities for 2022 total \$338 million, an increase of \$13 million from 2021. The net change is due to the debenture issue of \$103 million less debt principal repayments.

Accounts payable and accrued liabilities increased by \$12 million and can fluctuate year to year based on the receipt of invoices and timing of payment and the number and size of projects in the year.

The City receives funds for specific purposes under legislation, regulation or agreements that are internally recorded as Obligatory Reserve Funds. These restricted funds are included in liabilities as Deferred Revenue on the Statement of Financial Position. Employee benefit obligations have increased by \$7 million from 2021. The largest portion of the increase relates to the Workplace Safety Insurance Board (WSIB) liability as the costs to the City continue to be impacted by Post-Traumatic Stress Disorder (PTSD), chronic stress and presumptive cancer claims.



	2022	2021	2020	2019	2018
<b>Financial liabilities (\$000's)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounts payable and accrued liabilities	<b>133,098</b>	111,461	117,525	99,966	97,656
Deferred revenue - obligatory reserve funds	<b>64,469</b>	68,563	56,025	55,191	50,418
Deferred revenue - other	<b>14,484</b>	16,690	10,891	4,669	4,641
Employee benefit obligations	<b>85,759</b>	78,126	72,152	68,860	65,209
Solid waste management facility liability	<b>17,731</b>	19,243	17,502	15,535	14,316
Long-term liabilities	<b>338,481</b>	248,538	261,802	70,264	76,530
<b>TOTAL LIABILITIES</b>	<b>654,022</b>	542,621	535,897	314,485	308,770



# Consolidated Statement of Operations and Accumulated Surplus

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

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

## Revenues

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

Revenues increased by \$41 million from \$693 million in 2021 to \$734 million in 2022.

Government transfers in total were \$201 million, a small change from \$183 million in 2021. The increase in provincial transfers was due to COVID-19-related programs for Pioneer Manor, child care and social services.

Taxation for 2022 was \$14 million higher than 2021, primarily due to a tax increase of 3.1 per cent as approved by Council through the annual budget process.

User charges increased by \$14 million from 2021. This is a result of the reopening of leisure programming and increased transit ridership.

Other revenues decreased by \$7 million mainly due to the decrease in funds received to recover the costs of hosting fewer vaccine clinics.

GBE contributed \$1.9 million to the 2022 annual surplus.

Note that 64 per cent (64 per cent in 2021) of the City's revenue is attributed to taxation and user fees which are determined and approved through the annual budget process.



	2022	2021	2020	2019	2018
<b>Revenues (\$000's)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Government Transfers, Provincial	<b>176,368</b>	164,116	170,819	160,598	156,171
Government Transfers, Federal	<b>24,275</b>	19,001	12,862	25,217	21,170
Taxation	<b>326,152</b>	311,769	298,381	282,721	267,956
User Charges	<b>147,220</b>	133,614	131,791	136,412	131,251
Investment Income	<b>19,676</b>	10,740	14,950	12,489	11,444
Fines and Penalties	<b>5,503</b>	5,318	4,733	5,979	6,321
Other	<b>32,910</b>	43,278	18,319	27,664	22,307
GBE Net Earnings	<b>1,920</b>	5,409	18,303	2,988	5,995
<b>TOTAL REVENUES</b>	<b>734,024</b>	693,245	670,158	654,068	622,615





## Expenses

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Expenses represent the City's costs to provide a wide range of services to more than 166,000 residents. Expenses increased in 2022 by \$61 million from \$623 in 2021 to \$684 million in 2022 to maintain existing service levels.

### Expenses by Function

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

Transportation Services increased by \$3 million from \$117 million to \$136 million due to an increase in winter control costs and increased transit costs, including fuel.

Social and Family Services increased by \$15 million from \$121 million to \$136 million due to a \$4 million increase in child care costs, a \$7 million increase at Pioneer Manor and a \$3 million increase in social assistance caseload costs. Additional provincial and federal funding was received to support these services.



	2022	2021	2020	2019	2018
<b>Expenses by Function (\$000's)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
General Government	<b>31,115</b>	27,743	33,749	27,448	25,343
Protection Services	<b>121,837</b>	119,925	108,346	107,935	104,245
Transportation Services	<b>136,293</b>	117,345	118,586	125,510	108,320
Environmental Services	<b>103,364</b>	102,539	102,922	99,190	92,411
Health Services	<b>38,808</b>	36,104	34,436	31,912	31,941
Social and Family Services	<b>136,802</b>	121,726	117,431	119,578	116,550
Social Housing	<b>42,145</b>	39,696	38,365	40,125	40,747
Recreation and Cultural Services	<b>57,358</b>	44,155	39,736	46,807	50,705
Planning and Development	<b>16,524</b>	13,624	11,857	12,066	12,327
<b>TOTAL EXPENSES</b>	<b>684,246</b>	622,857	605,428	610,571	582,589



## Expenses by category

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

Salaries, wages and benefits have increased by \$19 million. The increase is related to general wage increases and temporary additional staffing and wage enhancements funded by the province for Pioneer Manor. Reopening of recreation programs in 2022 also contributed to the increase in wages compared to 2021.

Materials increased by \$16 million with the largest increase in roads maintenance due to increased winter control costs, an increase in maintenance activity and higher fuel costs across service areas.

Contract services increased by \$18 million due to increased winter control costs and more funds flowed through the City for rent supplements and child care costs.



	2022	2021	2020	2019	2018
<b>Expenses by Category (\$000's)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Salaries, Wages and Employee Benefits	<b>303,127</b>	284,408	271,808	268,079	255,511
Materials	<b>119,143</b>	103,641	106,149	110,963	99,398
Contract Services	<b>114,245</b>	96,355	90,671	99,891	94,830
Grants and Transfer Payments	<b>53,955</b>	48,896	50,290	51,967	55,507
Amortization	<b>81,316</b>	80,121	78,484	75,626	73,200
Other	<b>12,460</b>	9,436	8,026	4,045	4,143
<b>TOTAL EXPENSES</b>	<b>684,246</b>	622,857	605,428	610,571	582,589

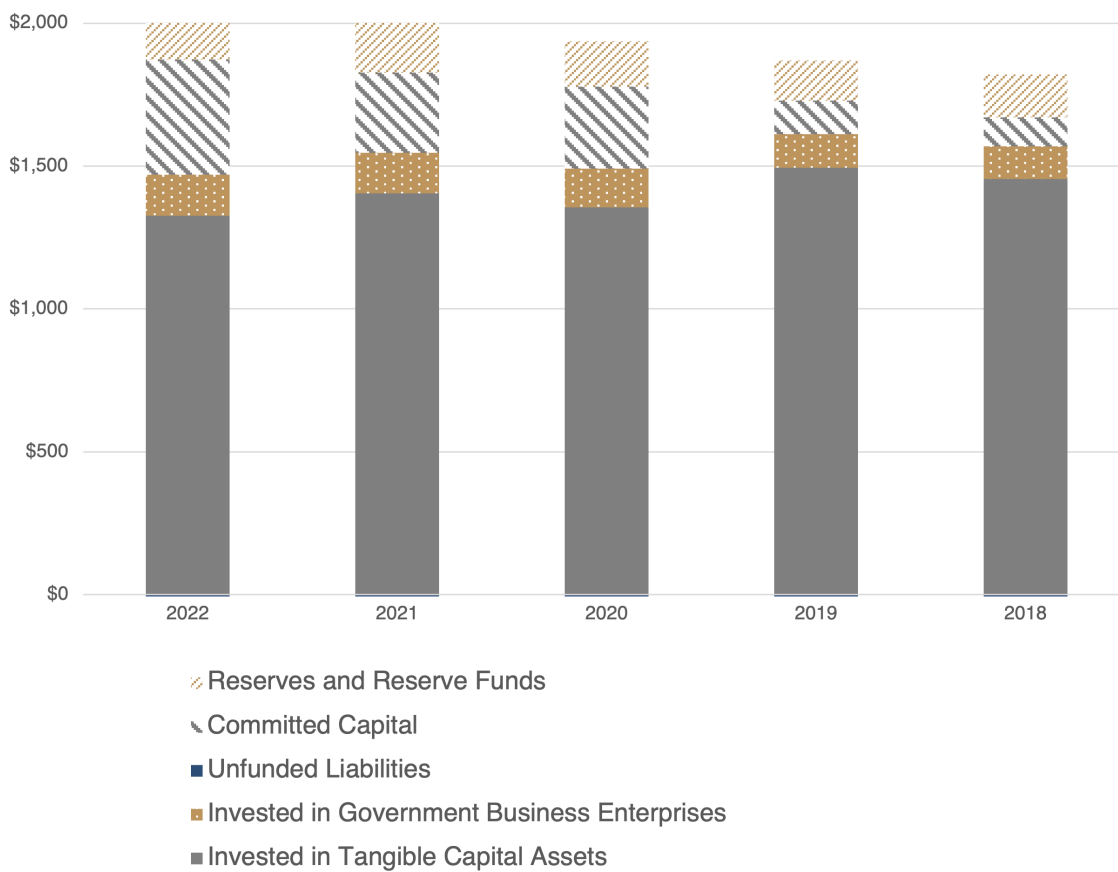
## Accumulated Surplus

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

The City has an accumulated surplus of \$1.962 billion which is an increase of \$50 million from 2021.

