



Consolidated Financial Statements

The Corporation of the Municipality of
Sioux Lookout

December 31, 2021



SIoux LOOKOUT

Hub of the North

The Corporation of the
Municipality of Sioux Lookout
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Statement of Administrative Responsibility

The management of The Corporation of the Municipality of Sioux Lookout have prepared the accompanying financial statements and are responsible for their accuracy and integrity. These statements consolidate all operations for which the Municipality has legislative and financial responsibility. The financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board [PSAB] of the CPA Canada.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Municipal assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Municipal Council reviews and approves the financial statements before such statements are submitted to the Ministry of Municipal Affairs and Housing and published for the residents of The Corporation of the Municipality of Sioux Lookout. The external auditors have access to and meet with Municipal Council to discuss their audit and the results of their examination.

The 2021 Financial Statements have been reported on by The Corporation of the Municipality of Sioux Lookout's external auditors, Grant Thornton LLP, the auditors appointed by Municipal Council. The independent auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Michelle Larose, CMO
Chief Administrative Officer

Carly Collins
Treasurer

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Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of Sioux Lookout

Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of Sioux Lookout ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the consolidated 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 Corporation of the Municipality of Sioux Lookout as at December 31, 2021, and its results of consolidated operations, its consolidated changes in its net financial assets (debt), and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 consolidated 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 Municipality'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 Municipality'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 Municipality 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Grant Thornton LLP

Thunder Bay, Canada
February 15, 2023

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Sioux Lookout Consolidated Statement of Financial Position

As at December 31	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents <i>[note 3]</i>	13,928,954	9,805,274
Taxes receivable <i>[note 4[a]]</i>	1,772,086	1,883,607
User charges receivable <i>[note 4[b]]</i>	237,309	415,976
Accounts receivable	2,111,578	3,031,387
Inventories for resale	171,682	151,966
Investment in government business enterprise <i>[note 5]</i>	3,401,681	3,329,829
Total financial assets	21,623,290	18,618,039
LIABILITIES		
Accounts payable and accrued liabilities	1,383,275	2,662,849
Deferred revenue <i>[note 6]</i>	555,328	432,477
Debt <i>[note 8]</i>	18,217,572	19,501,082
Landfill closure and post-closure liability <i>[note 9]</i>	535,711	520,444
Employee benefits liability <i>[note 10]</i>	477,490	446,473
Total liabilities	21,169,376	23,563,325
NET FINANCIAL ASSETS (DEBT)	453,914	(4,945,286)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 11] [schedule 2]</i>	75,450,637	76,426,327
Prepaid expenses	100,760	177,824
	75,551,397	76,604,151
Accumulated surplus <i>[schedule 1]</i>	76,005,311	71,658,865

Guarantee (Note 16)

See accompanying notes to the consolidated financial statements.

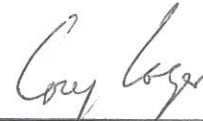
On behalf of the Municipality:

Mayor

Councillor



Doug Lawrance



Cory Lago

The Corporation of the Municipality of Sioux Lookout Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31

	Budget 2021 \$ <i>[note 15]</i>	Actual 2021 \$	Actual 2020 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	8,712,068	8,471,245	8,436,463
Commercial and industrial	2,144,238	2,236,163	2,161,659
Taxation from other governments	708,783	715,005	709,262
	11,565,089	11,422,413	11,307,384
User charges			
Water and sewer billings	2,806,684	3,038,418	2,926,313
Other fees and service charges	5,200,268	5,550,915	4,927,510
	19,572,041	20,011,746	19,161,207
Government transfers			
Government of Canada	753,576	2,357,865	554,872
Province of Ontario	5,035,810	5,726,605	3,900,269
	5,789,386	8,084,470	4,455,141
Other			
Investment income	55,000	45,894	102,622
Penalties, fines and late payment charges	254,200	312,041	200,484
Sale of aviation fuel	6,901,000	7,326,025	5,186,683
Fundraising and donations from the public	3,000	27,705	8,696
Other municipalities (POA)	140,000	(47,404)	15,411
Licences, permits and rents	91,800	89,359	81,104
Income from investment in government business	200,000	341,352	292,107
Other	277,311	40,686	90,281
	7,922,311	8,135,658	5,977,388
Total revenues	33,283,738	36,231,874	29,593,736

	Budget 2021 \$ [note 15]	Actual 2021 \$	Actual 2020 \$
EXPENSES [note 12] [schedule 3]			
General government	3,120,699	3,287,113	3,240,689
Protection to persons and property	2,506,719	2,507,764	2,382,515
Transportation services	13,861,660	14,881,842	11,994,296
Environmental services	4,034,687	4,019,047	3,709,687
Health services	1,291,525	1,153,626	1,399,084
Social and family services	2,189,466	2,066,384	1,704,469
Social housing	374,748	374,748	399,857
Recreation and cultural services	2,594,695	2,251,335	2,197,470
Planning and development	967,001	900,560	606,325
	30,941,200	31,442,419	27,634,392
NET REVENUES BEFORE UNDERNOTED ITEM			
	2,342,538	4,789,455	1,959,344
OTHER			
Loss on disposal of tangible capital assets	-	(443,009)	(3,259)
Annual surplus	2,342,538	4,346,446	1,956,085
Accumulated surplus, beginning of year	71,658,865	71,658,865	69,702,780
Accumulated surplus, end of year [schedule 1]	74,001,403	76,005,311	71,658,865

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Sioux Lookout Consolidated Statement of Changes in Net Assets (Debt)

Year ended December 31

	Budget 2021 \$ <i>[note 15]</i>	Actual 2021 \$	Actual 2020 \$
Annual surplus	2,342,538	4,346,446	1,956,085
Acquisition of tangible capital assets	(9,382,175)	(3,903,133)	(3,876,170)
Write down of tangible capital assets	-	1,104,321	-
Amortization of tangible capital assets	3,331,493	3,331,493	3,314,391
Loss on disposal of tangible capital assets	-	443,009	3,261
Acquisition of prepaid expenses	-	(100,760)	(177,824)
Use of prepaid expenses	-	177,824	413,338
Decrease in net assets (debt)	(3,708,144)	5,399,200	1,633,081
Net financial debt, beginning of year	(4,945,286)	(4,945,286)	(6,578,367)
Net financial assets (debt), end of year	(8,653,430)	453,914	(4,945,286)

