

Prepared by the Finance Department
City of Greater Sudbury



2013

City of Greater Sudbury Annual Financial Report

For the year ended December 31, 2013



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City of Greater Sudbury

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For the year ended December 31, 2013

PO Box 5000, STN 'A',
200 Brady Street
Sudbury, ON, P3A 5P3

Dial 3-1-1 or (705) 671-2489
www.greatersudbury.ca



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About Greater Sudbury



The City of Greater Sudbury was formed on January 1, 2001 and represents the amalgamation of the towns and cities which comprised the former Regional Municipality of Sudbury (Sudbury, Capreol, Nickel Centre, Onaping Falls, Rayside-Balfour, Valley East and Walden), as well as several unincorporated townships (Fraleck, Parkin, Aylmer, Mackelcan, Rathbun, Scadding, Dryden, Cleland and Dill).

The City of Greater Sudbury is centrally located in Northeastern Ontario at the convergence of three major highways. It is situated on the Canadian Shield in the Great Lakes Basin and is composed of a rich mix of urban, suburban, rural and wilderness environments. Greater Sudbury is 3,267 square kilometres in area, making it the geographically largest municipality in Ontario and second largest in Canada. Greater Sudbury is considered a city of lakes, containing 330 lakes and the largest lake contained within a city, Lake Wanapitei.

In 2013, Greater Sudbury was home to approximately 161,900 people. It is a multicultural and truly bilingual community. Over 27 per cent of people living in the City reported French as their mother tongue in 2006. Almost 39 per cent of people identify themselves as being bilingual. Italian, Finnish, German, Ukrainian and Polish are the top five non official languages spoken in the City. More than 6 per cent of people living in the City are First Nations.

Greater Sudbury is a world class mining centre. The city's mining companies employ approximately 6,000 people and support a 300-company mining supply and service sector cluster that employs a further 10,000 people. The city is also a regional centre in financial and business services, tourism, health care and research, education and government for Northeastern Ontario - an area that stretches from the Quebec border west to the eastern shore of Lake Superior and north to the James and Hudson's Bay coastlines - a market of 555,000.

Greater Sudbury is a regional hub for many Ontario residents who live in nearby communities. These visitors come to the city to visit with family and friends, for cultural and educational experiences, for health care, for entertainment, for shopping and for conducting business.

Greater Sudbury at a Glance



MUNICIPAL STATISTICS

Population

161,900

Households

74,405

EMPLOYEES

Full time employees

2,019

SERVICE INFORMATION

Building Permit Values

\$287,333,000

Average monthly social assistance case load

3,548

Kilometers of roads

3,617

Annual volume of treated waste water

(megalitres)

32,847

Annual volume of treated drinking water

(megalitres)

20,877

Annual disposal of solid waste (tonnes)

105,509

Annual diversion of solid waste (tonnes)

36,424

Regular service passenger transit trips

4,362,000

TAXABLE ASSESSMENT (\$ millions)

Residential, multi-residential, and
miscellaneous assessment

\$12,009

Commercial assessment

\$1,635

Industrial and large industrial assessment

\$446

BENCHMARK INFORMATION

% of paved lane km where condition
is rated good to very good

51.0%

of conventional transit passenger
trips per person in service area per year

31.6

of waste water main backups per 100 km
of waste water main per year

8.9

% of waste water estimated to have
bypassed treatment

1.4%

of water main breaks per 100 km
of water distribution pipe per year

11.1

% of residential solid waste
diverted for recycling

37.8%

Message from Mayor



Our city made significant progress on a number of fronts in 2013. The massive rebuild of the intersection of Notre Dame Avenue and Lasalle Blvd. has been mostly completed on time and on budget this fall and work has begun on the Biosolids Management Facility, one of the most complicated projects the city has ever undertaken.

These projects, which have been on the drawing board for several years each, would not have been possible without real cross-departmental collaboration.

These projects are high on the list of "significant municipal investments" – but they're far from the only ones the City of Greater Sudbury tackled in 2013.

- Greater Sudbury became one of the first municipalities in Ontario to make our parks and outdoor facilities smoke-free environments to protect users and improve cleanliness.
- Two new fully accessible play structures at Ridgcrest and Robinson playgrounds were added to the city's parks network, thanks to the vision of local playground associations and city councillors. These new play structures allow all children to participate in the fun, regardless of ability.
- After extensive public consultation, the city has completed an Arena Renewal Strategy, and City Council has committed \$2.3 million to the refurbishment of the Chelmsford Community Arena. We have also taken the first steps toward building a new OHL-ready arena and entertainment centre in Greater Sudbury.
- The city formed a Transit Safety Task Force to protect workers and customers on Greater Sudbury Transit and enforce the policy of zero-tolerance for violence in the workplace.

- The Downtown Market successfully began a new chapter at its new home at the historic CP Rail property on Elgin Street and plans for the Elgin Greenway and a Rock of Fame have been advanced – all part of our Council-approved Downtown Master Plan.
- The Official Plan review process continued gathering steam, with Rural Consents, Second Units, Cultural Heritage, Population, Employment and Land Supply Policy papers presented to council. As well, the Transportation Background Study has begun.

As well, last year, two city projects – Greater Sudbury's Brownfield Strategy and Community Improvement Plan, and the Biosolids Management Facility – were recognized nationally for their innovative approach to solving a local problem.

It's no coincidence, Greater Sudbury has a history of pioneering innovations in exploration, productivity, environmental expertise and occupational health and safety.

This concentration of innovation and entrepreneurship, of research and intelligence in Greater Sudbury underpins our reputation as a world-class city that is open for business.

In Greater Sudbury, we have built a city that prides itself on sound financial performance, economic prosperity and outstanding municipal services – all supported by a quality of life that is second to none in Canada.

In the coming year, watch for the City of Greater Sudbury to build on the brilliance and resilience of Greater Sudburians as we market ourselves to the world.

This is an unprecedented time of opportunity for our city and I am proud of the successes we have delivered and the foundations for the future we have laid.

Mayor Marianne Matichuk

Message from Chief Administrative Officer



There was much to be proud of and to celebrate in 2013 for the City of Greater Sudbury. The success over the last year is a direct reflection of our Vision, Mission and Values along with Council's desire to ensure a sustainable future for our community.

The City of Greater Sudbury is led by our Strategic Plan (2012-2014), which guides us towards key priorities surrounding Infrastructure, Growth and Jobs, Image, Tourism and Healthy Community. The strategic plan contributes to greater outcomes for citizens and the community as a whole.

With a population of more than 160,000 citizens, in an area of more than 3,267 square kilometers, providing excellence in service is a priority. The City is committed to managing our resources efficiently while maintaining a high level of service across one of the largest geographic areas of any municipality in Ontario.

In 2013, the City managed an operating budget of \$497 million, which is dedicated to day-to-day operations, including programs and services in more than 30 diverse sectors. Within that amount, the City's also managed a capital budget of \$109 million which is dedicated to expenditures and projects such as road construction, recreation facilities, building upgrades, equipment renewal and replacements. Approximately 24% of the municipal tax levy is spent on Roads. Public Safety, including Police, Fire and Emergency Medical Services accounts for another

31% of the total. Other services such as health and social services, leisure and recreation, growth and development, libraries, transit and garbage and recycling account for the remaining 45%.

Infrastructure projects continued to make headlines in 2013. Construction began on the Biosolids Management Facility, in which the City, and our partner N-Viro, have been recognized by the Canadian Council for Public-Private Partnerships (CCPPP) with the Chuck Wills Award for Innovation & Excellence in Municipal Public-Private Partnerships. The annual CCCPP awards recognize outstanding Canadian public-private partnerships (P3) in the areas of project financing, service delivery, and infrastructure. The Biosolids Management Facility will provide a leading edge sustainable solution to the management and disposal of biosolids while at the same time providing effective use of taxpayer dollars.

In September 2013, our City received national recognition when we welcomed the first new Canadian school of architecture in 40 years when Laurentian Architecture Laurentienne (LAL) opened its doors in the heart of our downtown. The school is expected to support our downtown revitalization plan as well as bring economic and cultural benefits to our community.

While it has been an exciting year, as we continue to achieve goals and build on our Strategic Plan, I believe there is still much more that needs to be done. We are committed to planning for the future to ensure our community continues to be a great place to grow, live, work and play.

Doug Nadorozny
Chief Administrative Officer

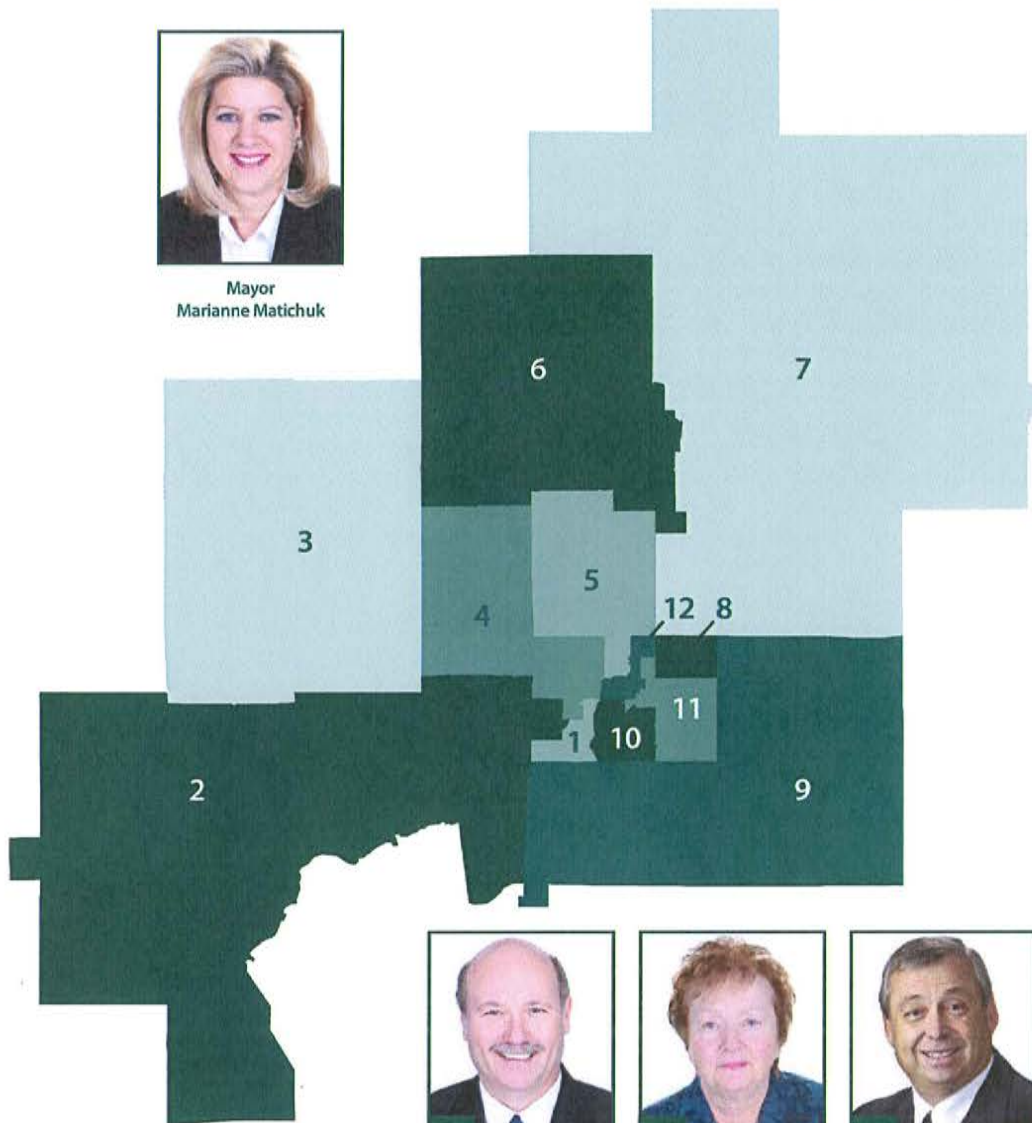
City Council

The Council of the City of Greater Sudbury is composed of a Mayor, who represents the City as a whole and twelve Councillors, each of who represents a specific ward, or geographic area, of the community.

