



# The Corporation of the City of Elliot Lake Financial Statements

For the Year Ended December 31, 2020

## 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, 2020 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, 2020 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

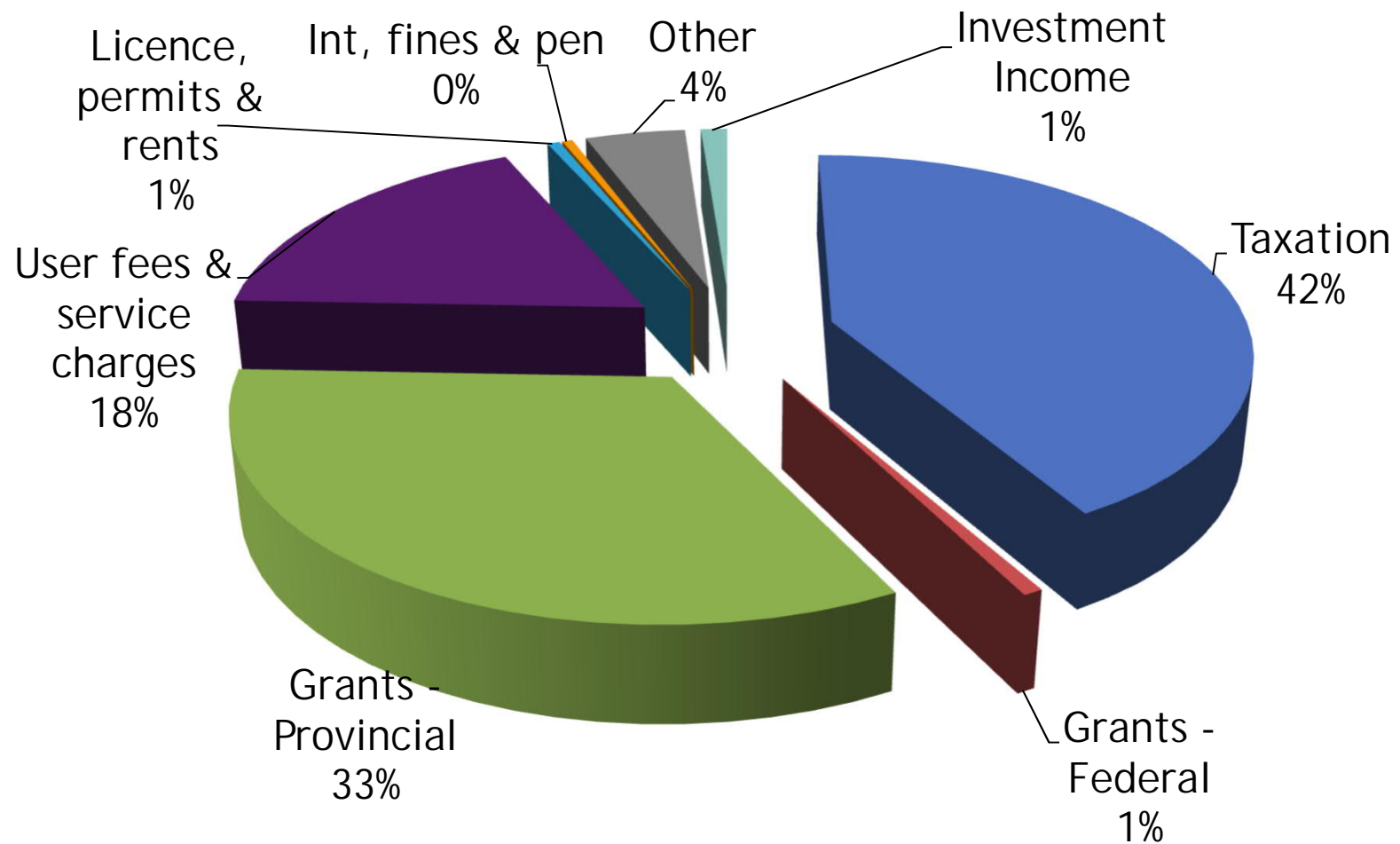
December 31	2020	2019
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 17,094,176	\$ 13,817,041
Portfolio investments (Note 3)	7,109,753	6,557,560
Taxes receivable (Note 4)	1,169,536	934,984
Accounts receivable (Note 5)	999,716	2,376,941
Inventory and land held for resale	42,541	31,027
Residential lots inventory for resale (Note 6)	-	25,180
Mortgage receivable (Note 7)	852,549	852,549
	<b>27,268,271</b>	24,595,282
<b>Liabilities</b>		
Accounts payable and accrued liabilities	2,361,603	2,061,486
Other liabilities	309,760	413,540
Deferred revenue (Note 8)	2,473,443	2,007,424
Long term debt (Note 9)	1,828,865	2,076,122
Accrued landfill closure and post-closure costs (Note 10)	1,195,406	1,206,158
Accrued employee benefits (Note 11)	1,950,526	1,981,218
	<b>10,119,603</b>	9,745,948
<b>Net financial assets</b>	<b>17,148,668</b>	14,849,334
<b>Non-financial assets</b>		
Prepays and supplies inventory	581,455	635,645
Tangible capital assets (Schedule 1)	32,006,500	30,390,577
	<b>32,587,955</b>	31,026,222
<b>Accumulated surplus</b> (Note 12)	<b>\$ 49,736,623</b>	\$ 45,875,556