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Sioux Lookout

Consolidated Statement of Cash Flows

Year ended December 31	2021	2020
	\$	\$
OPERATIONS		
Annual surplus	4,346,446	1,956,085
Non-cash charges		
Amortization of tangible capital assets	3,331,493	3,314,391
Loss on disposal of tangible capital assets	443,009	3,261
Landfill closure and post-closure costs	15,267	122,768
Employee future benefits	31,017	127,764
Income from government business enterprise	(286,852)	(292,107)
Write down on tangible capital assets	1,104,321	-
	8,984,701	5,232,162
Net change in non-cash working capital balances		
Decrease (increase) in taxes receivable	111,521	(668,723)
Decrease (increase) in user charges receivable	178,667	(154,283)
Decrease in accounts receivable	919,809	997,694
Decrease (increase) in inventories for resale	(19,716)	18,754
Increase (decrease) in accounts payable and accrued liabilities	(1,279,574)	814,502
Increase (decrease) in deferred revenue	122,851	(2,853)
Decrease in prepaid expenses	77,064	235,514
Cash provided by operating transactions	9,095,323	6,472,767
CAPITAL		
Acquisition of tangible capital assets	(3,903,133)	(3,876,170)
Cash used in capital transactions	(3,903,133)	(3,876,170)
INVESTING		
Dividends from government business enterprise	215,000	215,000
Cash provided by investing transactions	215,000	215,000
FINANCING		
Debt principal repayments	(1,283,510)	(1,228,268)
Long-term debt proceeds	-	172,974
Cash used in financing transactions	(1,283,510)	(1,055,294)
Increase in cash and cash equivalents during year	4,123,680	1,756,303
Cash and cash equivalents, beginning of year	9,805,274	8,048,971
Cash and cash equivalents, end of year	13,928,954	9,805,274

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Sioux Lookout Notes to the Consolidated Financial Statements

December 31, 2021

GENERAL

The Corporation of the Municipality of Sioux Lookout ("the Municipality") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of The Corporation of the Municipality of Sioux Lookout are prepared by management in accordance with accounting policies generally accepted for the local government as prescribed by the Public Sector Accounting Board ("PSAB") of CPA Canada. The more significant of these accounting policies are as follows:

[a] Basis of consolidation

Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, local boards, and committees accountable for the administration of their financial affairs and resources, to the Municipality, and which are controlled by the Municipality. Accordingly, the following is consolidated in these financial statements:

Sioux Lookout Public Library Board
Sioux Lookout Airport

All interfund balances and transactions have been eliminated.

Government business enterprises and partnerships are separate legal entities which do not rely on the Municipality for funding. Investments in government business enterprises are accounted for using the modified equity method. The following government business enterprises are reflected in the consolidated financial statements:

Sioux Lookout Hydro Inc.

Local boards

The financial activities of certain entities associated with the Municipality are not consolidated. The Municipality's contribution to these entities are recorded in the Statement of Operations and Accumulated Surplus. The entities that are accounted for in this manner are:

District of Kenora Home for the Aged
Kenora District Services Board
Northwestern Health Unit

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

Trust funds

Certain assets have been conveyed or assigned to the Municipality to be administered as directed by agreement or statute. The Municipality holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries, as a result, the trust funds and assets are excluded from their financial statements.

Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards, are not reflected in these consolidated financial statements.

[b] Basis of accounting

Accrual accounting

The Municipality uses the accrual basis of accounting which recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. It recognizes a liability until the obligation or conditions underlying the liability is partly or wholly satisfied and recognizes an asset until the future economic benefit underlying the asset is partly or wholly used or lost.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances in banks.

Investments

The Municipality accounts for investments using the cost method. The carrying value of an investment is written-down to its net recoverable amount if a decline in market value is judged to be other than temporary.

Inventories held for resale

Inventories held for resale are recorded at the lower of cost and net realizable value.

Pension and employee benefits

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer defined benefit plan, as a defined contribution plan. Obligations for sick leave under employee benefits payable are accrued as the employees render the services necessary to earn the benefits. Vacation pay and other post-employment benefits are charged to operations in the year earned.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

[a] Tangible capital assets

- [i] Tangible capital assets are recorded at cost less accumulated amortization and write-downs, if any. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	10 to 30 years
Buildings	10 to 40 years
Machinery and equipment	10 to 40 years
Linear assets	5 to 20 years
Vehicles	8 to 20 years

Annual amortization is charged for six months in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

[ii] Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

[iii] Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value, because of the difficulty of determining a tenable valuation. The most significant of such assets are the Municipality's road allowances and vacant property.

[iv] Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property to the Municipality are accounted for as the acquisition of a capital asset and the incurrence of an obligation. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

[b] Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost.

Reserves and reserve funds

Council segregates its accumulated surplus into various categories including reserves which are specifically for future operating and capital purposes.

Taxation revenue

Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

Government transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers made to a recipient by the Municipality are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

The Municipality receives Gas Tax proceeds from the Federal Government through the Association of Municipalities of Ontario. These funds, by their nature, are restricted in their use and, until applied to specific expenses are recorded as deferred revenue. Amounts applied to qualifying projects are recorded as revenue in the fiscal period they are expended [note 6].

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

Revenue recognition

User charges and fees are recognized as revenue in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed are recognized as a liability and recognized as revenue when the related services are performed.

Interest is recognized as it is earned. Investment income earned on surplus funds are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue balance.

Funds received, other than government transfers and tax revenue, for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

Landfill closure and post-closure liability

The obligation to close and maintain solid waste landfill sites is based on the estimated future expenses in current dollars, adjusted for estimate inflation and is charged to expenses as the landfill site's capacity is used.

