



# The Corporation of the City of Elliot Lake

## Financial Statements

For the Year Ended December 31, 2022



# Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the City of Elliot Lake

## **Opinion**

We have audited the consolidated financial statements of The Corporation of the City of Elliot Lake (the City), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2022 and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## **Basis of 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 Consolidated Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City'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 City or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 City'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 City'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 consolidated 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 City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

# The Corporation of the City of Elliot Lake

## Consolidated Statement of Financial Position

December 31	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents	\$ 19,409,621	\$ 15,124,754
Portfolio investments	11,522,749	11,275,382
Taxes receivable	780,246	662,987
Accounts receivable	1,305,909	444,517
Inventory and land held for resale	84,406	98,282
Mortgage receivable	852,549	852,549
	<b>33,955,480</b>	28,458,471
<b>Liabilities</b>		
Accounts payable and accrued liabilities	2,205,541	2,120,600
Other liabilities	145,215	189,894
Deferred revenue	3,031,153	2,933,377
Long term debt	1,496,476	1,668,441
Accrued landfill closure and post-closure costs	3,984,232	1,642,427
Accrued employee benefits	2,072,608	1,979,328
	<b>12,935,225</b>	10,534,067
<b>Net financial assets</b>	<b>21,020,255</b>	17,924,404
<b>Non-financial assets</b>		
Prepays and supplies inventory	761,903	583,861
Tangible capital assets	34,880,042	34,208,527
	<b>35,641,945</b>	34,792,388
<b>Accumulated surplus</b>	<b>\$ 56,662,200</b>	\$ 52,716,792

# The Corporation of the City of Elliot Lake

## Consolidated Statement of Operations

**For the year ended December 31**

Budget

2022

2021

### Revenue

Taxation	\$ 13,477,161	\$ 13,453,389	\$ 12,676,764
Government grants - Provincial	9,991,152	10,650,250	9,548,022
Government grants - Federal	610,560	788,852	972,420
User fees and service charges	6,551,751	6,582,537	5,971,368
Licences, permits and rents	161,935	173,385	158,591
Investment income	356,710	619,026	285,857
Interest and penalties on taxes, water and other	156,000	169,136	192,846
Other	574,703	1,440,033	928,731
	<u>31,879,972</u>	<u>33,876,608</u>	<u>30,734,599</u>

### Expenses

General government	5,163,190	4,835,344	4,905,299
Protection services	5,150,887	5,098,122	5,447,119
Transportation services	5,404,115	5,819,011	5,294,497
Environmental services	4,687,865	6,896,499	5,232,084
Health services	1,733,835	1,825,566	1,726,279
Social and family services	1,231,484	1,204,050	1,206,614
Recreation and cultural services	3,834,137	3,452,147	3,168,332
Planning and development	488,649	800,461	774,206
	<u>27,694,162</u>	<u>29,931,200</u>	<u>27,754,430</u>

