

**The Corporation of the City of Elliot Lake
Consolidated Financial Statements
For the year ended December 31, 2023**

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**The Corporation of the City of Elliot Lake
Management's Responsibility for Financial Reporting**

December 31, 2023

The accompanying consolidated financial statements of The Corporation of the City of Elliot Lake (the City) are the responsibility of management and have been approved by the Mayor and Treasurer on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The City maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the City's assets are appropriately accounted for and adequately safeguarded.

The City Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers and inhabitants of the City. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.



Mayor



Deputy-Treasurer



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BDO Canada LLP
747 Queen Street East
P.O. Box 1109
Sault Ste. Marie, Ontario
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Independent Auditor's Report

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

Qualified 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, 2023 and the consolidated statements of operations, remeasurement gains and losses, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2023, and its consolidated results of operations, its consolidated remeasurement gains and losses, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective January 1, 2023, the City was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.

In addition as set out in note 10, the City continued to follow PS 3270 Solid Waste Landfill Closure and Post-Closure Liabilities which was no longer in effect when the above noted PS 3280 became applicable.

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.

Independent Auditor's Report (continued)

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
October 28, 2024

**The Corporation of the City of Elliot Lake
Consolidated Statement of Financial Position**

December 31	2023	2022
Financial assets		
Cash and cash equivalents (Note 3)	\$ 23,804,882	\$ 19,409,621
Portfolio investments (Note 4)	11,404,648	11,522,749
Taxes receivable (Note 5)	622,636	780,246
Accounts receivable (Note 6)	960,853	1,305,909
Inventory and land held for resale	48,025	84,406
Mortgage receivable (Note 7)	852,549	852,549
	37,693,593	33,955,480
Liabilities		
Accounts payable and accrued liabilities	3,244,580	2,205,541
Other liabilities	316,403	145,215
Deferred revenue (Note 8)	3,528,635	3,031,153
Long term debt (Note 9)	1,311,322	1,496,476
Accrued landfill closure and post-closure costs (Note 10)	4,033,158	3,984,232
Accrued employee benefits (Note 11)	2,070,470	2,072,608
	14,504,568	12,935,225
Net financial assets	23,189,025	21,020,255
Non-financial assets		
Prepays and supplies inventory	946,657	761,903
Tangible capital assets (Schedule 1)	39,083,661	34,880,042
	40,030,318	35,641,945
Accumulated surplus (Note 12)	\$ 63,219,343	\$ 56,662,200
Accumulated surplus (deficit) is comprised of:		
Accumulated operating surplus	\$ 63,216,979	\$ 56,662,200
Accumulated remeasurement gains	2,364	-
Accumulated surplus (Note 12)	\$ 63,219,343	\$ 56,662,200


 _____ Mayor


 _____ Deputy-Treasurer

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

For the year ended December 31	(Note 17) Budget	2023	2022
Revenue			
Taxation (Note 14)	\$ 14,253,985	\$ 14,100,350	\$ 13,453,389
Government grants - Provincial	12,544,289	9,644,962	10,650,250
Government grants - Federal	1,500,003	1,183,485	788,852
User fees and service charges	6,735,786	6,826,956	6,582,537
Licences, permits and rents	175,523	193,293	173,385
Investment income	356,710	1,405,135	619,026
Interest and penalties on taxes, water and other	157,299	180,601	169,136
Other	671,414	1,207,028	1,440,033
	<u>36,395,009</u>	<u>34,741,810</u>	<u>33,876,608</u>
Expenses			
General government	5,061,390	4,959,810	4,835,344
Protection services	5,433,211	5,351,411	5,098,122
Transportation services	6,019,633	6,107,862	5,819,011
Environmental services	4,934,940	4,672,801	6,896,499
Health services	1,808,270	1,901,302	1,825,566
Social and family services	1,282,994	1,240,627	1,204,050
Recreation and cultural services	3,602,630	3,443,406	3,452,147
Planning and development	466,151	509,812	800,461
	<u>28,609,219</u>	<u>28,187,031</u>	<u>29,931,200</u>
Annual surplus	7,785,790	6,554,779	3,945,408
Accumulated operating surplus, beginning of year	<u>56,662,200</u>	<u>56,662,200</u>	<u>52,716,792</u>
Accumulated operating surplus, end of year	\$ 64,447,990	\$ 63,216,979	\$ 56,662,200

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

**The Corporation of the City of Elliot Lake
Consolidated Statement of Remeasurement Gains and Losses**

For the year ended December 31	2023	2022
Adoption of Section 3450 Financial Instruments (Note 2)	\$ (113,936)	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	<u>116,300</u>	-
Accumulated remeasurement gains (losses), end of year	\$ 2,364	\$ -

