

ANNUAL REPORT

2018

FOR THE YEAR ENDING DECEMBER 31, 2018



2018 HIGHLIGHTS



- ▶ 2015-2018 Corporate Strategic Plan
- ▶ Extreme weather
- ▶ Community engagement

Clean Up

July 9th storm



5,157
cubic metres

of brush pick-up
related to storm



Over to You



2018 HIGHLIGHTS

- ▶ Large projects
- ▶ Awards and Recognition
- ▶ Organization Activities



What the numbers say



Building Services



10,352
Building inspections



24 hrs
Average time to complete inspection



24,803 megalitres of annual volume of treated wastewater

20,056 megalitres of annual volume of treated drinking water

Financial Management

Financially prudent, sustainable, open government

Long term
financial plan

Reserve and
reserve funds

Development
Charges

Credit Rating

Debt financing

Budget

Water/wastewater
rates

User fees



Financial Reporting

Financially prudent, sustainable, open government

GFOA
award
(budget)

Public input
- budget

Variance
reports

Financial
condition

MBN Canada
& BMA

Financial
Information
Return

GFOA award
(annual
report)





Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to
City of Greater Sudbury
Ontario

For its Annual
Financial Report
for the Year Ended

December 31, 2017

Christopher P. Morvill
Executive Director/CEO

- ▶ Requirements
 - ✓ Publicly reported
 - ✓ Conform to GAAP
 - ✓ Unqualified opinion
- ▶ What does it mean?
 - ✓ Transparent
 - ✓ Disclosure
 - ✓ Clear and concise



2018

2017

2016

2015

2014

Sustainability Indicators**Target**

Financial assets to financial liabilities	0.75 to 1.50	1.66	1.66	1.67	1.62	1.54
Total reserves and reserve funds per household	\$2,000 to \$3,500	\$1,981	\$1,931	\$2,132	\$2,209	\$2,101
Total operating expenses as a percentage of taxable assessment	2.0 % to 3.5 %	2.3 %	2.3 %	2.2 %	2.2 %	2.3 %
Capital additions as a percentage of amortization expense	150 % to 250 %	111.4%	133.2 %	95.2 %	225.0 %	161.3 %
Taxes receivable as a percentage of taxes levied	n/a	2.7%	3.0 %	2.4 %	2.3 %	2.3 %

Financial Condition

Sustainability

Ability to maintain existing service levels and meet existing creditor requirements without a significant increase to debt or property taxes.

		2018	2017	2016	2015	2014
Flexibility Indicators	Target					
Residential taxes per household	\$3,000 to \$5,000	\$2,258	\$2,176	\$2,072	\$1,978	\$1,966
Debt per household	\$2,000 to \$3,500	\$1,012	\$1,027	\$1,096	\$1,178	\$434
Residential taxes as a percentage of household income	3.0 to 5.0%	3.83 %	3.85 %	3.63 %	3.76 %	4.01 %
Total taxation as a percentage of total assessment	1.0% to 2.5%	1.24 %	1.22 %	1.17 %	1.18 %	1.24 %
Debt servicing costs (interest and principal) as a percentage of net revenues	2.0 % to 3.0 %	2.32 %	2.19 %	2.28 %	1.90 %	1.45 %
Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets	40 % to 60 %	48.8 %	49.7 %	50.3 %	51.4 %	50.7 %

Financial Condition

Flexibility

The City's ability to increase its financial resources to address additional commitments and service levels.

Vulnerability Indicators

Target

Ratio of government transfers to total revenue	n/a	0.28	0.30	0.25	0.27	0.26
Operating grants as a percentage of total revenues	10 % to 25 %	23.2 %	22.6 %	22.9 %	22.8 %	23.0 %
Capital grants as a percentage of total capital expenditures	10 % to 25 %	40.2 %	45.3 %	14.1 %	14.8 %	13.6 %

Financial Condition

Vulnerability

Is the degree to which the City is susceptible to changes in funding sources outside of the City’s control.