Reserves and reserve funds total \$195 million compared to \$186 million in 2021. A portion of the reserve funds are committed to previous Council-approved capital budgets and other projects until spent on the related project. Approximately \$113 million of the total reserve funds are committed.

### Accumulated Surplus (\$000's)



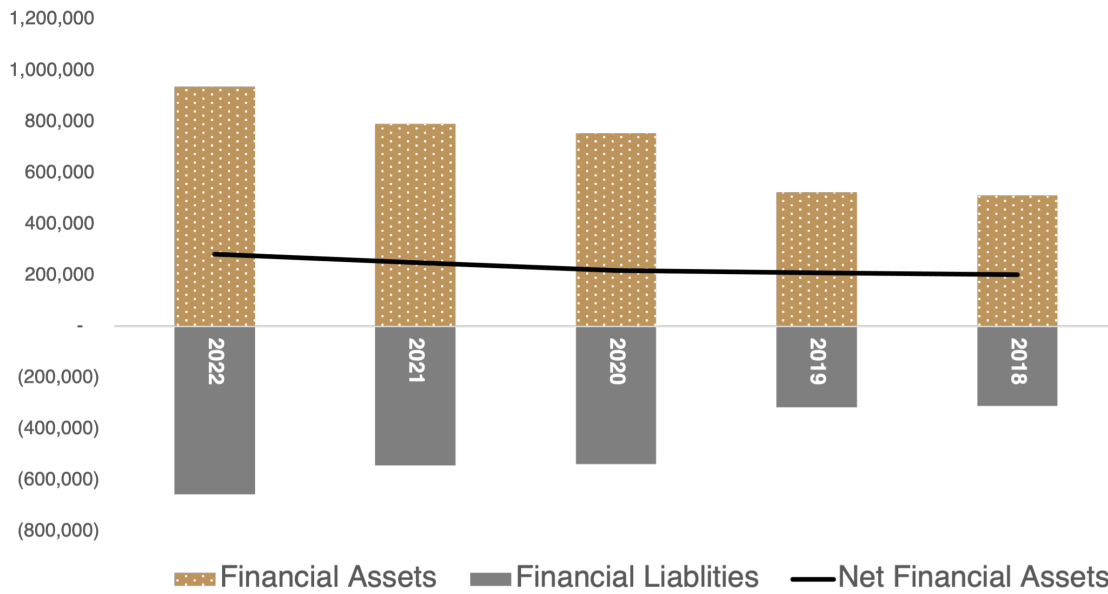


# Consolidated Statement of Change in Net Financial Assets

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

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

## Net financial assets





The background features a complex arrangement of geometric shapes and patterns. In the top left, there are overlapping squares in shades of yellow and light green. A central element is a light blue triangle with vertical white stripes. The bottom left is dominated by a large, multi-colored checkerboard pattern in shades of pink, purple, and teal. A large, solid light pink triangle is positioned in the bottom right. The overall aesthetic is modern and abstract.

2022  
**Consolidated  
Financial  
Statements**

FOR THE YEAR ENDING DECEMBER 31, 2022

Consolidated Financial Statements of

# CITY OF GREATER SUDBURY

And Independent Auditor's report thereon

Year ended December 31, 2022

DRAFT



## 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.

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Ed Archer  
Chief Administrative Officer

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Kevin Fowke  
General Manager, Corporate Services



## INDEPENDENT AUDITOR'S 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, 2022
- 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, 2022, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

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

### **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.

### ***Auditor's 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 auditor's 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 auditor's 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 auditor's

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  
(date)

DRAFT



# CITY OF GREATER SUDBURY

Consolidated Statement of Financial Position  
(in thousands of dollars)

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 22,480	\$ 13,510
Taxes receivable (note 3)	11,189	11,125
Accounts receivable (note 4)	89,604	76,431
Investment in Government Business Enterprises (note 5(a))	142,765	140,845
Investments (note 6)	671,399	550,518
	<u>937,437</u>	<u>792,429</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 7)	133,098	111,461
Deferred revenue - obligatory reserve funds (note 9)	64,469	68,563
Deferred revenue - other (note 10)	14,484	16,690
Employment benefit obligations (note 11)	85,759	78,126
Solid waste management facility liability (note 12)	17,731	19,243
Long-term liabilities (note 13)	338,481	248,538
	<u>654,022</u>	<u>542,621</u>
Net financial assets	283,415	249,808
<b>Non-financial assets</b>		
Tangible capital assets (note 14)	1,663,848	1,649,660
Inventory of supplies	8,260	6,848
Prepaid expenses	6,210	5,639
	<u>1,678,318</u>	<u>1,662,147</u>
Contractual rights and contingent assets (note 16)		
Contractual obligations and commitments (note 17)		
Accumulated surplus (note 18)	<u>\$ 1,961,733</u>	<u>\$ 1,911,955</u>

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

# CITY OF GREATER SUDBURY

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

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 19)	2022 Actual	2021 Actual
<b>Revenue:</b>			
Government transfers			
Provincial	\$ 170,216	\$ 176,368	\$ 164,116
Federal	32,210	24,275	19,001
Taxation (note 20)	323,568	326,152	311,769
User charges	151,472	147,220	133,614
Investment income	12,430	19,676	10,740
Fines and penalties	6,870	5,503	5,318
Other revenues (note 21)	21,002	32,910	43,278
Government Business Enterprises net earnings (note 5(b))	1,852	1,920	5,409
<b>Total revenue</b>	<b>719,620</b>	<b>734,024</b>	<b>693,245</b>
<b>Expenses:</b>			
General government	27,079	31,115	27,743
Protection services	116,046	121,837	119,925
Transportation services	133,591	136,293	117,345
Environmental services	107,548	103,364	102,539
Health services	36,146	38,808	36,104
Social and family services	138,903	136,802	121,726
Social housing	39,921	42,145	39,696
Recreational and cultural services	54,159	57,358	44,155
Planning and development	15,012	16,524	13,624
<b>Total expenses</b>	<b>668,405</b>	<b>684,246</b>	<b>622,857</b>
<b>Annual surplus</b>	<b>51,215</b>	<b>49,778</b>	<b>70,388</b>
Accumulated surplus, beginning of year	1,911,955	1,911,955	1,841,567
<b>Accumulated surplus, end of year</b>	<b>\$ 1,963,170</b>	<b>\$ 1,961,733</b>	<b>\$</b>

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





# CITY OF GREATER SUDBURY

Consolidated Statement of Change in Net Financial Assets  
(in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 19)	2022 Actual	2021 Actual
Annual surplus	\$ 51,215	\$ 49,778	\$ 70,388
Acquisition of tangible capital assets	(205,658)	(102,887)	(122,261)
Amortization of tangible capital assets	81,114	81,316	80,121
Loss on sale of tangible capital assets	-	(974)	(9,346)
Proceeds on sale of tangible capital assets	-	8,357	11,088
	(73,329)	35,590	29,990
Use of inventory	-	(1,412)	(10)
Prepaid expenses	-	(571)	(223)
Change in net financial assets	(73,329)	33,607	29,757
Net financial assets, beginning of year	249,808	249,808	220,051
Net financial assets, end of year	\$ 176,479	\$ 283,415	\$ 249,808