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

**The Corporation of the City of Elliot Lake
Consolidated Statement of Change in Net Financial Assets**

For the year ended December 31	(Note 17) Budget	2023	2022
Annual surplus	\$ 7,785,790	\$ 6,554,779	\$ 3,945,408
Acquisition of tangible capital assets	(15,333,519)	(6,832,375)	(3,425,823)
Amortization of tangible capital assets	2,193,160	2,628,756	2,706,355
Gain on disposal of tangible capital assets	-	(45,695)	(265)
Proceeds on sale of tangible capital assets	-	45,695	265
Write-downs of tangible capital assets	-	-	47,953
Change in prepaid and supplies inventory	-	(184,754)	(178,042)
Net remeasurement gains (losses)	-	2,364	-
Net change in net financial assets	(5,354,569)	2,168,770	3,095,851
Net financial assets, beginning of year	21,020,255	21,020,255	17,924,404
Net financial assets, end of year	\$ 15,665,686	\$ 23,189,025	\$ 21,020,255

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

The Corporation of the City of Elliot Lake Consolidated Statement of Cash Flows

For the year ended December 31	2023	2022
Operating transactions		
Annual surplus	\$ 6,554,779	\$ 3,945,408
Items not involving cash		
Amortization	2,628,756	2,706,355
Gain on disposal of tangible capital assets	(45,695)	(265)
Write down of capital assets	-	47,953
	<u>9,137,840</u>	<u>6,699,451</u>
Changes in non-cash operating balances		
Taxes receivable	157,610	(117,259)
Accounts receivable	345,056	(861,392)
Inventory and land for resale	36,381	13,876
Prepays and supplies inventory	(184,754)	(178,042)
Accounts payable and accrued liabilities	1,039,039	84,941
Other liabilities	171,188	(44,679)
Deferred revenue	497,482	97,776
Accrued employee benefits	(2,138)	93,280
Accrued landfill closure and post-closure costs	48,926	2,341,805
	<u>11,246,630</u>	<u>8,129,757</u>
Capital transactions		
Acquisition of tangible capital assets	(6,832,375)	(3,425,823)
Proceeds on sale of tangible capital assets	45,695	265
	<u>(6,786,680)</u>	<u>(3,425,558)</u>
Investing transactions		
Disposal (acquisition) of portfolio investments	120,465	(247,367)
Financing activities		
Repayment of long term debt	(185,154)	(171,965)
Net change in cash	<u>4,395,261</u>	<u>4,284,867</u>
Cash and cash equivalents, beginning of year	<u>19,409,621</u>	<u>15,124,754</u>
Cash and cash equivalents, end of year	<u>\$ 23,804,882</u>	<u>\$ 19,409,621</u>

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

The Corporation of the City of Elliot Lake

Notes to the Consolidated Financial Statements

December 31, 2023

1. Significant accounting policies

The consolidated financial statements of the Corporation of the City of Elliot Lake (the City) are prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board.

Basis of Consolidation These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of all City organizations, committees and boards which are owned or controlled by the City including the following:

Elliot Lake Public Library Board
Elliot Lake Residential Development Commission

Cash and Cash Equivalents Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents

Financial Instruments Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Portfolio investments are recorded at cost. A write down is recorded where there has been a loss in value that is other than a temporary decline.

The Corporation of the City of Elliot Lake

Notes to the Consolidated Financial Statements

December 31, 2023

1. Significant accounting policies (continued)

Trust Funds	Funds held in trust by the City and their related operations are not included in these consolidated financial statements. The financial activity and financial position of the trust funds are reported separately.																				
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tr><td>Land improvements</td><td>20 years to indefinite</td></tr><tr><td>Buildings</td><td>15 to 40 years</td></tr><tr><td>Machinery and equipment</td><td>5 to 40 years</td></tr><tr><td>Vehicles</td><td>6 to 40 years</td></tr><tr><td>Library collection</td><td>10 years</td></tr><tr><td>Linear assets</td><td>8 to 40 years</td></tr><tr><td>Information technology</td><td>3 to 8 years</td></tr><tr><td>Parks infrastructure</td><td>5 to 40 years</td></tr><tr><td>Plants equipment</td><td>5 to 40 years</td></tr><tr><td>Leasehold improvements</td><td>over the lease term</td></tr></table>	Land improvements	20 years to indefinite	Buildings	15 to 40 years	Machinery and equipment	5 to 40 years	Vehicles	6 to 40 years	Library collection	10 years	Linear assets	8 to 40 years	Information technology	3 to 8 years	Parks infrastructure	5 to 40 years	Plants equipment	5 to 40 years	Leasehold improvements	over the lease term
Land improvements	20 years to indefinite																				
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Linear assets	8 to 40 years																				
Information technology	3 to 8 years																				
Parks infrastructure	5 to 40 years																				
Plants equipment	5 to 40 years																				
Leasehold improvements	over the lease term																				
Leased Assets	Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the City, and the obligation, including interest thereon, is retired over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.																				
Inventories and Land Held for Resale	Inventories held for consumption are recorded at the lower of cost and replacement cost. Land held for resale is recorded at the lower of cost and net realizable value.																				
Collection of taxes on Behalf of Other Taxation Authorities	The City collects tax revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.																				