Council is elected for a four year term, with the current term of office being to November 30, 2014. The decisions of Council impact on how municipal services are provided to you our citizens. Council is also the decision making body for the City of Greater Sudbury as an organization.



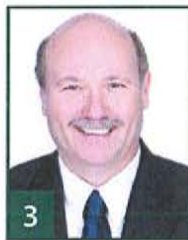
Mayor
Marianne Matichuk



Joe Cimino
Ward 1



Jacques Barbeau
Ward 2



Claude Berthiaume
Ward 3



Evelyn Dutrisac
Ward 4



Ron Dupuis
Ward 5



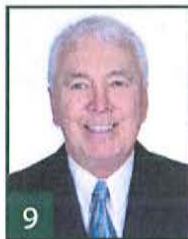
André Rivest
Ward 6



Dave Kilgour
Ward 7



Fabio Belli
Ward 8



Doug Craig
Ward 9



Frances Caldarelli
Ward 10



Terry Kett
Ward 11



Joscelyne
Landry-Altmann
Ward 12

Executive Team

Greater Sudbury's operations are overseen by the Office of the CAO and managed through the following departments: Community Development, Infrastructure Services, Growth and Development, Emergency Services, Human Resources and Organizational Development, Administrative Services

and Financial Services. These departments work together to ensure that citizens needs are met in a professional, timely manner to achieve the goals of Council and provide excellent service and delivery of programs and services to our community.



Chief Administrative Officer
Doug Nadorozny

- Corporate Communications and French Language Services
- Strategic Initiatives



Administrative Services
Executive Director/City Clerk
Caroline Hallsworth

- Court Services (POA)
- Legal Services
- Clerk's Services
- Information Technology
- Corporate Security



Human Resources and Organizational Development
Director
Kevin Fowke

- Organizational Development, Safety and Wellness
- Compensation
- Benefits & Rehabilitation



Financial Services
Chief Financial Officer / Treasurer
Lorella Hayes

- Accounting
- Financial Planning and Budgeting
- Purchasing
- Taxation
- Financial Support
- Payroll



Community Development
General Manager
Catherine Matheson

- Housing Services
- Pioneer Manor
- Citizen Services
- Social Services
- Leisure Services



Growth and Development
Acting General Manager
Paul Baskcomb

- Assets
- Environmental Services
- Economic Development
- Building Services
- Planning Services



Emergency Services
Chief
Tim Beadman

- Emergency Medical Services
- Emergency Management
- Fire Services



Infrastructure Services
General Manager
Tony Cecutti

- Roads, Transportation and Drainage
- Water and Wastewater
- Transit & Fleet
- Engineering & Construction Services



Vision, Mission, Values

Vision

The City of Greater Sudbury is a growing, world-class community bringing talent, technology and a great northern lifestyle together.

Mission

We provide excellent access to quality municipal services and leadership in the social, environmental and economic development of the City of Greater Sudbury.

Values

In fulfilling our roles we commit ourselves to:

- providing high quality service with a citizen focus
- managing the resources in our trust efficiently, responsibly and effectively
- encouraging innovation and accepting risks
- maintaining honest and open communication
- creating a climate of trust and a collegial working environment
- acting today in the interests of tomorrow.



Strategic Goals and Strategies

The strategic plan 2012-2014 reflects the vision, mission and values of the City of Greater Sudbury. Taking advantage of emerging opportunities will ensure great things happen in Greater Sudbury. The focus and intention of Council and the City toward key priorities will contribute to great outcomes for citizens and the community as a whole.

The 2012-2014 Priorities of City of Greater Sudbury Council are:

1. Infrastructure
2. Growth and Jobs
3. Image
4. Tourism
5. Healthy Community

These broad strategic goals help the City of Greater Sudbury in managing an annual operating budget of in excess of \$497 million.

Message from Chief Financial Officer/City Treasurer



It is my pleasure to submit the 2013 Annual Financial Report for the City of Greater Sudbury. In addition to the consolidated financial results for the year ended December 31, 2013, this report highlights the Finance Department's Strategic Plan, key

financial policies, the annual budget process and other information regarding financial performance related to the delivery of the City's programs and services.

Finance Strategic Plan

The Finance Department's Strategic Plan outlines the vision, mission and the following strategic goals:

1. Focus on fiscal sustainability and long term financial planning.
2. Provide support to operating departments and provide timely and accurate financial statements (internal and external) to assist in decision making.
3. Perform the controllership function for the City by providing and enforcing sound financial policies and internal controls.
4. Maximize the capabilities and opportunities provided by the financial information systems.
5. Maintain a positive work environment and strong employee engagement within the Finance Department.

These goals were established in early 2010. The Strategic Plan highlights the significant accomplishments from 2010 to 2012 and the planned actions for 2013 to 2014 to achieve the vision, mission and strategic goals. This document can be found on the City's website and contains examples of the significant accomplishments from 2010 to 2012 and planned actions for 2013 and 2014 (Finance Strategic Plan).

Financial Reporting

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENT

The City of Greater Sudbury's management is responsible for all information contained in the Annual Report. This report provides the annual consolidated financial results for the City of Greater Sudbury for the year ending December 31, 2013 prepared in accordance with legislation and in accordance with generally accepted accounting principles for public sector entities as defined in the Public Sector Accounting Handbook. The consolidated financial statements enclosed include all boards and entities which are under the control of Council.

Some entities are fully consolidated, which means that the financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. Government business enterprises are recorded using the modified equity method which means that the entity's accounting principles are not adjusted to conform to those of the City and inter-entity transactions and balances are not eliminated.

Fully consolidated entities include:

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

Government Business Enterprises include:

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

The budget presented in the 2013 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 18 to the financial statements reconciles the 2013 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 PricewaterhouseCoopers LLP, Chartered Accountants (PwC). 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 consolidated financial statements are free from material misstatement. The external auditors are also responsible to advise management and Council of any internal control issues identified during their audit.

For the year ended December 31, 2013, PwC issued an unqualified audit opinion, meaning that in all material respects, the financial position of the City of Greater Sudbury and the results of its operations for the year ended are free from material misstatements.

AUDIT COMMITTEE

The mandate of the Audit Committee is to provide oversight to the Auditor General and to the External Auditors and consists of full Council. The Committee's responsibilities are to review internal and external reports including reviewing the Auditor General's reports, work plans and the approval of the External Auditors Annual Audit Plan, review the annual audited consolidated financial statements and external audit finding reports.



FINANCIAL ACCOUNTABILITY

The City participates in two comprehensive benchmarking initiatives. Both the Municipal Performance Measurement Program (MPMP) and Ontario Municipal CAOs Benchmarking Initiative (OMBI) are based upon well-developed methodologies.

The City of Greater Sudbury focuses its corporate performance measurement efforts on these two programs which are mostly focused on Ontario municipalities. In addition, the City belongs to several industry-specific organizations, which collaboratively compile and analyze benchmarking data to determine where service improvements can be made.

Additional information relating to Performance Measurement can be found on the City's website.

Financial Management

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

LONG TERM FINANCIAL PLAN

In 2002, Council adopted the Long Term Financial Plan (LTFP) and related policies and principles. These policies and principles are used in managing the financial affairs of the City. The nine principles are:

1. Ensure long term financial sustainability
2. Deliver services in a cost-effective and efficient manner
3. Ensure operating revenues are sustainable and consider community-wide and Individual benefits (Taxes versus user fees)
4. Meet social equity objectives through specific programs
5. Manage the City's capital assets to maximize long term community benefit
6. Recognize that funding from senior levels of government is a crucial element of fiscal sustainability
7. Use debt financing where appropriate
8. Maintain Reserve and Reserve Funds at appropriate levels
9. Identify and quantify long term liabilities.

The LTFP principles are designed to be flexible and adaptable. This key planning document guides the strategic thinking of the City and promotes a healthy and sustainable service delivery model for our community.

With the LTFP, the City recognized the need to adopt a new budgeting process with a new approach to



financial management, one that shifts the emphasis from bottom line financial concerns to service delivery within a longer term financial planning horizon.

The City of Greater Sudbury, like other municipalities, must continually realign budgets, refocus activities, and streamline operational priorities and procedures, to ensure value for property taxes are maximized.

The LTFP principles formed the foundation for the 'Toward Fiscal Sustainability Plan' which was developed in 2010.

TOWARD FISCAL SUSTAINABILITY PLAN

The Toward Fiscal Sustainability Plan was designed to ensure that the City is fiscally sustainable and has sufficient resources to provide the services that the community expects over the long term. The Plan laid out priorities and action items to manage fiscal challenges and opportunities facing our City. The goal is to build a self sustaining community, with sound infrastructure, and an excellent quality of life.

The LTFP financial principles and policies and the Toward Fiscal Sustainability Plan have been designed to ensure the City attains financial sustainability and has sufficient resources to provide the services that the community expects.

LONG TERM DEBT

One of the principles in the Long term financial plan, states that debt financing should be used, where appropriate. More specifically, debt financing should only be considered for new, non-recurring infrastructure requirements, programs and facilities which are self-supporting and projects where the cost of deferring expenses exceeds debt servicing costs.

DEBT MANAGEMENT POLICY

In August 2013, City Council approved a Debt Management policy demonstrating its commitment to long-term capital and financial planning. This policy allow the City to debt finance major projects previously approved by Council. As, well it provides Council the ability to undertake additional capital projects through debt financing in an effort to close the City's current infrastructure gap. Council set a limit for annual debt repayment at 5 percent of the City's own source revenue (as defined by the Province), which is considerably lower than the 25% maximum allowed by the Province. In 2013, City's debt repayment is \$6.2 million or approximately 1 percent of the City's own source revenues.

RESERVE AND RESERVE FUNDS

The City maintains reserve and reserve funds in accordance with the Reserve and Reserve Fund By-law. They are a critical component of a municipality's long-term financing plan. The purpose of maintaining reserves is to:

- Provide stability of tax rates in the face of variable and uncontrollable factors (consumption, interest rates, unemployment rates, changes in subsidies)
- Provide financing for one-time or short term requirements without permanently impacting tax and utility rates
- Make provisions for replacements/acquisitions of assets/infrastructure that are currently being consumed and depreciated
- Avoid spikes in funding requirements of the capital budget by reducing their reliance on long-term debt borrowings
- Provide a source of internal financing
- Ensure adequate cash flows
- Provide flexibility to manage debt levels and protect the municipality's financial position
- Provide for future liabilities incurred in the current year but paid for in the future.

