



Consolidated Financial Statements

The Corporation of the Municipality of
Sioux Lookout

December 31, 2020

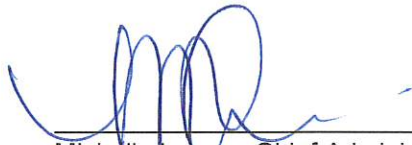
Statement of Administrative Responsibility

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 2020 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, Chief Administrative Officer



Doug Lawrance, Mayor

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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, 2020, and the consolidated statements of operations and accumulated surplus, changes in net 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, 2020, and its results of consolidated operations, its consolidated changes in its net 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
May 19, 2021

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Sioux Lookout

Consolidated Statement of Financial Position

As at December 31	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents <i>[note 3]</i>	9,805,274	8,048,971
Taxes receivable <i>[note 4[a]]</i>	1,896,583	1,227,860
User charges receivable <i>[note 4[b]]</i>	415,976	261,693
Accounts receivable	3,018,411	4,016,105
Inventories for resale	151,966	170,720
Investment in government business enterprise <i>[note 5]</i>	3,329,829	3,252,722
Total financial assets	18,618,039	16,978,071
LIABILITIES		
Accounts payable and accrued liabilities	2,662,849	1,848,347
Deferred revenue <i>[note 6]</i>	432,477	435,330
Debt <i>[note 8]</i>	19,501,082	20,556,376
Landfill closure and post-closure liability <i>[note 9]</i>	520,444	397,676
Employee benefits liability <i>[note 10]</i>	446,473	318,709
Total liabilities	23,563,325	23,556,438
NET DEBT	(4,945,286)	(6,578,367)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 11] [schedule 2]</i>	76,426,327	75,867,809
Prepaid expenses	177,824	413,338
	76,604,151	76,281,147
Accumulated surplus <i>[schedule 1]</i>	71,658,865	69,702,780

See accompanying notes to the consolidated financial statements.

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

Year ended December 31

	Budget 2020 \$ <i>[note 16]</i>	Actual 2020 \$	Actual 2019 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	8,569,216	8,436,463	7,587,808
Commercial and industrial	2,218,011	2,161,659	2,142,387
Taxation from other governments	708,466	709,262	696,016
	11,495,693	11,307,384	10,426,211
User charges			
Water and sewer billings	2,807,184	2,926,313	2,868,123
Other fees and service charges	6,236,864	4,900,885	6,688,318
	20,539,741	19,134,582	19,982,652
Government transfers			
Government of Canada	1,837,208	554,872	1,301,790
Province of Ontario	5,662,496	3,900,269	5,068,897
	7,499,704	4,455,141	6,370,687
Other			
Investment income	77,742	104,758	165,365
Penalties, fines and late payment charges	250,550	200,484	272,696
Sale of fuel	11,255,500	5,186,683	11,595,888
Fundraising and donations from the public	4,850	8,696	5,145
Other municipalities (POA)	140,000	15,411	137,390
Licences, permits and rents	93,860	78,968	156,231
Income from investment in government business	150,000	292,107	72,783
Other	226,155	90,281	246,058
	12,198,657	5,977,388	12,651,556
Total revenues	40,238,102	29,567,111	39,004,895

	Budget 2020 \$ <i>[note 16]</i>	Actual 2020 \$	Actual 2019 \$
EXPENSES <i>[note 12] [schedule 3]</i>			
General government	3,089,561	3,240,689	2,946,375
Protection to persons and property	2,521,788	2,380,472	3,597,140
Transportation services	18,457,691	11,995,789	18,211,074
Environmental services	3,788,356	3,672,238	3,518,199
Health services	1,207,714	1,399,084	1,420,861
Social and family services	2,329,666	1,704,469	2,136,486
Social housing	400,321	399,857	418,804
Recreation and cultural services	2,293,595	2,208,844	2,562,149
Planning and development	1,633,246	606,325	773,285
	35,721,938	27,607,767	35,584,373
NET REVENUES BEFORE UNDERNOTED ITEM	4,516,164	1,959,344	3,420,522
OTHER			
Loss on disposal of tangible capital assets	-	(3,259)	(330,918)
Annual surplus	4,516,164	1,956,085	3,089,604
Accumulated surplus, beginning of year	69,702,780	69,702,780	66,613,176
Accumulated surplus, end of year <i>[schedule 1]</i>	74,218,944	71,658,865	69,702,780

See accompanying notes to the consolidated financial statements.