The Corporation of the City of Elliot Lake

Notes to the Consolidated Financial Statements

December 31, 2023

1. Significant accounting policies (continued)

Retirement Benefits and Other Employee Benefit Plans

The City provides pension benefits to specified employees through the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan. The City's contributions due during the period are expensed as incurred. The City provides other post-employment defined benefits. These costs accumulate over the period of service provided by employees and are determined by actuaries using the projected benefit method pro-rated on services and management's best estimate of salary escalation, retirement ages of employees and expected health care costs. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee groups.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general City purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Government Transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Revenue Recognition

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Charges for sewer and water usage are recorded as user fees which are recorded upon provision of service. Connection fee revenues are recognized when the connection has been established.

Sales of service and other revenue is recognized on an accrual basis.

The Corporation of the City of Elliot Lake

Notes to the Consolidated Financial Statements

December 31, 2023

1. Significant accounting policies (continued)

Solid Waste Landfills The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used. Future events may result in significant changes to the estimated total expenses, capacity used, or total capacity and the estimated liability and would be recognized prospectively, as a change in estimate, when applicable.

Use of Estimates The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Change in accounting policy

On January 1, 2023, the municipality adopted PS 3450 Financial instruments which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This standard is effective January 1, 2023 and is required to be adopted prospectively. As a result the unrealized gains and losses on investments for the year ended December 31, 2023 are shown on a new statement, the statement of remeasurement gains and losses. In addition there is a transition adjustment for the adoption of this new standard in the amount of \$(113,936) which represents the unrealized loss on the investments as at January 1, 2023. The comparative figures have not been restated from the presentation and disclosure requirements of the previous financial reporting framework adopted by the municipality.

3. Cash and cash equivalents

	2023	2022
Unrestricted cash and cash equivalents are comprised of:		
Cash on hand	\$ 2,150	\$ 2,750
Cash held in banks	20,303,337	16,570,403
	20,305,487	16,573,153
Internally restricted cash and cash equivalents are composed of:		
Cash held in banks	2,974,133	2,824,207
Cash held in investment account	525,262	12,261
	3,499,395	2,836,468
	\$ 23,804,882	\$ 19,409,621

The Corporation of the City of Elliot Lake

Notes to the Consolidated Financial Statements

December 31, 2023

4. Portfolio investments

	2023	2022
Cost		
GICs, bonds, and pool funds	\$ 8,274,945	\$ 8,300,835
Strip and coupon bonds	1,153,864	1,309,335
Term deposits	424,188	410,441
Market value		
Equity	1,551,651	1,502,138
	\$ 11,404,648	\$ 11,522,749

Corporate, provincial bonds and GICs carry effective interest rates between 1.82% and 5.67% and mature between May 2024 and December 2028. Interest is receivable annually.

Strip and coupon bonds carry effective interest rates between 2.59% and 3.80% and mature between December 2024 and June 2026.

Term deposits carry effective interest rates between 2.60% and 3.10% and mature between September 2024 and October 2024. Interest is receivable on an annual basis.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the City's equities and mutual fund investments have been determined using Level 1 measures in the fair value hierarchy.