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

# CITY OF GREATER SUBBURY

Consolidated Statement of Cash Flows  
(in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 49,778	\$ 70,388
Items not involving cash:		
Amortization of tangible capital assets	81,316	80,121
Gain on sale of tangible capital assets	(974)	(9,346)
Developer contributions of tangible capital assets	(3,330)	(3,679)
Change in employee benefit obligations	7,633	5,974
Change in solid waste management liabilities	(1,512)	1,740
Equity income in Government Business Enterprises	(1,920)	(5,409)
	130,991	139,789
Change in non-cash assets and liabilities:		
(Increase) decrease in accounts and taxes receivable	(13,237)	4,098
Increase in inventory of supplies	(1,412)	(10)
Increase in prepaid expenses	(571)	(223)
Increase (decrease) in accounts payable and accrued liabilities	21,637	(5,714)
(Decrease) increase in deferred revenue - obligatory reserve funds	(4,094)	12,538
(Decrease) increase in deferred revenue - other	(2,206)	5,799
Net change in cash from operating activities	131,108	156,277
Financing activities:		
Long-term debt issued	103,000	-
Debt principal repayments	(9,220)	(12,378)
Financial obligations payments	(3,250)	(1,250)
Capital lease issued	-	724
Capital lease payments	(273)	(274)
Net change in cash from financing activities	90,257	(13,178)
Capital activities:		
Proceeds on sale of tangible capital assets	8,357	11,088
Cash used to acquire tangible capital assets	(99,557)	(118,582)
Net change in cash from capital activities	(91,200)	(107,494)
Investing activities:		
Purchase of investments	(121,195)	(36,233)
Net change in cash	8,970	(628)
Cash, beginning of year	13,510	14,138
Cash, end of year	\$ 22,480	\$ 13,510
Supplementary information:		
Interest received	\$ 10,392	\$ 7,524
Interest paid	\$ 9,643	\$ 7,047

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, 2022

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

## 1. Significant accounting policies:

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

### (a) Reporting entity:

#### (i) Consolidated entities:

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

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

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

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

#### (ii) Related entities:

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

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

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 1. Significant accounting policies (continued):

(a) Reporting entity (continued):

(ii) Related entities (continued):

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

	2022	2021
Nickel District Conservation Authority	\$ 1,122	\$ 1,089
Board of Health Sudbury & Districts	7,808	7,297
The City of Greater Sudbury Community Development Corporation	1,576	1,576
	<u>\$ 10,506</u>	<u>\$ 9,962</u>

(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 public 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, 2022

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

Taxation and related revenues:

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

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

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

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

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

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



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

#### Taxation and related revenues (continued):

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

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

#### User charges:

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

#### Fines and penalties:

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

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

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

#### Other revenue:

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



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### (c) Investments and investment income:

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

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

### (d) Inventory held for resale:

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

### (e) Pensions and employee benefits:

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

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

The amount employer contributed to OMERS and expensed in 2022 was \$19,042 (2021 - \$17,524). The amount of employee contributions to OMERS in 2022 was \$19,042 (2021 - \$17,524). As of December 31, 2022, the OMERS plan, with approximately 559,000 members, has a funding deficit of \$6,100,000 (2021 - deficit \$69,000).

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, 2022

## 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.



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### (h) Non- financial assets (continued):

#### (i) Tangible capital assets (continued):

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.

#### (ii) Contributions of tangible capital assets:

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

#### (iii) Leased tangible capital assets:

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

#### (iv) Inventory:

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

#### (v) Tangible capital assets disclosed at nominal values:

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

#### (vi) Works of art and historical treasures:

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

### (i) Landfill closure and post closure liability:

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

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### (j) Use of estimates:

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

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

Actual results could differ from these estimates.

## 2. Accounting standards issued but not yet adopted:

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

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

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





# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

### 3. Taxes receivable:

	2022	2021
Current taxes and grants in lieu of taxes	\$ 8,459	\$ 8,380
Taxes in arrears	6,865	7,395
	15,324	15,775
Less: allowance for doubtful accounts	(4,135)	(4,650)
Net taxes receivable	\$ 11,189	\$ 11,125

### 4. Accounts receivable:

Accounts receivable consists of the following:

	2022	2021
Government of Canada	\$ 18,932	\$ 13,343
Province of Ontario	13,040	10,664
Other receivables	60,725	53,691
	92,697	77,698
Less: allowance for doubtful accounts	(3,093)	(1,267)
Net accounts receivable	\$ 89,604	\$ 76,431

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 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	2022 Total	2021 Total
Balance, beginning of year	\$ 13,931	\$ 126,914	\$ 140,845	\$ 135,436
City's share of operating income for the year	(1,518)	3,438	1,920	5,409
Balance, end of year	\$ 12,413	\$ 130,352	\$ 142,765	\$ 140,845

The investment of \$130,352 in GSU includes a promissory note receivable of \$52,340 (2021 - \$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, 2022:

### Financial Position

	SACDC	GSU	2022 Total	2021 Total
Current assets	\$ 1,046	\$ 29,238	\$ 30,284	\$ 31,125
Capital assets	23,799	139,857	163,656	159,946
Other assets	–	28,207	28,207	36,247
Total assets	24,845	197,302	222,147	227,318
Current liabilities	442	20,707	21,149	19,644
Note payable to the City of Greater Sudbury	3,694	52,340	56,034	56,998
Long-term liabilities	8,296	46,244	54,540	62,171
Total liabilities	12,432	119,291	131,723	138,813
Net assets	\$ 12,413	\$ 78,011	\$ 90,424	\$ 88,505

The \$3,694 (2021 \$4,658) 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, 2022

## 5. Investment in Government Business Enterprises (continued):

### b) Supplementary Information (continued):

By-Law 2017-16 authorized an increased loan to the SACDC 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, 2022, the City is in compliance with the requirements of By-Law 2017-16.

	SACDC	GSU	2022 Total	2021 Total
Revenue	\$ 6,965	\$ 147,769	\$ 154,734	\$ 154,293
Expenses	(8,386)	(140,713)	(149,099)	(143,727)
Interest paid to the City of Greater Sudbury	(112)	(3,795)	(3,907)	(3,931)
Other	–	(373)	(373)	(1,353)
Other comprehensive income	15	550	565	127
Net income	\$ (1,518)	\$ 3,438	\$ 1,920	\$ 5,409
Budgeted net income	\$ (513)	\$ 2,365	\$ 1,852	\$ 484

### (c) Related party transactions:

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

- (i) At December 31, 2022, the City has the following amounts included in the consolidated statement of financial position:

A receivable of \$2,094 (2021 - \$991) for water billings collected by GSU on behalf of the City.

A payable of \$15 (2021 - \$11) 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:

	2022	2021
Property taxes	\$ 520	\$ 502
Interest on promissory note receivable	3,907	3,931
	\$ 4,427	\$ 4,433

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 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:

	2022	2021
Billing and collection services for water and wastewater	\$ 1,878	\$ 1,831
Streetlighting maintenance services	685	475
Streetlighting infrastructure	34	37
Electricity	5,174	5,535
Telecommunications	620	583
	<u>\$ 8,391</u>	<u>\$ 8,461</u>

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:

	2022 interest rates	2022		2021	
		Market	Cost	Market	Cost
Short-term investments	(1.07% to 6.12%)	\$ 526,682	\$ 521,400	\$ 414,564	\$ 412,567
Long-term investments	(0.00% to 5.04%)	145,248	149,999	146,226	137,951
		<u>\$ 671,930</u>	<u>\$ 671,399</u>	<u>\$ 560,790</u>	<u>\$ 550,518</u>

The investments consisting of term deposits, treasury bills, high interest savings accounts and bonds earn rates of return ranging from 0.00% to 6.12% 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 (2021 – 2022 to 2050).

By-Law 2013-179 adopted the Investment Policy which allows up to \$150,000 to be invested in long-term instruments (greater than one year). The remainder of the portfolio is restricted to short-term investments (one year and shorter). At December 31, 2022, 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, 2022

## 7. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	2022	2021
Government of Canada	\$ 2,858	\$ 2,682
Province of Ontario	7,941	5,459
Other payables	122,299	103,320
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 133,098</b>	<b>\$ 111,461</b>

## 8. Bank indebtedness:

The City has an unsecured demand revolving credit facility in the amount of \$10,000 (2021 - \$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 6.2% (2021 - 1.95%) per annum. No amounts were drawn against the facility as at December 31, 2022 and 2021.