Reserves offer liquidity which enhances the municipality's flexibility, both in addressing unplanned operating requirements and in permitting the municipality to temporarily fund capital projects internally. The level of reserves and reserve funds is a key measure of the financial health of a municipality.



DEVELOPMENT CHARGES

Development charges are collected by municipalities to recover a portion of the growth-related costs associated with the capital infrastructure needed to service new development. Each year, Finance, in consultation with Project Managers review the Capital Budget to determine if there are any growth related projects that are eligible for recovery from development charges. Generally, the City finances the growth related portion of capital projects. At the end of each year, the capital projects are reviewed, and the growth related portion of the capital costs are identified. The actual development charges revenues collected during the year are then applied to fund any growth related portion of the project as identified in the current Development Charges Background Study. During 2014, the City will be updating the Development Charges background study and By-law.

2013 Budget

The annual budget process is guided by City Council, through the Finance and Administration Committee. Seven departments are responsible for overseeing numerous programs and services that keep the City running every day, and provide a great northern lifestyle to residents.

The City of Greater Sudbury's municipal budget rests on building blocks for fiscal sustainability: revenues to match expenses, capital renewal, preservation of municipal services, and moderate levels of property taxation.

BUDGET PROCESS

Council annually approves two budgets: an operating budget and a capital budget. The operating budget is prepared using the modified cash basis and provides for operational expenses such as salaries and benefits, materials, grants etc. The capital budget is a five year plan for the acquisition and rehabilitation of tangible capital assets.

The first stage of the budget process commences in May of each year, and includes the preparation of a Three Year Budget Forecast. This forecast is presented to Council for review and acceptance.

The second stage of the budget process is prepared in accordance with the Base Budget Preparation Policy. An analysis is prepared of inflationary pressures such as wage adjustments in accordance with collective bargaining agreements, contract and material price increases.

Operating departments and Finance staff review projected year end actuals against budgets to identify variances such as overruns, areas that need more resources to maintain service levels or items that can be cut or reduced while still maintaining service levels. Also, a review of historical trend analysis is performed to verify the accuracy of the budget. Any adjustments are in accordance with the Base Budget Preparation Policy. The budget also reflects any known funding approvals from senior levels of government or partnerships. Any requests for additional permanent staff must be approved by Council. The program support allocations and internal recoveries are in accordance with OMBI methodology.

A review is also conducted of mandatory pressures, such as, provincially mandated programs and service contracts, costs to service growth, as well as annualization pressures of prior year Council decisions and commitments.



Assessment growth is applied to total pressures to reduce the impact on tax levy requirements. The 2013 base budget increase maintained existing service levels and standards, with an inflation based increase.

The final stage of budget review addressed enhancement requests. All enhancement requests, if approved by the CAO, are presented to a Standing Committee for review and referred to the Finance and Administration Committee for approval. Council provides the final approval of the operating and capital budgets. Monitoring and or amendments to the Council Approved Budgets are only made in accordance with Operating Budget Policy and the Capital Budget Policy.

The Council approved budgets are monitored on a daily and monthly basis by departments in accordance with the Operating Budget Policy and the Capital Budget Policy. These policies provide fiscal control and accountability related to the approved budgets and provides for monitoring of the budgets. On a quarterly basis the Finance and Administration Committee review variance reports; this includes a year-end projection of revenues and expenditures. The variance report provides Council with an overview of potential year-end variances by division or section. Also on a quarterly basis, the Finance and Administration Committee review a Capital Variance Report for completed projects.

The City of Greater Sudbury is constantly looking at ways to improve its financial sustainability through a balanced approach to financial management in order to create a sustainable financial position today, and for the future.

Municipal Services received for \$1,000 in 2013

The following chart illustrates the distribution of the municipal property tax revenues across service areas. Municipal Services per \$1000 in property taxes:



Roads Construction and maintenance: end-to-end, the 3,560 lane kilometres which make up the City of Greater Sudbury's road network. (\$237)

Police Services: providing quality service and policing in partnership with the community. (\$181)

Health and Social Services: includes support for Pioneer Manor, affordable housing services, social assistance, licensed child care spaces, employment support services, shelters and homelessness initiatives. (\$133)

Citizen and Leisure Services: Citizen Services include responsibility for public libraries, Citizen Service Centres, 3-1-1 service, museums and cemeteries. Leisure services include community arenas, indoor pools, supervised beaches, ski hills, outdoor rinks, fitness centres, playgrounds/tot lots, baseball fields, soccer fields, tennis courts, basketball courts, passive/linear parks and trails. (\$111)

Fire Services: approximately 108 career firefighters and 335 volunteer firefighters (\$93)

Growth and Development: includes tourism, physician recruitment, arts and culture, business development, youth strategy, by-law and compliance, real estate matters and community/strategic/environmental planning services and initiatives. (\$54)

Greater Sudbury Transit and Fleet: provides transportation to approximately 5 million passengers, covering a total distance of more than 3.4 million kilometers, each year. (\$47)

Emergency Services: includes paramedics, career and volunteer firefighters and dedicated staff for Emergency Preparedness. (\$38)

Recycling and Garbage: includes responsibility for transfer/landfill sites, weekly garbage, recycling, organics, leaf/yard waste collection, household hazardous waste disposal and litter abatement initiatives. (\$35)

Finance, Administration, Human Resources: includes support for finance, budgets, purchasing, Clerks, Provincial Offenses Office, compensation, labour relations, training and safety and wellness (\$33)

Outside boards: includes Nickel District Conservation Authority and Sudbury and District Health Unit. (\$23)

Executive and Administrative Services: oversees and manages a variety of administrative and legislative functions, provides support to Council and includes the Auditor General's Office. (\$15)

Source: 2013 Budget at a Glance

2013 Financial Results

Consolidated Statement of Financial Position

Financial assets summary

The City's financial assets are mostly comprised of cash and investments, investments in Government Business Enterprises (GBE) and accounts receivable. Financial assets have increased by 2% from \$407 million to \$418 million.

The City's short and long term investments are consistent with the previous year at \$267 million in 2013.

Investments in GBEs are the City's investments in the Sudbury Airport Community Development Corporation and Greater Sudbury Utilities Inc. The investment is comprised of notes receivable and the accumulated surplus of the two corporations.

Financial liabilities summary

The City's financial liabilities are mostly comprised of accounts payable, employee benefit obligations and long term liabilities. Financial liabilities have increased by 6% from \$218 million to \$232 million.

Accounts payable and accrued liabilities increased by 14% or \$11 million and are amounts owing to suppliers, employees and other vendors.

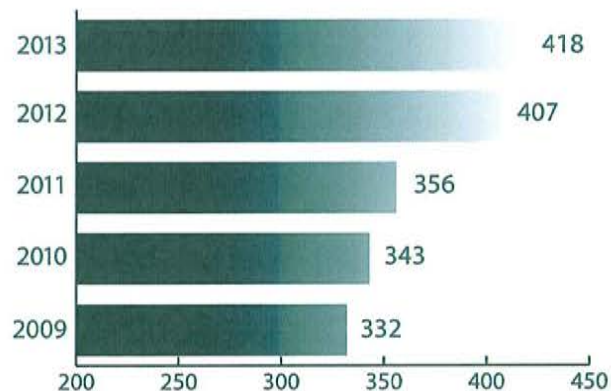
Employee benefit obligations have increased by 4% from 2012. These obligations are for post-employment benefits, vacation pay accrued, sick leave and WSIB.

Long term liabilities for 2013 are \$37 million, a decrease of 14% from 2012 and are comprised of long term debt to acquire tangible capital assets and accrued obligations for Health Sciences North and Northern Ontario School of Architecture among others.

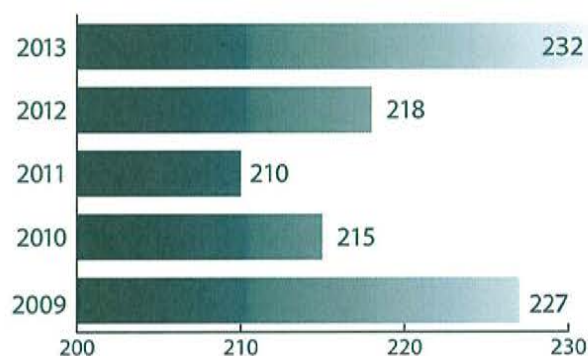
Accumulated surplus breakdown

Accumulated Surplus is comprised of the City's investments in Tangible Capital Assets (TCA), Government Business Enterprises (GBE), committed capital projects, unfunded liabilities and reserves and reserve funds.

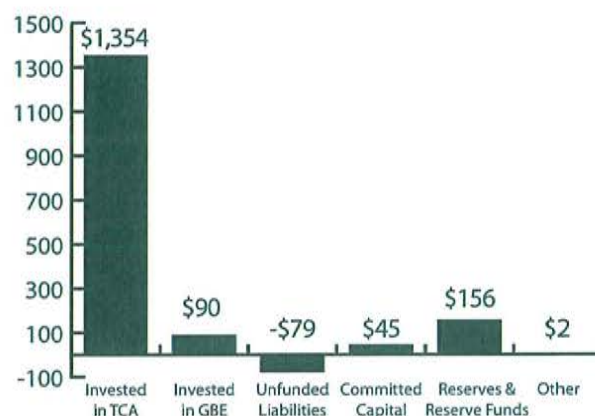
2013 Financial assets (in millions \$)



2013 Financial Liabilities (in millions \$)



2013 Accumulated surplus breakdown (in millions \$)



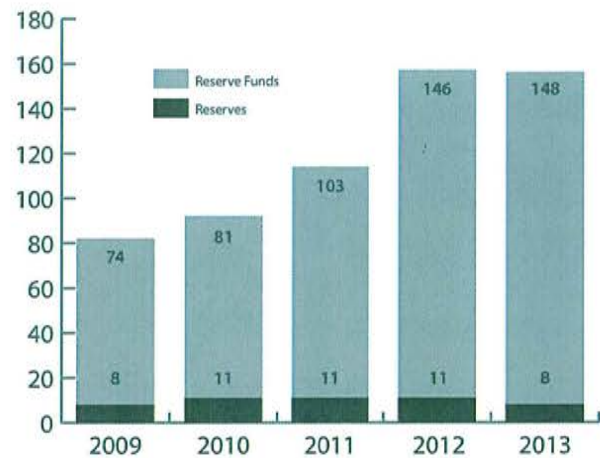
Reserves and Reserve Funds

The City maintains reserve and reserve funds in accordance with the Reserve and Reserve Fund Bylaw. The purpose of the reserve and reserve funds is to provide stability of tax rates, financing of one time requirements, capital replacement and acquisition, internal financing and provide for future liabilities.