### Annual surplus

4,185,810      3,945,408      2,980,169

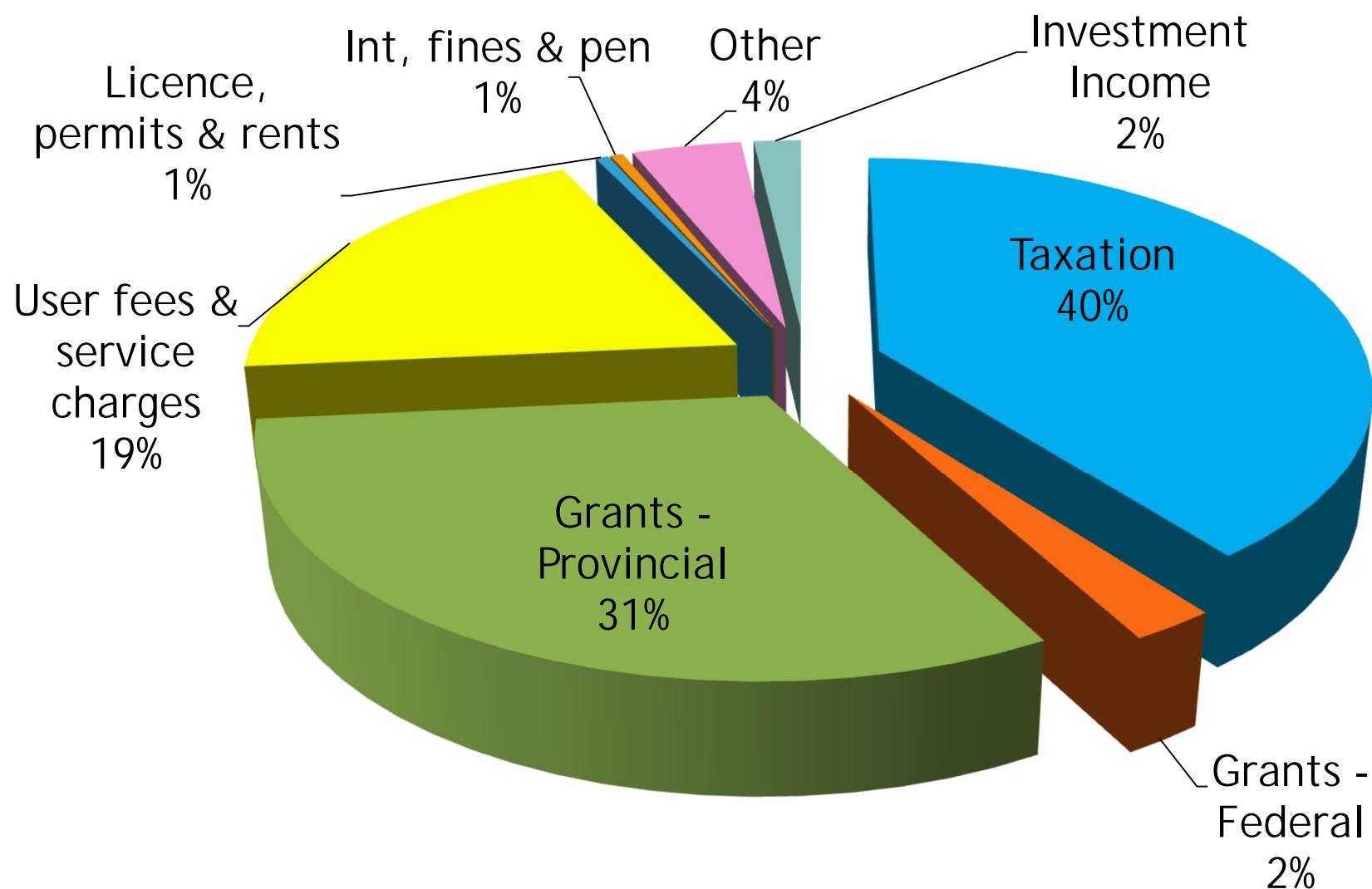
### Accumulated surplus, beginning of year