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for trade receivables and water receivables, valuation allowances for taxes receivable, estimated useful lives of tangible capital assets, employee benefits payable, vested sick leave and solid waste landfill closure and post-closure liability. Actual results could differ from these estimates.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$245,424 [2020 - \$230,831] have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

3. CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash in bank	7,447,314	3,175,855
Restricted cash	7,885,766	7,345,375
Outstanding deposits	104,809	133,540
Outstanding cheques	(1,508,935)	(849,496)
	13,928,954	9,805,274

The Municipality has available an operating line of credit of \$4,000,000 for which the Municipality has provided a borrowing by-law, of which \$nil [2020 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime minus .5% and is due on demand [1.95% at year-end]. The airport has an operating line of credit of \$500,000 with an interest rate of prime and is due on demand. The library has an operating line of credit of \$20,000 with an interest rate of prime and is due on demand.

4. TAXES AND USER CHARGES RECEIVABLE

[a] Taxes receivable

	2021 \$	2020 \$
Property and business taxes receivable	3,576,788	3,391,566
Allowance for property and business tax arrears	(1,804,702)	(1,507,959)
	1,772,086	1,883,607

[b] User charges receivable

	2021 \$	2020 \$
Water receivables	277,474	415,976
Allowance for doubtful water receivables	(40,165)	-
	237,309	415,976

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

Sioux Lookout Hydro Inc. is owned and controlled by The Corporation of the Municipality of Sioux Lookout and, as a business enterprise of the Municipality, is accounted for on a modified equity basis in these consolidated financial statements. The following information provides condensed supplementary information for the enterprise for the year ended December 31, 2021:

	2021	2020
	\$	\$
Financial position		
Current assets	2,968,804	3,391,384
Tangible capital assets	5,938,806	5,873,732
Goodwill/regulatory assets	503,933	196,185
Right-of-use assets	334,393	412,362
	9,745,936	9,873,663
Current liabilities		
Current liabilities	4,986,908	5,057,841
Non-current liabilities	1,357,347	1,485,993
Net assets, end of year	3,401,681	3,329,829
	9,745,936	9,873,663
Results of operations and changes in net assets		
Revenues	12,238,968	13,901,938
Expenses	(11,951,558)	(13,605,331)
Net income for the year	287,410	296,607
Net assets, beginning of year	3,329,829	3,252,722
Dividends	(215,558)	(219,500)
Net assets, end of year	3,401,681	3,329,829

There was a dividend declared and payable of \$215,558 [2020 - \$219,500]. During the year, Sioux Lookout Hydro Inc. billed electricity and services to The Corporation of the Municipality of Sioux Lookout in the amount of \$847,443 [2020 - \$962,731].

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's-length equivalent value for sales of product.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

6. DEFERRED REVENUE

	Government Transfer \$	Other \$	Total 2021 \$	Total 2020 \$
Obligatory reserve funds				
Unearned Gas Tax proceeds	-	-	-	21,930
Other deferred revenue				
Restricted donations	-	408,360	408,360	242,935
KDSB Child Care	-	146,968	146,968	136,968
OPP Policing	-	-	-	30,644
	-	555,328	555,328	432,477

The continuity of deferred revenue is as follows:

	2021 \$	2020 \$
Balance, beginning of year	432,477	435,330
Grant proceeds - Gas Tax	655,877	321,889
Grant proceeds - other	259,510	112,929
Gas Tax revenue earned	(677,807)	(304,546)
Other grant revenue earned	(89,229)	(133,125)
Transfer to payable	(25,500)	-
Balance, end of year	555,328	432,477

7. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2021. The results of this valuation disclosed total actuarial liabilities of \$120,796 million with respect to benefits accrued for service with actuarial assets at that date of \$117,665 million indicating an actuarial deficit of \$3,131 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2021 was \$545,854 [2020 - \$560,717] for current service and is included as an expense on the Consolidated Statement of Operations.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

8. DEBT

[a] The balance of debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2021 \$	2020 \$
Bank of Montreal		
Fixed term loan, repaid in full.	-	4,278
Fixed term loan, 2.86%, blended monthly payments of \$5,649; due 2024.	506,497	558,986
Fixed term loan, 2.86%, blended monthly payments of \$2,074; due in 2035.	1,075,911	1,123,962
Fixed term loan, 2.98%, blended monthly payments of \$3,187; due 2025.	143,983	177,401
Fixed term loan, 3.98%, blended monthly payments of \$9,177; due 2028.	650,409	732,892
Fixed term loan, 3.03%, blended monthly payments of \$1,798; due 2023.	31,567	51,859
Fixed term loan, 3.28%, blended monthly payments of \$3,200; due 2028.	224,404	254,908
Fixed term loan, 1.69%, blended monthly payments of \$912; due 2030.	97,594	108,539
Fixed term loan, 1.22%, blended monthly payments of \$1,092; due 2025.	51,330	64,368
TD Canada Trust		
Bank loan, 3.71%, blended monthly payments to be determined at drawdown; due 2023.	489,043	581,380
Bank loan, 2.62%, blended monthly payments of \$6,045; due 2028.	486,973	559,854
Fixed term loan, 2.55%, blended monthly payments of \$3,200; due 2029.	194,965	223,249
Carried Forward	3,952,676	4,441,676

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

Brought Forward	3,952,676	4,441,676
TD Canada Trust		
Fixed term loan, 2.70%, blended monthly payments of \$16,438; due 2030.	1,431,040	1,587,364
Ontario Infrastructure and Lands Corporation		
Fixed term loan, 2.36.%, blended monthly payments of \$8,044; due 2022.	96,526	193,053
Loan, 2.27 - 3.55%, blended semi-annual payments of \$219,682; due 2029 - 2038.	5,057,122	5,320,965
Loan, 1.68%, repaid in full.	-	7,591
Loan, 2.27%, blended semi-annual payments of \$37,060; due 2026.	302,188	362,625
Loan, 3.13%, blended semi-annual payments of \$30,302; due 2036.	702,044	739,785
Sioux Lookout Airport		
Fixed term loan, 2.88.%, blended monthly payments of \$142,519; due 2049.	5,452,971	5,578,251
Provincial Infrastructure Financing Authority		
Loan, 2.73%, blended semi-annual payments of \$15,173; due 2035.	340,738	361,359
Loan, 3.05%, blended semi-annual payments of \$26,824; due 2044.	882,267	908,413
Total municipal debt	18,217,572	19,501,082

[b] Principal due on debt is summarized as follows:

	\$
2021	1,310,675
2022	1,236,765
2023	1,261,484
2024	1,294,906
2025	1,253,981
Thereafter	11,859,761
	18,217,572

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

[c] Debt has been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ontario Ministry of Municipal Affairs and Housing.

