

Financial Statements of the
Sudbury Metro Centre

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, 2009** and the statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended. These financial statements are the responsibility of the Sudbury Metro 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, 2009 and the results of its operations, changes in financial position and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our examination was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the examination of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



COLLINS BARROW, SUDBURY NIPISSING LLP

Chartered Accountants


Licensed Public Accountants



FREELANDT CALDWELL REILLY LLP

Chartered Accountants

Licensed Public Accountants



KPMG LLP

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Sudbury, Canada

February 4, 2010

SUDBURY METRO CENTRE**Statement of Financial Position****December 31, 2009 with comparative figures for 2008**

	2009	2008
Financial assets		
Cash	\$ 191,073	\$ 124,538
Short-term investments (note 3)	300,000	278,369
Accounts receivable	37,610	51,461
Total financial assets	528,683	454,368
Financial liabilities		
Accounts payable and accrued liabilities	49,123	43,521
Payable to the Corporation of the City of Greater Sudbury (note 4)	17,800	19,847
Deferred contributions (note 5)	10,386	11,863
Total financial liabilities	77,309	75,231
Net financial assets	451,374	379,137
Non-financial assets (note 6)		
Tangible capital assets (note 7)	5,400	5,400
Prepaid expenses	5,487	8,046
Total non-financial assets	10,887	13,446
Accumulated surplus (note 8)	\$ 462,261	\$ 392,583
Commitments (note 9)		

SUDBURY METRO CENTRE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2009 with comparative figures for 2008

	Budget	2009	2008
Revenues:			
Tax levy on Central Business District			
Members collected by the City of Greater Sudbury	\$ 429,000	\$ 429,000	\$ 400,000
Tax levy adjustments (note 10)	-	(17,800)	(18,396)
Ribfest (note 11)	-	95,656	49,477
Human Resources and Skills Development Canada	5,000	5,025	4,607
Interest	3,000	4,452	12,196
Industry Canada- FedNor	22,788	3,288	25,212
Parking stamps and tokens	5,000	2,820	5,950
Other community partnerships and event revenues	-	2,471	17,010
Advertising partnerships	-	731	16,232
City of Greater Sudbury Development Corporation	-	-	23,500
Other	36,500	-	1,590
Deferred contributions, beginning of year	11,863	11,863	-
Deferred contributions, end of year	-	(10,386)	(11,863)
Total Revenues	513,151	527,120	525,515
Expenditures:			
Marketing, special events, and member communications and services	196,700	214,845	186,230
Administration	180,300	166,794	169,566
Development	202,151	70,040	98,574
Parking	9,000	5,763	8,422
Total Expenditures	588,151	457,442	462,792
Excess (deficiency) of revenues over expenditures for the year	(75,000)	69,678	62,723
Accumulated surplus, beginning of year		392,583	329,860
Accumulated surplus, end of year		\$ 462,261	\$ 392,583

SUDBURY METRO CENTRE**Statement of Change in Net Financial Assets****Year ended December 31, 2009 with comparative figures for 2008**

	2009	2008
Excess of revenues over expenditures for the year	\$ 69,678	\$ 62,723
Amortization of tangible capital assets	-	800
Change in prepaid expenses	2,559	(1,418)
Increase in net financial assets for the year	72,237	62,105
Net financial assets, beginning of year	379,137	317,032
Net financial assets, end of year	\$ 451,374	\$ 379,137

SUDBURY METRO CENTRE**Statement of Cash Flows****Year ended December 31, 2009 with comparative figures for 2008**

	2009	2008
Cash flows from operating activities:		
Excess of revenues over expenditures for the year	\$ 69,678	\$ 62,723
Non-cash charges to operations:		
Amortization of tangible capital assets	-	800
Change in non-cash assets and liabilities relating to operations:		
Accounts receivable	13,851	(33,890)
Prepaid expenses	2,559	(1,418)
Accounts payable and accrued liabilities	5,602	(10,204)
Payable to the Corporation of the City of Greater Sudbury	(2,047)	9,502
Deferred contributions	(1,477)	11,863
Net change in cash from operating activities	88,166	39,376
Cash flows from capital activities	-	-
Cash flows from financing activities	-	-
Cash flows from investing activities:		
(Increase) decrease in short-term investments	(21,631)	44,639
Net change in cash for the year	66,535	84,015
Cash, beginning of year	124,538	40,523
Cash, end of year	\$ 191,073	\$ 124,538
Other information:		
Interest received	6,963	11,392

SUDBURY METRO CENTRE

Notes to Financial Statements

December 31, 2009

Sudbury Metro Centre (“the 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 municipally owned lands, buildings and structures in the Improvement Area.

1. Significant accounting policies:

The financial statements of the Sudbury Metro Centre are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

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 and expenditures of the Centre and include the activities of all committees of the Centre.

