

# **SECTION 6**

**Financial Statements of**  
**SUDBURY METRO CENTRE**  
**Year ended December 31, 2004**

## AUDITORS' REPORT

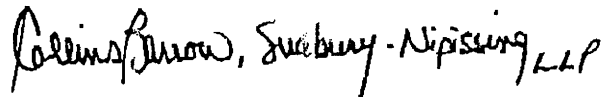
### To the Members of the Sudbury Metro Centre

We have audited the statement of financial position of **Sudbury Metro Centre** as at **December 31, 2004** and the statement of financial activities and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Sudbury Metro Centre as at December 31, 2004 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

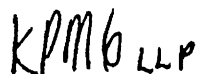
Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**COLLINS BARROW, SUDBURY NIPISSING LLP**  
Chartered Accountants



**FREELANDT CALDWELL REILLY LLP**  
Chartered Accountants



**KPMG LLP**  
Chartered Accountants

Sudbury, Canada  
February 14, 2005

**SUDBURY METRO CENTRE**

## Statement of Financial Position

December 31, 2004 with comparative figures for 2003

	2004	2003
<b>Financial Assets</b>		
Cash	\$ 31,481	\$ 31,118
Short-term investments, at cost (note 2)	311,280	258,814
Accounts receivable	13,808	17,005
Receivable from City of Greater Sudbury	12,649	23,189
<u>Prepaid expenses</u>	<u>11,399</u>	<u>7,266</u>
Total financial assets	380,617	337,392
<b>Liabilities</b>		
Accounts payable and accrued liabilities	49,276	31,859
<u>Deferred revenue</u>	<u>4,273</u>	<u>-</u>
Total financial liabilities	53,549	31,859
<b>Net Financial Assets</b>	<b>\$327,068</b>	<b>\$305,533</b>
<b>Municipal Position:</b>		
Fund Balances		
Reserve funds (note 3)	\$ 280,459	\$ 278,533
<u>Accumulated operating surplus</u>	<u>46,609</u>	<u>27,000</u>
	327,068	305,533
Commitments (note 4)		
<b>Total Municipal Position</b>	<b>\$ 327,068</b>	<b>\$305,533</b>

See accompanying notes to financial statements.

**SUDBURY METRO CENTRE**  
Statement of Financial Activities

Year ended December 31, 2004 with comparative figures for 2003

	2004	2003
<b>Revenues:</b>		
Tax levy on Central Business District members collected by the City of Greater Sudbury	\$ 400,000	\$ 400,000
Tax levy adjustments (note 5)	(15,301)	(5,528)
Farmers Market	95,128	82,204
Parking stamps and tokens	8,690	10,100
Interest	6,001	6,136
Human Resources and Skills Development Canada	4,576	4,841
Other	2,012	2,009
Deferred revenue, beginning of the year	-	10,000
<b>Total Revenues</b>	<b>501,106</b>	<b>509,762</b>
<b>Expenditures:</b>		
Administration	198,486	200,593
Farmers Market	123,024	109,812
Marketing, special events, and member communications and services	82,149	60,064
Parking	38,127	39,078
Development	18,305	39,002
Elgin Street improvements	19,480	30,520
<b>Total expenditures</b>	<b>479,571</b>	<b>479,069</b>
<b>Increase in funds balances</b>	<b>\$ 21,535</b>	<b>\$ 30,693</b>

See accompanying notes to financial statements.

**SUDBURY METRO CENTRE**

## Cash Flows Statement

Year ended December 31, 2004 with comparative figures for 2003

	2004	2003
<b>Cashflows from operating activities:</b>		
Net revenues	\$ 21,535	\$ 30,693
<b>Change in non-cash operating working capital:</b>		
Accounts receivable	3,197	8,892
Receivable from the City of Greater Sudbury	10,540	67,601
Prepaid expenses	(4,133)	(1,525)
Accounts payable	17,417	17,825
Deferred revenue	4,273	(10,000)
	52,829	113,486
<b>Cashflows from financing activities:</b>		
Principle repayments on City of Greater Sudbury note payable	-	(50,178)
	-	(50,178)
<b>Net increase in cash and cash equivalents</b>	52,829	63,308
<b>Cash and cash equivalents, beginning of year</b>	289,932	226,624
<b>Cash and cash equivalents, end of year</b>	\$ 342,761	\$ 289,932
<b>Cash and cash equivalents is comprised of:</b>		
Cash	\$ 31,481	\$ 31,118
Short term investments	311,280	258,814
	\$ 342,761	\$ 289,932

See accompanying notes to financial statements.