Audited Financial Statements

Roles and responsibilities



Management

Auditors

Financial Statements

Consolidated Statement of:

- Financial Position
- Operations and Accumulated Surplus
- Change in Net Financial Assets
- Cash Flow
- Notes to Financial Statements



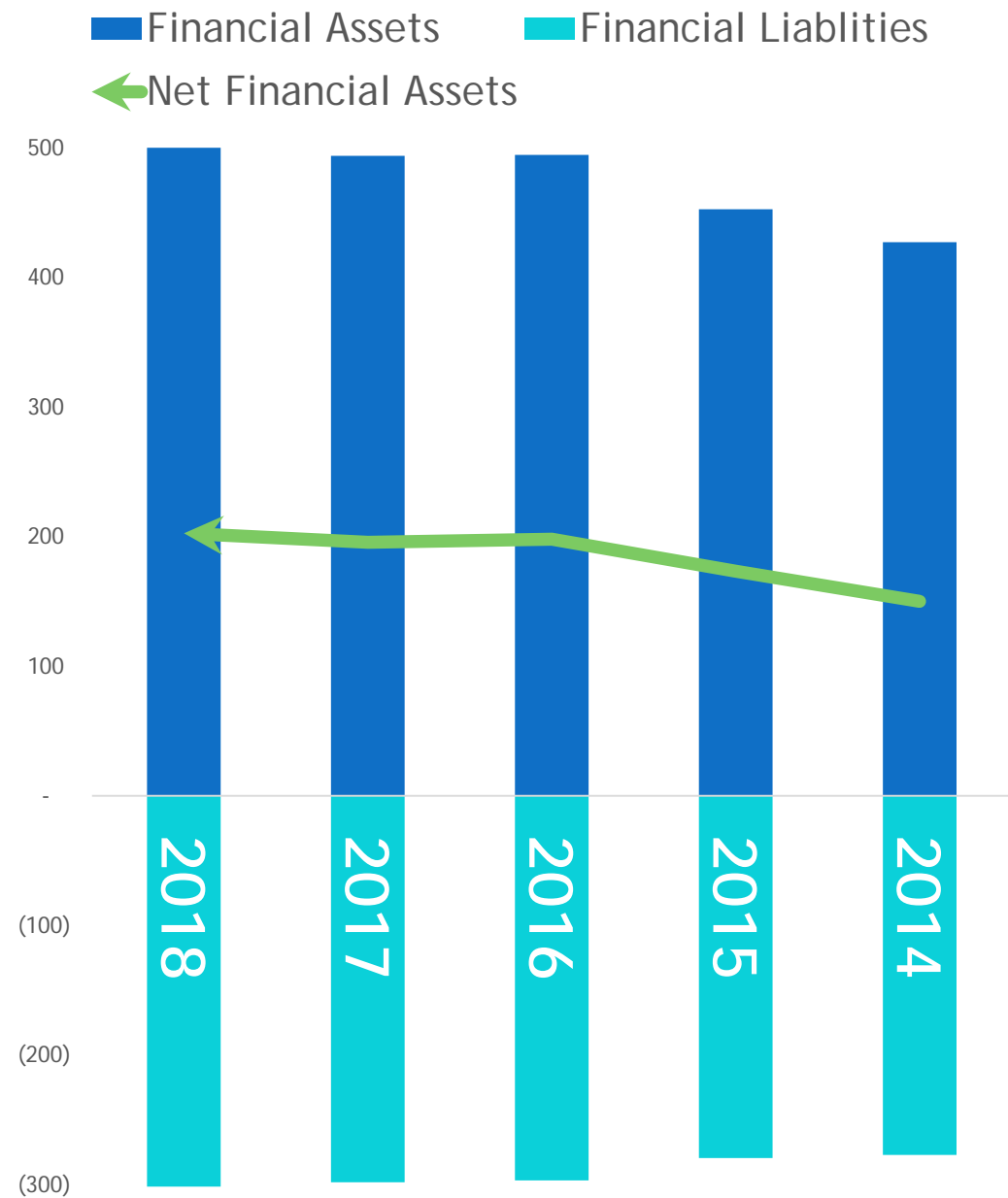
Financial Results

Statement of Financial Position

Net Financial Assets

	2018	2017
Financial assets		
Cash	\$ 8,174	\$ 6,188
Taxes receivable (note 3)	8,532	9,360
Accounts receivable (note 4)	73,993	69,426
Inventory held for resale	1,802	2,474
Investment in Government Business Enterprises (note 5 (a))	114,145	108,150
Investments (note 6)	304,800	298,357
	511,446	493,955
Financial liabilities		
Accounts payable and accrued liabilities (note 7)	97,656	99,200
Deferred revenue - obligatory reserve funds (note 9)	50,418	40,489