## 9. Deferred revenue - obligatory reserve funds:

Deferred revenue - obligatory reserve funds consist of the following:

	December 31, 2021	Externally restricted inflows	Revenue earned	December 31, 2022
Gasoline Tax - Federal	\$ 31,639	\$ 10,963	\$ (15,783)	\$ 26,819
Gasoline Tax - Provincial	2,409	2,897	(1,523)	3,783
Ontario Community Infrastructure Fund	4,491	10,169	(9,854)	4,806
Children's Services – Transition Mitigation Funding	6,296	–	–	6,296
Enabling Accessibility Fund	517	12	–	529
Development Charges Act	5,796	4,748	(4,085)	6,459
Recreational Land (Planning Act)	1,182	229	(211)	1,200
Sub-Divider Contributions	8,555	2,355	(1,805)	9,105
Building Permit Revenues (Bill 124)	5,571	114	(949)	4,736
Ontario Safe Restart Funding	2,095	48	(2,143)	–
Ontario's Main Street Revitalization Initiatives	12	–	–	12
Northern Ontario Resource Development Fund	–	813	(89)	724
	<b>\$ 68,563</b>	<b>\$ 32,348</b>	<b>\$ (36,442)</b>	<b>\$ 64,469</b>



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 10. Deferred revenue – other

Deferred revenue - other consist of the following:

	December 31, 2021	Externally restricted inflows	Revenue earned	December 31, 2022
Federal government	\$ 281	\$ 325	\$ (281)	\$ 325
Provincial government	15,244	7,360	(9,713)	12,891
Other	748	1,026	(870)	904
Consolidated entities	417	364	(417)	364
	\$ 16,690	\$ 9,075	\$ (11,281)	\$ 14,484

## 11. Employee benefit obligations:

Employee benefit obligations consist of the following:

	2022	2021
Future payments required for:		
WSIB obligations	\$ 19,904	\$ 14,189
Accumulated sick leave benefits	5,519	5,541
Other post-employment benefits	39,520	37,993
Liability for Stop Loss Insurance	867	992
Vacation pay	19,949	19,411
	\$ 85,759	\$ 78,126

The City has established reserve funds in the amount of \$10,183 (2021 - \$10,370) 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, 2022

## 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, 2022 for each of the plans.

	WSIB	Sick Leave	Other Post-Employment Benefits	2022 Total	2021 Total
Accrued benefit liability, beginning of year	\$ 14,189	\$ 5,541	\$ 37,993	\$ 57,723	\$ 53,445
Benefit cost	3,733	237	1,610	5,580	5,799
Interest cost	1,487	153	1,133	2,773	2,217
Benefit payments	(4,088)	(331)	(2,612)	(7,031)	(6,786)
Actuarial gain (loss)	21,573	(890)	(1,102)	19,581	26,737
Accrued benefit liability, end of year	36,894	4,710	37,022	78,626	81,412
Unamortized actuarial gain (loss)	(16,990)	809	2,498	(13,683)	(23,689)
	\$ 19,904	\$ 5,519	\$ 39,520	\$ 64,943	\$ 57,723

The total employee benefits expense include the following components:

	WSIB	Sick Leave	Other Post-Employment Benefits	2022 Total	2021 Total
Current period benefit cost	\$ 3,733	\$ 237	\$ 1,610	\$ 5,580	\$ 5,799
Amortization of actuarial gain (loss)	4,583	(81)	(187)	4,315	3,048
Interest expense	1,487	153	1,133	2,773	2,217
Total employee benefit expense	\$ 9,803	\$ 309	\$ 2,556	\$ 12,668	\$ 11,064

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	3.50%	3.50%	3.50%

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
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Year ended December 31, 2022

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## 11. Employee benefit obligations (continued):

For other post-employment benefits, as at December 31, 2022, the initial health care trend rate is 5.35% (2021 – 5.35 %) and the ultimate trend rate is 4.35% (2021 – 4.35%) which is expected to be reached in 2031 (2021 – 2031).

## 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 3.75% (2021 – 3.50%) minus an inflation rate of 2.12% (2021 – 1.70%) (10-year average of CPI from 2011 to 2021). The estimated total landfill closure and post-closure care expenses are calculated to be \$26,822 (2021 - \$29,880). The estimated liability for the active sites is recognized as the landfill site's capacity is used. At December 31, 2022, an amount of \$17,731 (2021 - \$19,243) with respect to landfill closure and post-closure liabilities has been accrued.

### Active sites

The estimated remaining capacity of the Sudbury landfill site is 41% (3,187,480 cubic meters) (2021 - 42%) of its total estimated capacity and its estimated remaining life is 36 years (2021 - 37 years), after which the period for post-closure care is estimated to be 25 years.

The estimated remaining capacity of the Valley East landfill site is 28% (464,897 cubic meters) (2021 - 30%) of its total estimated capacity and its estimated remaining life is 16 years (2021 - 15 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 40% (584,811 cubic meters) (2021 - 41%) of its total estimated capacity and its estimated remaining life is 25 years (2021 - 25 years), after which the period for post-closure care is estimated to be 25 years.

### Inactive sites

The City has identified three (2021 – three) inactive landfill sites for which it retains responsibility for all costs relating to closure and post-closure care.



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 12. Solid waste management facility liability (continued):

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 3.75% (2021 – 3.50%). The estimated present value of future expenditures for post-closure care is \$2,272 (2021 - \$2,044).

## 13. Long-term liabilities:

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

	2022	2021
Debentures (i)	\$ 33,019	\$ 37,148
Sinking fund debentures (ii)	303,000	200,000
Other loans (iii)	13,209	14,097
Capital lease obligations (iv)	445	718
Accrued financial obligations (v)	1,000	4,250
	350,673	256,213
Total value of sinking fund deposits	(12,192)	(7,675)
Net long-term liabilities	\$ 338,481	\$ 248,538

- i. The debentures bear interest at rates of 3.10% to 5.734%, repayable in aggregate blended monthly payments of \$441, maturing from March 2023 to March 2035.
- ii. The sinking fund debentures bear interest rates of 2.416% to 3.457%, payable semi annually. On an annual basis the City must contribute \$6.8 million to the sinking funds, with the City's sinking fund contributions and associated investment income used to repay the debenture at maturity from March 2047 to March 2050.
- iii. The other loans bear interest at rates of 5.47% to 6.162%, repayable in aggregate blended annual payments of \$354 and an aggregated blended monthly payment of \$116, maturing from March 2025 to May 2035.
- iv. The capital lease obligations bear interest at a rate of 0%, repayable in aggregate blended annual payments of \$274, maturing from Feb 2023 to Dec 2025.
- v. Accrued financial obligations consist of the following:

	Last Year of Obligation	2022	2021
Maison McCulloch Hospice	2022	\$ –	\$ 150
Place des Arts	2022	–	2,000
Northeastern Ontario Regional Cancer Centre	2023	211	511
Health Sciences North	2023	489	1,189
Health Sciences North (PET Scanner)	2025	300	400
		\$ 1,000	\$ 4,250

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 13. Long-term liabilities (continued):

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

2023	\$	11,945
2024		11,039
2025		10,238
2026		10,074
2027		10,204
Thereafter		174,605
Interest to be earned on sinking funds		110,376
	\$	338,481

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

General municipal revenues	\$	303,839
Water/wastewater user fees		34,642
	\$	338,481

(d) The City expensed \$9,643 in 2022 (2021 - \$ 7,047) in interest on these borrowings.