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

Year ended December 31

	Budget 2020 \$ <i>[note 16]</i>	Actual 2020 \$	Actual 2019 \$
Annual surplus	4,516,164	1,956,085	3,089,604
Acquisition of tangible capital assets	(8,377,121)	(3,876,170)	(3,580,668)
Amortization of tangible capital assets	3,314,391	3,314,391	3,327,346
Loss on disposal of tangible capital assets	-	3,261	330,918
Acquisition of prepaid expenses	-	(177,824)	(413,338)
Use of prepaid expenses	-	413,338	99,222
Decrease in net debt	(546,566)	1,633,081	2,853,084
Net debt, beginning of year	(6,578,367)	(6,578,367)	(9,431,451)
Net debt, end of year	(7,124,933)	(4,945,286)	(6,578,367)

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	2020	2019
	\$	\$
OPERATIONS		
Annual surplus	1,956,085	3,089,604
Non-cash charges		
Amortization of tangible capital assets	3,314,391	3,327,346
Loss on disposal of tangible capital assets	3,261	330,918
Landfill closure and post-closure costs	122,768	41,088
Employee future benefits	127,764	(103,568)
Income from government business enterprise	(292,107)	(292,217)
	5,232,162	6,393,171
Net change in non-cash working capital balances		
Decrease (increase) in taxes receivable	(668,723)	110,783
Decrease in user charges receivable	(154,283)	(40,605)
Decrease (increase) in accounts receivable	997,694	(688,283)
Decrease inventories for resale	18,754	16,902
Increase (decrease) in accounts payable and accrued liabilities	814,502	(631,336)
Decrease in deferred revenue	(2,853)	(47,164)
Decrease (increase) in prepaid expenses	235,514	(314,116)
Cash provided by operating transactions	6,472,767	4,799,352
CAPITAL		
Acquisition of tangible capital assets	(3,876,170)	(3,580,668)
Cash used in capital transactions	(3,876,170)	(3,580,668)
INVESTING		
Dividends from government business enterprise	215,000	215,000
Cash provided by investing transactions	215,000	215,000
FINANCING		
Debt principal repayments	(1,228,268)	(1,432,819)
Long-term debt proceeds	172,974	1,006,032
Cash provided by financing transactions	(1,055,294)	(426,787)
Increase in cash and cash equivalents during year	1,756,303	1,006,897
Cash and cash equivalents, beginning of year	8,048,971	7,042,074
Cash and cash equivalents, end of year	9,805,274	8,048,971

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2020

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, 2020

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, 2020

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, 2020

[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

Taxes are recognized as assets and revenue when they meet the definition of an asset, are authorized and the taxable event occurs.

At each financial statement date, management evaluates the extent to which its taxes receivable are ultimately collectible and valuation allowances are used to reflect tax receivables at their net recoverable amount.

At each financial statement date, management evaluates the likelihood of having to repay taxes collected under tax measures that have been deemed authorized using the concept of legislative convention and recognizes a liability when required. Related refunds are accounted for in the period in which the change in estimate occurs.