Revenues and expenditures are reported using the accrual basis of accounting.

(b) Short-term investments:

Short-term investments are recorded at cost.

(c) Tangible capital assets:

Tangible capital assets are recorded at cost. The Centre provides for amortization using the straight-line method designed to amortize the cost, less any residual value, of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Furniture and equipment	5 years
Computer equipment	3 years

SUDBURY METRO CENTRE

Notes to Financial Statements

December 31, 2009

(d) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and reported amounts of certain revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are tax levy adjustments and certain accrued liabilities.

(e) Revenue recognition:

Tax levy revenue is earned and accrued for on a calendar year basis. Assessments and the related tax levy are subject to appeal. Tax levy adjustments as a result of appeals are recorded in the year the results of the appeal process are known.

Revenues from government grants are recognized in the period that the events giving rise to the transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met; and the amount can be reasonably estimated. Government transfers received before these criteria have been met are recorded in the accounts as deferred contributions and are recognized as revenue in the period in which all of these criteria are met.

Other revenues are recorded on the accrual basis when earned.

SUDBURY METRO CENTRE

Notes to Financial Statements

December 31, 2009

2. Change in accounting policy:

During the year the Centre adopted the new CICA Public Sector Accounting Handbook Section 1200 "Financial Statement Presentation". Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. The application of this standard had no impact on the financial position or results of operations of the Centre.

During the year the Centre adopted the new CICA Public Sector Accounting Handbook Section 3150 "Tangible Capital Assets" which establishes standards on how to account for and report tangible capital assets in government financial statements. The changes have been accounted for in these financial statements on a retroactive basis with restatement of comparative figures. This change in accounting policy has resulted in changes to amounts reported in the prior period as follows:

Accumulated surplus:

Operating fund surplus	\$ 64,159
Reserve funds	323,024
Accumulated surplus, as originally stated	387,183
Net book value of tangible capital assets recorded	5,400
Accumulated surplus, as restated	\$ 392,583

Excess of revenues over expenditures for the year:

Excess of revenues over expenditures, as originally stated	\$ 63,523
Amortization not previously charged to operations	(800)
Excess of revenues over expenditures for the year, as restated	\$ 62,723

The amounts recorded include the actual or estimated cost of tangible capital assets. When historical cost information was not available, other methods were used to estimate the cost and accumulated amortization of tangible capital assets.

3. Short-term investments:

Short-term investments are comprised of term deposits, and guaranteed investment certificates with various maturities within one year and paying various interest rates between 0.5% and 1.5%. The market values of these investments are approximately equal to cost.

SUDBURY METRO CENTRE
Notes to Financial Statements
December 31, 2009

4. Payable to the Corporation of the City of Greater Sudbury:

Amounts payable to the Corporation of the City of Greater Sudbury are unsecured, non-interest bearing and have no specified terms of repayment.

5. Deferred contributions:

The deferred contributions consist of the following:

	2009	2008
City of Greater Sudbury Development Corporation	\$ 10,386	\$ 11,863

6. Non-financial assets:

Tangible capital assets and other non-financial assets are accounted for as assets by the Centre because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Centre unless they are sold.

SUDBURY METRO CENTRE**Notes to Financial Statements****December 31, 2009**

7. Tangible capital assets:

2009			
	Furniture, Equipment and Other	Computer Equipment	Total
Cost			
Balance, beginning of year	\$ 12,000	\$ 4,900	\$ 16,900
Additions	-	-	-
Disposals	-	-	-
Balance, end of year	12,000	4,900	16,900
Accumulated Amortization			
Balance, beginning of year	\$ 7,500	\$ 4,000	\$ 11,500
Disposals	-	-	-
Amortization expense	-	-	-
Balance, end of year	7,500	4,000	11,500
Net book value	\$ 4,500	\$ 900	\$ 5,400

2008			
	Furniture, Equipment and Other	Computer Equipment	Total
Cost			
Balance, beginning of year	\$ 12,000	\$ 4,900	\$ 16,900
Additions	-	-	-
Disposals	-	-	-
Balance, end of year	12,000	4,900	16,900
Accumulated Amortization			
Balance, beginning of year	\$ 7,500	\$ 3,200	\$ 10,700
Disposals	-	-	-
Amortization expense	-	800	800
Balance, end of year	7,500	4,000	11,500

SUDBURY METRO CENTRE**Notes to Financial Statements****December 31, 2009**

8. Accumulated surplus:

Accumulated surplus consists of the following:

	2009	2008
Unrestricted accumulated operating surplus	\$ 89,159	\$ 64,159
Unrestricted equity in tangible capital assets	5,400	5,400
Internally restricted special projects reserve	316,253	271,575
<u>Internally restricted chargeback reserve</u>	<u>51,449</u>	<u>51,449</u>
	\$ 462,261	\$ 392,583

9. Commitments:**(a) Downtown beautification improvement project contributions**

The Centre has, by way of Board resolution, committed \$100,000 of funding for beautification improvement projects. The projects are expected to take place in future years.