The Corporation of the City of Elliot Lake
Notes to the Consolidated Financial Statements

December 31, 2023

5. Taxes receivable

	2023	2022
Levies	\$ 1,106,820	\$ 1,101,202
Interest and penalties	70,564	101,286
Less: allowance for doubtful collection	(554,748)	(422,242)
	\$ 622,636	\$ 780,246

6. Accounts receivable

	2023	2022
Ontario specific grants	\$ 300,118	\$ 774,018
School board receivable	2,624	2,624
HST receivable	354,642	370,837
Accounts receivable general	243,528	175,632
Accounts receivable water	13,527	25,183
Due from Care and Maintenance Trust fund	39,549	25,929
Other receivables	74,635	2,805
Less: allowance for doubtful collection	(67,770)	(71,119)
	\$ 960,853	\$ 1,305,909

7. Mortgage receivable

The City holds a first mortgage on the property known as the ELNOS building. Commencing in 2007, subject to an agreement dated October 19, 2006, there are no annual payments required so long as the borrower remains the owner of the property. On the sale of the property, the City will be entitled to the principal amount of the mortgage plus interest at the rate of 2% calculated from the date of advance of the funds.

8. Deferred revenue

	Opening balance	Contributions Received	Externally restricted investment income	Revenue Recognized	Ending balance
Gas tax	\$ 2,855,683	\$ 710,927	\$ 152,296	\$ (374,749)	\$ 3,344,157
Other	175,470	184,478	-	(175,470)	184,478
	\$ 3,031,153	\$ 895,405	\$ 152,296	\$ (550,219)	\$ 3,528,635

The Corporation of the City of Elliot Lake

Notes to the Consolidated Financial Statements

December 31, 2023

9. Long term debt

Long term debt is made up of the following:

	2023	2022
Ontario Infrastructure debenture loan, with \$49,250 bi-annual payments plus interest at 2.75%, maturing April 2035	\$ 1,132,750	\$ 1,231,250
Real Term loan, payable \$9,803 (2022 - \$9,542) monthly including interest and warranty, with payment amounts escalating each September, maturing August 2025	178,572	265,226
	\$ 1,311,322	\$ 1,496,476

Principal repayments over the next five years and thereafter are as follows:

Year		Amount
2024	\$	200,217
2025		175,355
2026		98,500
2027		98,500
2028		98,500
Thereafter		640,250
		\$ 1,311,322

10. Landfill closure and post-closure costs

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The present value of the City's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$4,033,158 (2022 - \$3,984,232) and reflects a discount rate of 3.27% (2022 - 3.43%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The landfill is expected to reach its capacity in 27 years and the estimated remaining capacity is 435,532 cubic metres (2022 - 452,695). The total undiscounted estimated future expenditures for closure and post-closure care are \$3,184,776 (2022 - \$3,004,506). The estimated length of time needed for post-closure care is 25 years.

The Corporation of the City of Elliot Lake

Notes to the Consolidated Financial Statements

December 31, 2023

11. Employee benefits

Employee benefits plan liabilities are made up of the following:

	2023	2022
Accrued vacation pay	\$ 440,470	\$ 515,808
Accrued retirement and post-employment benefits	1,630,000	1,556,800
	\$ 2,070,470	\$ 2,072,608

Accrued vacation pay represents the liability for vacation entitlements earned by employees but not taken as at December 31, 2023.

The City provides certain health, dental and life insurance on behalf of retired employees. The City accrues the liability for these employee future benefits over the service periods in which the employees earn the benefits. The cost of these employee future benefits was determined based on the December 31, 2023 actuarial valuation that included the following significant assumptions:

Discount rate of 4.30% (2022 - 2.20%)

There are no plan assets.

Weighted average health care trend rate of 6.65% (2022 - 6.05%)

The accrued benefit obligation at the end of the year was \$1,310,300 (2022 - \$1,600,900).

The following total expenses related to these benefits are included in the consolidated statement of operations as a component of program expenses:

	2023	2022
Current year benefit cost	\$ 129,400	\$ 116,800
Interest cost	36,400	35,900
Plan amendments incurred in year	43,500	-
Amortization of actuarial gain	3,400	23,000
	\$ 212,700	\$ 175,700

The Corporation of the City of Elliot Lake Notes to the Consolidated Financial Statements

December 31, 2023

12. Accumulated surplus

	2023	2022
Reserves set aside for specific purposes by Council		
Working capital	\$ 4,723,329	\$ 3,757,248
Elections	72,434	47,148
Capital expenses	20,470,280	19,588,920
Cemetery capital development	243,227	212,828
Landfill closure and post closure	2,218,641	2,117,627
Economic development	253,477	217,506
Miner's heritage	31,969	60,067
Legislative requirements	163,105	155,679
Wireless towers	294,516	255,898
Waterfront development	2,815,392	2,671,972
	31,286,370	29,084,893
Total reserves		
Equity in tangible capital assets	38,905,089	34,614,815
Operating surplus (deficit)	-	-
Net remeasurement gains (losses)	2,364	-
Unfunded liabilities		
Long term debt	(1,311,322)	(1,496,476)
Employee benefit plans liabilities	(1,630,000)	(1,556,800)
Landfill closure and post closure costs	(4,033,158)	(3,984,232)
	\$ 63,219,343	\$ 56,662,200
 Allocation of annual surplus:		
Reserves	\$ 1,171,216	\$ 3,679,472
Transfer of operating surplus to working capital	1,030,261	1,732,596
	2,201,477	5,412,068
Total reserves		
Equity in tangible capital assets	4,290,274	744,980
Unfunded liabilities	63,028	(2,211,640)
	\$ 6,554,779	\$ 3,945,408

