

Financial Statements of

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

Year ended December 31, 2018



KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury Ontario P3C 1X3
Telephone (705) 675-8500
Fax (705) 675-7586

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of The City of Greater Sudbury Community Development Corporation (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations and accumulated surplus for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Entity as at December 31, 2018, 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.

Basis for Opinion

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

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

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



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian 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.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 26, 2019

THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current:		
Accounts receivable (note 2)	\$ 1,709,461	1,265,489
	<u>\$ 1,709,461</u>	<u>1,265,489</u>
Liabilities		
Accumulated surplus	\$ 1,709,461	1,265,489
Commitments (note 3)		
Contingent asset (note 5)		
	<u>\$ 1,709,461</u>	<u>1,265,489</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, 2018, with comparative information for 2017

	2018	2017
Revenue:		
City of Greater Sudbury:		
Economic Development Grant	\$ 1,000,000	989,184
Arts and Culture Operating Grant	470,366	461,143
Arts and Culture Projects Grant	93,974	92,131
	1,564,340	1,542,458
Expenses:		
Grants	1,120,368	1,485,004
Annual surplus	443,972	57,454
Accumulated surplus, beginning of year	1,265,489	1,208,035
Accumulated surplus, end of year	\$ 1,709,461	1,265,489

See accompanying notes to financial statements.

THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 443,972	57,454
Changes in non-cash working capital items:		
Increase in accounts receivable	(443,972)	(57,454)
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, 2018

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 \$1,709,561 (2017 - \$1,265,489) is due from the City of Greater Sudbury. This amount is unsecured, non-interest bearing and has no specified terms of repayment.

3. Commitments:

The Corporation has approved grants to various organizations. At year end, \$933,592 (2017 - \$618,689) of grants have been approved but were not distributed.

The Corporation has committed future grants to various initiatives. As of fiscal year end, the following amounts have been approved to be distributed.

2019	\$ 835,194
2020	545,194
2021	370,194
2022	200,000

THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2018

4. Financial instruments:

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

5. Contingent asset:

The Province of Ontario introduced new legislation effective January 1, 2018 that will allow the City of Greater Sudbury to implement Municipal Accommodation Tax and has designated the Corporation as the eligible tourism entity to receive half of the net revenue. The City of Greater Sudbury implemented the Municipal Accommodation tax effective September 1, 2018. The future receipt of these assets is dependent on the signing of the eligible tourism entity agreement. Once signed, the Corporation would be entitled to \$363,190 for their share of the net Municipal Accommodation Tax collected for 2018. Contingent assets are not recorded in the financial statements.