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 received 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, 2020

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, 2020

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$225,431 [2019 - \$225,322] 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

	2020	2019
	\$	\$
Cash in bank	10,521,230	9,489,796
Outstanding deposits	133,540	319,724
Outstanding cheques	(849,496)	(1,760,549)
	9,805,274	8,048,971

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 [2019 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime minus .5% and is due on demand [3.45% 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

	2020	2019
	\$	\$
Property and business taxes receivable	3,404,542	2,558,954
Allowance for property and business tax arrears	(1,507,959)	(1,331,094)
	1,896,583	1,227,860

[b] User charges receivable

	2020	2019
	\$	\$
Water receivables	415,976	261,693

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2020

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, 2020:

	2020	2019
	\$	\$
Financial position		
Current assets	3,391,384	3,622,472
Tangible capital assets	5,873,732	5,826,503
Goodwill/regulatory assets	196,185	161,975
Right-of-use assets	412,362	133,475
	9,873,663	9,744,425
Current liabilities		
Current liabilities	5,057,841	4,920,942
Non-current liabilities	1,112,490	791,629
Net assets, end of year	3,703,332	4,031,854
	9,873,663	9,744,425
Results of operations and changes in net assets		
Revenues	13,901,938	12,278,964
Expenses	(13,605,331)	(11,986,747)
Net income for the year	296,607	292,217
Net assets, beginning of year	3,252,722	3,175,505
Dividends	(219,500)	(215,000)
Net assets, end of year	3,329,829	3,252,722

There was a dividend declared and payable of \$219,500 [2019 - \$215,000]. During the year, Sioux Lookout Hydro Inc. billed electricity and services to The Corporation of the Municipality of Sioux Lookout in the amount of \$962,731 [2019 - \$1,052,136].

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, 2020

6. DEFERRED REVENUE

	Government Transfer \$	Other \$	Total 2020 \$	Total 2019 \$
Obligatory reserve funds				
Unearned Gas Tax proceeds	21,930	-	21,930	4,586
Other deferred revenue				
Restricted donations	-	242,935	242,935	244,417
KDSB Child Care	-	136,968	136,968	80,020
OPP Policing	-	30,644	30,644	106,307
	21,930	410,547	432,477	435,330

The continuity of deferred revenue is as follows:

	2020 \$	2019 \$
Balance, beginning of year	435,330	482,494
Grant proceeds - Gas Tax	321,889	646,708
Grant proceeds - other	112,929	915,771
Gas Tax revenue earned	(304,546)	(886,167)
Other grant revenue earned	(133,125)	(723,476)
Balance, end of year	432,477	435,330

7. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2020 was \$560,717 [2019 - \$560,754] for current service.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2020

8. DEBT

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

	2020 \$	2019 \$
Bank of Montreal		
Fixed term loan, 3.75%, blended monthly payments of \$4,813; due 2020, to be repaid.	4,278	8,543
Fixed term loan, 2.86%, blended monthly payments of \$5,649; due 2024.	558,986	609,995
Fixed term loan, 2.86%, blended monthly payments of \$2,074; due in 2022.	1,123,962	1,179,061
Fixed term loan, 2.98%, blended monthly payments of \$3,187; due 2025.	177,401	209,836
Fixed term loan, 3.98%, blended monthly payments of \$9,177; due 2028.	732,892	812,152
Fixed term loan, 3.03%, blended monthly payments of \$1,798; due 2023.	51,859	71,545
Fixed term loan, 3.28%, blended monthly payments of \$3,200; due 2028.	254,908	284,427
Fixed term loan, 1.69%, blended monthly payments of \$912; due 2030.	108,539	-
Fixed term loan, 1.22%, blended monthly payments of \$1,092; due 2025.	64,368	-
TD Canada Trust		
Bank loan, 3.71%, blended monthly payments to be determined at drawdown; due 2021.	581,380	670,429
Bank loan, 2.62%, blended monthly payments of \$6,045; due 2028.	559,854	630,895
Fixed term loan, 2.55%, blended monthly payments of \$3,200; due 2029.	223,249	243,537
Fixed term loan, 2.70%, blended monthly payments of \$16,438; due 2030.	1,587,364	1,740,060
Ontario Infrastructure and Lands Corporation		
Fixed term loan, 2.36%, blended monthly payments of \$8,044; due 2022.	193,053	289,579
Loan, 2.27 - 3.55%, blended semi-annual payments of \$219,682; due 2029 - 2038.	5,320,965	5,576,619
Carried Forward	11,543,058	12,326,678

