

Financial Statements of

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

Year ended December 31, 2011



June 27, 2012

## **Independent Auditor's 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, 2011 and the statement of operations and accumulated surplus and cash flows for the year then ended, and the related note, 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 generally accepted accounting principles (GAAP), 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

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"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 Community Development Corporation as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian GAAP.

**Other matter**

The financial statements as at December 31, 2010 and for the year then ended were audited by other auditors who expressed an unmodified opinion on those consolidated financial statements in their report dated June 8, 2011.

*PricewaterhouseCoopers LLP*

**Chartered Accountants, Licensed Public Accountants**

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

**Statement of Financial Position**

**December 31, 2011 with comparative figures as at December 31, 2010**

	2011	2010
<b>Assets</b>		
Cash	\$ 421	\$ 421
Accounts receivable (note 2)	1,081,137	755,607
Loans receivable (note 3)	-	25,000
Investments (note 4)	-	-
	<u>\$ 1,081,558</u>	<u>\$ 781,028</u>
<b>Liabilities</b>		
Accounts payable	\$ 43	\$ 43
Accumulated surplus	1,081,515	780,985
Commitments (note 5)	-	-
	<u>\$ 1,081,558</u>	<u>\$ 781,028</u>

The accompanying notes are an integral part of these 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, 2011 with comparative figures for the year ended December 31, 2010**

	2011	2010
<b>Revenue</b>		
City of Greater Sudbury	\$ 1,400,805	\$ 887,064
<b>Expenditure</b>		
Grants	1,075,275	611,584
Annual surplus before undernoted item	325,530	275,480
Loss on write-down of Investments	(25,000)	(75,000)
<b>Annual surplus</b>	300,530	200,480
Accumulated surplus, beginning of year	780,985	580,505
<b>Accumulated surplus, end of year</b>	<b>\$ 1,081,515</b>	<b>\$ 780,985</b>

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

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

**Statement of Cash Flows**

**Year ended December 31, 2011 with comparative figures for the year ended December 31, 2010**

	2011	2010
Cash flows from operating activities:		
Annual surplus	\$ 300,530	\$ 200,480
Items not involving cash:		
Write-down of loan receivable	25,000	75,000
Change in non-cash operating working capital:		
Increase in accounts receivable	(325,530)	(275,480)
	-	-
<b>Net change in cash</b>	-	-
Cash, beginning of year	421	421
<b>Cash, end of year</b>	<b>\$ 421</b>	<b>\$ 421</b>

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

# THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

## Notes to the Financial Statements

Year ended December 31, 2011

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The City of Greater Sudbury Community Development 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 Institute of Chartered Accountants.

#### (a) Revenue Recognition:

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

#### (b) Financial instruments:

The financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the statement of financial position at fair value except for loans and receivables, held to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

The Corporation has classified its financial instruments as follows:

- (i) Designated cash as held-for-trading, being measured at fair value.
- (ii) Accounts receivable and loans receivable are classified as loans and receivables, which are measured at amortized cost.
- (iii) Accounts payable are classified as other financial liabilities, which are measured at amortized cost.

### 2. Related party transactions:

Included in accounts receivable is \$1,081,137 (2010 - \$755,607) due from the City of Greater Sudbury. This amount is unsecured, non-interest bearing and has no specified terms of repayment.

# THE CITY OF GREATER SUDBURY COMMUNITY DEVELOPMENT CORPORATION

## Notes to the Financial Statements

Year ended December 31, 2011

### 3. Loans receivable:

The loans receivable are as follows:

	2011	2010
Chilly Beach II Productions Inc. (a)	\$ -	\$ -
Maple Shorts I Productions (a)	-	-
Le Salon du Livre du Grand Sudbury (b)	-	-
Librairie du Nouvel Ontario (c)	-	25,000
	\$ -	\$ 25,000

(a) Pursuant to an agreement with the Northern Ontario Heritage Fund Corporation ("NOHFC"), the security on these loans has been assigned to NOHFC. These loans were written down in 2008.

(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. 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. This loan was written off in the current year 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, \$ 854,806 (2010 - \$ 806,793) of grants have been approved but were not distributed.

### 6. Financial instruments:

The carrying values of cash and accounts payable approximate their fair value due to the relatively short period to maturity of these items.

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