13. Pension agreements

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all permanent, full time members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, the City does not recognize any share of the pension plan deficit, as this is a joint responsibility of all Ontario municipalities and their employees. At December 31, 2023 OMERS reported an actuarial funding deficit of \$4.2 billion (2022 - \$6.7 billion). Employer's contributions for current and past service are included as an expense on the consolidated statement of operations. The amount contributed to OMERS in 2023 was \$592,053 (2022 - \$599,089).

The Corporation of the City of Elliot Lake

Notes to the Consolidated Financial Statements

December 31, 2023

14. Taxation

	2023	2022
Residential and multi-residential	\$ 12,641,696	\$ 12,006,223
Commercial and industrial	2,693,207	2,566,068
Taxation from other governments	368,680	353,211
Tax reductions and rebates	(257,438)	(139,995)
	15,446,145	14,785,507
Deduct: amounts received or receivable for school boards	(1,345,795)	(1,332,118)
	\$ 14,100,350	\$ 13,453,389

Property tax billings are prepared by the City based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. All assessed property values in the City were reviewed and new values established based on a common valuation date which was used by the City in computing the property tax billings. However, property tax revenue and taxes receivable of the City are subject to measurement uncertainty as ratepayers may appeal the values assessed.

15. Segmented information

The City is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, City operations and activities are organized and reported by department. Departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. This category encompasses the CAO's office, Mayor and Council, clerks and elections, administrative buildings, treasury financial, budgets and bill collection. Administrative services to other departments include information technology and human resources departments.

Protection

Protection is comprised of the fire/emergency by-law enforcement and building inspections departments as well as transfers to the Ontario Provincial Police for policing services. The mandate of the police services is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

Transportation

The transportation department is responsible for the delivery of City public works services related to the planning, development and maintenance of City roads and streets, transit operations, airport operations and street lighting.

The Corporation of the City of Elliot Lake

Notes to Consolidated Financial Statements

December 31, 2023

15. Segmented information (continued)

Environmental

The environmental department consists of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water to ratepayers, collects and treats wastewater, and provides garbage disposal and waste minimization programs and facilities for solid waste disposal.

Health

Through the Algoma Health Unit, the City contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of City cemeteries.

Social and family

Through the Algoma District Services Administration Board, the City contributes to social assistance payments, child care services and social housing.

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, arena and pool operation, fitness and sports programs, civic centre operation, recreational programming and trail maintenance. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the City's citizens through the provision of library services.

Planning

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Note 1 significant accounting policies. For additional information see Schedule 2 - Consolidated Schedule of Segment Disclosure.

16. Funds held in trust

Funds held in trust by the City for cemetery care and maintenance amounting to \$367,888 (2022 - \$353,392) are not included in these financial statements but are reported upon separately.

The Corporation of the City of Elliot Lake

Notes to Consolidated Financial Statements

December 31, 2023

17. Budget

The Financial Plan (Budget) By-Law adopted by Council on May 8, 2023 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to increase current year revenues in excess of expenditures. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

<i>Financial Plan (Budget) Bylaw</i>	
Operating fund surplus for the year	\$ -
Capital fund surplus (deficit) for the year	<u>1,500,003</u>
	1,500,003
<i>Add:</i>	
Capital expenditures	15,333,519
Principal payments on long-term debt	185,154
<i>Less:</i>	
Amortization	(2,193,160)
Net inter-fund transfers from reserves	<u>(7,039,726)</u>
<i>Budget surplus per statement of operations</i>	<u>\$ 7,785,790</u>

18. Commitments

The City has entered into service agreements in the amount of \$8,921,918 plus applicable taxes, with \$9,416,918 committed from the Infrastructure Services reserve for the reconstruction of Hillside Drive. The construction was set for the period of April to July 2024.

19. Contingent liabilities

The City has been named in litigation matters, the outcome of which is not determinable and accordingly, no provision has been made for them in these financial statements. Should any loss result from these claims, such loss would be charged to operations in the year of resolution.