(b) Northern Ontario School of Architecture contributions

The Centre has, by way of Board resolution, committed \$50,000 of funding towards the establishment of a Northern Ontario School of Architecture, subject to certain conditions including the realization of the initiative and its location being within the Sudbury Metro Centre Business Improvement Area boundaries.

(c) Lease office space

The Centre rents office space under a lease which expires February 28, 2012. The maximum annual rent to be paid under the lease agreement is \$17,600.

10. Tax levy adjustments:

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

SUDBURY METRO CENTRE

Notes to Financial Statements

December 31, 2009

11. Ribfest:

Ribfest revenues consist of:

	2009	2,008
Event proceeds	49,110	28,353
Event registration	\$ 13,096	\$ 5,124
	62,206	33,477
Community Partnerships:		
Province of Ontario	18,750	-
Vale Inco	7,500	7,500
City of Greater Sudbury	2,500	-
Greater Sudbury Development Corporation	2,500	7,500
CTV Television	1,000	-
Labatt Breweries of Canada	700	500
Atlas Copco Construction and Mining Canada	500	500
	33,450	16,000
Total	\$ 95,656	\$ 49,477

12. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

SUDBURY METRO CENTRE**Schedule of Accumulated Surplus Detail****Schedule 1****Year ended December 31, 2009 with comparative figures for 2008**

Year ended December 31, 2009:

	Unrestricted Operating Accumulated Surplus	Equity in Tangible Capital Assets	Internally Restricted Special Projects Reserve	Internally Restricted Chargeback Reserve	Total Accumulated Surplus 2009
Excess of revenues over expenditures for the year	\$ 69,678	\$ -	\$ -	\$ -	\$ 69,678
Allocation of interest earnings to reserves	(3,484)	-	3,484	-	-
Transfers	(41,194)	-	41,194	-	-
Net increase (decrease) for the year	25,000	-	44,678	-	69,678
Balances, beginning of year	64,159	5,400	271,575	51,449	392,583
Balances, end of year	\$ 89,159	\$ 5,400	\$ 316,253	\$ 51,449	\$ 462,261

Year ended December 31, 2008:

	Unrestricted Operating Accumulated Surplus	Equity in Tangible Capital Assets	Internally Restricted Special Projects Reserve	Internally Restricted Chargeback Reserve	Total Accumulated Surplus 2008
Excess of revenues over expenditures for the year	\$ 62,723	\$ -	\$ -	\$ -	\$ 62,723
Allocation of interest earnings to reserves	(8,912)	-	8,912	-	-
Amortization of tangible capital assets	800	(800)	-	-	-
Transfers	(38,787)	-	38,787	-	-
Net increase (decrease) for the year	15,824	(800)	47,699	-	62,723
Balances, beginning of year	48,335	6,200	223,876	51,449	329,860
Balances, end of year	\$ 64,159	\$ 5,400	\$ 271,575	\$ 51,449	\$ 392,583

SUDBURY METRO CENTRE**Schedule of Expenditures****Schedule 2****Year ended December 31, 2009 with comparative figures for 2008**

	2009	2008
Marketing, special events, and member communications and services		
Downtown advertising and partnerships	\$ 42,723	\$ 78,372
Ambassador program (includes wages and benefits of \$17,001)	17,615	-
Special events:		
Rib Fest	90,906	43,654
Christmas	43,367	38,089
Yard Sale	7,742	6,551
Blues for Food	6,100	6,010
Meet your neighbor	2,433	-
125 Celebration	-	6,399
British Antiques	-	3,939
Other	659	459
Total special events	151,207	105,101
Member communications and services	3,300	2,757
Total marketing, special events, and member Communications and services	214,845	186,230

Administration

Salaries, wages and benefits	\$ 119,549	\$ 119,850
Rent and utilities	17,748	17,738
Office and general	10,416	11,246
Board expenses	7,861	7,245
Telephone	4,813	5,171
Accounting	4,675	5,099
Conferences and professional development	1,732	2,417
Amortization of tangible capital assets	-	800
Total administration	\$ 166,794	\$ 169,566

SUDBURY METRO CENTRE

Schedule of Expenditures

Schedule 2- continued

Year ended December 31, 2009 with comparative figures for 2008

	2009	2008
Development		
Partnerships	\$ 32,500	\$ 17,455
Beautification	30,193	44,271
Streetscape	7,347	36,848
Total development	\$ 70,040	\$ 98,574
Parking		
Free parking program and other parking initiatives	\$ 3,103	\$ 2,643
Parking stamps and tokens	2,660	5,779
Total parking	\$ 5,763	\$ 8,422
Total expenditures	\$ 457,442	\$ 462,792