[d] Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$645,802 [2020 - \$678,595].

9. LANDFILL CLOSURE AND POST-CLOSURE

The main components of the landfill closure plan includes final capping using selected specific layers of impermeable materials based on an engineered cap design and implementation of a drainage management plan and gas management plan. The post-closure care requirements will involve cap maintenance, groundwater monitoring, gas management system operation and maintenance, and annual inspections and reports as in accordance with Ministry of Environment regulations.

The estimated liability for this care is the present value for future cash flows associated with closure and post-closure costs discounted using the Municipality's average long-term borrowing rate of 2.96%. The change in the recorded liability is \$15,267 [2020 - \$122,768] based on a total estimated undiscounted outflow in the future of \$4,329,319 [2020 - \$3,934,103], leaving an amount to be recognized in the future of \$4,279,896 [2020 - \$3,772,123] over the closure and post-closure period. The liability is not currently funded. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

The estimated remaining life of the site is 31 years and the remaining capacity of the site is 289,390 cubic metres. Post-closure care is estimated to continue for a range of approximately 10 - 25 years for the two sites.

10. EMPLOYEE FUTURE BENEFITS

Employee Future Benefits Liabilities

	2021	2020
	\$	\$
Vested and non-vested sick leave payable	277,800	234,300
Vacation payable	85,002	83,642
Banked stats and overtime	40,688	43,531
Post employment benefits payable	74,000	85,000
	477,490	446,473

Retirement and Other Employee Future Benefits Expenses

Under the sick leave benefit plan, unused sick leave can accumulate. The Municipality recognizes these costs in the period in which the employees rendered the services. The accrued benefit liability at December 31, 2021 was determined by an actuarial valuation prepared for the year ended December 31, 2019.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

The main actuarial assumptions employed for the valuation of vested sick leave benefits are as follows:

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at December 31, 2021 are based on actuarial valuations for accounting purposes as at December 31, 2019. These actuarial valuations were based on assumptions about future events. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Municipality's best estimates of expected rates of:

	2021	2020
	%	%
Wage and salary escalation	2.5	2.5
Discount on accrued benefit obligations	2.9	2.9

11. TANGIBLE CAPITAL ASSETS

Details of year-end capital asset balances are as follows:

	2021	2020
	\$	\$
Land and land improvement	5,688,892	6,164,002
Buildings	26,674,103	27,461,331
Machinery and equipment	3,080,823	3,325,701
Vehicles	2,599,342	2,840,437
Library collections	36,989	66,696
Sanitary and storm sewer	7,785,198	7,844,871
Roads	11,441,359	13,308,005
Water distribution	6,650,939	7,196,154
Assets under construction	11,492,992	8,219,130
	75,450,637	76,426,327

Schedule 2 provides information on the tangible capital assets of the Municipality by major asset class, as well as accumulated amortization of the assets controlled.

There were write-downs of assets of \$1,104,321 during 2021 [2020 - \$nil].

Interest capitalized during 2021 was \$nil [2020 - \$nil].

There were no contributed tangible capital assets in 2021 [2020 - \$nil].

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

12. SEGMENTED INFORMATION

The Corporation of the Municipality Sioux Lookout is a diversified municipal government institution that provides a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations and Accumulated Surplus by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

General government

General government comprises various administrative services, including Corporate Services Department, and Mayor and Council.

Protection to persons and property

The Protective Services Department is comprised of police services, volunteer fire services and protective services. The police services are contracted from the Ontario Provincial Police. Volunteer fire services is responsible for fire suppression, fire prevention programs, training and education related to prevention, and detection and extinguishment of fires. Protective services is responsible for the protection of the residents of the Municipality by ensuring an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws; and for maintaining animal control services through the enforcement of Provincial regulations and by-laws that apply to the regulating and keeping of animals.

Transportation services

Transportation services is the delivery of a number of municipal public works services by the Public Services Department that include airports, roadways, winter control, and street lighting. Airports covers the delivery of services related to the operation and maintenance of the Municipality's airport. Roadways covers the delivery of services related to the planning, development and maintenance of the Municipality's roadway system, including culverts and sidewalks. Winter control includes snowplowing, sanding and salting, snow removal and flood control. Street lighting includes the development of street lighting plans and the maintenance of the street lighting system.

Environmental services

Environmental services include waterworks, sanitary sewer, waste collection and disposal, and recycling. Waterworks services and sanitary sewer services are contracted from the Northern Waterworks Inc. which provides drinking water to the citizens of Sioux Lookout, and collects and treats wastewater. The Public Services Department is responsible for waste collection and disposal and recycling and includes the collection of solid waste, operations at the various landfill sites and waste minimization programs.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

Health services

Health services include public health services and ambulance services. Public health services represents the Municipality of Sioux Lookout's contribution to the activities of the Northwestern Health Unit. The Northwestern Health Unit provides health information and prevention-related clinical services; advocates for healthy public policy; investigates reportable diseases; and upholds regulations that apply to public health.

Social and family services

Social and family services include general assistance, assistance to aged persons, child care and assistance to the disabled. General assistance, assistance to aged persons, child care and assistance to the disabled represents the Municipality's contribution to the activities of The Kenora District Services Board (KDSB). KDSB is responsible for Ontario Works program delivery, childcare services and social housing.