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2020

Brought Forward	11,543,058	12,326,678
Ontario Infrastructure and Lands Corporation		
Loan, 1.68%, blended semi-annual payments of \$3,843; due 2021.	7,591	15,056
Loan, 2.27%, blended semi-annual payments of \$37,060; due 2026.	362,625	423,063
Loan, 3.13%, blended semi-annual payments of \$30,302; due 2036.	739,785	776,372
Sioux Lookout Airport		
Fixed term loan, 2.88.%, blended monthly payments of \$142,519; due 2049.	5,578,251	5,700,000
Provincial Infrastructure Financing Authority		
Loan, 2.73%, blended semi-annual payments of \$15,173; due 2035.	361,359	381,428
Loan, 3.05%, blended semi-annual payments of \$26,824; due 2044.	908,413	933,779
Total municipal debt	19,501,082	20,556,376

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

	\$
2021	1,224,740
2022	1,215,979
2023	1,092,657
2024	1,071,942
2025	1,071,942
Thereafter	13,823,822
	19,501,082

[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 \$678,595 [2019 - \$548,973].

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 Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2020

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 \$122,768 [2019 - \$41,088] based on a total estimated undiscounted outflow in the future of \$3,934,103 [2019 - \$2,162,245], leaving an amount to be recognized in the future of \$3,772,123 [2019 - \$2,084,497] 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 25 years and the remaining capacity of the site is 296,000 cubic metres. Post-closure care is estimated to continue for a range of approximately 11 - 25 years for the two sites.

10. EMPLOYEE FUTURE BENEFITS

Employee Future Benefits Liabilities

	2020	2019
	\$	\$
Vested and non-vested sick leave payable	234,300	249,990
Vacation payable	83,642	(63,724)
Banked stats and overtime	43,531	36,243
Post employment benefits payable	85,000	96,200
	446,473	318,709

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, 2020 was determined by an actuarial valuation prepared for the year ended December 31, 2020.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2020

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, 2020 are based on actuarial valuations for accounting purposes as at December 31, 2020. 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:

	2020	2019
	%	%
Wage and salary escalation	2.5	2.5
Discount on accrued benefit obligations	2.9	3.3

11. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	\$	\$
Land and land improvement	6,164,002	6,356,487
Buildings	27,461,331	28,494,887
Machinery and equipment	3,325,701	3,661,658
Vehicles	2,840,437	2,967,477
Library collections	66,696	80,338
Sanitary and storm sewer	7,844,871	7,985,013
Roads	13,308,005	14,397,586
Water distribution	7,196,154	7,317,989
Assets under construction	8,219,130	4,606,374
	76,426,327	75,867,809

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 no write-downs of assets during 2020 [2019 - \$nil].

Interest capitalized during 2020 was \$nil [2019 - \$nil].

There were no contributed tangible capital assets in 2020 [2019 - \$nil].

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2020

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, 2020

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, 2020

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:

	2020 \$	2019 \$
Reserves		
Balance, beginning of year	6,812,541	8,242,878
Increases		
Transfers to reserves	1,567,755	2,587,617
Decreases		
Transfers from reserves	1,242,999	4,017,954
Balance, end of year	7,137,297	6,812,541

	2020 \$	2019 \$
Reserve funds		
Balance, beginning of year	5,983,599	4,566,521
Increases		
Transfers to reserve funds	557,750	1,381,052
Interest	66,369	56,827
	624,119	1,437,879
Decreases		
Transfer from reserves for capital projects	382,415	20,801
	382,415	20,801
Balance, end of year	6,225,303	5,983,599

14. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$7,345,375 [2019 - \$6,467,722] to support reserve funds.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2020