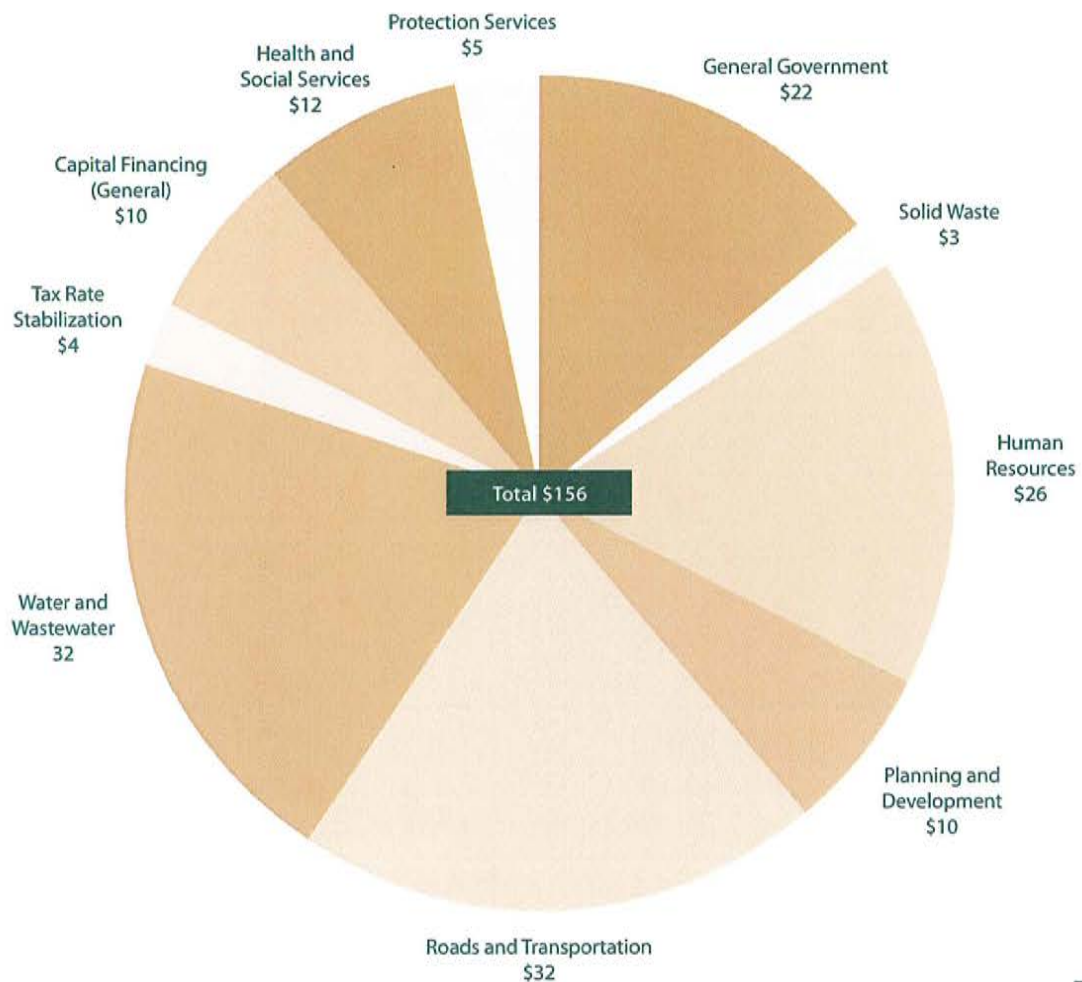
Reserves offer liquidity which enhances the municipality's flexibility, both in addressing unplanned operating requirements and in permitting the municipality to temporarily fund capital projects internally. The level of reserves and reserve funds is a key measure of the financial health of a municipality.

Reserves and Reserve funds total \$156 million and this is comparable to 2012. Of the total balance of \$156 million, approximately \$95M of the total relates to reserve funds set aside for capital purchases either previously committed by City Council or available for future capital projects.

2013 Reserves and reserve funds (in millions \$)



2013 Reserves and Reserve Funds
(in millions \$)



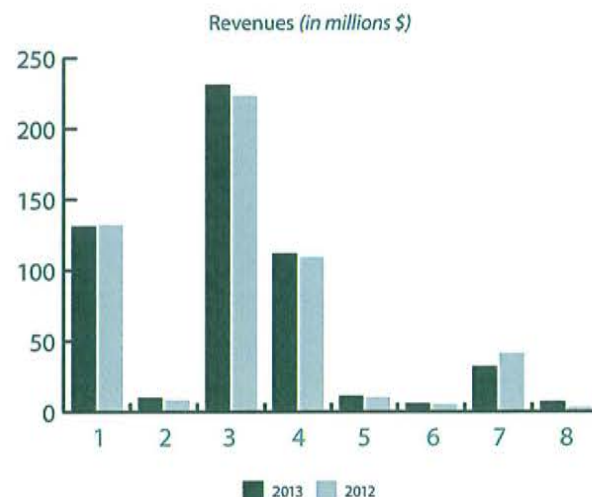
Consolidated Statement of Operations

Revenues increased in 2013 by 1.3% from \$532 in 2012 to \$539 million. Revenues were utilized to finance operations and the acquisition of tangible capital assets. Revenues are comprised of government transfers, taxation, user charges, donated tangible capital assets and miscellaneous recoveries.

The main reasons for the increase in revenues can be attributed to the tax increase of 2.9%, assessment growth of 1% and the increase in the user fees by an average of 3%.

- | | |
|-------------------------------------|------------------------|
| 1. Government Transfers, Provincial | 5. Investment Income |
| 2. Government Transfers, Federal | 6. Fines and Penalties |
| 3. Taxation | 7. Other |
| 4. User Charges | 8. GBE Net Earnings |

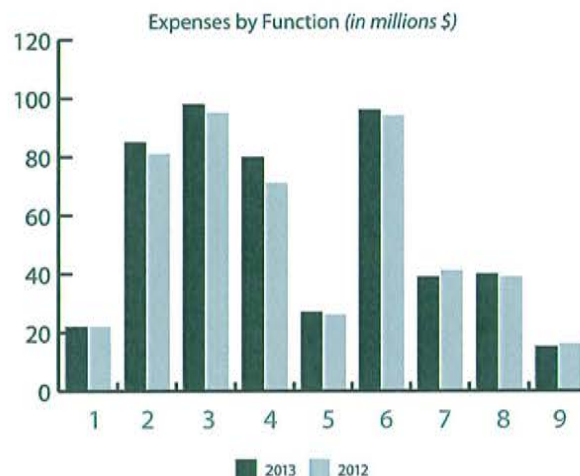
Revenues



Expenses

Expenses increased in 2013 by 3.5% from \$485 in 2012 to \$502 million. Social services, roads, water/wastewater and policing form the largest portion of the expenses.

- | | |
|---------------------------------------|-------------------------------------|
| 1. General Government | 6. Social and Family Services |
| 2. Protection to Persons and Property | 7. Social Housing |
| 3. Transportation Services | 8. Recreation and Cultural Services |
| 4. Environmental Services | 9. Planning and Development |
| 5. Health Services | |

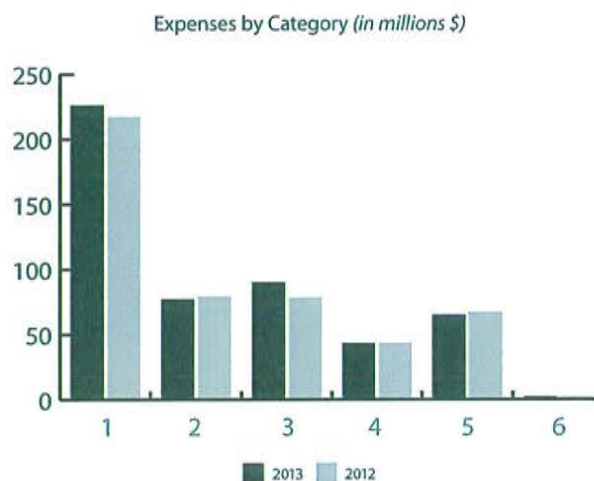


Expenses by Category

Expenses can also be 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 \$9 million due to employee benefit obligation adjustments, labour pay adjustments and increased benefit costs.

- | | |
|---------------------------------------|---------------------------------|
| 1. Salaries wages & employee benefits | 4. Grants and Transfer Payments |
| 2. Materials | 5. Amortization |
| 3. Contract Services | 6. Other |



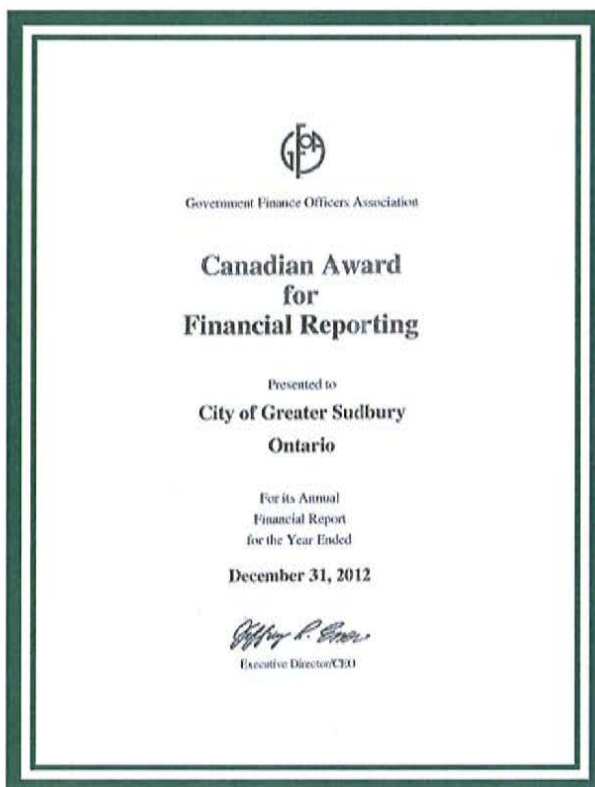
Awards

Government Finance Officers Association Award for Financial Reporting

The City of Greater Sudbury's Annual Financial Report 2012 has won the Government Finance Officers Association Award for Financial Reporting. This award program encourages innovative financial reporting and maintains a high quality standard that is recognized amongst peers.

Chuck Willis Award from the Canadian Council for Public-Private Partnerships

The City was acknowledged with the Chuck Willis Award from the Canadian Council for Public-Private Partnerships for the Sudbury Biosolids Management Facility. The Chuck Willis Award is presented to outstanding municipal public-private partnership projects in the areas of project financing, service delivery, and infrastructure.



Lorella Hayes
Lorella Hayes
Chief Financial Officer / Treasurer

Consolidated Financial Statements of

CITY OF GREATER SUDBURY

Year ended December 31, 2013

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the City of Greater Sudbury (the "City") are the responsibility of the City's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies 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 PricewaterhouseCoopers LLP, independent external auditors appointed by the City. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.



Doug Nadorozny
Chief Administrative Officer



Lorella Hayes
Chief Financial Officer and Treasurer



June 17, 2014

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of the City of Greater Sudbury, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

PricewaterhouseCoopers LLP
PwC Centre, 354 Davis Road, Suite 600, Oakville, Ontario, Canada L6J 0C5
T: +1 905 815 6300, F: +1 905 815 6499, www.pwc.com/ca

*PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Greater Sudbury as at December 31, 2013 and the results of their operations, changes in its net financial assets and its cash flows and for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

The accompanying financial statement schedules as at and for the year ended December 31, 2013 are presented as supplementary information only and are not a required part of the basic consolidated financial statements. The information in these schedules has been subject to audit procedures only to the extent necessary to express an opinion on the consolidated financial statements of the City of Greater Sudbury.