Deferred revenue - other (note 10)	4,641	3,590
Employee benefit obligations (note 11)	65,209	62,523
Solid waste management facility liability (note 12)	14,316	14,944
Long-term liabilities (note 13)	76,530	77,472
	308,770	298,218
Net financial assets	202,676	195,737
Non-financial assets		
Tangible capital assets (note 14)	1,521,076	1,488,881
Inventory of supplies	4,523	3,976
Prepaid expenses	5,065	4,720
	1,530,664	1,497,577
Contractual rights and contingent assets (note 16)		
Contractual obligations and commitments (note 17)		
Accumulated Surplus (note 18)	\$ 1,733,340	\$ 1,693,313

Up \$7M:
From
\$196M to
203M



Financial Results

Statement of Financial Position

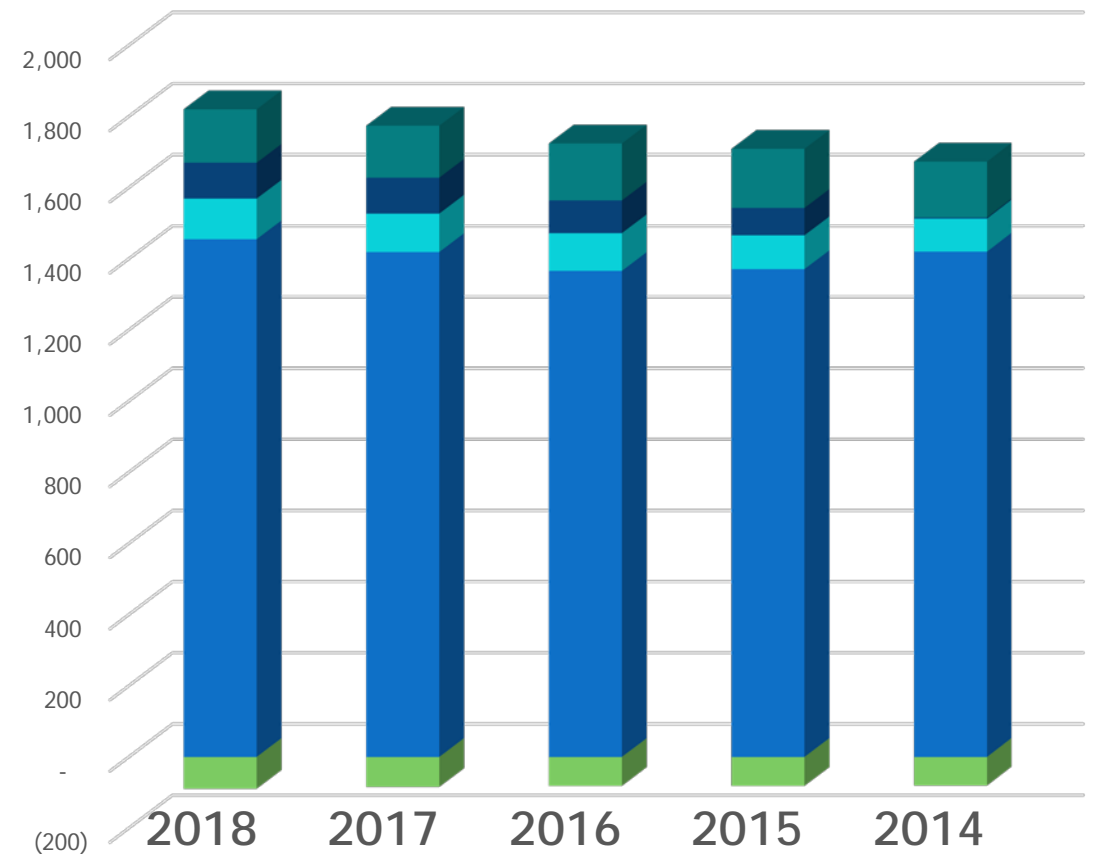
Accumulated Surplus

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Up \$40M:
From
\$1.69B to
\$1.73B