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	11,495,693	-	11,495,693
User charges	9,044,048	-	9,044,048
Government transfers	7,499,704	-	7,499,704
Other	12,198,657	-	12,198,657
	40,238,102	-	40,238,102
Expenses			
General government	3,736,160	(646,599)	3,089,561
Protection to persons and property	2,613,809	(92,021)	2,521,788
Transportation services	19,754,073	(1,296,382)	18,457,691
Environmental services	2,974,780	813,576	3,788,356
Health services	1,434,232	(226,518)	1,207,714
Social and family services	2,677,487	52,500	2,729,987
Recreation and cultural services	3,053,687	(760,092)	2,293,595
Planning and development	3,993,874	(2,360,628)	1,633,246
	40,238,102	(4,516,164)	35,721,938
Annual surplus	-	4,516,164	4,516,164
Interfund transfers	-	676,298	
Capital items	-	(8,395,121)	
Debt proceeds	-	1,623,605	
Debt repayments	-	(1,735,337)	
Amortization	-	3,314,391	
Approved surplus	-	(4,516,164)	

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 \$620,645 [2019 - \$893,088] and the loan was not in default.

The Corporation of the Municipality of Sioux Lookout

Notes to the Consolidated Financial Statements

December 31, 2020

17. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been restated from statements previously presented to conform to the presentation of the 2020 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.

Since December 31, 2019, the spread of COVID-19 has impacted many areas of the Municipality. Recreation has had to adapt to new COVID regulations for all areas of activities. Items such as number of individuals in our fitness centre, dealing with organizations such as Minor Hockey Associations with their new restrictions and new cleaning protocols. Daycare has had to adjust the number of childcare they were able to take due to new regulations. Municipality had to set new COVID-19 regulations for staff, including the wear of PPE, physical distancing, cleaning, and even provide additional sick time for COVID-19 days. The launch of new customer service enhancements were started to help with office closures along with virtual meetings so that the Municipality can still have Council meetings. All these areas and more have had additional costs associated with them. The Airport saw an 80% decrease in activity with the cancellation of flights.

Management responded to the pandemic by reducing costs in areas to help keep their expenses low knowing that revenue in certain areas would be reduced. Managers help track the additional costs they would need in order to accommodate the new COVID-19 regulations within their department.

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	2020	2019
	\$	\$
Surplus (deficit)		
General fund	(836,606)	(760,613)
Investment in tangible capital assets	76,426,327	75,867,809
Unfunded		
Debt	(19,501,082)	(20,556,377)
Employee future benefits	(446,473)	(318,709)
Home for the aged	(155,286)	(180,516)
Landfill closure and post-closure liabilities	(520,444)	(397,676)
Total surplus	54,966,436	53,653,918
Reserves set aside for specific purposes by Council		
For working capital	2,222,716	2,231,655
For capital expenditures	4,914,581	4,580,886
Total reserves	7,137,297	6,812,541
Reserve funds set aside for specific purposes by Council		
For library acquisition of capital assets	40,025	2,513
For landfill closure and land development	334,503	297,515
For airport capital	1,640,823	1,605,048
For infrastructure	1,820,657	1,708,955
For utilities	1,539,348	1,528,451
For aggregate	121,135	120,278
For land development	415,011	720,839
For tourism	313,801	-
Total reserve funds	6,225,303	5,983,599
Net equity in government business enterprises	3,329,829	3,252,722
Accumulated surplus	71,658,865	69,702,780