Recreation and cultural services

Recreation and cultural services include recreation programs, parks and facilities, public library, and contributions to recreational and cultural organizations. The department provides services that contribute to community development and sustainability through the provision of recreation and leisure programs and services such as fitness and aquatic programs. The department also provides services that develop and maintain various recreational facilities, and parks and open spaces. The Sioux Lookout Public Library system provides community access to local and global information resources that support lifelong learning, research and leisure activities. The Municipality makes contributions to various cultural and recreational organizations under specific funding programs.

Planning and development

The Planning Department provides planning and development services by managing the land and resources of the Municipality to ensure orderly community development and the efficient provision of services. The Strategic Initiatives and Economic Development Department is responsible for providing economic development services by fostering sustainability and economic growth through the sourcing of Federal and Provincial funding programs and initiatives, and the development of public and private partnerships.

For additional information see the Consolidated Schedule of Segment Disclosure (Schedule 3).

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

13. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds which make up part of accumulated surplus noted in Schedule 1 is as follows:

	2021 \$	2020 \$
Reserves		
Balance, beginning of year	7,137,297	6,812,541
Increases		
Transfers to reserves	4,693,433	1,567,755
Decreases		
Transfers from reserves	252,725	1,242,999
Interfund transfers	1,290,624	-
Balance, end of year	10,287,381	7,137,297

	2021 \$	2020 \$
Reserve funds		
Balance, beginning of year	6,225,303	5,983,599
Increases		
Transfers to reserve funds	944,526	557,750
Interfund transfers	1,290,624	-
Interest	17,912	66,369
	2,253,062	624,119
Decreases		
Transfer from reserves funds	641,201	382,415
	641,201	382,415
Balance, end of year	7,837,164	6,225,303

14. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$7,885,766 [2020 - \$7,345,375] to support reserve funds.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

15. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Taxation	11,565,089	-	11,565,089
User charges	8,006,952	-	8,006,952
Government transfers	5,779,386	-	5,779,386
Other	7,932,311	-	7,932,311
	33,283,738	-	33,283,738
Expenses			
General government	2,409,659	711,040	3,120,699
Protection to persons and property	3,171,139	(664,420)	2,506,719
Transportation services	16,024,845	(2,163,185)	13,861,660
Environmental services	(833,424)	4,868,111	4,034,687
Health services	1,259,235	32,290	1,291,525
Social and family services	2,634,214	(70,000)	2,564,214
Recreation and cultural services	3,894,136	(1,299,441)	2,594,695
Planning and development	4,723,934	(3,756,933)	967,001
	33,283,738	(2,342,538)	30,941,200
Annual surplus	-	2,342,538	2,342,538
Interfund transfers	-	986,127	
Capital items	-	(9,382,175)	
Debt proceeds	-	4,012,177	
Debt repayments	-	(1,290,161)	
Amortization	-	3,331,493	
Approved surplus	-	(2,342,539)	

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2021

16. LOAN GUARANTEE

The Corporation of the Municipality of Sioux Lookout has guaranteed a loan to Sioux Lookout Hydro Inc. up to a maximum of \$3,350,000. At year-end, the loan balance was \$639,114 [2020 - \$620,645] and the loan was not in default.

	\$
2022	223,178
2023	179,201
2024	156,265
2025	58,185
2026	14,784
Thereafter	7,501
	<hr/> 639,114 <hr/>

17. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2021 financial statements.

18. IMPACTS OF COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In 2021 the Municipality received COVID-19 operating funding in the amount of \$1,630,082 to cover pandemic-related operating pressures and revenue losses and has identified \$2,434,440 in related incremental costs for the year.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, or their impact on the financial position and results of the Municipality for future periods.

The Corporation of the Municipality of Sioux Lookout

Schedule 1

Consolidated Schedule of Accumulated Surplus

Year ended December 31	2021	2020
	\$	\$
Surplus (deficit)		
General fund	(1,676,451)	(836,606)
Investment in tangible capital assets	75,450,637	76,426,327
Unfunded		
Debt	(18,217,572)	(19,501,082)
Employee future benefits	(477,490)	(446,473)
Home for the aged	(64,328)	(155,286)
Landfill closure and post-closure liabilities	(535,711)	(520,444)
Total surplus	54,479,085	54,966,436
Reserves set aside for specific purposes by Council		
For working capital	4,848,910	2,222,716
For capital expenditures	5,438,471	4,914,581
Total reserves	10,287,381	7,137,297
Reserve funds set aside for specific purposes by Council		
For library acquisition of capital assets	43,772	40,025
For landfill closure and land development	334,870	334,503
For airport capital	1,641,644	1,640,823
For infrastructure	1,706,048	1,820,657
For utilities	2,843,101	1,539,348
For aggregate	121,236	121,135
For land development	419,695	415,011
For tourism	726,798	313,801
Total reserve funds	7,837,164	6,225,303
Net equity in government business enterprises	3,401,681	3,329,829
Accumulated surplus	76,005,311	71,658,865

The Corporation of the Municipality of Sioux Lookout
Consolidated Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2021

