

Financial Statements of

**THE CITY OF GREATER SUDBURY  
COMMUNITY DEVELOPMENT  
CORPORATION**

Year ended December 31, 2016



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The City of Greater Sudbury Community Development Corporation

We have audited the accompanying financial statements of The City of Greater Sudbury Community Development Corporation, which comprise the statement of financial position as at December 31, 2016, the statements of operations and accumulated surplus and cash flows for the year then ended, and notes, comprising 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 accounting standards for not-for-profit organizations, 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.

### *Auditors' 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 disclosure in the financial statements. The procedures selected depend on our 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, we consider 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.



*Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of The City of Greater Sudbury Community Development Corporation as at December 31, 2016 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Comparative Information*

The financial statements of The City of Greater Sudbury Community Development Corporation as at and for the year ended December 31, 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 15, 2016.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

June 14, 2017  
Sudbury, Canada

# THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Assets</b>		
Current:		
Accounts receivable (note 2)	\$ 1,208,035	1,087,616
Loans receivable (note 3)	-	-
Investments (note 4)	-	-
	<u>\$ 1,208,035</u>	<u>1,087,616</u>
<b>Liabilities</b>		
Accumulated surplus	\$ 1,208,035	1,087,616
Commitments (note 5)		
	<u>\$ 1,208,035</u>	<u>1,087,616</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
City of Greater Sudbury:		
Economic Development Grant	\$ 979,390	960,186
Arts and Culture Operating Grant	456,577	547,624
Arts and Culture Projects Grant	91,719	89,430
	<hr/> 1,527,686	<hr/> 1,597,240
Expenses:		
Grants	1,407,267	2,747,301
	<hr/> Annual surplus (deficit)	<hr/> (1,150,061)
	Accumulated surplus, beginning of year	2,237,677
	<hr/> Accumulated surplus, end of year	<hr/> 1,087,616

See accompanying notes to financial statements.

# THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

## Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 120,419	(1,150,061)
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivable	(120,419)	1,075,061
Decrease in advance	-	75,000
Increase in cash during the year	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	-

See accompanying notes to financial statements.

# THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2016

The City of Greater Sudbury Community Development Corporation (the "Corporation") is principally involved in the promotion of community economic development in the City of Greater Sudbury with the participation of the community by encouraging, facilitating and supporting community strategic planning and increasing self-reliance, investment and job creation within the community. The Corporation was incorporated without share capital on January 3, 2001 under the laws of the Province of Ontario.

## 1. Basis of presentation:

These financial statements were prepared by management in accordance with Canadian generally accepted accounting principles, Part III Not-for-Profit Organizations, as established by the Canadian Professional Accountants of Canada.

### (a) Revenue recognition:

The Corporation follows the deferral method of accounting for contributions which comprise grants from the City of Greater Sudbury.

### (b) Financial instruments:

Financial assets and liabilities are initially recorded at fair value and their subsequent measurement is dependent on their classification. Investments in equity instruments that are quoted in an active market are recorded at fair value each reporting period. All other financial assets and liabilities are recorded at amortized cost.

## 2. Accounts receivable:

Accounts receivable of \$1,208,035 (2015 - \$1,087,616) is due from the City of Greater Sudbury. This amount is unsecured, non-interest bearing and has no specified terms of repayment.

## 3. Loans receivable:

The loans receivable are as follows:

	2016	2015
Chilly Beach II Productions Inc. (a)	\$ 1,500,000	1,500,000
Maple Shorts I Productions (a)	241,043	241,043
Le Salon du Livre du Grand Sudbury (b)	75,000	75,000
Librairie du Nouvel Ontario (c)	25,000	25,000
	1,841,043	1,841,043
Less: allowance of loans receivable	(1,841,043)	(1,841,043)
	\$ -	-

# THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2016

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### **3. Loans receivable (continued):**

- (a) Pursuant to an agreement with the Northern Ontario Heritage Fund Corporation ("NOHFC"), the security on these loans has been assigned to NOHFC. This loan was written off in 2008 to \$Nil.
- (b) The loan is non-interest bearing and is repayable in annual payments equal to no less than twenty-five (25) percent of annual net revenue surplus of the entity. This loan was written off in 2010 to \$Nil.
- (c) The loan is non-interest bearing and is repayable in annual payments equal to no less than twenty-five (25) percent of annual net revenue surplus of the entity. This loan was written off in 2011 to \$Nil.

### **4. Investments:**

Investment consists of 879,413 Class A non-voting, non-participating, redeemable preference shares and 2,000 Class C, non-voting participating shares of Northern Hits Productions Inc. This investment was written down to \$Nil in a prior year.

Pursuant to an agreement with NOHFC, the investment has been assigned to NOHFC.

### **5. Commitments:**

The Corporation has approved grants to various organizations. At year end, \$397,673 (2015 - \$338,372) of grants have been approved but were not distributed.

### **6. Financial instruments:**

The fair value of accounts receivable is not determinable as there are no specified terms of repayment.