

Financial Statements of

**CITY OF GREATER SUDBURY
TRUST FUNDS**

And Independent Auditor's Report thereon

Year ended December 31, 2023

DRAFT

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of Greater Sudbury

Opinion

We have audited the financial statements of The City of Greater Sudbury Trust Funds (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of changes in fund balances 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 The City of Greater Sudbury Trust Funds as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 “***Auditor’s 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 public sector accounting standards, 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

Chartered Professional Accountants, Licensed Public Accountants
Sudbury, Canada
(Date)

CITY OF GREATER SUDBURY

TRUST FUNDS

Statement of Financial Position

December 31, 2023, with comparative information for 2022
(in thousands of dollars)

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fednor Project - Business Planning Initiative (note 4)	Cemetery Pre-Need	Cemetery Care and Maintenance	Total 2023	Total 2022
Assets								
Cash	\$ 151	1,147	-	-	-	-	\$ 1,298	\$ 1,234
Due from City of Greater Sudbury (note 3)	-	7,388	37	-	1,503	9,074	18,002	17,693
Loans receivable	-	-	-	117	-	-	117	117
Allowance for doubtful loans	-	-	-	(117)	-	-	(117)	(117)
	\$ 151	8,535	37	-	1,503	9,074	\$ 19,300	\$ 18,927
Liabilities and Fund Balances								
Accounts payable	\$ -	-	-	-	-	-	\$ -	\$ 73
Fund balances	151	8,535	37	-	1,503	9,074	19,300	18,854
	\$ 151	8,535	37	-	1,503	9,074	\$ 19,300	\$ 18,927

See accompanying notes to financial statements.

CITY OF GREATER SUDBURY

TRUST FUNDS

Statement of Changes in Fund Balances

Year ended December 31, 2023, with comparative information for 2022
(in thousands of dollars)

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fednor Project - Business Planning Initiative (note 4)	Cemetery Pre-Need	Cemetery Care and Maintenance	Total 2023	Total 2022
Revenue:								
Plot sales	\$ -	-	-	-	110	259	\$ 369	\$ 428
Receipts from or on behalf of others	1,445	-	-	-	-	-	1,445	1,110
Interest earned	-	57	-	-	75	474	606	264
Subdividers' deposits	-	1,053	-	-	-	-	1,053	1,496
	1,445	1,110	-	-	185	733	3,473	3,298
Expenses:								
Disbursements to or on behalf of residents	1,363	-	-	-	-	-	1,363	1,191
Refunds	-	751	-	-	-	-	751	641
Transfer to City of Greater Sudbury	-	-	60	-	86	767	913	723
	1,363	751	60	-	86	767	3,027	2,555
Change in fund balances in year	82	359	(60)	-	99	(34)	446	743
Fund balances, beginning of year	69	8,176	97	-	1,404	9,108	18,854	18,111
Fund balances, end of year	\$ 151	8,535	37	-	1,503	9,074	\$ 19,300	\$ 18,854

See accompanying notes to financial statements.

CITY OF GREATER SUDBURY

TRUST FUNDS

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022
(in thousands of dollars)

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 446	\$ 743
Changes in non-cash working capital items:		
Increase in due from the City of Greater Sudbury	(309)	(801)
Decrease in accounts payable	(73)	(11)
Decrease in cash during the year	64	(69)
Cash, beginning of year	1,234	1,303
Cash, end of year	\$ 1,298	\$ 1,234

See accompanying notes to financial statements.

CITY OF GREATER SUDBURY

TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2023
(in thousands of dollars)

The City of Greater Sudbury Trust Funds (the “Funds”) consists of various trust funds administered by the City of Greater Sudbury (the “City”).

The Funds are not subject to income taxes under Section 149 (1) of the Income Tax Act (Canada).

1. Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

These financial statements include trust funds administered by the City as well as those within organizations that are accountable for the administration of their financial affairs and resources to City Council and are owned or controlled by the City. The Fund's financial statements are the responsibility of management and have been prepared in accordance with the accounting policy set out below.

2. Significant accounting policies:

(a) Revenue recognition:

Revenues from all sources are reported as revenue in the period in which they are earned.

(b) Financial instruments:

Financial assets and liabilities are recorded at fair value on initial recognition. They are then subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Funds has not elected to carry any such financial assets or liabilities at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Funds determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Funds expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

CITY OF GREATER SUDBURY

TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2023
(in thousands of dollars)

3. Due from the City of Greater Sudbury:

At December 31, 2023, the Funds have amounts due from the City of \$18,002 (2022 - \$17,693) that arose as a result of investment and banking transactions due to the City maintaining bank accounts or holding investments on behalf of the Funds. These amounts are non-interest bearing other than \$1,503 and \$9,074 pertaining to the Cemetery Pre-Need and Cemetery Care and Maintenance Funds which both bear interest at the rate of 5.10% (2022 – 2.31%) and are due on demand.

4. Fednor Project Business Planning Initiative:

Fednor has advanced \$117 to be used by the Regional Business Centre, a division of the City, to aid small businesses. The advance is non-interest bearing. The funds were subsequently loaned to small businesses. The loans are non-interest bearing and have been fully provided for. The Regional Business Centre may be asked by Fednor to repay its advance or the advance may be forgiven. To date, Fednor has not asked for repayment or forgiven the advance.

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