The Corporation of the City of Elliot Lake

Notes to Consolidated Financial Statements

December 31, 2023

20. Financial instruments

The City is exposed to credit risk, liquidity risk, interest rate risk and market risk from its financial instruments. This note describes the City's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The City is exposed to credit risk through its cash and accounts receivable.

The City's maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as presented on the statement of financial position. The City holds its cash accounts with large reputable financial institutions, from which management believes the risk of loss due to credit risk to be remote.

The City is exposed to credit risk in accounts receivable which includes government and other receivables. The City measures its exposure to credit risk with respect to accounts receivable based on how long the amounts have been outstanding and management's analysis of accounts including managements on-going monitoring of outstanding accounts. In the opinion of management, the credit risk exposure in accounts receivable is considered to be moderate.

b) Liquidity risk

Liquidity risk is the risk that the company cannot repay its obligations when they become due to its creditors. The City is exposed to this risk relating to its accounts payable and accrued liabilities, long term debt and due to funders.

The City reduces its exposure to liquidity risk by monitoring cash and investing activities and expected outflow through extensive budgeting and maintaining enough cash to repay trade creditors as payables become due. In the opinion of management, the liquidity risk exposure to the City is low.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The City is mainly exposed to interest rate risk.

i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The City is exposed to this risk through its portfolio investmentst. See note 4 for information on this. The City does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management, the interest rate risk exposure to the City is low.

The City holds long-term debt with fixed interest rates; which therefore, limits the exposure to interest rate risk for the City.

**The Corporation of the City of Elliot Lake
Schedule 1 - Consolidated Tangible Capital Assets**

For the year ended December 31, 2023

	Land	Land Improvements	Buildings & Leasehold Improvements	Machinery and Equipment	Vehicles	Library collection	Linear assets	Information technology	Parks infrastructure	Plants equipment	Work in progress	Total
Cost, beginning of year	\$ 4,289,735	\$ 10,816,059	\$ 18,564,622	\$ 6,401,378	\$ 9,825,374	\$ 764,846	\$ 62,971,101	\$ 574,375	\$ 4,445,183	\$ 15,756,067	\$ 2,846,280	\$ 137,255,020
Additions	11,440	15,193	12,671	87,104	723,549	43,952	374,749	-	31,742	173,557	5,358,418	6,832,375
Disposals	-	-	-	-	(366,756)	-	-	-	-	-	-	(366,756)
Capitalized construction	-	-	105,097	23,405	-	-	-	-	9,540	170,788	(308,830)	-
Cost, end of year	4,301,175	10,831,252	18,682,390	6,511,887	10,182,167	808,798	63,345,850	574,375	4,486,465	16,100,412	7,895,868	143,720,639
Accumulated amortization, beginning of year	-	9,759,567	15,427,864	3,919,240	6,169,494	522,324	48,788,135	313,742	2,748,752	14,725,860	-	102,374,978
Amortization	-	118,266	280,585	271,166	627,344	68,916	916,486	62,165	167,906	115,922	-	2,628,756
Disposals	-	-	-	-	(366,756)	-	-	-	-	-	-	(366,756)
Accumulated amortization, end of year	-	9,877,833	15,708,449	4,190,406	6,430,082	591,240	49,704,621	375,907	2,916,658	14,841,782	-	104,636,978
Net carrying amount, end of year	\$ 4,301,175	\$ 953,419	\$ 2,973,941	\$ 2,321,481	\$ 3,752,085	\$ 217,558	\$ 13,641,229	\$ 198,468	\$ 1,569,807	\$ 1,258,630	\$ 7,895,868	\$ 39,083,661

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$7,895,868 (2022 - \$2,846,280).

The City holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

The Corporation of the City of Elliot Lake
Schedule 1 - Consolidated Tangible Capital Assets (continued)

For the year ended December 31, 2022 (comparative figures)