Chartered Professional Accountants, Licensed Public Accountants

CITY OF GREATER SUDBURY

Consolidated Statement of Financial Position
(in thousands of dollars)
December 31, 2013, with comparative figures for 2012

	2013	2012
Financial assets		
Cash	\$ 10,797	\$ 10,104
Taxes receivable (note 4)	7,939	7,334
Accounts receivable (note 5)	39,961	38,072
Inventory held for resale	1,616	1,435
Investment in Government Business Enterprises (note 6 (a))	89,755	82,702
Investments (note 7)	267,842	267,017
	417,910	406,664
Financial liabilities		
Accounts payable and accrued liabilities	88,783	78,074
Employee benefit obligations (note 11)	52,639	50,354
Deferred revenue - obligatory reserve funds (note 9)	38,796	29,538
Deferred revenue - other (note 10)	2,896	5,461
Solid waste management facility liability (note 12)	11,359	11,375
Long-term liabilities (note 13)	37,345	43,542
	231,818	218,344
Net financial assets	\$ 186,092	\$ 188,320
Non-financial assets		
Tangible capital assets (note 15)	1,375,254	1,336,882
Inventory of supplies	2,316	2,640
Prepaid expenses	4,756	3,642
	1,382,326	1,343,164
Contractual obligations and commitments (note 16)		
Accumulated Surplus (note 17)	\$ 1,568,418	\$ 1,531,484

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

CITY OF GREATER SUDBURY

Consolidated Statement of Operations and Accumulated Surplus

(in thousands of dollars)

December 31, 2013, with comparative figures for 2012

	2013 Budget (note 18)	2013 Actual	2012 Actual
Revenues			
Government transfers - Provincial	\$ 133,436	\$ 130,617	\$ 132,334
- Federal	11,168	9,750	8,329
Taxation (note 19)	230,877	231,004	222,639
User charges	111,932	112,073	108,934
Investment income	10,948	10,567	10,381
Fines and penalties	5,619	6,226	5,190
Other revenues (note 20)	30,640	31,631	41,260
Government Business Enterprises net earnings (note 6 (c))	860	7,053	2,737
	535,480	538,921	531,804
Expenses			
General government	23,045	22,052	22,023
Protection to persons and property	83,875	85,142	81,273
Transportation services	97,727	98,467	94,621
Environmental services	81,480	79,814	70,798
Health services	26,497	27,113	25,992
Social and family services	100,330	95,877	93,839
Social housing	36,949	38,680	41,340
Recreation and cultural services	39,539	40,226	39,490
Planning and development	14,734	14,616	15,957
	504,176	501,987	485,333
Annual Surplus	31,304	36,934	46,471
Accumulated surplus, beginning of the year	1,531,484	1,531,484	1,485,013
Accumulated surplus, end of the year	\$ 1,562,788	\$ 1,568,418	\$ 1,531,484

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

CITY OF GREATER SUDBURY

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

December 31, 2013, with comparative figures for 2012

	2013 Budget (note 18)	2013 Actual	2012 Actual
Annual Surplus	\$ 31,304	36,934	\$ 46,471
Acquisition of tangible capital assets	(111,218)	(106,649)	(74,247)
Amortization of tangible capital assets	67,611	65,178	66,707
Loss (gain) on sale of tangible capital assets		3,000	(98)
Proceeds on sale of tangible capital assets		99	3,541
	(12,303)	(1,438)	42,374
Acquisition of inventory of supplies	-	324	(145)
Prepaid expenses	-	(1,114)	(43)
Change in net financial assets	\$ (12,303)	\$ (2,228)	\$ 42,186
Net financial assets, beginning of the year	188,320	188,320	146,134
Net financial assets, end of the year	\$ 176,017	\$ 186,092	\$ 188,320

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

CITY OF GREATER SUDBURY

Consolidated Statement of Cash Flows

(in thousands of dollars)

December 31, 2013, with comparative figures for 2012

	2013	2012
Cash flows from operating activities		
Annual Surplus	\$ 36,934	\$ 46,471
Items not involving cash:		
Amortization of tangible capital assets	65,178	66,707
Loss (gain) on sale of tangible capital assets	3,000	(98)
Developer contributions of tangible capital assets	(7,993)	(9,744)
Change in employee benefit obligations	2,285	2,646
Change in solid waste management facility liability	(16)	222
Equity income in Government Business Enterprises	(7,053)	(2,737)
Change in non-cash working capital:		
Increase in inventory held for resale	(181)	(182)
Increase in deferred revenue obligatory reserve funds	9,258	2,432
Decrease in deferred revenue other	(2,565)	(1,507)
Increase in accounts and taxes receivable	(2,494)	(2,898)
Decrease (Increase) in inventory of supplies	324	(145)
Increase in prepaid expenses	(1,114)	(43)
Increase in accounts payable and accrued liabilities	10,709	7,228
	106,272	108,352
Cash flows from financing activities		
Debt principal repayments	(5,945)	(2,368)
Financial obligations	(90)	(30)
Capital lease obligations	(162)	(153)
	(6,197)	(2,551)
Cash flow from capital activities		
Proceeds on sale of tangible capital assets	99	3,541
Cash used to acquire tangible capital assets	(98,656)	(64,503)
	(98,557)	(60,962)
Cash flows from investing activities		
Purchase of investments	(825)	(43,435)
Net increase in cash	693	1,404
Cash, beginning of the year	10,104	8,700
Cash, end of the year	\$ 10,797	\$ 10,104
Supplementary Information		
Interest received	\$ 5,260	\$ 5,010
Interest paid	\$ 1,220	\$ 1,306

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, 2013

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

1. Significant accounting policies

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

(a) Reporting entity

(i) Consolidated Entities

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

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

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

(ii) Related Entities

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

Nickel District Conservation Authority
Sudbury & District Health Unit
City of Greater Sudbury Community Development Corporation

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

1. Significant accounting policies (continued)

(a) Reporting entity (continued)

(ii) Related Entities (continued)

The following contributions were made by the City to these entities

	2013	2012
Nickel District Conservation Authority	\$ 618	\$ 601
Sudbury & District Health Unit	5,578	5,596
City of Greater Sudbury Community Development Corporation	1,437	1,419
	<u>\$ 7,633</u>	<u>\$ 7,616</u>

(iii) Investment in Government Business Enterprises

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

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

(iv) Accounting for School Board Transactions

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

(b) Revenue recognition

Government Transfers

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers 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, 2013

1. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Taxation and related revenues

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

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

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

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

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

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

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

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 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, 2013

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

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

The amount contributed to OMERS and expensed in 2013 was \$15,313 (2012 - \$13,504).

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, 2013

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

Asset	Useful Life - Years
General Capital	
Landfill and land improvements	15 - 75 years
Buildings	15 - 60 years
Machinery, furniture and equipment	2 - 50 years
Vehicles	2 - 20 years
Infrastructure	
Land improvements	50 - 100 years
Plants and facilities	10 - 60 years
Roads infrastructure	10 - 75 years
Water and wastewater infrastructure	40 - 100 years

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

Amortization is charged from the date of acquisition to the date of disposal. Assets under construction are not amortized until the asset is put into service.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

1. Significant accounting policies (continued)

(h) Non-financial assets (continued)

(ii) Contributions of tangible capital assets

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

(iii) Capital interest

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

(iv) Leased tangible capital assets

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

(v) Inventory

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

(vi) Tangible capital assets disclosed at nominal values

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

(vii) Works of art and historical treasures

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

(i) Landfill closure and post closure liability

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

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

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, solid waste management facility liability and post-employment benefits. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

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

Actual results could differ from these estimates.

2. Adoption of account standards during the year

a) Government Transfers

PS 3410 was effective for fiscal years beginning on or after April 1, 2012. In accordance with the transitional provisions, the City has adopted this revised standard on January 1, 2013 on a prospective basis. This section provides guidance on recognition of government transfers. The adoption of this standard did not have a material impact to the consolidated financial statements.

b) Tax Revenue

PS 3510 was effective for fiscal years beginning on or after April 1, 2012. The City has adopted this new standard on January 1, 2013. This section establishes standards on how to account for and report tax revenue in government financial statements. The adoption of this standard did not have a material impact to the consolidated financial statements.

c) Liability for Contaminated Sites

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. This section establishes standards for reporting a liability associated with the remediation of contaminated sites. The City has early adopted this standard, effective January 1, 2013. The adoption of this standard did not have a material impact to the consolidated financial statements. The City will continue to review contaminated sites on an annual basis that may result in liabilities based on newly identified sites, or changes in the assessment or intended use. These liabilities will be accrued by the City in the year in which they become known.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

3. Accounting Standards issued but not yet adopted

Financial Instruments, PS 3450, Foreign Currency Translation, PS 2601, and Financial Statement Presentation, PS 1201 are effective for fiscal years beginning on or after April 1, 2016. While early adoption is permitted, all three of the standards must be adopted in the same year. PS 3450 provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. PS 2601 Foreign Currency Translation includes guidance on deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign exchange gains and losses. PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

4. Taxes receivable

	2013	2012
Current taxes and grants in lieu of taxes	\$ 7,135	\$ 6,589
Taxes in arrears	8,479	8,420
	15,614	15,009
Less: allowance for doubtful accounts	(7,675)	(7,675)
Net taxes receivable	\$ 7,939	\$ 7,334

5. Accounts receivable

Accounts receivable consist of the following:

	2013	2012
Government of Canada	\$ 3,833	\$ 4,224
Province of Ontario	4,519	2,888
Other municipalities	133	144
School boards	122	58
Other receivables	32,914	32,362
	\$ 41,521	\$ 39,676
Less: allowance for doubtful accounts	(1,560)	(1,604)
Net accounts receivable	\$ 39,961	\$ 38,072

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

6. Investment in Government Business Enterprises

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

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

	SACDC	GSU	2013 Total	2012 Total
Balance, beginning of year	\$ 8,594	\$ 74,108	\$ 82,702	\$ 79,965
City's share of operating income for the year	665	6,388	7,053	2,737
Balance, end of year	\$ 9,259	\$ 80,496	\$ 89,755	\$ 82,702

(b) The following tables provide condensed supplementary financial information for the year ending December 31, 2013:

	SACDC	GSU	2013 Total	2012 Total
Financial position				
Current assets	\$ 1,272	\$ 31,474	\$ 32,746	\$ 32,577
Capital assets	17,761	95,742	113,503	105,961
Other assets	-	12,842	12,842	18,910
Total assets	19,033	140,058	159,091	157,448
Current liabilities	417	20,028	20,445	21,888
Note payable to the City of Greater Sudbury	-	52,340	52,340	52,398
Long term liabilities	9,358	39,534	48,892	52,801
Total liabilities	9,775	111,902	121,677	127,087
Net assets	\$ 9,258	\$ 28,156	\$ 37,414	\$ 30,361

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

6. Investment in Government Business Enterprises (continued)

(c) The following tables provide condensed supplementary financial information for the year ended December 31, 2013 (continued):

	SACDC	GSU	2013 Total	2012 Total
Results of operations				
Revenue	\$ 6,401	\$ 134,663	\$ 141,064	\$ 129,051
Expenses	(5,736)	(124,481)	(130,217)	(122,546)
Gain on sale of assets	-	1	1	19
Interest paid to the City of Greater Sudbury	-	(3,795)	(3,795)	(3,787)
Net income	\$ 665	\$ 6,388	\$ 7,053	\$ 2,737
Budgeted net income (loss) for 2013	\$ 1,113	\$ (252)	\$ 861	

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

- (i) The investment includes a promissory note of \$52,341 (2012 - \$52,341) from the GSU which is unsecured and bears interest at a rate of 7.25% per annum. The note is repayable in full upon six months written notice of the City.