	General					Infrastructure			Totals		
	Land and Land Improvements \$	Buildings \$	Machinery and Equipment \$	Vehicles \$	Library Collection \$	Sanitary and Storm Sewer \$	Roads \$	Water Distribution \$	Assets Under Construction \$	2021 \$	2020 \$
COST											
Balance, beginning of year	7,807,045	39,813,270	13,108,758	7,623,191	200,444	12,304,097	31,022,305	10,814,472	8,219,130	130,912,712	127,060,771
Add											
Additions during the year	-	358,032	140,447	64,242	-	38,000	-	-	3,302,412	3,903,133	3,876,170
Less											
Disposals during the year	651,739	149,295	-	373,744	33,119	-	-	-	-	1,207,897	24,229
Transfers	-	28,550	32,648	(32,648)	-	-	-	-	(28,550)	-	-
Write-down	-	-	-	-	-	113,008	-	-	-	113,008	-
Balance, end of year	7,155,306	40,050,557	13,281,853	7,281,041	167,325	12,455,105	31,022,305	10,814,472	11,492,992	133,720,956	130,912,712
ACCUMULATED AMORTIZATION											
Balance, beginning of year	1,643,043	12,351,939	9,783,057	4,782,754	133,748	4,459,226	17,714,300	3,618,318	-	54,486,385	51,192,962
Add											
Amortization during the year	161,135	1,050,776	394,848	289,814	29,707	210,681	1,029,782	164,750	-	3,331,493	3,314,391
Less											
Accumulated amortization on disposals	337,764	26,261	-	367,744	33,119	-	-	-	-	764,888	20,968
Transfer	-	-	23,125	(23,125)	-	-	-	-	-	-	-
Write-down	-	-	-	-	-	-	836,864	380,465	-	1,217,329	-
Balance, end of year	1,466,414	13,376,454	10,201,030	4,681,699	130,336	4,669,907	19,580,946	4,163,533	-	58,270,319	54,486,385
Net book value of tangible capital assets, beginning of year	6,164,002	27,461,331	3,325,701	2,840,437	66,696	7,844,871	13,308,005	7,196,154	8,219,130	76,426,327	75,867,809
Net book value of tangible capital assets, end of year	5,688,892	26,674,103	3,080,823	2,599,342	36,989	7,785,198	11,441,359	6,650,939	11,492,992	75,450,637	76,426,327

The Corporation of the Municipality of Sioux Lookout
Consolidated Schedule of Segment Disclosure

Schedule 3

Year ended December 31, 2021

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Revenues										
Taxation	11,422,413	11,307,384	-	-	-	-	-	-	-	-
Grants	3,955,189	2,132,965	11,526	85,301	2,618,265	992,357	71,496	59,738	-	-
User fees and service charges	1,008,037	848,898	5,851	12,528	3,145,128	2,790,456	3,706,599	3,551,463	135,408	146,255
Sale of aviation fuel	-	-	-	-	7,326,025	5,186,683	-	-	-	-
Other revenues	611,464	479,574	22,064	83,709	53,700	19,687	12,321	8,858	12,014	3,748
Interest income - general	31,728	44,538	-	-	14,166	58,084	-	-	-	-
	17,028,831	14,813,359	39,441	181,538	13,157,284	9,047,267	3,790,416	3,620,059	147,422	150,003
Expenses										
Salaries, wages and employee benefits	2,032,442	2,106,203	473,546	397,978	2,650,092	2,460,988	969,274	918,842	189,486	409,948
Long-term debt charges	77,142	84,538	-	-	197,351	275,032	330,426	273,084	27,646	30,867
Materials	705,078	776,676	188,370	162,933	8,854,738	6,928,930	1,056,286	1,263,929	163,795	141,776
Contracted services	364,241	200,413	1,745,706	1,722,751	386,510	310,253	502,790	478,706	46,475	79,470
Rent and financials	64,303	32,650	-	-	13,965	7,927	45,186	5,083	34,986	37,369
External transfers to others	1,500	-	-	-	-	-	-	-	658,948	668,408
Amortization	42,407	40,209	100,142	96,810	1,942,320	2,012,659	847,630	732,594	32,290	31,246
Write-off	-	-	-	-	836,866	-	267,455	-	-	-
	3,287,113	3,240,689	2,507,764	2,380,472	14,881,842	11,995,789	4,019,047	3,672,238	1,153,626	1,399,084
Net revenues (expenses) before undernoted item	13,741,718	11,572,670	(2,468,323)	(2,198,934)	(1,724,558)	(2,948,522)	(228,631)	(52,179)	(1,006,204)	(1,249,081)
Loss on disposal of tangible capital assets	(443,009)	(3,259)	-	-	-	-	-	-	-	-
Annual surplus (deficit)	13,298,709	11,569,411	(2,468,323)	(2,198,934)	(1,724,558)	(2,948,522)	(228,631)	(52,179)	(1,006,204)	(1,249,081)

The Corporation of the Municipality of Sioux Lookout
Consolidated Schedule of Segment Disclosure

Schedule 3 (continued)

Year ended December 31, 2021

	Social and Family Services		Social Housing		Recreation and Cultural Services		Planning and Development		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	-	-	-	-	-	-	-	-	11,422,413	11,307,384
Grants	805,784	809,374	-	-	573,362	298,689	48,848	76,717	8,084,470	4,455,141
User fees and service charges	271,457	200,002	-	-	240,746	273,370	76,107	30,851	8,589,333	7,853,823
Sale of aviation fuel	-	-	-	-	-	-	-	-	7,326,025	5,186,683
Other revenues	24,397	3,160	-	-	4,249	6,897	23,530	82,450	763,739	688,083
Interest income - general	-	-	-	-	-	-	-	-	45,894	102,622
	1,101,638	1,012,536	-	-	818,357	578,956	148,485	190,018	36,231,874	29,593,736
Expenses										
Salaries, wages and employee benefits	1,416,198	1,018,611	-	-	1,384,408	1,143,863	249,422	211,244	9,364,868	8,667,677
Long-term debt charges	-	-	-	-	13,237	15,074	-	-	645,802	678,595
Materials	117,673	70,809	-	-	408,167	478,214	151,350	207,188	11,645,457	10,030,455
Contracted services	1,530	1,772	-	-	74,947	166,197	499,788	187,893	3,621,987	3,147,455
Rent and financials	-	-	-	-	3,872	4,623	-	-	162,312	87,652
External transfers to others	530,983	613,277	374,748	399,857	-	-	-	-	1,566,179	1,681,542
Amortization	-	-	-	-	366,704	400,873	-	-	3,331,493	3,314,391
Write-off	-	-	-	-	-	-	-	-	1,104,321	-
	2,066,384	1,704,469	374,748	399,857	2,251,335	2,208,844	900,560	606,325	31,442,419	27,607,767
Net revenues (expenses) before undernoted item										
	(964,746)	(691,933)	(374,748)	(399,857)	(1,432,978)	(1,629,888)	(752,075)	(416,307)	4,789,455	1,985,969
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	(443,009)	(3,259)
Annual surplus (deficit)										
	(964,746)	(691,933)	(374,748)	(399,857)	(1,432,978)	(1,629,888)	(752,075)	(416,307)	4,346,446	1,982,710

Independent Auditor's Report

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To the Board Members, Members of Council, Inhabitants and Ratepayers of
Sioux Lookout Public Library Board

Opinion

We have audited the financial statements of the Sioux Lookout Public Library ("the Library"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets and cash flow 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 Sioux Lookout Public Library as at December 31, 2021, and its results of operations, its changes in its net financial assets, 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 Library 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Library's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library'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. 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 Library'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 Library'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 Library 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.