# CITY OF GREATER SUDBURY

(in thousands of dollars)  
Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 14. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals / Transfers	Balance at December 31, 2022
<b>General Capital:</b>				
Land	\$ 88,187	\$ 999	\$ (5,417)	\$ 83,769
Landfill and land improvements	51,742	2,367	-	54,109
Buildings	372,924	9,133	(3,597)	378,460
Machinery, furniture and equipment	128,136	7,320	(4,481)	130,975
Vehicles	88,044	8,266	(5,122)	91,188
<b>Infrastructure:</b>				
Land improvements	33,362	15,377	-	48,739
Plants and facilities	450,103	4,185	(33)	454,255
Roads infrastructure	1,455,462	51,786	(9,136)	1,498,112
Water and sewer infrastructure	575,578	19,660	(3,326)	591,912
Assets under construction	76,359	36,013	(52,220)	60,152
<b>Total</b>	<b>\$ 3,319,897</b>	<b>\$ 155,106</b>	<b>\$ (83,332)</b>	<b>\$ 3,391,671</b>

Accumulated Amortization	Balance at December 31, 2021	Amortization Expense	Disposals / Transfers	Balance at December 31, 2022
<b>General Capital:</b>				
Land	\$ -	\$ -	\$ -	\$ -
Landfill and land improvements	25,159	1,795	-	26,954
Buildings	207,063	10,505	(3,354)	214,214
Machinery, furniture and equipment	88,931	7,392	(4,203)	92,120
Vehicles	47,683	6,002	(4,949)	48,736
<b>Infrastructure:</b>				
Land improvements	6,092	790	-	6,882
Plants and facilities	250,991	10,090	(29)	261,052
Roads infrastructure	845,287	36,694	(8,083)	873,898
Water and sewer infrastructure	199,031	8,048	(3,112)	203,967
<b>Total</b>	<b>\$ 1,670,237</b>	<b>\$ 81,316</b>	<b>\$ (23,730)</b>	<b>\$ 1,727,823</b>

Net Book Value	Balance at December 31, 2021		Balance at December 31, 2022
<b>General Capital:</b>			
Land	\$ 88,187		\$ 83,769
Landfill and land improvements	26,583		27,155
Buildings	165,861		164,246
Machinery, furniture and equipment	39,205		38,855
Vehicles	40,361		42,452
<b>Infrastructure:</b>			
Land improvements	27,270		41,857
Plants and facilities	199,112		193,203
Roads infrastructure	610,175		624,214
Water and sewer infrastructure	376,547		387,945
Assets under construction	76,359		60,152
<b>Total</b>	<b>\$ 1,649,660</b>		<b>\$ 1,663,848</b>



# CITY OF GREATER SUDBURY

(in thousands of dollars)  
Notes to Consolidated Financial Statements

Year ended December 31, 2019

## 14. Tangible capital assets (continued):

Cost	Balance at December 31, 2020	Additions	Disposals / Transfers	Balance at December 31, 2021
<b>General Capital:</b>				
Land	\$ 87,675	\$ 1,264	\$ (752)	\$ 88,187
Landfill and land improvements	48,719	3,062	(39)	51,742
Buildings	370,475	5,532	(3,083)	372,924
Machinery, furniture and equipment	125,274	5,257	(2,395)	128,136
Vehicles	84,731	10,742	(7,429)	88,044
<b>Infrastructure:</b>				
Land improvements	31,929	1,445	(12)	33,362
Plants and facilities	439,228	10,916	(41)	450,103
Roads infrastructure	1,424,398	37,110	(6,046)	1,455,462
Water and sewer infrastructure	556,736	20,248	(1,406)	575,578
Assets under construction	49,672	51,084	(24,397)	76,359
<b>Total</b>	<b>\$ 3,218,837</b>	<b>\$ 146,660</b>	<b>\$ (45,600)</b>	<b>\$ 3,319,897</b>

Accumulated Amortization	Balance at December 31, 2020	Amortization Expense	Disposals / Transfers	Balance at December 31, 2021
<b>General Capital:</b>				
Land	\$ -	\$ -	\$ -	\$ -
Landfill and land improvements	23,471	1,727	(39)	25,159
Buildings	199,129	10,718	(2,784)	207,063
Machinery, furniture and equipment	83,756	7,523	(2,348)	88,931
Vehicles	49,114	5,779	(7,210)	47,683
<b>Infrastructure:</b>				
Land improvements	5,414	687	(9)	6,092
Plants and facilities	241,010	10,016	(35)	250,991
Roads infrastructure	814,991	35,926	(5,630)	845,287
Water and sewer infrastructure	192,690	7,745	(1,404)	199,031
<b>Total</b>	<b>\$ 1,609,575</b>	<b>\$ 80,121</b>	<b>\$ (19,459)</b>	<b>\$ 1,670,237</b>

Net Book Value	Balance at December 31, 2020		Balance at December 31, 2021
<b>General Capital:</b>			
Land	\$ 87,675		\$ 88,187
Landfill and land improvements	25,248		26,583
Buildings	171,346		165,861
Machinery, furniture and equipment	41,518		39,205
Vehicles	35,617		40,361
<b>Infrastructure:</b>			
Land improvements	26,515		27,270
Plants and facilities	198,218		199,112
Roads infrastructure	609,407		610,175
Water and sewer infrastructure	364,046		376,547
Assets under construction	49,672		76,359
<b>Total</b>	<b>\$ 1,609,262</b>		<b>\$ 1,649,660</b>



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 14. Tangible capital assets (continued):

### a) Assets under construction:

Assets under construction having a value of \$60,152 (2021 - \$76,359) have not been amortized. Amortization of these assets will commence when the asset is put into service.

During the year, the City added \$36,013 (2021 - \$51,084) to assets under construction and transferred \$52,220 (2021 - \$24,397) from assets under construction to tangible capital assets.

### b) Developer contributions of tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$3,330 (2021 - \$3,679) comprised of the following:

	2022	2021
General capital:		
Land	\$ 72	\$ 289
Machinery and equipment	324	302
Infrastructure:		
Land improvements	-	11
Roads network	1,175	1,716
Water and wastewater network	1,759	1,361
<b>Total</b>	<b>\$ 3,330</b>	<b>\$ 3,679</b>

## 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:

	2022	2021
Taxation	\$ 49,847	\$ 48,531
Payment in lieu of taxes	137	137
<b>Total</b>	<b>\$ 49,984</b>	<b>\$ 48,668</b>

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 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:

2023	\$	2,470
2024		631
2025		607
2026		607
2027 and onwards		533
	\$	4,848

- (b) Contingent assets:

As of December 31, 2022, 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, 2022 amounts to approximately \$56,965 (2021 - \$55,608). The proposed financing of these obligations is \$39,788 (2021 - \$51,503) from surplus funds and \$17,177 (2021 - \$4,105) 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:

2023	\$	33,962
2024		31,192
2025		26,511
2026		23,684
2027 and onwards		47,779
	\$	163,128

- (c) Contingent liabilities:

As at December 31, 2022, 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, 2022

## 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, 2022 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:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 1,326,247	\$ 1,405,231
Invested in government business enterprises	142,765	140,845
Other	665	699
Committed capital:		
Capital projects not completed	413,874	305,201
Unfinanced capital projects to be recovered through taxation or user charges	(10,296)	(24,003)
Unfunded:		
Landfill closure costs	(17,731)	(19,243)
Employee benefits	(84,801)	(77,043)
Accrued financial obligations	(3,900)	(5,500)
	1,766,823	1,726,187
Reserves	28,624	39,339
Reserve funds	166,286	146,429
	\$ 1,961,733	\$ 1,911,955

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 19. Budget data:

Budget data presented in these consolidated financial statements are based on the 2022 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.

Revenues	
Approved budget:	
Operating	\$ 650,981
Capital	204,598
Consolidated Boards	21,650
	877,229
Adjustments:	
Transfer from reserves to operating	(10,671)
Recognize revenues from obligatory reserve funds	(32,506)
In year budget adjustments – operating	5,182
Operating transfer to capital and future years funding	(116,732)
Reclass between revenues and expenses	(543)
Reclassification of taxation bad debt expense	(2,340)
Total revenues	\$ 719,620
Expenses	
Approved budget:	
Operating	\$ 650,981
Capital	204,598
Consolidated Boards (A)	19,798
	875,377
Adjustments:	
Amortization of tangible capital assets	81,114
Transfer to reserves and capital	(95,179)
Reduction due to tangible capital assets	(205,658)
Post-employment benefit expense	5,974
Landfill closure and post-closure expense	1,741
In year budget adjustments – operating	5,182
Reclassification of taxation bad debt expense	(2,340)
Debt principal repayments	(8,865)
Reclass between revenues and expenses	(543)
Operating expenses budgeted in capital expensed in current year	11,602
Total revenues	\$ 668,405
Annual surplus	\$ 51,215



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

## 19. Budget data (continued):

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

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

## 20. Taxation:

Taxation consists of:

	2022 Budget	2022 Actual	2021 Actual
Municipal tax levy	\$ 314,792	\$ 314,819	\$ 302,733
Supplementary taxation	2,467	2,501	2,769
Assessment Appeal Revenue	–	1,696	–
Payment in lieu of property taxes	8,627	8,645	8,554
Local improvements	22	22	22
	325,908	327,683	314,078
Rebates and tax concessions	(2,340)	(1,531)	(2,309)
Net municipal taxation	\$ 323,568	\$ 326,152	\$ 311,769

## 21. Other revenues:

Other revenues consist of:

	2022 Budget	2022 Actual	2021 Actual
Gaming and casino revenues	\$ 2,175	\$ 1,770	\$ 880
Gain on sale of land and tangible capital assets	–	974	9,346
Donated tangible capital assets	–	3,330	3,679
Donations	134	101	56
Development charges earned	–	4,085	4,088
Sub-divider contributions	949	1,390	2,233
Miscellaneous recoveries/revenues	17,744	21,260	22,996
	\$ 21,002	\$ 32,910	\$ 43,278



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

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## 22. Trust funds:

Trust funds amounting to \$18,927 (2021 - \$18,195) 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 figures:

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

## 24. Segmented disclosure:

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

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

### General Government

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

### Transportation Services

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



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

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## 24. Segmented disclosure (continued):

### 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.

### Health and Social Services

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

### Recreation and Cultural Services

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

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

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## 24. Segmented disclosure (continued):

### Planning and Development Services

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

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

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## CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)

Year ended December 31, 2022

### 24. Segmented disclosure (continued)

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Government Business Enterprises	2022 Total	2021 Total
<b>Revenue:</b>										
Transfer payments	\$ 24,173	\$ 4,706	\$ 32,450	\$ 859	\$ 133,106	\$ 2,103	\$ 3,246	\$ -	\$ 200,643	\$ 183,117
Taxation	29,671	102,578	71,483	18,964	59,273	31,856	12,327	-	326,152	311,769
User charges	5,998	5,673	8,359	96,994	21,134	8,268	794	-	147,220	133,614
Other	29,397	3,408	4,855	9,102	10,428	(1,684)	2,583	1,920	60,009	64,745
	89,239	116,365	117,147	125,919	223,941	40,543	18,950	1,920	734,024	693,245
<b>Expenses:</b>										
Salaries, wages and benefits	37,321	97,442	38,955	23,211	75,295	21,987	8,916	-	303,127	284,408
Materials	9,216	11,256	33,039	18,870	25,102	17,671	3,989	-	119,143	103,641
Contract services	5,402	1,894	16,921	35,808	51,336	1,841	1,043	-	114,245	96,355
Grants and transfer payments	1,535	1,132	7	56	47,957	1,875	1,393	-	53,955	48,896
Amortization of tangible capital assets	1,340	4,448	42,356	20,518	6,836	5,393	425	-	81,316	80,121
Other	691	804	2,609	1,847	1,882	4,516	111	-	12,460	9,436
Allocation of shared expenses	(24,390)	4,861	2,406	3,054	9,347	4,075	647	-	-	-
	31,115	121,837	136,293	103,364	217,755	57,358	16,524	-	684,246	622,857
Annual surplus (deficit)	\$ 58,124	\$ (5,472)	\$ (19,146)	\$ 22,555	\$ 6,186	\$ (16,815)	\$ 2,426	\$ 1,920	\$ 49,778	\$ 70,388

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2022

## 25. Supplementary financial information:

Schedule of Revenues and Expenses – Library:

	2022	2021
Revenue:		
Government transfers (note 1)	\$ 403	\$ 403
Fines and fees	48	40
Other	30	22
	481	465
Expenses:		
Salaries, wages and benefits	5,340	5,018
Materials and contract services	3,568	3,795
	8,908	8,813
Deficiency of revenues over expenses	\$ (8,427)	\$ (8,348)

1. The government transfer are comprised of the following:

Provincial:		
Ministry of Tourism and Culture - operating	\$ 403	\$ 403



Financial Statements of

**CITY OF GREATER SUDBURY**  
**Sinking Fund**

And Independent Auditors' Report thereon

Year ended December 31, 2022

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Times Square Mall  
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## INDEPENDENT AUDITORS' REPORT

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

### **Opinion**

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

- the statement of financial position as at December 31, 2022
- the statement of operations and accumulated surplus for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of City of Greater Sudbury - Sinking Fund as at December 31, 2022, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

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

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

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

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

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

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





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

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

### ***Auditors' Responsibility for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



Page 3

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

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# THE CITY OF GREATER SUDBURY SINKING FUND

Statement of Financial Position  
(in thousands of dollars)

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Cash	\$ 129	\$ 3,386
Investments (note 4)	11,832	4,204
Accrued interest	231	85
	<u>\$ 12,192</u>	<u>\$ 7,675</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued liabilities	\$ 11	\$ 6
Actuarial requirements (note 1)	8,740	4,305
	<u>8,751</u>	<u>4,311</u>
Accumulated surplus	3,441	3,364
	<u>\$ 12,192</u>	<u>\$ 7,675</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# THE CITY OF GREATER SUDBURY SINKING FUND

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

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Contributions	\$ 4,204	\$ 7,590
Investment income	314	85
	<u>4,518</u>	<u>7,675</u>
Expenses:		
Changes in actuarial requirements (note 1)	4,435	4,305
Audit fees	6	6
	<u>4,441</u>	<u>4,311</u>
Excess of revenue over expenses	77	3,364
Accumulated surplus, beginning of the year	3,364	-
Accumulated surplus, end of year	<u>\$ 3,441</u>	<u>\$ 3,364</u>

See accompanying notes to financial statements.



# THE CITY OF GREATER SUDBURY SINKING FUND

Statement of Cash Flows  
(in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 77	\$ 3,364
Items not involving cash:		
Amortization of net premium (discount) on investments	27	-
	104	3,364
Change in non-cash working capital items:		
Accrued interest	(146)	(85)
Accounts payable and accrued liabilities	5	6
Actuarial requirements	4,435	4,305
Net change in cash from operating activities	4,398	7,590
Investing activities:		
Acquisition of investments	(7,655)	(4,204)
Increase in cash during the year	(3,257)	3,386
Cash, beginning of year	3,386	-
Cash, end of year	\$ 129	\$ 3,386

See accompanying notes to financial statements.



# CITY OF GREATER SUDBURY

## Sinking Fund

Notes to Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2022

---

The City of Greater Sudbury - Sinking Fund (the "Fund") is a separate fund maintained for the purpose of providing periodic repayments for debt to be retired by means of a sinking fund. The amount initially issued was \$200,000 with a maturity date of March 12, 2050. During the current year, an additional \$103,000 was issued with a maturity date of March 15, 2047.

### 1. Significant accounting policies:

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

a) Basis of accounting:

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

b) Revenue recognition:

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

c) Investments:

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

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

d) Provision of actuarial requirements:

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

### 2. Contributions:

In 2022, contributions to the Fund were \$4,204 (2021 - \$7,590).

### 3. Financial instruments:

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



# CITY OF GREATER SUDBURY

## Sinking Fund

Notes to Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2022

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#### 4. Investment portfolio:

Investments consists of provincial government bonds bearing yield rates from 2.27% - 4.14%, maturing from June 2036 - June 2048. At the end of 2022, investments (including accrued interest) totaled \$12,063 (2021 - \$4,289), which are recorded at amortized cost. The investments have a market value (including accrued interest) of \$9,459 (2021 - \$4,263) at the end of the year. The market value represents the realizable value of the investments if they were sold at the end of the Fund's fiscal year.

The Fund's investments are governed by the Municipal Act and the City of Greater Sudbury's investment policy. The investment practice of the Fund's administration is to generally hold investments until maturity.

#### 5. Comparative figures:

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

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Financial Statements of

# **CITY OF GREATER SUDBURY TRUST FUNDS**

And Independent Auditor's Report thereon

Year ended December 31, 2022

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## INDEPENDENT AUDITOR'S 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, 2022
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The City of Greater Sudbury Trust Funds as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s 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.