The investment includes a promissory note of \$3,784 (2012 - \$2,881) from SACDC that accrues interest at the City's average monthly rate of return on investments plus 1% and has no specified terms of repayment.

- (ii) At December 31, 2013, the City has the following amounts included in the consolidated statement of financial position:

A receivable of \$1,583 (2012 - \$2,165) for water billings collected by GSU.

A payable of \$186 (2012 - \$136) for electricity and water bill payments collected by the City of Greater Sudbury on behalf of GSU.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

6. Investment in Government Business Enterprises (continued)

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

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

	2013	2012
Property taxes	\$ 188	\$ 278
Interest on promissory note receivable	3,810	3,779
	<u>\$ 3,998</u>	<u>\$ 4,057</u>

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

	2013	2012
Billing and collection services for water and wastewater	\$ 1,145	\$ 842
Streetlighting maintenance services	504	741
Streetlighting infrastructure	1,552	802
Electricity	6,046	5,144
Telecommunications	428	395
	<u>\$ 9,675</u>	<u>\$ 7,924</u>

(v) There is an amount of \$3,937 (2012 – \$2,938) held in the Trust funds administered by the City for SACDC which are not included in these consolidated financial statements.

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

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

7. Investments

	Market	2013 Cost	Market	2012 Cost
Short term investments	\$ 158,322	157,817	\$ 183,928	183,185
Long term investments	111,824	110,025	89,576	83,832
	<u>\$ 270,146</u>	<u>267,842</u>	<u>\$ 273,504</u>	<u>267,017</u>

The investments consisting of term deposits, treasury bills, ONE Fund Money Market and Bond Market funds and bonds earn rates of return ranging from 0.5% to 6.73% per annum and are recorded at cost adjusted for amortization of discounts and premiums. Maturity dates on long term investments range from 2014 to 2033 (2012 – 2014 to 2031).

8. Bank indebtedness

The City has an unsecured demand revolving credit facility in the amount of \$10,000 (2012 - \$10,000) bearing interest at the bank's prime rate less 0.5% for Bankers' Acceptance and 0.9% on loans with an effective rate of 2.5% (2012 – 2.5%) per annum. No amounts were drawn against the facility at December 31, 2013 and 2012.

9. Deferred revenue - obligatory reserve funds

Deferred revenue - obligatory reserve funds consist of the following:

	December 31, 2012	Externally restricted inflows	Revenue earned	December 31, 2013
Sub-divider contribution	\$ 6,751	2,073	(882)	\$ 7,942
Development Charges Act	539	5,578	(5,389)	728
Recreational Land (Planning Act)	818	238	(224)	832
Gasoline Tax - Provincial	1,097	3,264	(3,044)	1,317
Gasoline Tax - Federal	12,514	9,983	(8,464)	14,033
Building Permit Revenues (Bill 124)	7,819	181	(422)	7,578
Children's Services	-	6,793	(427)	6,366
	<u>\$ 29,538</u>	<u>28,110</u>	<u>(18,852)</u>	<u>\$ 38,796</u>

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

10. Deferred revenue – other

Deferred revenue - other consist of the following:

	December 31, 2012	Externally restricted inflows	Revenue earned	December 31, 2013
Federal government	\$ 9	25	(16)	\$ 18
Provincial government	4,754	3,454	(6,044)	2,164
Municipal government	-	15	(2)	13
Other	497	160	(157)	500
Consolidated entities	201	-	-	201
	\$ 5,461	3,654	(6,219)	\$ 2,896

11. Employee benefit obligations

Employee benefit obligations consist of the following:

	2013	2012
Future payments required for:		
WSIB obligations	\$ 2,198	\$ 1,633
Accumulated sick leave benefits	6,714	6,344
Other post-employment benefits	29,363	28,379
Vacation pay	14,364	13,998
	\$ 52,639	\$ 50,354

The City has established reserve funds in the amount of \$12,382 (2012 - \$10,210) to mitigate the future impact of these obligations.

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

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

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

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

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, 2013 for each of the plans.

	WSIB	Sick leave	Other Post- Employment Benefits	2013 Total	2012 Total
Accrued benefit liability, beginning of year	\$ 2,962	6,613	29,926	39,501	\$ 39,684
Benefit cost	819	351	1,221	2,391	2,450
Interest cost	150	299	1,327	1,776	1,988
Benefit payments	(730)	(281)	(2,066)	(3,077)	(3,287)
Actuarial gain (loss)	(507)	213	(2,293)	(2,587)	(1,334)
Accrued benefit liability, end of year	2,694	7,195	28,115	38,004	39,501
Unamortized actuarial gain (loss)	(496)	(481)	1,248	271	(3,145)
	\$ 2,198	6,714	29,363	38,275	\$ 36,356

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

	WSIB	Sick Leave	Other Post- Employment Benefits	2013 Total	2012 Total
Current period benefit cost	\$ 819	351	1,221	2,391	\$ 2,450
Prior period cost of plan amendment incurred during the year	-	-	-	-	84
Amortization of actuarial loss	327	1	502	830	890
Benefit interest expense	150	299	1,327	1,776	1,988
Total benefit expense	\$ 1,296	651	3,050	4,997	\$ 5,412

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

11. Employee benefit obligations (continued)

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

	WSIB	Sick Leave	Other Post-Employment Benefits
Expected inflation rate	2.1%	2.1%	2.1%
Expected level of salary increases	N/A	2.1%	2.1%
Discount rate	4.5%	4.5%	4.5%

For other post employment benefits, as at December 31, 2013, the initial health care trend rate is 7.79% (2012 – 8.03%) and the ultimate trend rate is 4.5% (2012 – 4.5%) which is expected to be reached in 2029 (2012 – 2029).

12. Solid waste management facility liability

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

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

The City has three active and three inactive landfill sites. Estimated total expenses for these six sites represent the sum of the discounted future cash flows for closure and post-closure care activities discounted using an average borrowing rate of 4.85% (2012 - 4.85%) minus an inflation rate of 1.71% (2012 - 1.80%) (10-year average of CPI from 2003 to 2013). The estimated total landfill closure and post-closure care expenses are calculated to be \$19,104 (2012 - \$19,534). The estimated liability for the active sites is recognized as the landfill site's capacity is used. At December 31, 2013 an amount of \$11,359 (2012 - \$11,375) with respect to landfill closure and post-closure liabilities has been accrued.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

12. Solid waste management facility liability (continued)

Active sites

The estimated remaining capacity of the Sudbury landfill site is 52% (4,012,000 cubic meters) (2012 - 52%) of its total estimated capacity and its estimated remaining life is 37 years (2012 - 36 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 35% (691,000 cubic meters) (2012 - 36%) of its total estimated capacity and its estimated remaining life is 22 years (2012 - 23 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 53% (781,000 cubic meters) (2012 - 56%) of its total estimated capacity and its estimated remaining life is 35 years (2012 - 33 years), after which the period for post-closure care is estimated to be 25 years.

13. Long-term liabilities

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

	2013	2012
Debentures (i)	\$ 17,207	\$ 18,478
Capital lease obligations (ii)	401	563
Other loans (iii)	3,290	3,465
Accrued financial obligations (iv)	16,447	21,036
	<u>\$ 37,345</u>	<u>\$ 43,542</u>

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

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

(iii) The other loans bear interest at rates of 5.47% to 5.49%, repayable in aggregate blended annual payments of \$354, maturing in April 2025 to November, 2029.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

13. Long-term liabilities (continued)

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

(iv) Accrued financial obligations consist of the following:

	Last Year of Obligation	2013	2012
Health Sciences North	2023	\$ 7,471	\$ 7,471
Northeastern Ontario Regional Cancer Centre	2023	3,229	3,229
Laurentian University (School of Architecture)	2019	5,500	10,000
Physician Service Agreements	2015	247	336
		\$ 16,447	\$ 21,036

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

2014	\$ 4,886
2015	3,826
2016	3,754
2017	3,794
2018	3,896
Thereafter	17,189
	\$ 37,345

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

General municipal revenues	\$ 34,054
Water/wastewater user fees	3,291
	\$ 37,345

The City expensed \$1,205 in 2013 (2012 - \$ 1,296) in interest on these borrowings.

14. 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:

	2013	2012
Taxation	\$ 51,713	\$ 49,690
Payments in lieu of taxes	139	138
	\$ 51,852	\$ 49,828

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)

Year ended December 31, 2013

15 Tangible capital assets

Cost	Balance December 31, 2012	Additions	Disposals	Balance at December 31, 2013
General Capital:				
Land	\$ 63,761	\$ 3,444	(149)	\$ 67,056
Landfill and land improvements	30,062	2,818	-	32,880
Buildings	299,378	6,776	(2,635)	303,519
Machinery, furniture and equipment	94,279	4,668	(2,061)	96,886
Vehicles	70,537	5,738	(3,841)	72,434
Infrastructure:				
Land improvements	22,405	273	-	22,678
Plants and facilities	325,710	2,956	(625)	328,041
Roads infrastructure	1,113,489	21,918	(7,202)	1,128,205
Water and sewer infrastructure	464,190	17,057	(665)	480,582
Assets under construction	44,657	41,001	-	85,658
Total	\$ 2,528,468	\$ 106,649	\$ (17,178)	\$ 2,617,939

Accumulated amortization	Balance December 31, 2012	Amortization expense	Disposals	Balance at December 31, 2013
General Capital:				
Land	\$ -	\$ -	-	\$ -
Landfill and land improvements	12,373	1,084	-	13,457
Buildings	130,523	8,570	(2,229)	136,864
Machinery, furniture and equipment	57,760	6,515	(2,022)	62,253
Vehicles	38,902	4,727	(3,717)	39,912
Infrastructure:				
Land improvements	2,038	314	-	2,352
Plants and facilities	166,429	9,314	(279)	175,464
Roads infrastructure	644,387	28,095	(5,363)	667,119
Water and sewer infrastructure	139,174	6,559	(468)	145,265
Assets under construction	-	-	-	-
Total	\$ 1,191,586	\$ 65,178	\$ (14,078)	\$ 1,242,686

	Net book value December 31, 2012	Net book value December 31, 2013
General Capital:		
Land	\$ 63,761	\$ 67,056
Landfill and land improvements	17,689	19,423
Buildings	168,855	166,655
Machinery, furniture and equipment	36,519	34,633
Vehicles	31,635	32,522
Infrastructure:		
Land improvements	20,367	20,326
Plants and facilities	159,281	152,577
Roads infrastructure	469,102	461,087
Water and sewer infrastructure	325,016	335,317
Assets under construction	44,657	85,658
Total	\$ 1,336,882	\$ 1,375,254

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

15 Tangible capital assets (continued):

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

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

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

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

15. Tangible capital assets (continued)

a) Assets under construction

Assets under construction having a value of \$85,658 (2012 - \$44,657) have not been amortized. Amortization of these assets will commence when the asset is put into service.