## **SUDBURY METRO CENTRE**

### Notes to Financial Statements

December 31, 2004

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Sudbury Metro Centre was established by laws of the former Corporation of The City of Sudbury. The Centre is responsible for the promotion of the Central Business District Improvement Area of the City of Greater Sudbury as a business and shopping area and also the improvement, beautification and maintenance of municipality owned lands, buildings and structures in the Improvement Area.

#### **1. Accounting policies:**

The financial statements of the Sudbury Metro Centre (the "Centre") are the representations of management prepared in accordance with accounting principles prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing, and standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

The focus of PSAB financial statements is on the financial position of the Centre and changes thereto. The Statement of Financial Position includes all the assets and liabilities of the Centre. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position and is the difference between assets and liabilities. This statement provides information about the Centre's overall future revenue requirements and its ability to finance activities and meet its obligations.

Significant aspects of the accounting policies adopted by the Centre are as follows:

(a) **Basis of accounting:**

These financial statements reflect the assets, liabilities, revenues, expenditures, and fund balances of the reporting entity and include the activities of all committees of the board.

(b) **Capital assets:**

Expenditures on capital assets are charged to operations in the year of acquisition.

(c) **Deferred revenue:**

Funding received under funding arrangements which relate to a subsequent fiscal period and the unexpended portions of grants received for specific purposes are reflected as deferred revenue in the year of receipt.

**SUDBURY METRO CENTRE**  
Notes to Financial Statements, page 2

December 31, 2004

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**1. Accounting policies (cont'd):**

(d) Financial instruments:

The organization's financial instruments consist of cash, short-term investments, accounts receivable, receivable from the City of Greater Sudbury, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks and that the fair value of these items are not materially different from the carrying amounts as presented in the balance sheet.

**2. Short-term investments:**

Short-term investments are recorded at cost and are comprised of term deposits, and guaranteed investment certificates with various maturities within one year and paying various interest rates between 1.6% and 2%. The market values of these investments are approximately equal to cost.

**3. Reserve funds:**

Reserve funds consist of the following:

	2004	2003
Funds set aside by the Sudbury Metro Centre for:		
Special projects	\$ 221,642	\$ 236,084
Chargeback	42,449	42,449
Farmer's Market capital improvements	16,368	-
	<u>\$ 280,459</u>	<u>\$ 278,533</u>

**4. Commitments:**

Leased office space:

The Sudbury Metro Centre rents office space under a lease of which the annual base rent is \$17,820. The lease expires on June 30, 2006.

December 31, 2004

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**5. Tax levy adjustments:**

Tax levy adjustments result from municipal tax appeals and writeoffs of uncollectable taxes. These adjustments are recorded in the year they are determined.

**6. Comparative figures:**

Certain of the 2003 figures have been restated to conform with the 2004 basis of presentation.



**SUDBURY METRO CENTRE**  
 Schedule of Current Fund Operations

Schedule 1

Year ended December 31, 2004 with comparative figures for 2003

	2004	2003
<b>Revenue:</b>		
Tax levy on Central Business District members collected by the City of Greater Sudbury	\$ 400,000	\$ 400,000
Tax levy adjustments	(15,301)	(5,528)
Farmers Market	95,128	82,204
Parking stamps and tokens	8,690	10,100
Human Resources and Skills Development Canada	4,576	4,841
Interest	963	655
Other	2,012	2,009
Deferred revenue, beginning of the year	-	10,000
<b>Total Revenue</b>	<b>496,068</b>	<b>504,281</b>
<b>Expenditures:</b>		
Administration	198,486	200,593
Farmers Market	123,024	109,812
Marketing, special events and member communications and services	82,149	60,064
Parking	38,127	39,078
Development	18,305	39,002
Elgin Street improvements	19,480	30,520
<b>Total expenditures</b>	<b>479,571</b>	<b>479,069</b>
<b>Excess of expenditures over revenue before transfers from (to) reserve funds</b>	<b>16,497</b>	<b>25,212</b>
<b>Transfers from (to) reserve funds:</b>		
Transfers to reserve funds	(16,368)	(78,162)
Transfers from reserve funds	19,480	102,589
Net transfers	3,112	24,427
<b>Change in Operating Fund</b>	<b>19,609</b>	<b>49,639</b>
<b>Accumulated operating surplus (deficit), beginning of year</b>	<b>27,000</b>	<b>(22,639)</b>
<b>Accumulated operating surplus, end of year</b>	<b>\$ 46,609</b>	<b>\$ 27,000</b>

See accompanying notes to financial statements.