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

Schedule 2

Year ended December 31, 2020

	General					Infrastructure			Totals		
	Land and Land Improvements \$	Buildings \$	Machinery and Equipment \$	Vehicles \$	Library Collection \$	Sanitary and Storm Sewer \$	Roads \$	Water Distribution \$	Assets Under Construction \$	2020 \$	2019 \$
COST											
Balance, beginning of year	7,807,045	39,805,346	13,043,383	7,458,635	199,114	12,135,934	30,781,225	10,119,226	4,606,374	125,956,282	123,479,162
Add											
Additions during the year	-	14,600	65,375	164,556	18,883	-	-	-	3,612,756	3,876,170	3,580,668
Less											
Disposals during the year	-	6,676	-	-	17,553	-	-	-	-	24,229	1,103,548
Balance, end of year	7,807,045	39,813,270	13,108,758	7,623,191	200,444	12,135,934	30,781,225	10,119,226	8,219,130	129,808,223	125,956,282
ACCUMULATED AMORTIZATION											
Balance, beginning of year	1,450,558	11,310,459	9,381,725	4,491,158	118,776	4,150,921	16,383,639	2,801,237	-	50,088,473	47,533,757
Add											
Amortization during the year	192,485	1,044,895	401,332	291,596	32,525	140,142	1,089,581	121,835	-	3,314,391	3,327,346
Less											
Accumulated amortization on disposals	-	3,415	-	-	17,553	-	-	-	-	20,968	772,630
Balance, end of year	1,643,043	12,351,939	9,783,057	4,782,754	133,748	4,291,063	17,473,220	2,923,072	-	53,381,896	50,088,473
Net book value of tangible capital assets, beginning of year	6,356,487	28,494,887	3,661,658	2,967,477	80,338	7,985,013	14,397,586	7,317,989	4,606,374	75,867,809	75,945,405
Net book value of tangible capital assets, end 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

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

Schedule 3

Year ended December 31, 2020

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	11,307,384	10,426,211	-	-	-	-	-	-	-	-
Grants	2,132,965	1,528,354	85,301	1,330,012	992,357	1,741,818	59,738	57,557	-	-
User fees and service charges	848,898	553,866	12,528	15,276	2,763,831	4,374,611	3,551,463	3,425,586	146,255	143,600
Sale of aviation fuel	-	-	-	-	5,186,683	11,595,888	-	-	-	-
Other revenues	479,574	332,035	83,709	257,230	1,208	3,202	8,858	13,260	3,748	3,241
Interest income - general	44,538	99,552	-	-	76,564	134,165	-	-	-	-
	14,813,359	12,940,018	181,538	1,602,518	9,020,643	17,849,684	3,620,059	3,496,403	150,003	146,841
Expenses										
Salaries, wages and employee benefits	2,106,203	2,088,625	397,978	484,656	2,460,988	2,224,913	918,842	950,713	409,948	423,028
Long-term debt charges	84,538	88,523	-	-	275,032	145,754	273,084	263,148	30,867	33,948
Materials	776,676	510,009	162,933	226,452	6,928,930	13,509,844	1,263,929	1,105,240	141,776	185,490
Contracted services	200,413	201,491	1,722,751	2,788,523	310,253	301,259	478,706	456,913	79,470	77,130
Rent and financials	32,650	15,809	-	-	7,927	6,877	5,083	4,193	37,369	36,421
External transfers to others	-	-	-	-	-	-	-	-	668,408	633,598
Amortization	40,209	41,918	96,810	97,509	2,012,659	2,022,427	732,594	737,992	31,246	31,246
	3,240,689	2,946,375	2,380,472	3,597,140	11,995,789	18,211,074	3,672,238	3,518,199	1,399,084	1,420,861
Net revenues (expenses) before undernoted item	11,572,670	9,993,643	(2,198,934)	(1,994,622)	(2,975,146)	(361,390)	(52,179)	(21,796)	(1,249,081)	(1,274,020)
Loss on disposal of tangible capital assets	-	-	-	-	(3,259)	330,918	-	-	-	-
Annual surplus (deficit)	11,572,670	9,993,643	(2,198,934)	(1,994,622)	(2,978,405)	(30,472)	(52,179)	(21,796)	(1,249,081)	(1,274,020)

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

Schedule 3 (continued)