## The Corporation of the City of Elliot Lake

### Consolidated Statement of Operations

For the year ended December 31	(Note 17) Budget	2020	2019
<b>Revenue</b>			
Taxation (Note 14)	\$ 12,595,958	\$ 12,569,334	\$ 12,136,719
Government grants - Provincial	9,908,596	10,070,535	10,387,204
Government grants - Federal	2,860,086	196,032	2,031,289
User fees and service charges	6,014,260	5,358,454	5,623,865
Licences, permits and rents	163,500	171,115	225,039
Investment income	407,710	360,803	436,314
Interest and penalties on taxes, water and other	173,507	141,598	196,865
Other	673,512	1,366,119	3,894,714
	32,797,129	30,233,990	34,932,009
<b>Expenses</b>			
General government	4,218,131	4,886,804	5,005,076
Protection services	5,441,093	5,350,314	5,233,745
Transportation services	4,387,269	5,138,528	5,204,923
Environmental services	3,825,586	4,401,125	4,415,112
Health services	1,640,494	1,702,501	1,586,597
Social and family services	1,201,208	1,216,118	1,219,886
Recreation and cultural services	3,752,867	3,050,384	4,114,692
Planning and development	514,794	627,149	691,685
	24,981,442	26,372,923	27,471,716
<b>Annual surplus</b>	7,815,687	3,861,067	7,460,293
<b>Accumulated surplus, beginning of year</b>	45,875,556	45,875,556	38,415,263
<b>Accumulated surplus, end of year</b>	\$ 53,691,243	\$ 49,736,623	\$ 45,875,556