During the year, the City added \$51,335 (2012 - \$27,766) to assets under construction and transferred \$10,334 (2012 - \$10,064) 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 \$7,993 (2012 - \$9,744) comprised of the following:

	2013	2012
General Capital		
Land	\$ 461	\$ 76
Land improvements	-	905
Machinery and equipment	212	544
Infrastructure		
Land improvements	205	96
Roads network	3,265	4,347
Water and wastewater network	3,850	3,776
Total	\$ 7,993	\$ 9,744

16. Contractual obligations and commitments

(a) Contracts for capital projects

The balance of capital works uncompleted under contracts in progress at December 31, 2013 amounts to approximately \$86,528 (2012 - \$23,603). The proposed financing of these obligations is \$83,234 (2012 - \$18,730) from surplus funds and \$3,294 (2012 - \$4,874) from external sources.

(b) Contracts for services

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

2014	\$ 11,691
2015	12,021
2016	7,791
2017	1,331
2018	1,122
	\$ 33,956

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

(c) Contingent liabilities

As at December 31, 2013, certain legal actions are pending against the City. An estimate of the contingency cannot be made since the outcome of these matters is indeterminable. Should any loss result from the resolution of these matters, such loss would be charged to operations in the year of disposition.

17. Accumulated surplus

Accumulated surplus consists of the following:

	2013	2012
Surplus:		
Invested in tangible capital assets	\$ 1,354,145	\$ 1,314,151
Invested in government business enterprise	89,755	82,702
Other	1,823	1,629
Committed capital:		
Capital projects not completed	79,451	75,462
Unfinanced capital projects to be recovered through taxation or user charges	(34,099)	(20,330)
Unfunded:		
Landfill closure costs	(11,359)	(11,375)
Employee benefits	(52,639)	(50,354)
Accrued financial obligations	(15,200)	(17,200)
	1,411,877	1,374,685
Reserves	8,345	10,966
Reserve funds	148,196	145,833
	\$ 1,568,418	\$ 1,531,484

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

18. Budget data

Budget data presented in these consolidated financial statements are based on the 2013 operating and capital budgets approved by Council. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

	2013
Revenues	
Approved budget:	
Operating	\$ 485,626
Capital	108,879
Consolidated Boards	19,733
	<u>614,238</u>
Adjustments:	
Transfer from reserves to operating	(5,322)
Recognize revenues from obligatory reserve funds	8,457
In year budget adjustments	8,608
Operating transfer to capital and future years funding	(95,753)
Contributed tangible assets	7,994
Reclassification of taxation bad debt expense	(2,742)
Total revenues	<u>\$ 535,480</u>
Expenses	
Approved budget:	
Operating	485,626
Capital	108,879
Consolidated Boards (A)	18,872
	<u>613,377</u>
Adjustments:	
Amortization of Tangible Capital Assets	67,611
Transfer to reserves and capital	(75,062)
Reduction due to Tangible Capital Assets (TCA)	(111,218)
Post employment benefit expense	1,432
Landfill closure and post closure expense	277
In year budget adjustments	3,595
Reclassification of taxation	(2,742)
Debt principal repayments	(3,445)
Operating expenses budgeted in capital expensed in current year	10,351
Total expenses	<u>\$ 504,176</u>
Annual surplus	<u>\$ 31,304</u>

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

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

(A) The approved budget of the Consolidated Boards includes amortization. Their budget also provides figures for the acquisition of tangible capital assets.

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CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

19. Taxation

	2013 (Budget)	2013 (Actual)	2012 (Actual)
Municipal tax levy	\$ 222,512	\$ 222,512	\$ 213,894
Supplementary taxation	2,900	2,644	2,859
Payment in lieu of property taxes	7,710	7,685	7,613
Local improvements	522	528	695
	233,644	233,369	225,061
Rebates and Tax Concessions	(2,767)	(2,365)	(2,422)
Net municipal taxation	\$ 230,877	\$ 231,004	\$ 222,639

20. Other revenues

Other revenues consist of:

	2013	2012
Gaming and Casino Revenues	\$ 2,360	\$ 2,507
Gain (loss) on sale of Land and Tangible Capital Assets	(2,889)	290
Donated Tangible Capital Assets	7,993	9,744
Donations	2,227	1,274
Development Charges Earned	5,389	4,688
Subdivider Contributions	1,731	1,985
Miscellaneous Recoveries/Revenues	14,820	20,772
	\$ 31,631	\$ 41,260

21. Trust funds

Trust funds amounting to \$15,911 (2012 - \$15,626) 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.

22. Segmented disclosure

The City of Greater Sudbury is a diversified municipal government institution that provides a wide range of services to more than 160,000 citizens. Services include water, roads, fire, police, emergency medical services, waste management, public transit, recreation programs, economic development, land use planning and health and social services. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

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

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

General Government

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

Transportation Services

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

Protection Services

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

Environmental Services

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

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.

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

22. Segmented disclosure (continued)

Recreation and Cultural Services

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

Planning and Development Services

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

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

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)

Year ended December 31, 2013

22 Segmented Disclosure (continued)

December 31, 2013	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Government Business Enterprises	Total
Revenues									
Transfer payments	\$ 2,472	13,547	19,053	2,532	94,209	5,186	3,367	-	\$ 140,367
Taxation	16,576	70,083	65,765	-	43,018	26,897	8,663	-	231,004
User charges	5,020	5,173	9,774	65,262	17,494	8,404	946	-	112,074
Other	1,203	9,986	16,673	6,388	5,897	4,975	3,304	7,053	55,477
	25,271	98,788	111,266	74,182	160,618	45,462	16,281	7,053	538,921
Expenses									
Salaries, wages and benefits	25,169	68,537	30,582	17,766	56,969	19,016	7,847	-	225,886
Materials	4,397	7,398	19,544	11,375	21,521	9,939	2,107	-	76,280
Contract services	4,891	2,112	14,420	31,471	31,465	2,864	2,383	-	89,604
Grants and transfer payments	178	664	50	50	39,495	1,269	1,266	-	42,972
Amortization	873	2,934	32,003	17,416	6,894	4,751	507	-	65,178
Other	733	371	109	256	466	104	27	-	2,066
Allocation of shared expenses	(14,188)	3,127	1,760	1,479	5,060	2,283	478	-	0
	22,052	85,142	98,467	79,814	161,670	40,226	14,616	-	501,987
Annual surplus	\$ 3,218	13,646	12,799	(5,631)	(1,052)	5,236	1,665	7,053	\$ 36,934

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

22 Segmented Disclosure (continued)

December 31, 2012	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Government Business Enterprises	Total
Revenues									
Transfer payments	\$ 2,398	12,241	15,439	1,515	99,809	4,557	4,704	\$ 140,663	
Taxation	17,368	68,059	54,495	-	45,284	26,398	11,035	222,639	
User charges	4,187	4,841	10,188	63,042	17,358	8,339	979	108,934	
Other	1,565	9,807	25,487	7,256	5,791	5,522	1,403	2,737	59,568
	25,518	94,948	105,609	71,813	168,242	44,816	18,121	2,737	531,804
Expenses									
Salaries, wages and benefits	24,828	65,365	28,599	16,839	55,367	18,383	7,534	216,915	
Materials	5,569	6,704	18,809	11,661	22,888	10,426	2,574	78,631	
Contract services	4,381	1,643	11,539	23,690	31,909	2,566	2,464	78,192	
Grants and transfer payments	144	650	25	52	38,576	691	2,516	42,654	
Amortization	855	3,285	33,885	16,901	6,673	4,610	498	66,707	
Other	780	343	161	267	479	168	36	2,234	
Allocation of shared expenses	(14,534)	3,283	1,603	1,388	5,279	2,646	335	-	
	22,023	81,273	94,621	70,798	161,171	39,490	15,957	-	485,333
Annual surplus	\$ 3,495	13,675	10,988	1,015	7,071	5,326	2,164	2,737	\$ 46,471

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

23. Supplementary financial information

i) Schedule of Revenues and Expenses - Library

		2013	2012
Revenues:			
Government transfers (note 1)	- Provincial	\$ 421	\$ 412
	- Federal	-	-
Fines and fees		146	145
Other		11	17
		578	574
Expenses:			
Salaries, wages and benefits		\$ 4,431	\$ 4,482
Materials and contract services		1,582	1,596
		6,013	6,078
Excess of expenses over revenues		\$ (5,435)	\$ (5,504)

1. The government transfers are comprised of the following:

Provincial

Ministry of Tourism and Culture - Operating	\$ 403	\$ 403
Ministry of Tourism and Culture - Other	5	7
Ontario Library Service - North	2	2
Southern Ontario Library Service	11	-
	\$ 421	\$ 412

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended December 31, 2013

23. Supplementary financial information (continued)

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

	REVENUES (1)			
	Ministry of Education	Legislated Cost Share (Calculated)	Total	
Full Flexibility				
Core Services Delivery (100%)	1,538	0%	0	1,538
Core Services Delivery - (80/20)	6,159	20%	1,540	7,699
Core Service Delivery - (50/50)	355	50%	355	710
Language	1,806	0%	0	1,806
Aboriginal	58	0%	0	58
Cost of Living	254	0%	0	254
Rural/Remote	300	0%	0	300
FDK Transition	393	0%	0	393
Repairs and Maintenance	23	0%	0	23
Utilization Adjustment	0	0%	0	0
Capping Adjustment	4,649	0%	0	4,649
Total (full flexibility)	15,535		1,895	17,430
Transformation	78	0%	0	78
Limited Flexibility				
Capacity Building	53	0%	0	53
Capital Retrofits	92	0%	0	92
Small Water Works	0	0%	0	0
Total (limited flexibility)	145		0	145
No Flexibility				
Territory Without Municipal Organization	0	0%	0	0
TOTAL	15,758		1,895	17,653

(1) Most recent Amended Service agreement

CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements
(in thousands of dollars)
Year ended December 31, 2013

23. Supplementary financial information (continued)

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

Year ended December 31, 2013	EXPENSES		
	Gross Expenditures	Other Offsetting Revenues	Adjusted Gross Expenditure
Full Flexibility			
General Operating	5,067	-	5,067
Regular Fee Subsidy	8,956	(1,264)	7,692
Extended Day Fee Subsidy	395	(54)	341
Recreation Fee Subsidy	227	(13)	214
Ontario Works Formal	1,712	(250)	1,462
Ontario Works Informal	16	-	16
Pay Equity Memorandum	225	-	225
Special needs Resourcing	1,457	-	1,457
Administration	1,558	-	1,558
Repairs and Maintenance	78	-	78
Play-based Material	-	-	-
Total (full flexibility)	19,691	(1,581)	18,110
Transformation	-	-	-
Limited Flexibility			
Capacity Building	52	-	52
Capital Retrofits	240	(65)	175
Small Water Works	-	-	-
Total (limited flexibility)	292	(65)	227
No Flexibility			
Territory Without Municipal Organization	-	-	-
Total	19,983	(1,646)	18,337