Year ended December 31, 2020

	Social and Family Services		Social Housing		Recreation and Cultural Services		Planning and Development		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	-	-	-	-	-	-	-	-	11,307,384	10,426,211
Grants	809,374	818,904	-	-	298,689	719,396	76,717	174,646	4,455,141	6,370,687
User fees and service charges	200,002	513,043	-	-	273,370	482,644	30,851	47,815	7,827,198	9,556,441
Sale of aviation fuel	-	-	-	-	-	-	-	-	5,186,683	11,595,888
Other revenues	3,160	4,394	-	-	6,897	6,838	82,449	201,751	669,603	821,951
Interest income - general	-	-	-	-	-	-	-	-	121,102	233,717
	1,012,536	1,336,341	-	-	578,956	1,208,878	190,017	424,212	29,567,111	39,004,895
Expenses										
Salaries, wages and employee benefits	1,018,611	1,386,891	-	-	1,143,863	1,334,122	211,244	244,199	8,667,677	9,137,147
Long-term debt charges	-	-	-	-	15,074	17,600	-	-	678,595	548,973
Materials	70,809	130,604	-	-	478,214	603,104	207,188	412,352	10,030,455	16,683,095
Contracted services	1,772	18,574	-	-	166,197	203,153	187,893	116,734	3,147,455	4,163,777
Rent and financials	-	-	-	-	4,623	7,916	-	-	87,652	71,216
External transfers to others	613,277	600,417	399,857	418,804	-	-	-	-	1,681,542	1,652,819
Amortization	-	-	-	-	400,873	396,254	-	-	3,314,391	3,327,346
	1,704,469	2,136,486	399,857	418,804	2,208,844	2,562,149	606,325	773,285	27,607,767	35,584,373
Net revenues (expenses) before undernoted item	(691,933)	(800,145)	(399,857)	(418,804)	(1,629,888)	(1,353,271)	(416,308)	(349,073)	1,959,344	3,420,522
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	(3,259)	(330,918)
Annual surplus (deficit)	(691,933)	(800,145)	(399,857)	(418,804)	(1,629,888)	(1,353,271)	(416,308)	(349,073)	1,956,085	3,089,604

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, 2020, 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, 2020, 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
May 19, 2021

Chartered Professional Accountants
Licensed Public Accountants

Sioux Lookout Public Library Board Statement of Financial Position

As at December 31	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	75,464	43,129
Accounts receivable	5,850	6,527
Total financial assets	81,314	49,656
LIABILITIES		
Accounts payable and accrued liabilities	20,719	42,082
Deferred revenue	25,500	-
Total liabilities	46,219	42,082
NET FINANCIAL ASSETS	35,095	7,574
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 2]</i>	85,279	101,173
Prepaid expenses	311	1,577
	85,590	102,750
Accumulated surplus <i>[note 3]</i>	120,685	110,324

See accompanying notes to the financial statements.

Sioux Lookout Public Library Board

Statement of Operations and Accumulated Surplus

Year ended December 31	2020	2020	2019
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 4]</i>		
REVENUES			
Province of Ontario operating grant	11,703	11,703	11,703
Sioux Lookout operating subsidy	348,000	348,000	342,001
Other municipal provincial grants	3,055	-	25,169
Other	14,150	10,401	16,368
Total revenues	376,908	370,104	395,241
EXPENSES			
Amortization	34,777	34,777	29,270
Book purchases	7,600	4,698	13,537
Building maintenance	15,199	10,342	16,121
Furniture and equipment	3,250	12,190	3,180
Legal, audit and insurance	4,360	4,880	4,476
Miscellaneous	7,475	7,811	5,569
Periodicals and newspapers	11,655	14,239	10,728
Professional development	4,800	787	2,641
Salaries and benefits	275,279	248,004	271,362
Supplies	9,635	9,780	12,715
Utilities	13,655	12,235	12,246
Total expenses	387,685	359,743	381,845
Annual surplus (deficit)	(10,777)	10,361	13,396
Accumulated surplus, beginning of year	110,324	110,324	96,928
Accumulated surplus, end of year	99,547	120,685	110,324

See accompanying notes to the financial statements.

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

Year ended December 31	2020	2020	2019
	Budget \$ <i>[note 4]</i>	Actual \$	Actual \$
Annual surplus (deficit)	(10,777)	10,361	13,396
Acquisition of tangible capital assets	(24,000)	(18,883)	(43,784)
Amortization of tangible capital assets	34,777	34,777	29,270
Acquisition of prepaids	-	(311)	(1,577)
Use of prepaid expenses	-	1,577	1,078
Increase (decrease) in net financial assets	-	27,521	(1,617)
Net financial assets, beginning of year	7,574	7,574	9,191
Net financial assets, end of year	7,574	35,095	7,574

See accompanying notes to the financial statements.