### ***Auditor's 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 auditor's report that includes our opinion.

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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  
(draft)



# CITY OF GREATER SUDBURY TRUST FUNDS

Statement of Financial Position

December 31, 2022, with comparative information for 2021  
(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 2022	Total 2021
<b>Assets</b>								
Cash	\$ 142	1,092	-	-	-	-	\$ 1,234	\$ 1,303
Due from City of Greater Sudbury (note 3)	-	7,084	97	-	1,404	9,108	17,693	16,892
Loans receivable	-	-	-	117	-	-	117	117
Allowance for doubtful loans	-	-	-	(117)	-	-	(117)	(117)
	\$ 142	8,176	97	-	1,404	9,108	\$ 18,927	\$ 18,195
<b>Liabilities and Fund Balances</b>								
Accounts payable	\$ 73	-	-	-	-	-	\$ 73	\$ 84
Fund balances	69	8,176	97	-	1,404	9,108	18,854	18,111
	\$ 142	8,176	97	-	1,404	9,108	\$ 18,927	\$ 18,195

See accompanying notes to financial statements.



## CITY OF GREATER SUDBURY TRUST FUNDS

### Statement of Changes in Fund Balances

Year ended December 31, 2022, with comparative information for 2021  
(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 2022	Total 2021
<b>Revenue:</b>								
Plot sales	\$ -	-	-	-	115	313	\$ 428	\$ 334
Receipts from or on behalf of others	1,110	-	-	-	-	-	1,110	1,236
Interest earned	-	22	-	-	32	210	264	143
Subdividers' deposits	-	1,496	-	-	-	-	1,496	1,024
	1,110	1,518	-	-	147	523	3,298	2,737
<b>Expenses:</b>								
Disbursements to or on behalf of residents	1,191	-	-	-	-	-	1,191	1,224
Refunds	-	641	-	-	-	-	641	905
Transfer to City of Greater Sudbury	-	-	-	-	118	605	723	209
	1,191	641	-	-	118	605	2,555	2,338
Change in fund balances in year	(81)	877	-	-	29	(82)	743	399
Fund balances, beginning of year	150	7,299	97	-	1,375	9,190	18,111	17,712
Fund balances, end of year	\$ 69	8,176	97	-	1,404	9,108	\$ 18,854	\$ 18,111

See accompanying notes to financial statements.

# CITY OF GREATER SUDBURY

## TRUST FUNDS

### Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021  
(in thousands of dollars)

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 743	\$ 399
Changes in non-cash working capital items:		
Increase in due from the City of Greater Sudbury	(801)	(441)
Decrease in accounts payable	(11)	(15)
Decrease in cash during the year	(69)	(57)
Cash, beginning of year	1,303	1,360
Cash, end of year	\$ 1,234	\$ 1,303

See accompanying notes to financial statements.



# CITY OF GREATER SUDBURY

## TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

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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, 2022  
(in thousands of dollars)

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

At December 31, 2022, the Funds have amounts due from the City of \$17,693 (2021 - \$16,892) 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 \$1,404 and \$9,108 pertaining to the Cemetery Pre-Need and Cemetery Care and Maintenance Funds which both bear interest at the rate of 2.31% (2021 – 1.27%) 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.

DRAFT



The background features a complex arrangement of geometric shapes and patterns. In the top left, there are overlapping squares in shades of yellow and light green. To the right, a series of vertical bars of varying heights, colored in light blue and white, form a stylized bar chart. Below this, a large, light orange triangle points downwards. In the bottom left, a checkered pattern of squares in shades of pink, purple, and teal is visible. A large, light pink triangle points upwards from the bottom right. The overall aesthetic is modern and data-oriented.

2022  
**Statistical  
Information**

FOR THE YEAR ENDING DECEMBER 31, 2022

# Consolidated Statement of Financial Position

(In thousands  
of dollars)

	2022	2021	2020	2019	2018
<b>Financial assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash	22,480	13,510	14,138	16,439	8,174
Taxes receivable	11,189	11,125	11,074	9,304	8,532
Accounts receivable	89,604	76,431	80,930	76,857	73,993
Inventory held for resale	-	-	-	-	1,802
Investment in GBE	142,765	140,845	135,436	117,133	114,145
Investments	671,399	550,518	514,370	305,473	304,800
	<b>937,437</b>	<b>792,429</b>	<b>755,948</b>	<b>525,207</b>	<b>511,446</b>
<b>Financial liabilities</b>					
Accounts payable and accrued liabilities	133,098	111,461	117,525	99,966	97,656
Deferred revenue - obligatory reserve funds	64,469	68,563	56,025	55,191	50,418
Deferred revenue - other	14,484	16,690	10,891	4,669	4,641
Employee benefit obligations	85,759	78,126	72,152	68,860	65,209
Solid waste management facility liability	17,731	19,243	17,502	15,535	14,316
Long-term liabilities	338,481	248,538	261,802	70,264	76,530
	<b>654,022</b>	<b>542,621</b>	<b>535,897</b>	<b>314,485</b>	<b>308,770</b>
<b>Net financial assets</b>	<b>283,415</b>	<b>249,808</b>	<b>220,051</b>	<b>210,722</b>	<b>202,676</b>
<b>Non-financial assets</b>					
Tangible capital assets	1,663,848	1,649,660	1,609,262	1,555,109	1,521,076
Other	14,470	12,487	12,254	11,006	9,589
	<b>1,678,318</b>	<b>1,662,147</b>	<b>1,621,516</b>	<b>1,566,115</b>	<b>1,530,665</b>
<b>Accumulated Surplus</b>	<b>1,961,733</b>	<b>1,911,955</b>	<b>1,841,567</b>	<b>1,776,837</b>	<b>1,733,340</b>





# Consolidated Statement of Operations and Accumulated Surplus

(In thousands  
of dollars)

	2022	2021	2020	2019	2018
<b>Revenues</b>	\$	\$	\$	\$	\$
Government transfers, provincial	176,368	164,116	170,819	160,598	156,171
Government transfers, federal	24,275	19,001	12,862	25,217	21,170
Taxation	326,152	311,769	298,381	282,721	267,956
User charges	147,220	133,614	131,791	136,412	131,252
Investment income	19,676	10,740	14,950	12,489	11,444
Fines and penalties	5,503	5,318	4,733	5,979	6,321
Other	32,910	43,278	18,319	27,664	22,307
GBE net earnings	1,920	5,409	18,303	2,988	5,995
<b>TOTAL REVENUES</b>	<b>734,024</b>	<b>693,245</b>	<b>670,158</b>	<b>654,068</b>	<b>622,616</b>
<b>Expenses by Object</b>					
Salaries, wages and employee benefits	303,127	284,408	271,808	268,079	255,511
Materials	119,142	103,641	106,149	110,963	99,398
Contract services	114,246	96,355	90,671	99,891	94,830
Grants and transfer payments	53,955	48,896	50,290	51,967	55,507
Amortization	81,316	80,121	78,484	75,626	73,200
Other	12,460	9,436	8,026	4,045	4,143
<b>TOTAL EXPENSES</b>	<b>684,246</b>	<b>622,857</b>	<b>605,428</b>	<b>610,571</b>	<b>582,589</b>
ANNUAL SURPLUS	49,778	70,388	64,730	43,497	40,027
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,911,955	1,841,567	1,776,837	1,733,340	1,693,313
ACCUMULATED SURPLUS, END OF YEAR	1,961,733	1,911,955	1,841,567	1,776,837	1,733,340
<b>Analysis of Expenses by Function</b> (in thousands of dollars)	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
General government	31,115	27,743	33,749	27,448	25,343
Protection services	121,837	119,925	108,346	107,935	104,245
Transportation services	136,293	117,345	118,586	125,510	108,320
Environmental services	103,364	102,539	102,922	99,190	92,411
Health services	38,808	36,104	34,436	31,912	31,941
Social and family services	136,802	121,726	117,431	119,578	116,550
Social housing	42,145	39,696	38,365	40,125	40,747
Recreation and cultural services	57,358	44,155	39,736	46,807	50,705
Planning and development	16,524	13,624	11,857	12,066	12,327
<b>TOTAL EXPENSES</b>	<b>684,246</b>	<b>622,857</b>	<b>605,428</b>	<b>610,571</b>	<b>582,589</b>

## Reserves and Reserve Funds

(In thousands of dollars)