	Land	Land Improvements	Buildings & Leasehold Improvements	Machinery and Equipment	Vehicles	Library collection	Linear assets	Information technology	Parks infrastructure	Plants equipment	Work in progress	Total
Cost, beginning of year	\$ 4,289,735	\$ 10,816,059	\$ 18,549,425	\$ 6,375,014	\$ 9,582,536	\$ 719,491	\$ 61,675,491	\$ 562,622	\$ 3,491,051	\$ 15,756,067	\$ 2,205,028	\$ 134,022,519
Additions	-	-	15,197	69,892	275,494	45,355	1,264,885	30,850	931,236	-	792,914	3,425,823
Disposals	-	-	-	(93,616)	(32,656)	-	-	(19,097)	-	-	-	(145,369)
Capitalized construction	-	-	-	50,088	-	-	30,725	-	22,896	-	(103,709)	-
Write-downs	-	-	-	-	-	-	-	-	-	-	(47,953)	(47,953)
Cost, end of year	4,289,735	10,816,059	18,564,622	6,401,378	9,825,374	764,846	62,971,101	574,375	4,445,183	15,756,067	2,846,280	137,255,020
Accumulated amortization, beginning of year	-	9,642,061	15,148,219	3,738,863	5,608,315	443,970	47,910,852	272,602	2,612,280	14,436,830	-	99,813,992
Amortization	-	117,506	279,645	273,993	593,835	78,354	877,283	60,237	136,472	289,030	-	2,706,355
Disposals	-	-	-	(93,616)	(32,656)	-	-	(19,097)	-	-	-	(145,369)
Accumulated amortization, end of year	-	9,759,567	15,427,864	3,919,240	6,169,494	522,324	48,788,135	313,742	2,748,752	14,725,860	-	102,374,978
Net carrying amount, end of year	\$ 4,289,735	\$ 1,056,492	\$ 3,136,758	\$ 2,482,138	\$ 3,655,880	\$ 242,522	\$ 14,182,966	\$ 260,633	\$ 1,696,431	\$ 1,030,207	\$ 2,846,280	\$ 34,880,042

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

**The Corporation of the City of Elliot Lake
Schedule 2 - Consolidated Segment Disclosure**

For the year ended December 31, 2023

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 3,178,967	\$ 3,231,226	\$ 3,306,121	\$ 322,211	\$ 1,183,824	\$ 804,793	\$ 1,756,266	\$ 316,942	\$ 14,100,350
Ontario grants	1,857,734	2,027,740	3,143,836	188,295	691,806	470,307	1,063,853	201,391	9,644,962
Canada grants	750,000	-	374,749	-	-	-	30,717	28,019	1,183,485
User fees and service charges	144,689	12,577	556,422	5,763,654	95,839	-	253,775	-	6,826,956
Licences, permits and rents	7,550	158,192	-	-	-	-	27,551	-	193,293
Investment income	1,241,864	-	-	-	13,620	-	-	149,651	1,405,135
Interest and penalties on taxes, water and other	140,122	-	-	40,479	-	-	-	-	180,601
Other	201,939	51,356	104,973	320,632	40	-	366,483	161,605	1,207,028
	7,522,865	5,481,091	7,486,101	6,635,271	1,985,129	1,275,100	3,498,645	857,608	34,741,810
Expenses									
Salaries and benefits	2,158,929	2,027,965	2,131,143	1,422,616	55,311	-	1,565,660	204,096	9,565,720
Materials and supplies	1,965,194	284,263	1,856,850	1,627,007	93,426	-	775,330	191,200	6,793,270
Contracted services	679,224	2,889,096	869,862	1,174,476	180,366	-	162,734	39,951	5,995,709
Rents and financial	-	-	33,123	-	-	-	334,078	33,180	400,381
External transfers	-	-	-	-	1,562,569	1,240,627	-	-	2,803,196
Amortization	156,463	150,087	1,216,884	448,702	9,630	-	605,604	41,385	2,628,755
	4,959,810	5,351,411	6,107,862	4,672,801	1,901,302	1,240,627	3,443,406	509,812	28,187,031
Excess (deficiency) of revenue over expenses	\$ 2,563,055	\$ 129,680	\$ 1,378,239	\$ 1,962,470	\$ 83,827	\$ 34,473	\$ 55,239	\$ 347,796	\$ 6,554,779

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

The Corporation of the City of Elliot Lake
Schedule 2 - Consolidated Segment Disclosure (continued)

For the year ended December 31, 2022 (comparative figures)