13

Accumulated Surplus

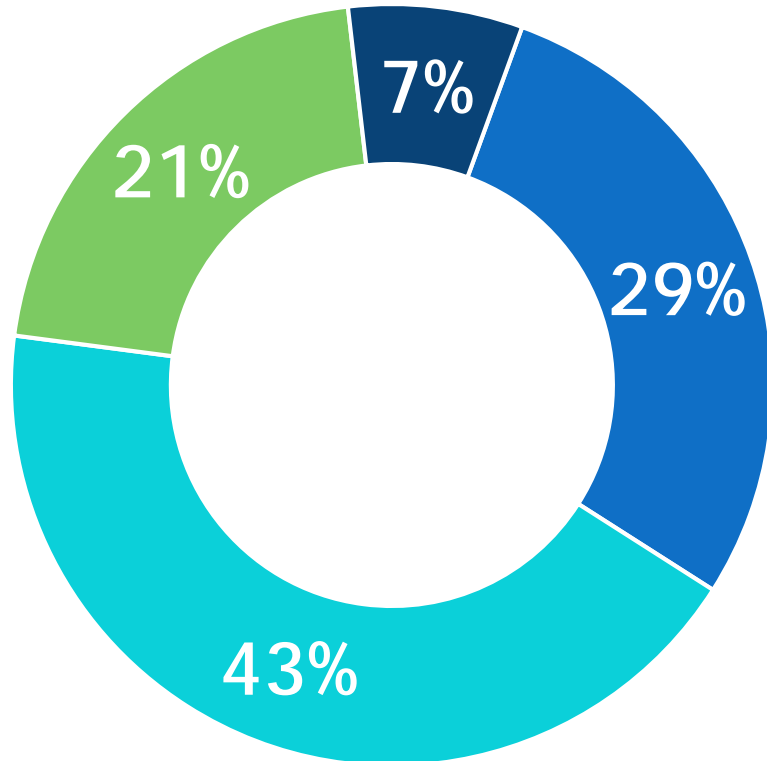


- Reserves & Reserve Funds
- Committed Capital
- Unfunded Liabilities
- Invested in Government Business Enterprises
- Invested in Tangible Capital Assets