	2022	2021	2020	2019	2018
<b>Reserves</b>	\$	\$	\$	\$	\$
Working funds	-	-	-	-	338
Tax rate stabilization	15,431	16,274	13,991	3,705	2,233
General government	8,572	19,105	15,821	2,364	786
Environmental services	4,621	3,960	6,098	4,281	-
Health, social services and housing	-	-	2,425	2,299	2,648
Planning and development	-	-	312	309	514
<b>TOTAL RESERVES</b>	<b>28,624</b>	<b>39,339</b>	<b>38,647</b>	<b>12,958</b>	<b>6,519</b>
<b>Reserve Funds</b>					
Equipment replacement	6,491	5,516	4,008	7,478	4,968
Employee benefit obligations	8,849	8,880	10,026	10,988	13,963
Insurance	1,348	1,497	1,342	984	839
General government	65,447	51,448	22,954	16,736	22,847
Protection services	11,814	8,200	6,572	6,311	6,837
Transportation services	6,396	5,500	6,470	12,566	18,049
Environmental services	29,253	36,676	39,416	40,681	46,051
Health, social services and housing	29,721	22,222	14,572	12,643	12,335
Recreation and cultural services	2,221	1,885	1,712	997	2,262
Planning and development	4,746	4,605	10,883	16,317	15,072
Other	-	-	25	18	9
<b>TOTAL RESERVE FUNDS</b>	<b>166,286</b>	<b>146,429</b>	<b>117,980</b>	<b>125,719</b>	<b>143,232</b>
<b>TOTAL RESERVE AND RESERVE FUNDS</b>	<b>194,910</b>	<b>185,768</b>	<b>156,627</b>	<b>138,677</b>	<b>149,751</b>
<b>Additional Information</b> (In thousands of dollars)	2022	2021	2020	2019	2018
<b>NET FINANCIAL ASSETS</b>	283,415	249,808	220,051	210,722	202,676
<b>NET DEBT PER CAPITA</b>	2,039	1,497	1,577	423	474
<b>LONG-TERM LIABILITIES</b>					
Supported by					
Property taxation	303,839	211,615	222,691	29,054	33,306
Water/wastewater user fees	34,642	36,923	39,111	41,210	43,224
	<b>338,481</b>	<b>248,538</b>	<b>261,802</b>	<b>70,264</b>	<b>76,530</b>



<b>Additional Information</b> (continued)	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Municipal Statistics</b>					
Population	<b>166,004</b>	166,000	166,000	166,000	161,500
Households	<b>75,967</b>	75,776	75,791	75,776	75,612
<b>Employees</b>					
Full-time employees	<b>2,104</b>	2,098	2,074	2,032	2,012
Part-time hours	<b>1,013,170</b>	914,694	1,023,182	1,002,370	1,016,194
<b>Service Information</b>					
Building permit values (in 000's)	<b>240,197</b>	291,206	324,115	281,389	291,624
Average monthly social assistance case load	<b>3,021</b>	2,726	3,450	3,527	3,486
Lane kilometres of roads	<b>3,585</b>	3,572	3,572	3,561	3,536
Annual volume of treated wastewater (megalitres)	<b>25,529</b>	24,971	30,570	30,668	24,803
Annual volume of treated drinking water (megalitres)	<b>19,177</b>	19,545	17,744	19,597	20,056
Annual disposal of solid waste (tonnes)	<b>91,774</b>	93,406	97,785	99,796	95,825
Annual diversion of solid waste (tonnes)	<b>35,810</b>	36,408	44,163	40,472	31,497
Regular service passenger transit trips	<b>3,463,228</b>	2,358,113	2,885,960	4,605,502	4,432,000
Tax collection rate	<b>3.0%</b>	3.2%	3.3%	2.9%	2.8%
Property tax levies (net tax increase after assessment growth)	<b>3.1%</b>	4.0%	4.8%	4.8%	3.0%
Property tax collection (in 000's)	<b>\$368,012</b>	\$348,844	\$335,864	\$322,059	\$307,611
<b>Taxable Assessment (\$ millions)</b>					
Residential assessment	<b>\$15,701</b>	\$15,572	\$15,485	\$15,137	\$14,835
Commercial assessment	<b>\$2,396</b>	\$2,374	\$2,358	\$2,251	\$2,101
Industrial assessment	<b>\$499</b>	\$493	\$495	\$480	\$408
<b>Benchmark Information</b>					
% of paved lane km where condition is rated good to very good	<b>41%</b>	40%	40%	41%	39.0%
# of conventional transit passenger trips per person in service area per year	<b>22.7</b>	15.4	19.3	30.8	29.6
# of wastewater main backups per 100 km of waste water main per year	<b>5.8</b>	5.6	7.3	8.5	2.8
% of wastewater estimated to have bypassed treatment	<b>0.03%</b>	0.47%	1.40%	0.80%	0.70%
# of water main breaks per 100 km of water distribution pipe per year	<b>10.7</b>	8.2	7.1	6.4	9.8
% of residential solid waste diverted for recycling	<b>39.0%</b>	39.0%	42.7%	41.4%	45.0%
<b>Top Employers</b>					
Health Sciences North					
Vale					
City of Greater Sudbury					
Government of Canada - Tax Services					
Rainbow District School Board					

# Revenue and Expense Categories

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

## Revenues

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### Municipal Tax Levy:

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

### Government Transfer (Provincial):

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

### Government Transfer (Federal):

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

### User Charges:

This category consists of fees for use of services, such as ice and hall rentals, leisure activities, cemetery fees, library fees, applications for building permits, water/wastewater, and transit.

### Investment Income:

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

### Other Revenues:

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

## Expenses

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### Salaries, Wages and Benefits:

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

### Materials:

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

### Contract Services:

This category consists of items that are outsourced, such as Housing Services providers, Children Services providers, Ontario Works, roads maintenance contracts, vehicle repairs, hired or rental equipment, and professional services.

### Grants and Transfer Payments:

This category consists of any grants given to community groups and outside boards such as Conservation Sudbury, Public Health Sudbury & Districts, Arts and Culture grants, playground grants, and transfer payments to Ontario Works recipients.



## Glossary

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### **Accruals:**

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

### **Assessment:**

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

### **Assessment Growth:**

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

### **Assets:**

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

### **Base Budget:**

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

### **Benchmarking:**

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

### **Budget Document:**

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

### **Capital Budget:**

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

### **Capital (Debt) Financing:**

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

### **Capital Improvement Project:**

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

### **Commitments:**

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

### **Current Value Assessment:**

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

### **Debt:**

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

### **Debt Ratio:**

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

### **Encumbrance:**

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

### **External Financing:**

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

### **Fiscal Year:**

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

**Infrastructure:**

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

**Infrastructure Renewal Requirement:**

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

**Operating Budget:**

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

**Performance Measures:**

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

**Program Support:**

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

**Property Tax:**

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

**Reserves and Reserve Funds:**

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

**Revenue:**

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

**Special Capital Levy:**

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

**Taxation Levy:**

The total property tax levied by a municipality.

**Tax Rate:**

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

**Financial Indicators Net Financial Position:**

Difference between liabilities and assets.

**Own Source Revenue:**

Revenues generated directly by the City.

**Sustainability**

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**Financial Position per Capita:**

Net Financial Position divided by the population.

**Net Financial Liability:**

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

**Asset Consumption Ratio:**

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

**Ratio of Financial Assets to Liabilities:**

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

**Ratio of Debt to Revenue:**

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

**Debt per Household:**

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



## Flexibility

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### **Tax Discretionary Reserves as a Per Cent of Taxation:**

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

### **Discretionary Reserves as a Per Cent of Own Source Revenues:**

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

### **Total Reserves per Capita:**

Total reserves in relation to population.

## Vulnerability

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### **Taxes Receivable as a Per Cent of Tax Levied:**

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

### **Tax Debt Interest as a Per Cent of Own Source Revenues:**

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

### **Debt to Reserve Ratio:**

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

### **Total Debt Charges as a Per Cent of Own Source Revenues:**

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

### **Total Debt Outstanding per Capita:**

Total amount of debt divided by population.

### **Debt Outstanding as a Per Cent of Own Source Revenues:**

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

### **Ratio of Debt Charges to Total Revenue:**

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

### **Municipal Taxes as a Per Cent of Household Income:**

Average residential taxes divided by the average household income.

### **Rates Covered Ratio:**

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

### **Ratio of Government Transfers to Total Revenue:**

Total amount of federal and provincial transfers divided by the total amount of revenue.