52,716,792      52,716,792      49,736,623

### Accumulated surplus, end of year

\$ 56,902,602      \$ 56,662,200      \$ 52,716,792

# REVENUE BY TYPE

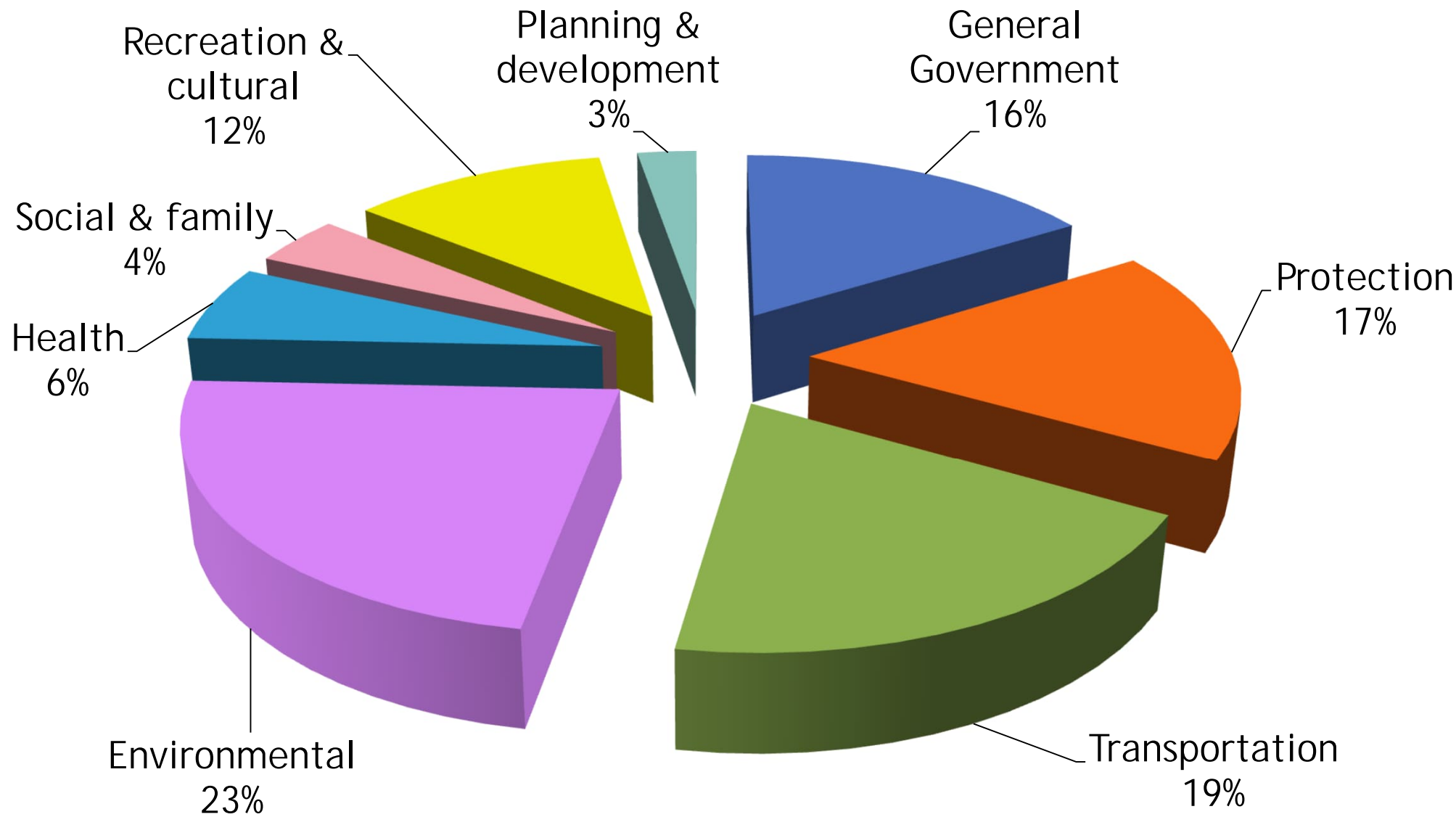


# The Corporation of the City of Elliot Lake

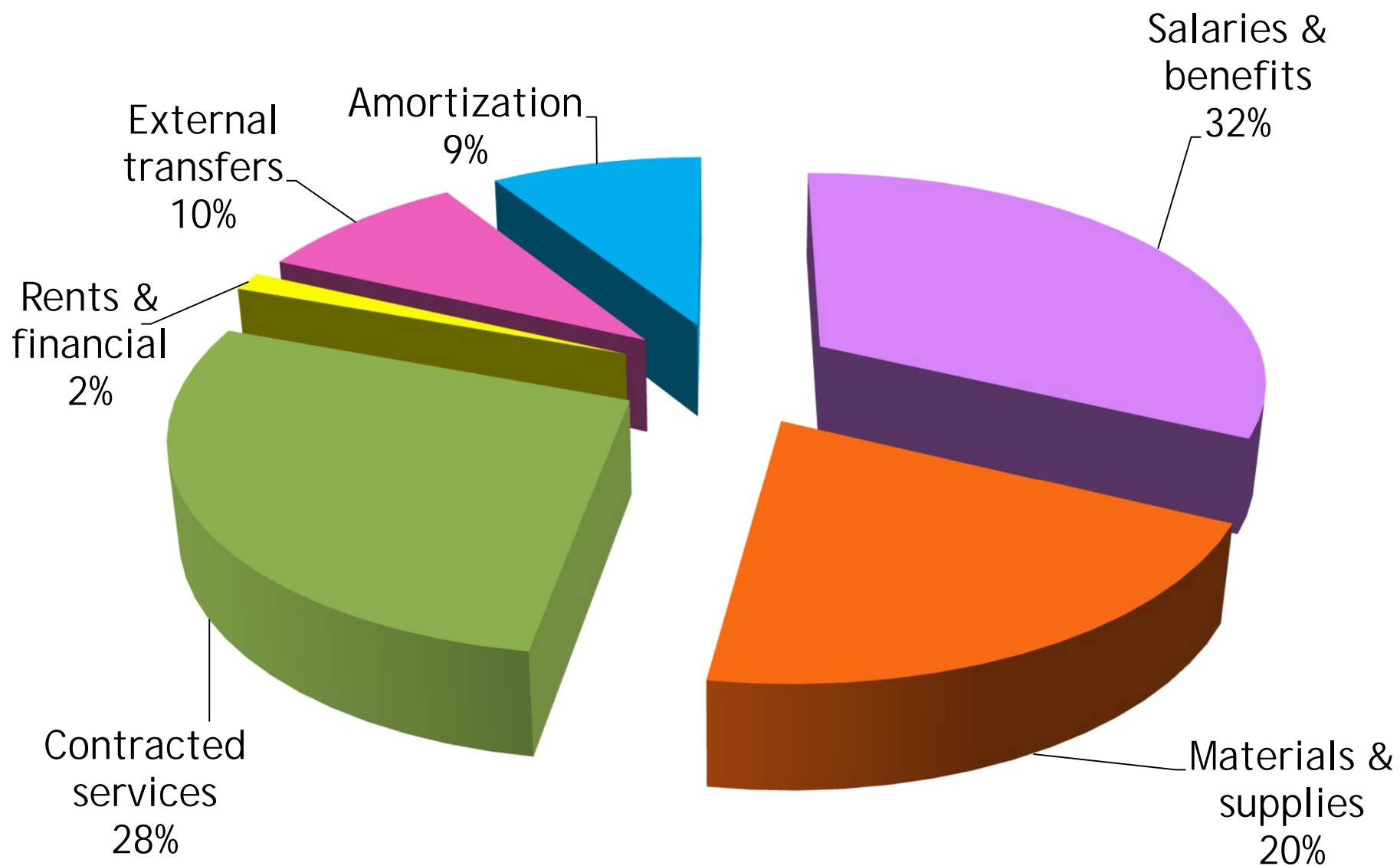
## Consolidated Statement of Operations

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<b>Annual surplus</b>	4,185,810	3,945,408	2,980,169
<b>Accumulated surplus, beginning of year</b>	52,716,792	52,716,792	49,736,623
<b>Accumulated surplus, end of year</b>	\$ 56,902,602	\$ 56,662,200	\$ 52,716,792

# BREAKDOWN OF EXPENSES



# BREAKDOWN OF EXPENSES BY OBJECT



# The Corporation of the City of Elliot Lake

## Consolidated Statement of Operations



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<b>Accumulated surplus, end of year</b>	\$ 56,902,602	\$ 56,662,200	\$ 52,716,792

## Accumulated surplus

Reserves set aside for specific purposes by Council

	2022	2021
Working capital	\$ 3,757,248	\$ 3,408,920
Elections	47,148	75,390
Capital expenses	19,588,920	14,450,182
Cemetery capital development	212,828	194,906
Landfill closure and post closure	2,117,627	2,124,841
Economic development	217,506	354,848
Miner's heritage	60,067	66,584
Legislative requirements	155,679	151,979
Wireless towers	255,898	227,583
Waterfront development	2,671,972	2,617,592

Total reserves	29,084,893	23,672,825
Equity in tangible capital assets	34,614,815	33,869,835
Operating surplus (deficit)	-	-
Unfunded liabilities		
Long term debt	(1,496,476)	(1,668,441)
Employee benefit plans liabilities	(1,556,800)	(1,515,000)
Landfill closure and post closure costs	(3,984,232)	(1,642,427)

**\$ 56,662,200**    **\$ 52,716,792**

## Allocation of annual surplus:

Reserves	\$ 3,679,472	\$ 407,573
Transfer of operating surplus to working capital	1,732,596	611,842
Total reserves	5,412,068	1,019,415
Equity in tangible capital assets	744,980	2,263,951
Unfunded liabilities	(2,211,640)	(303,197)
	<b>\$ 3,945,408</b>	<b>\$ 2,980,169</b>

This change equals the annual surplus

# QUESTIONS