Financial Results

Statement of Operations and Accumulated Surplus

Revenues



- Grants
- Taxation
- User charges
- Other sources

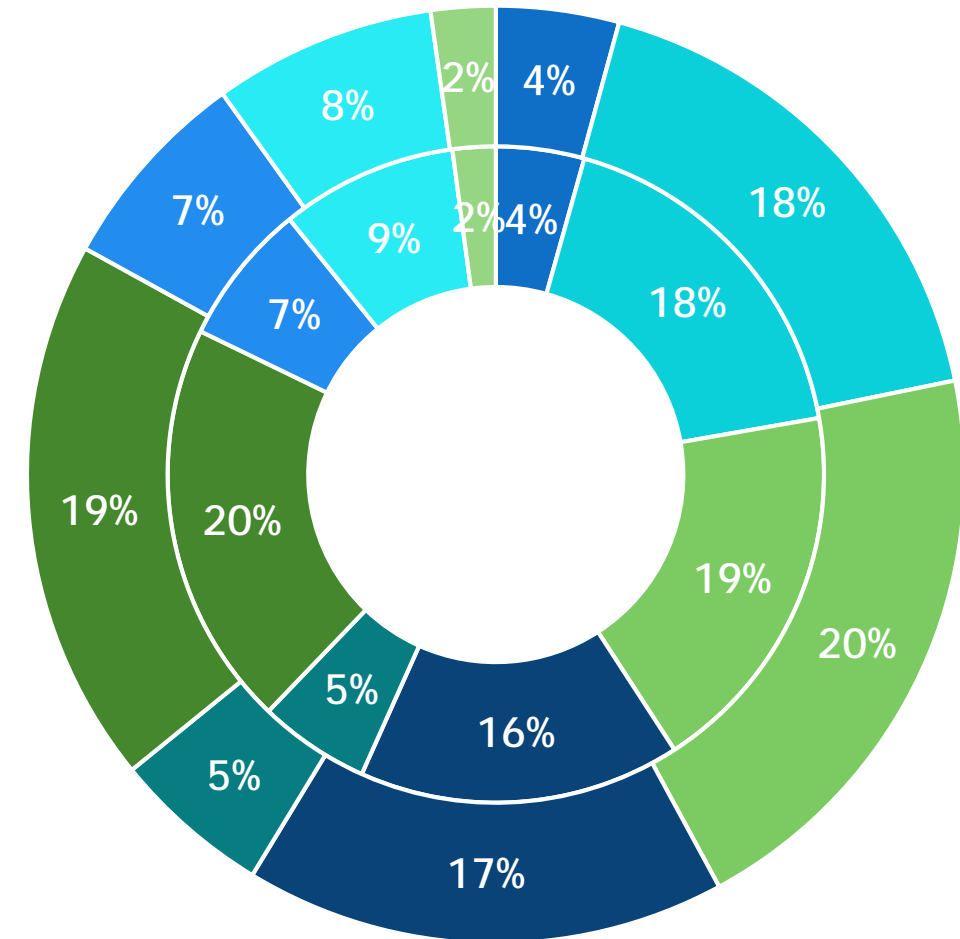
Up \$17M:
From \$605M
to \$623M

	2018 Budget	2018 Actual	2017 Actual
(note 19)			
Revenues			
Government transfers - Provincial	\$ 147,529	156,171	\$ 148,686
- Federal	21,217	21,170	31,557
Taxation (note 20)	268,808	267,956	257,561
User charges	131,972	131,252	124,053
Investment income	10,652	11,444	10,150
Fines and penalties	6,521	6,321	7,501
Other revenues (note 21)	20,333	22,307	23,762
Government Business Enterprises net earnings (note 5 (b))	2,565	5,995	2,164
	605,507	622,616	605,434
Expenses			
General government	25,821	25,343	23,700
Protection services	101,962	104,245	98,041
Transportation services	105,763	108,320	113,519
Environmental services	97,207	92,411	92,760
Health services	30,898	31,941	30,493
Social and family services	112,560	116,550	105,405
Social housing	37,140	40,747	39,599
Recreation and cultural services	44,916	50,705	42,911
Planning and development	12,780	12,327	12,448
	569,047	582,589	558,876
Annual Surplus	40,550	40,027	46,558

Financial Results

Statement of Operations and Accumulated Surplus

Expenses



- General Government
- Protection Services
- Transportation Services
- Environmental Services
- Health Services
- Social and Family Services
- Social Housing
- Recreation and Cultural Services
- Planning and Development

Up
\$23M:
From
\$559M
to
\$583M

Expenses

General government	25,821	25,343	23,700
Protection services	101,962	104,245	98,041
Transportation services	105,763	108,320	113,519
Environmental services	97,207	92,411	92,760
Health services	30,898	31,941	30,493
Social and family services	112,560	116,550	105,405
Social housing	37,140	40,747	39,599
Recreation and cultural services	44,916	50,705	42,911
Planning and development	12,780	12,327	12,448