24. Comparative figures

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

Financial Statements of

**CITY OF GREATER SUDBURY
TRUST FUNDS**

Year ended December 31, 2013



June 17, 2014

Independent Auditor's Report

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

We have audited the accompanying financial statements of the City of Greater Sudbury Trust Funds, which comprise the statement of financial position as at December 31, 2013 and the statement of changes in fund balances for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*PricewaterhouseCoopers LLP
PwC Centre, 354 Davis Road, Suite 600, Oakville, Ontario, Canada L6J 0C5
T: +1 905 815 6300, F: +1 905 815 6499, www.pwc.com/ca*

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of Greater Sudbury Trust Funds as at December 31, 2013 and the results of their operations for the year then ended in accordance with Canadian public sector accounting standards.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

CITY OF GREATER SUDBURY**TRUST FUNDS**

Statement of Financial Position

(in thousands of dollars)

As at December 31, 2013, with comparative figures for 2012

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fednor Project - Business Planning Initiative (note 4)	Cemetery Pre-Need	Cemetery Care and Maintenance	2013 Total	2012 Total
Assets								
Cash	\$ 258	1,223					1,481	1,444
Due from City of Greater Sudbury (note 3)		6,212	20	-	1,065	7,133	14,430	14,182
Loans receivable				117			117	117
Allowance for doubtful loans				(117)			(117)	(117)
	\$ 258	7,435	20	-	1,065	7,133	15,911	15,626
Liabilities and Fund Balances								
Accounts Payable	112						112	90
Fund balances	\$ 146	7,435	20	-	1,065	7,133	15,799	15,536
	\$ 258	7,435	20	-	1,065	7,133	15,911	15,626

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

CITY OF GREATER SUDBURY **TRUST FUNDS**

Statement of Changes in Fund Balances

(In thousands of dollars)

Year ended December 31, 2013, with comparative figures for 2012

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fedor Project - Business Planning Initiative (note 4)	Cemetery Pre-Need	Cemetery Care and Maintenance	2013 Total	2012 Total
Fund balance, beginning of year	\$ 140	7,518	19	-	1,015	6,844	15,536	12,111
Revenue:								
Pilot sales					104	289	393	412
Receipts from or on behalf of others	1,360		3				1,363	1,359
Interest earned	3	15			25	205	248	190
Subdividers' deposits		988					988	3,611
	1,363	1,003	3	-	129	494	3,012	5,572
Expenditure:								
Disbursements to or on behalf of residents	1,377						1,377	1,363
Refunds		1,086					1,086	584
Write-off of loan receivable					79	205	286	220
Transfer to City of Greater Sudbury			2	-			-	-
	1,377	1,086	2	-	79	205	2,749	2,147
Change in fund balance in the year	6	(83)	1	-	50	289	263	3,425
Fund balance, end of year	\$ 146	7,435	20	-	1,065	7,133	15,798	15,536

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

CITY OF GREATER SUDBURY

TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2013
(in thousands of dollars)

1. Organization:

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

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

2. 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 Canadian Institute of Chartered Accountants.

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 City of Greater Sudbury Trust Funds financial statements are the responsibility of management and have been prepared in accordance with the accounting policy set out below.

Revenue and Expenses:

The Funds financial statements are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

3. Due From City of Greater Sudbury:

At December 31, 2013, the Funds have amounts due from the City of \$14,430 [2012 - \$14,182] 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 \$1,065 and \$7,133 which bear interest at the rates of 2.30% and 3.80% respectively (2012 - 2.23% and 2.23%) and are due on demand.

4. Fednor Project Business Planning Initiative:

Fednor has advanced \$110 to be used by the Regional Business Centre, a division of the City of Greater Sudbury, 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 this advance or the advance may be forgiven. To date Fednor has not asked for repayment or forgiven the advance.

Statistical Information

Consolidated Statement of Financial Position

(in thousands of dollars)

	2013	2012	2011 (restated)	2010	2009
Financial Assets					
Cash	10,797	10,104	8,700	21,034	14,723
Taxes receivable	7,939	7,334	6,611	10,920	10,032
Accounts receivable	39,961	38,072	35,897	50,405	50,661
Inventory held for resale	1,616	1,435	1,253	930	976
Investment in GBE	89,755	82,702	79,965	79,811	78,360
Investments	267,842	267,017	223,582	179,539	177,317
	417,910	406,664	356,008	342,639	332,069
Financial Liabilities					
Accounts payable and accrued liabilities	88,783	78,074	70,846	73,553	71,559
Employee benefit obligations	52,639	50,354	47,708	46,276	44,838
Deferred revenue - obligatory reserve funds	38,796	29,538	27,106	30,359	31,568
Deferred revenue - other	2,896	5,461	6,968	12,297	22,754
Solid waste management facility liability	11,359	11,375	11,153	14,106	13,829
Long-term liabilities	37,345	43,542	46,093	38,583	42,280
	231,818	218,344	209,874	215,174	226,828
Net financial assets	186,092	188,320	146,134	127,465	105,241
Non-financial assets					
Tangible capital assets	1,375,254	1,336,882	1,332,785	1,318,739	1,283,392
Other	7,072	6,282	6,094	5,035	4,235
	1,382,326	1,343,164	1,338,879	1,323,774	1,287,627
Accumulated Surplus	1,568,418	1,531,484	1,485,013	1,451,239	1,392,868

Statistical Information

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

	2013	2012	2011	2010 (restated)	2009
Analysis of Revenues	\$	\$	\$	\$	
Government Transfers, Provincial	130,617	132,334	141,645	231,195	210,037
Government Transfers, Federal	9,750	8,329	12,398	15,825	17,536
Taxation	231,004	222,639	214,772	206,257	196,576
User Charges	112,073	108,934	103,155	99,027	96,556
Investment Income	10,567	10,381	12,243	11,083	9,547
Fines and Penalties	6,226	5,190	5,133	5,243	4,863
Other	31,631	41,260	27,052	17,838	32,620
GBE net earnings	7,053	2,737	154	5,635	1,206
TOTAL REVENUES	538,921	531,804	516,552	592,103	568,941
Analysis of Expenses by Object					
Salaries wages & employee benefits	225,886	216,915	209,415	199,162	191,110
Materials	76,280	78,631	86,570	70,944	77,984
Contract Services	89,604	78,192	77,211	78,989	88,190
Grants and Transfer Payments	42,972	42,654	42,129	113,328	100,770
Amortization	65,178	66,707	66,911	67,587	63,995
Other	2,066	2,234	2,832	3,327	3,862
TOTAL EXPENSES	501,987	485,333	485,068	533,337	525,911
ANNUAL SURPLUS	36,934	46,471	31,484	58,766	43,030
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,531,484	1,485,013	1,453,529	1,394,763	1,349,838
ACCUMULATED SURPLUS, END OF YEAR	1,568,418	1,531,484	1,485,013	1,453,529	1,392,868
NET FINANCIAL ASSETS	186,092	188,320	146,134	127,465	105,241
NET DEBT PER CAPITA	231	269	288	243	263
Analysis of Expenses by Function	2013	2012	2011	2010	2009
General Government	22,052	22,023	20,651	21,657	23,801
Protection to Persons and Property	85,142	81,273	79,541	76,801	71,710
Transportation Services	98,467	94,621	92,577	86,116	90,655
Environmental Services	79,814	70,798	68,967	73,487	79,108
Health Services	27,113	25,992	25,345	24,732	23,935
Social and Family Services	95,877	93,839	93,621	153,980	146,644
Social Housing	38,680	41,340	41,118	44,858	40,655
Recreation and Cultural Services	40,226	39,490	47,938	38,896	36,777
Planning and Development	14,616	15,957	15,310	12,810	12,626
TOTAL EXPENSES	501,987	485,333	485,068	533,337	525,911

Statistical Information

Four Year Financial Review Reserves and Reserve Funds (In thousands of dollars)

RESERVES	2013	2012	2011	2010	2009
Working funds	1,813	2,056	2,168	2,542	3,569
General levy stabilization	4,165	4,619	4,051	3,303	853
Health and social services	641	1,694	1,421	1,510	1,275
Other reserves	1,728	2,597	3,531	3,536	2,093
TOTAL RESERVES	8,347	10,966	11,171	10,891	7,790
RESERVE FUNDS	2013	2012	2011	2010	2009
Equipment Replacement	5,968	9,986	10,104	8,692	9,173
Sick leave	5,308	5,055	4,728	4,750	4,476
Insurance	1,663	1,502	1,270	1,043	1,371
Workers' compensation	6,490	4,584	3,253	1,942	716
Protection services	5,321	7,900	5,311	3,178	4,465
Roads and transportation	31,793	27,241	14,953	9,709	5,304
Wastewater system	15,929	18,502	7,141	2,520	694
Stormwater system	-	1,050	836	519	318
Waterworks system	15,901	14,451	8,670	5,248	5,013
Solid waste disposal	2,292	3,576	2,674	2,608	3,038
Health and social services	11,507	11,222	9,794	9,515	11,947
Planning and development	9,709	6,447	5,605	6,403	4,868
Other	36,314	34,316	28,773	24,621	22,491
TOTAL RESERVE FUNDS	148,195	145,832	103,112	80,748	73,874

Statistical Information

Four Year Financial Review Additional Information

Municipal Statistics	2013	2012	2011	2010	2009
Population	161,900	161,900	160,300	158,900	160,700
Households	74,405	74,069	73,312	72,536	71,854
Employees					
Full time employees	2,019	2,008	2,006	1,944	1,915
Service Information					
Building Permit Values (in 1000's)	287,333	247,525	324,755	285,664	405,243
Average monthly social assistance case load	3,548	3,407	3,438	3,466	3,058
Kilometers of roads	3,617	3,613	3,609	3,592	3,589
Annual volume of treated waste water*	32,847	27,727	29,071	25,602	32,140
Annual volume of treated drinking water*	20,877	19,791	20,691	20,341	19,908
Annual disposal of solid waste (tonnes)	105,509	100,753	99,545	96,435	107,056
Annual diversion of solid waste (tonnes)	36,424	34,482	34,090	34,898	35,297
Regular service passenger Transit trips	4,362,000	4,444,719	4,468,760	4,265,928	4,250,142
Tax collection rate	2.8%	2.7%	2.6%	4.3%	4.1%
*(megalitres)					
TAXABLE ASSESSMENT (\$ millions)					
Residential assessment	12,009	11,173	10,021	8,890	7,855
Commercial assessment	1,635	1,539	1,441	1,340	1,245
Industrial assessment	446	424	409	362	350
BENCHMARK INFORMATION					
% of paved lane km where condition is rated good to very good	51.0%	51.0%	51.3%	51.3%	51.4%
# of conventional transit passenger trips per person in service area per year	31.6	32.2	32.4	31.2	31.1
# of waste water main backups per 100 km of waste water main per year	8.9	6.0	3.9	3.8	3.1
% of waste water estimated to have bypassed treatment	1.4%	0.5%	1.1%	0.6%	3.5%
# of water main breaks per 100 km of water distribution pipe per year	11.1	8.4	13.9	9.8	13.8
% of residential solid waste diverted for recycling	37.8%	45.0%	44.5%	45.0%	45.0%