**SUDBURY METRO CENTRE**

## Schedule of Reserve Funds

Schedule 2

Year ended December 31, 2004 with comparative figures for 2003

	2004	2003
<b>Revenue:</b>		
Interest	\$ 5,038	\$ 5,481
<b>Net transfers from (to) other funds:</b>		
Transfer from current fund	16,368	78,162
Transfer to current fund	(19,480)	(102,589)
<b>Net transfers</b>	<b>(3,112)</b>	<b>(24,427)</b>
<b>Change in reserve funds</b>	<b>1,926</b>	<b>(18,946)</b>
<b>Reserve funds, beginning of year</b>	<b>278,533</b>	<b>297,479</b>
<b>Reserve funds, end of year</b>	<b>\$ 280,459</b>	<b>\$ 278,533</b>

See accompanying notes to financial statements.

**SUDBURY METRO CENTRE**

## Schedule of Expenditures

Schedule 3

Year ended December 31, 2004 with comparative figures for 2003

	2004	2003
<b>Administration</b>		
Salaries, wages and benefits	\$ 134,488	\$ 130,026
Rent and utilities	20,415	20,514
Office and general	13,143	16,990
Board expenses	10,701	10,247
Conferences and professional development	5,915	6,114
Equipment	5,708	6,927
Telephone	4,079	3,277
Accounting	3,299	3,038
Insurance	738	2,982
Loan interest - City of Greater Sudbury	-	478
<b>Administration total</b>	<b>\$ 198,486</b>	<b>\$ 200,593</b>
<b>Farmers Market</b>		
Salaries and benefits	\$ 21,710	\$ 37,622
Advertising and promotion	46,873	30,343
Utilities	15,733	14,896
Equipment and furnishings	11,480	2,236
Repairs and maintenance	9,680	9,031
Office and general	6,416	3,678
Development, studies and surveys	6,352	9,993
Other operating costs	3,010	662
Accounting and legal	1,770	2,000
Bad debts (recovery)	-	(649)
<b>Farmers Market total</b>	<b>\$ 123,024</b>	<b>\$ 109,812</b>

**SUDBURY METRO CENTRE**

Schedule of Expenditures, page 2

Schedule 3-1

Year ended December 31, 2004 with comparative figures for 2003

	2004	2003
<b>Marketing, special events and member communications and services</b>		
Downtown advertising	\$ 22,531	\$ 16,047
Special events		
Christmas	22,855	18,962
Winter Daze	9,967	6,386
Good Old Daze	4,781	4,549
Fall fair	4,702	-
Hoedown	3,576	3,229
Other	3,532	2,716
Welcome Back Block Party	-	6,198
	49,413	42,040
Member communications and services	10,205	1,977
<b>Marketing and special events and member communications and services total</b>	<b>\$ 82,149</b>	<b>\$ 60,064</b>
<b>Parking</b>		
Free parking program	\$ 29,437	\$ 28,978
Parking stamps and tokens	8,690	10,100
<b>Parking total</b>	<b>\$ 38,127</b>	<b>\$ 39,078</b>
<b>Development</b>		
Physical image	\$ 14,168	\$ 15,032
Student Village	2,663	13,253
Other	1,474	10,717
<b>Development total</b>	<b>\$ 18,305</b>	<b>\$ 39,002</b>
<b>Elgin Street improvements</b>	<b>\$ 19,480</b>	<b>\$ 30,520</b>
<b>Total expenditures</b>	<b>\$479,571</b>	<b>\$479,069</b>

**SUDBURY METRO CENTRE**

Schedule of Farmers Market operating surplus (deficit)

Schedule 4

Year ended December 31, 2004 with comparative figures for 2003

	2004	2003
<b>Revenues</b>		
Stall fees and other tenant charges	\$ 47,341	\$ 48,741
Other revenue	3,254	963
	50,595	49,704
<b>Expenditures:</b>		
Advertising and promotion	46,873	30,343
Salaries and benefits	21,710	37,622
Utilities	15,733	14,896
Equipment and furnishings	11,480	2,236
Repairs and maintenance	9,680	9,031
Office and general	6,416	3,678
Development, studies and surveys	6,352	9,993
Other operating costs	3,010	662
Accounting and Legal	1,770	2,000
Bad debts (recovery)	-	(649)
	123,024	109,812
<b>Excess of Expenditures over Revenues</b>	<b>(72,429)</b>	<b>(60,018)</b>
<b>Contributions:</b>		
Sudbury Metro Centre	35,000	30,000
Corporation of the City of Greater Sudbury	25,000	25,000
Industry Canada - Fednor	13,348	-
Farmers Market Ontario	6,185	7,500
	79,533	62,500
Surplus before allocation to reserves	7,104	2,392
Allocation to Farmer's Market Capital Improvements Reserve	(16,368)	-
<b>Operating surplus (deficit) from Farmer's Market operations</b>	<b>\$ (9,264)</b>	<b>\$ 2,392</b>