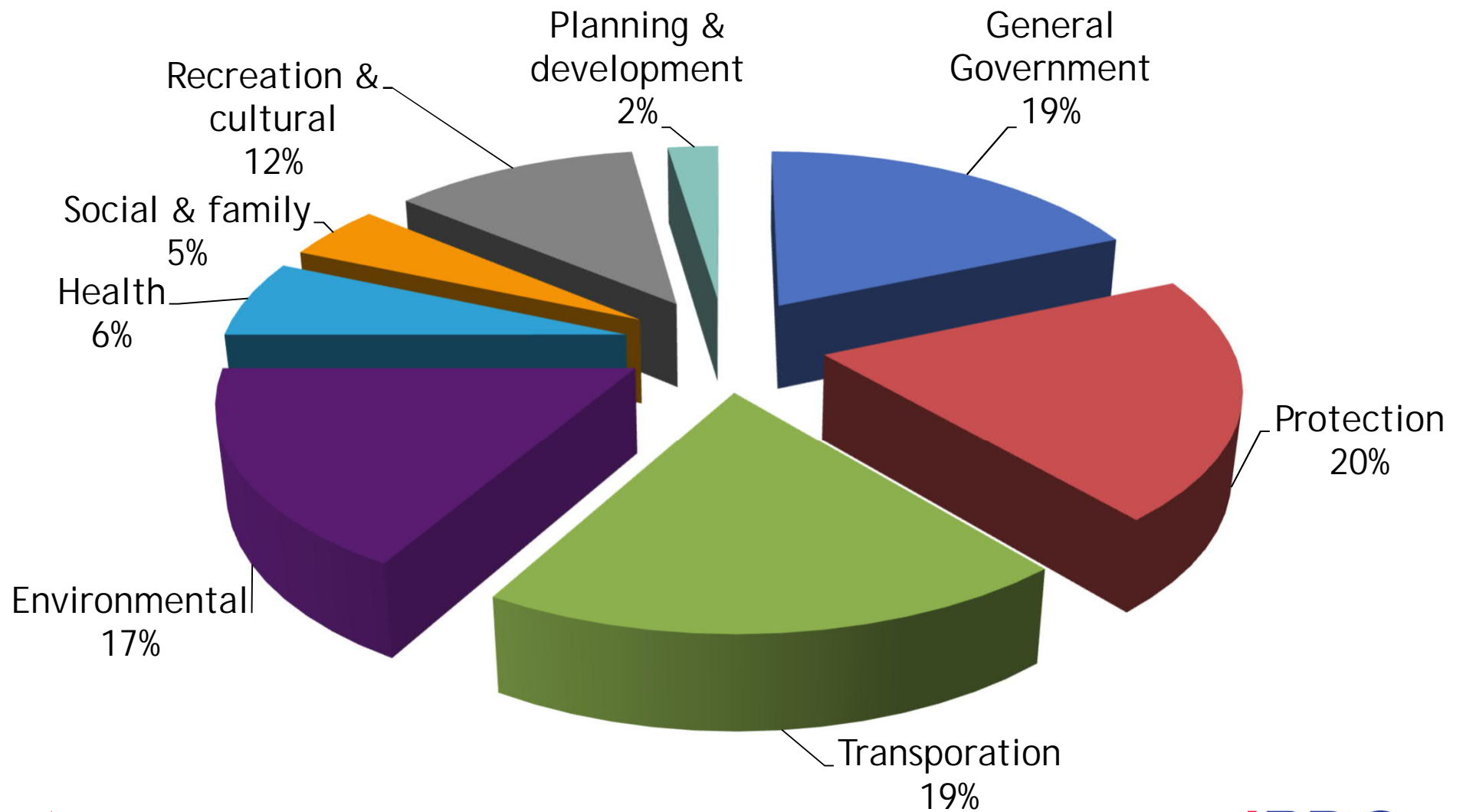
## REVENUE BY TYPE



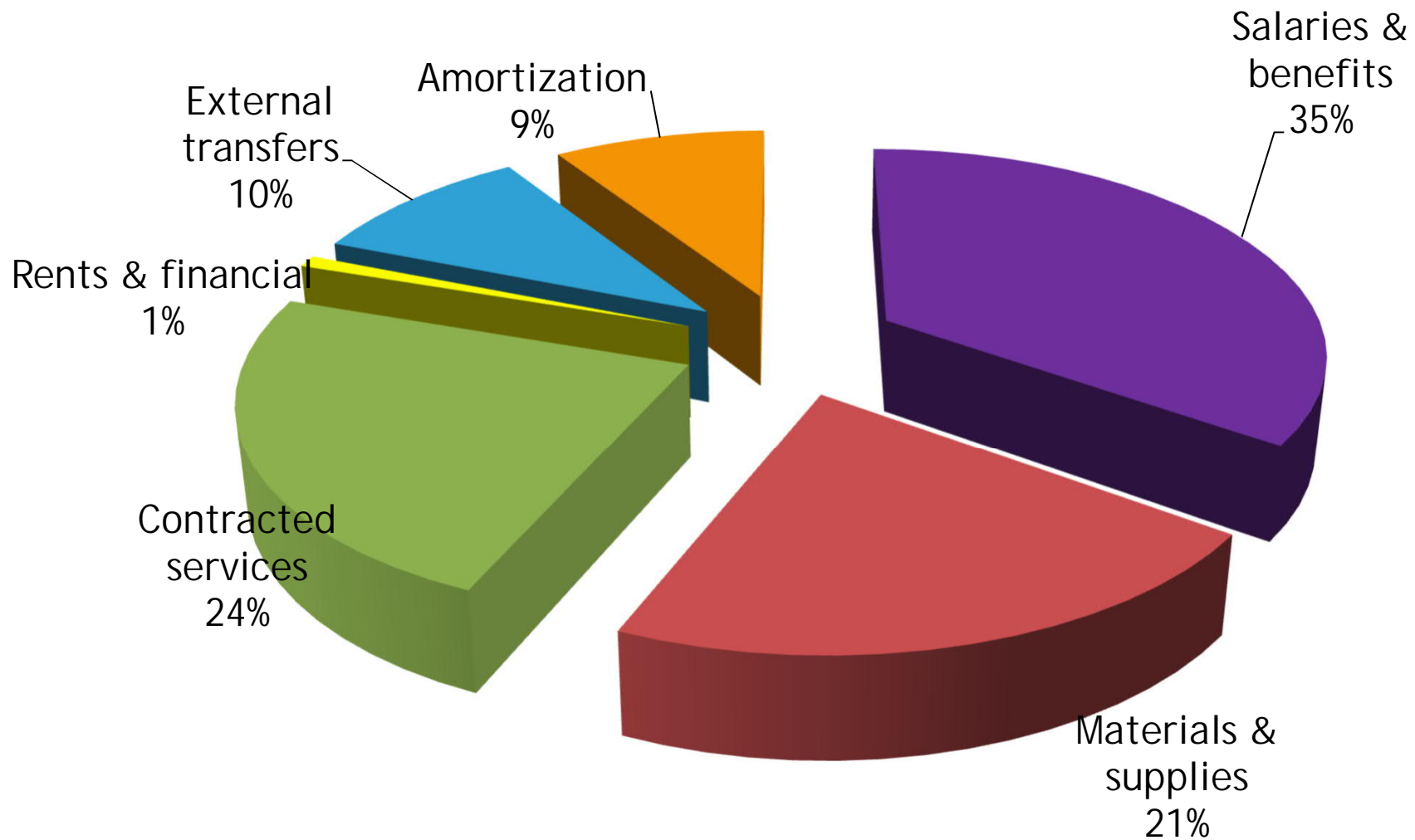
## The Corporation of the City of Elliot Lake Consolidated Statement of Operations

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# BREAKDOWN OF EXPENSES



## BREAKDOWN OF EXPENSES BY OBJECT



## The Corporation of the City of Elliot Lake Consolidated Statement of Operations

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**Accumulated surplus**

	2020	2019
Reserves set aside for specific purposes by Council		
Working capital	\$ 3,081,152	\$ 1,833,654
Elections	54,554	33,793
Capital expenses	13,974,394	13,449,295
Cemetery capital development	165,584	140,451
Landfill closure and post closure	2,126,288	2,164,151
Sick leave	-	42,631
Economic development	245,042	219,650
Miner's heritage	64,054	61,473
Legislative requirements	150,036	147,473
Wireless towers	161,294	103,445
Waterfront development	2,631,012	2,558,224
Total reserves	22,653,410	20,754,240
Equity in tangible capital assets	31,605,884	29,938,126
Operating surplus (deficit)	-	-
Unfunded liabilities		
Long term debt	(1,828,865)	(2,076,121)
Employee benefit plans liabilities	(1,498,400)	(1,491,900)
Sick leave	-	(42,631)
Landfill closure and post closure costs	(1,195,406)	(1,206,158)
	<b>\$ 49,736,623</b>	<b>\$ 45,875,556</b>

**Allocation of annual surplus:**

Reserves	\$ 651,835	\$ 2,495,992
Transfer of operating surplus to working capital	1,247,335	523,768
Total reserves	1,899,170	3,019,760
Equity in tangible capital assets	1,667,758	4,701,230
Operating surplus	-	(478,043)
Unfunded liabilities	294,139	217,346
	<b>\$ 3,861,067</b>	<b>\$ 7,460,293</b>

This change equals the annual surplus

# QUESTIONS