Annual Surplus

2018 Budget	40,550	2018 Actual	40,027	2017 Actual	46,558
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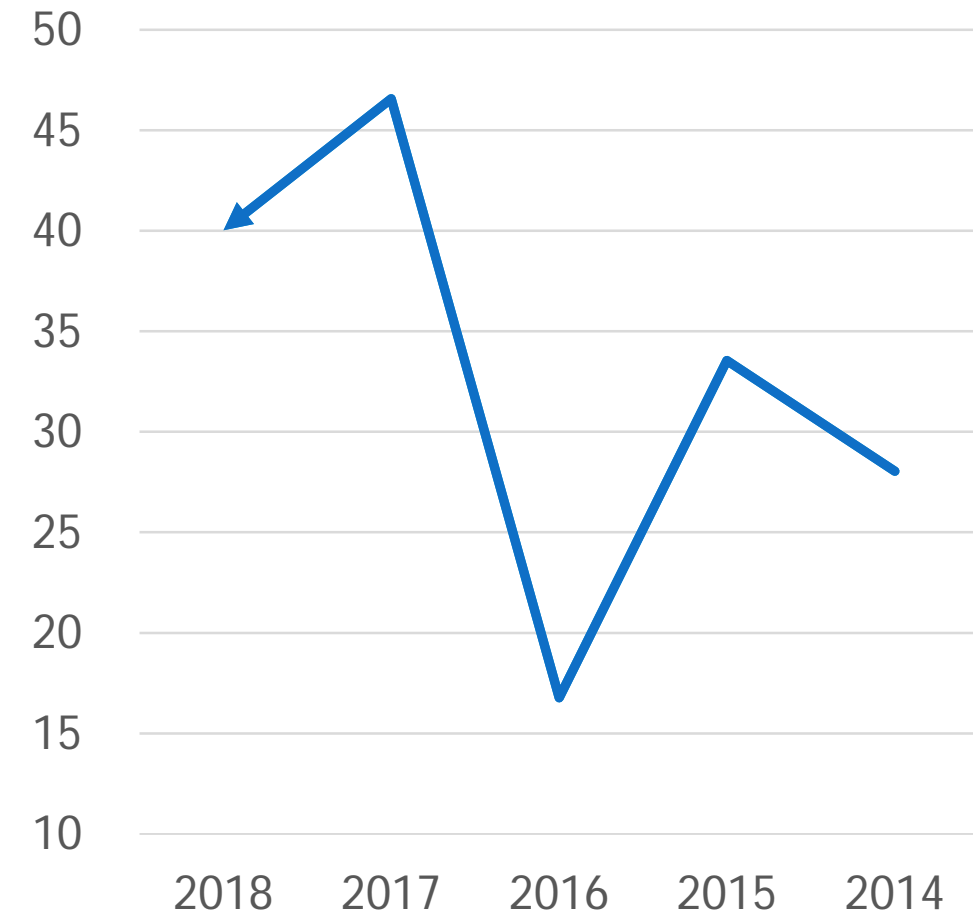
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	609,597	622,616	605,434



Financial Results

Statement of Operations and Accumulated Surplus

2018 Annual surplus



	2018 Budget	2018 Actual	2017 Actual
(note 19)			
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	569,047	582,589	558,876

2018 =
\$40
million

Annual Surplus	40,550	40,027	46,558

Accounting Standards

- More than usual
- New statement of remeasurement gains and losses
- New assets/ liabilities being recorded
- Additional disclosure

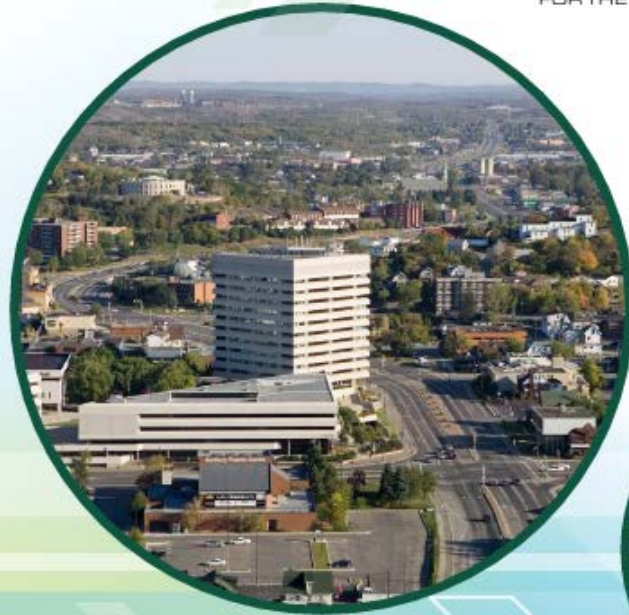
- On or after April 1, 2018 (effective 2019)
 - ↗ PS3430 Restructuring Transactions
- On or after April 1, 2021 (effective 2022)
 - ↗ PS1201 Financial Statement Presentation
 - ↗ PS2601 Foreign Currency Translation
 - ↗ PS3041 Portfolio Investments
 - ↗ PS3450 Financial Instruments
 - ↗ PS3280 Asset retirement obligations
- On or after April 1, 2022 (effective 2023)
 - ↗ PS3400 Revenue

Questions?



ANNUAL REPORT 2018

FOR THE YEAR ENDING DECEMBER 31, 2018



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