Grant Thornton LLP

Thunder Bay, Canada
February 15, 2023

Chartered Professional Accountants
Licensed Public Accountants

Sioux Lookout Public Library Board Statement of Financial Position

As at December 31	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	95,294	75,464
Accounts receivable	2,414	5,850
Total financial assets	97,708	81,314
LIABILITIES		
Accounts payable and accrued liabilities	53,782	15,019
Sick leave accrual	6,100	5,700
Deferred revenue	-	25,500
Total liabilities	59,882	46,219
NET FINANCIAL ASSETS	37,826	35,095
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 2]</i>	53,320	85,279
Prepaid expenses	266	311
	53,586	85,590
Accumulated surplus <i>[note 3]</i>	91,412	120,685

See accompanying notes to the financial statements.

Sioux Lookout Public Library Board

Statement of Operations and Accumulated Surplus

Year ended December 31	2021	2021	2020
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 4]</i>		
REVENUES			
Province of Ontario operating grant	11,703	11,703	11,703
Sioux Lookout operating subsidy	300,000	300,000	348,000
Other municipal provincial grants	26,155	6,100	-
Other	9,050	12,130	10,401
Total revenues	346,908	329,933	370,104
EXPENSES			
Amortization	31,959	31,959	34,777
Book purchases	32,600	20,348	4,698
Building maintenance	39,175	12,811	10,342
Furniture and equipment	3,250	15,541	12,190
Insurance	4,360	5,502	4,880
Miscellaneous	7,350	6,083	7,811
Periodicals and newspapers	9,857	7,587	14,239
Professional development	10,800	900	787
Salaries and benefits	255,000	242,137	248,004
Supplies	11,500	5,225	9,780
Utilities	13,016	11,113	12,235
Total expenses	418,867	359,206	359,743
Annual surplus (deficit)	(71,959)	(29,273)	10,361
Accumulated surplus, beginning of year	120,685	120,685	110,324
Accumulated surplus, end of year	48,726	91,412	120,685

See accompanying notes to the financial statements.

Sioux Lookout Public Library Board Statement of Changes in Net Financial Assets

Year ended December 31	2021	2021	2020
	Budget \$ <i>[note 4]</i>	Actual \$	Actual \$
Annual surplus (deficit)	(71,959)	(29,273)	10,361
Acquisition of tangible capital assets	-	-	(18,883)
Amortization of tangible capital assets	31,959	31,959	34,777
Acquisition of prepaids	-	(266)	(311)
Use of prepaid expenses	-	311	1,577
Increase (decrease) in net financial assets	(40,000)	2,731	27,521
Net financial assets, beginning of year	35,095	35,095	7,574
Net financial assets (debt), end of year	(4,905)	37,826	35,095

See accompanying notes to the financial statements.

Sioux Lookout Public Library Board

Statement of Cash Flows

Year ended December 31	2021	2020
	\$	\$
OPERATIONS		
Annual surplus	(29,273)	10,361
Non-cash charges		
Amortization of tangible capital assets	31,959	34,777
	2,686	45,138
Net change in non-cash working capital balances		
Decrease in accounts receivable	3,436	677
Decrease in prepaid expenses	45	1,266
Increase (decrease) in accounts payable and sick leave accrual	39,163	(21,363)
Increase (decrease) in deferred revenue	(25,500)	25,500
Cash provided by operating transactions	19,830	51,218
CAPITAL		
Acquisition of tangible capital assets	-	(18,883)
Cash provided by (used in) capital transactions	-	(18,883)
Increase in cash and cash equivalents during		
year	19,830	32,335
Cash and cash equivalents, beginning of year	75,464	43,129
Cash and cash equivalents, end of year	95,294	75,464

See accompanying notes to the financial statements.

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2021

NATURE OF OPERATIONS

The Sioux Lookout Public Library Board is dedicated to providing community access to local and global information resources that support lifelong learning, research and leisure activities.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sioux Lookout Public Library Board are prepared by management in accordance with accounting policies generally accepted for the local government sector as prescribed by the Public Sector Accounting Board ("PSAB") of the CPA Canada. The more significant of these accounting policies are as follows:

Accrual accounting

The Library uses the accrual basis of accounting which recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. It recognizes a liability until the obligation or conditions underlying the liability is partly or wholly satisfied and recognizes an asset until the future economic benefit underlying the asset is partly or wholly used or lost.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Furniture	10 years
Library collection	3 to 10 years

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and cash on hand.

Revenue recognition

User fees and other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2021

Government transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return.

Government transfers are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

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 and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Sioux Lookout Public Library Board may undertake in the future. Significant accounting estimates include estimated useful lives of tangible capital assets, employee benefits payable and vested sick leave. Actual results could differ from those estimates.