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 3,181,721	\$ 3,039,092	\$ 3,040,156	\$ 308,397	\$ 1,064,998	\$ 764,642	\$ 1,711,294	\$ 343,089	\$ 13,453,389
Ontario grants	1,944,141	1,988,957	3,432,785	222,742	648,337	465,490	1,599,304	348,494	10,650,250
Canada grants	-	-	671,771	-	-	-	82,100	34,981	788,852
User fees and service charges	40,797	18,242	492,260	5,405,100	61,098	-	565,040	-	6,582,537
Licences, permits and rents	5,850	130,669	-	-	-	-	36,866	-	173,385
Investment income	550,993	-	-	-	7,036	-	-	60,997	619,026
Interest and penalties on taxes, water and other	130,284	-	-	38,852	-	-	-	-	169,136
Other	62,835	66,329	98,282	368,576	854	-	77,405	765,752	1,440,033
	<u>5,916,621</u>	<u>5,243,289</u>	<u>7,735,254</u>	<u>6,343,667</u>	<u>1,782,323</u>	<u>1,230,132</u>	<u>4,072,009</u>	<u>1,553,313</u>	<u>33,876,608</u>
Expenses									
Salaries and benefits	2,531,679	1,876,773	2,032,670	1,400,541	33,184	-	1,526,003	215,631	9,616,481
Materials and supplies	1,608,450	178,589	1,766,927	1,563,136	62,638	-	728,853	182,154	6,090,747
Contracted services	540,426	2,893,057	807,934	3,313,221	223,142	-	296,873	322,499	8,397,152
Rents and financial	-	-	48,512	-	-	-	332,140	38,791	419,443
External transfers	-	-	-	-	1,496,972	1,204,050	-	-	2,701,022
Amortization	154,789	149,703	1,162,968	619,601	9,630	-	568,278	41,386	2,706,355
	<u>4,835,344</u>	<u>5,098,122</u>	<u>5,819,011</u>	<u>6,896,499</u>	<u>1,825,566</u>	<u>1,204,050</u>	<u>3,452,147</u>	<u>800,461</u>	<u>29,931,200</u>
Excess (deficiency) of revenue over expenses	<u>\$ 1,081,277</u>	<u>\$ 145,167</u>	<u>\$ 1,916,243</u>	<u>\$ (552,832)</u>	<u>\$ (43,243)</u>	<u>\$ 26,082</u>	<u>\$ 619,862</u>	<u>\$ 752,852</u>	<u>\$ 3,945,408</u>

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

**The Corporation of the City of Elliot Lake
Care and Maintenance Trust Funds
Financial Statements
For the year ended December 31, 2023**

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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 financial statements of The Corporation of the City of Elliot Lake Trust Fund (the Trust Fund), which comprise the statement of financial position as at December 31, 2023, and the statement of operations and trust balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2023, and the continuity thereof, in accordance with the basis of accounting as described in Note 1.

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 Financial Statements* section of our report. We are independent of the Trust Fund 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.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the Trust Funds to comply with the reporting requirements of the Bereavement Authority of Ontario. As a result, the financial statements may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as described in Note 1, 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 Trust Fund'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 Trust Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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.

Independent Auditor's Report (continued)

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 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 Trust Fund'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 Trust Fund'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 Trust Fund 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 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
October 28, 2024

**The Corporation of the City of Elliot Lake
Cemetery Care and Maintenance Trust Funds**

Statement of Financial Position

December 31	2023	2022
Assets		
Cash	\$ 160,500	\$ 142,930
Investments	232,441	226,790
	\$ 392,941	\$ 369,720
Liabilities and Fund Balance		
Due to the City of Elliot Lake	\$ 25,053	\$ 16,328
Trust Fund Balance	367,888	353,392
	\$ 392,941	\$ 369,720

Statement of Operations and Trust Balance

For the year ended December 31	2023	2022
Revenue		
Interest earned	\$ 13,620	\$ 7,036
Contributions from the City of Elliot Lake:		
Care and maintenance	5,950	3,350
Marker installation fees	1,400	1,600
Niche care and maintenance	7,146	4,651
	28,116	16,637
Expenditures		
Contributions to the City of Elliot Lake	13,620	7,036
Annual surplus	14,496	9,601
Trust Fund Balance, beginning of year	353,392	343,791
Trust Fund Balance, end of year	\$ 367,888	\$ 353,392

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

The Corporation of the City of Elliot Lake Cemetery Care and Maintenance Trust Funds Notes to Financial Statements

December 31, 2023

1. Significant accounting policies

Management's responsibility

The financial statements of The Corporation of the City of Elliot Lake Trust Fund are the representation of management and have been prepared in accordance with accrual based accounting principles. Precise determination of some assets and liabilities may be dependent upon future events, estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgement and review.

Accrual basis of accounting

Sources of revenues and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

2. Nature of Trust Fund

The Cemetery Care and Maintenance Trust Fund was established in accordance with the Cemeteries Act for the care and maintenance of certain cemetery grounds.

3. Investments

Trust fund investments of \$232,441 (2022 - \$226,790) have an estimated market value of \$228,290 (2022 - \$218,107). Investments consist of corporate and provincial coupon bonds, money market fund, and bond fund.