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2021

2. TANGIBLE CAPITAL ASSETS

	Furniture \$	Library collection \$	2021 Total \$	2020 Total \$
COST				
Balance, beginning of year	22,525	198,754	221,279	219,949
Add:				
Additions during the year	-	-	-	18,883
Less:				
Disposals during the year	-	33,119	33,119	17,553
Balance, end of year	22,525	165,635	188,160	221,279
ACCUMULATED AMORTIZATION				
Balance, beginning of year	3,941	132,059	136,000	118,776
Add:				
Amortization during the year	2,252	29,707	31,959	34,777
Less:				
Accumulated amortization on disposals	-	33,119	33,119	17,553
Balance, end of year	6,193	128,647	134,840	136,000
Net book value of tangible capital assets, beginning of year	18,584	66,695	85,279	101,173
Net book value of tangible capital assets, end of year	16,332	36,988	53,320	85,279

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2021

3. ACCUMULATED SURPLUS

	2021 \$	2020 \$
General fund	420	1,081
Investment in tangible capital assets	53,320	85,279
Unfunded vest sick leave	(6,100)	(5,700)
Reserve fund	43,772	40,025
Accumulated surplus	91,412	120,685

4. BUDGET FIGURES

Canadian Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved 2021 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
Revenues	386,908	(40,000)	346,908
Expenses	386,908	31,959	418,867
Annual surplus (deficit)	-	(71,959)	(71,959)
Less:			
Add:			
Transfers from reserve funds	-	40,000	40,000
Amortization of tangible capital assets	-	31,959	31,959
Increase in net financial assets	-	-	-

5. BANK INDEBTEDNESS

The Sioux Lookout Public Library Board has an unused credit facility of \$20,000 that bears an interest rate of prime and is due on demand. The operating line of credit is secured by Council By-Laws.

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2021

6. SEGMENT DISCLOSURE

The Sioux Lookout Public Library Board's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided.

7. EMPLOYEE FUTURE BENEFITS

Employee Future Benefits Liabilities

	2021	2020
	\$	\$
Vested and non-vested sick leave payable	6,100	5,700

Retirement and Other Employee Future Benefits Expenses

Under the sick leave benefit plan, unused sick leave can accumulate. The Sioux Lookout Public Library Board recognizes these costs in the period in which the employees rendered the services. The accrued benefit liability at December 31, 2021 was determined by an actuarial valuation prepared for the year ended December 31, 2019.

The main actuarial assumptions employed for the valuation of vested sick leave benefits are as follows:

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at December 31, 2021 are based on actuarial valuations for accounting purposes as at December 31, 2019. These actuarial valuations were based on assumptions about future events. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Library's best estimates of expected rates of:

	2021	2020
	%	%
Wage and salary escalation	2.5	2.5
Discount on accrued benefit obligations	2.9	2.9

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2021

8. SUBSEQUENT EVENT

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Library for future periods.

Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of Sioux Lookout

Opinion

We have audited the financial statements of The Corporation of the Municipality of Sioux Lookout Trust Funds (“the Trust Funds”), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, 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 financial statements present fairly, in all material respects, the financial position of The Corporation of the Municipality of Sioux Lookout Trust Funds as at December 31, 2021, and its results of operations, its changes in its net financial assets, 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 Trust Funds 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Funds 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. 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 Funds 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.

Grant Thornton LLP

Thunder Bay, Canada
February 15, 2023

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Sioux Lookout Trust Funds Statement of Financial Position

As at December 31

2021

2020

	Cemetery Perpetual Care \$	Elsie Cosco Memorial Scholarship Fund \$	Mayfair Theatre Fund \$	Total \$	Total \$
FINANCIAL ASSETS					
Cash	10,081	-	-	10,081	10,021
Investments	154,858	53,151	22,264	230,273	220,210
Receivable from the Municipality of Sioux Lookout	4,470	-	600	5,070	600
Total financial assets	169,409	53,151	22,864	245,424	230,831
FINANCIAL LIABILITIES					
Repayable to the Municipality of Sioux Lookout	-	5,400	-	5,400	5,400
Accumulated surplus	169,409	47,751	22,864	240,024	225,431
	169,409	53,151	22,864	245,424	230,831

See accompanying notes to the financial statements.

The Corporation of the Municipality of Sioux Lookout Trust Funds

Statement of Operations and Accumulated Surplus

Year ended December 31

2021

2020

	Cemetery Perpetual Care \$	Elsie Cosco Memorial Scholarship Fund \$	Mayfair Theatre Fund \$	Total \$	Total \$
REVENUES					
Acquisition of tangible capital assets	14,533	-	-	14,533	-
Amortization of tangible capital assets	60	-	-	60	109
Total revenues	14,593	-	-	14,593	109
EXPENSES					
	-	-	-	-	-
NET REVENUES	14,593	-	-	14,593	109
Annual surplus	14,593	-	-	14,593	109
Accumulated surplus, beginning of year	154,816	47,751	22,864	225,431	225,322
Net financial assets, end of year	169,409	47,751	22,864	240,024	225,431

See accompanying notes to the financial statements.

**The Corporation of the Municipality of Sioux Lookout
Trust Funds**

Statement of Changes in Net Financial Assets

Year ended December 31, 2009

	2021	2020
	\$	\$
Annual surplus	14,593	109
Net financial assets, beginning of year	225,431	225,322
Net financial assets, end of year	240,024	225,431

See accompanying notes to the financial statements.

**The Corporation of the Municipality of Sioux Lookout
Trust Funds
Statement of Cash Flows**

Year ended December 31	2021	2020
	\$	\$
OPERATIONS		
Annual surplus	14,593	109
Net changes in non-cash working capital balances		
Increase in receivable to the Municipality of Sioux Lookout	(4,470)	-
Cash provided by operating transactions	10,123	109
INVESTING		
Increase in investments	(10,063)	(18)
Cash used in investing transactions	(10,063)	(18)
Increase in cash during year	60	91
Cash, beginning of year	10,021	9,930
Cash, end of year	10,081	10,021

See accompanying notes to the financial statements.

The Corporation of the Municipality of Sioux Lookout Trust Funds

Notes to the Financial Statements

December 31, 2021

1. MANAGEMENT RESPONSIBILITY

The financial statements of the trust funds of the Corporation of the Municipality of Sioux Lookout are the responsibility of management and 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. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

2. NATURE OF BUSINESS

The Corporation of the Municipality of Sioux Lookout administers a perpetual care trust fund for the future care and maintenance of certain cemetery grounds.

The Elsie Cosco Memorial Scholarship Fund and the Mayfair Theatre Fund were established by restricted donations and are used to provide scholarships.

3. SIGNIFICANT ACCOUNTING POLICY

Basis of accounting

Revenues and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenses as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalents include balances held at financial institutions and demand deposits.

Investments

Investments are recorded at cost plus accrued interest.