Sioux Lookout Public Library Board Statement of Cash Flows

Year ended December 31	2020	2019
	\$	\$
OPERATIONS		
Annual surplus	10,361	13,396
Non-cash charges		
Amortization of tangible capital assets	34,777	29,270
	45,138	42,666
Net change in non-cash working capital balances		
Decrease (increase) in accounts receivable	677	(3,894)
Decrease (increase) prepaid expenses	1,266	(499)
Increase (decrease) in accounts payable and accrued liabilities	(21,363)	15,503
Increase in deferred revenue	25,500	-
Cash provided by operating transactions	51,218	53,776
CAPITAL		
Acquisition of tangible capital assets	(18,883)	(43,784)
Cash used in capital transactions	(18,883)	(43,784)
Increase in cash and cash equivalents during year		
	32,335	9,992
Cash and cash equivalents, beginning of year	43,129	33,137
Cash and cash equivalents, end of year	75,464	43,129

See accompanying notes to the financial statements.

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2020

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

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable.

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:

Library collection	3 to 40 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.

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future or are the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the fiscal period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined.

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2020

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. Actual results could differ from those estimates.

2. TANGIBLE CAPITAL ASSETS

	Furniture \$	Library collection \$	2020 Total \$	2019 Total \$
COST				
Balance, beginning of year	22,525	197,424	219,949	176,165
Add:				
Additions during the year	-	18,883	18,883	43,784
Less:				
Disposals during the year	-	17,553	17,553	-
Balance, end of year	22,525	198,754	221,279	219,949
ACCUMULATED AMORTIZATION				
Balance, beginning of year	1,689	117,087	118,776	89,506
Add:				
Amortization during the year	2,252	32,525	34,777	29,270
Less:				
Accumulated amortization on disposals	-	17,553	17,553	-
Balance, end of year	3,941	132,059	136,000	118,776
Net book value of tangible capital assets, beginning of year	20,836	80,337	101,173	86,659
Net book value of tangible capital assets, end of year	18,584	66,695	85,279	101,173

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2020

3. ACCUMULATED SURPLUS

	2020 \$	2019 \$
General fund	1,081	10,995
Investment in tangible capital assets	85,279	101,173
Unfunded vest sick leave	(5,700)	(5,300)
Reserve fund	40,025	3,456
Accumulated surplus	120,685	110,324

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 2020 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
Revenues	376,908	-	376,908
Expenses	376,908	10,777	387,685
Annual surplus (deficit)	-	(10,777)	(10,777)
Less:			
Acquisition of tangible capital assets	-	(24,000)	(24,000)
Add:			
Amortization of tangible capital assets	-	34,777	34,777
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, 2020

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

	2020	2019
	\$	\$
Vested and non-vested sick leave payable	5,700	5,300

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, 2020 was determined by an actuarial valuation prepared for the year ended December 31, 2020.

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, 2020 are based on actuarial valuations for accounting purposes as at December 31, 2020. 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:

	2020	2019
	%	%
Wage and salary escalation	2.5	2.5
Discount on accrued benefit obligations	2.9	3.3

Sioux Lookout Public Library Board

Notes to the Financial Statements

December 31, 2020

8. SUBSEQUENT EVENT

Since December 31, 2020, 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 Library has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2020 have not been adjusted to reflect their impact. 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, 2020, 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, 2020, 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
May 19, 2021

Chartered Professional Accountants
Licensed Public Accountants

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

As at December 31

2020

2019

	Cemetery Perpetual Care \$	Elsie Cosco Memorial Scholarship Fund \$	Mayfair Theatre Fund \$	Total \$	Total \$
FINANCIAL ASSETS					
Investments	154,816	53,151	22,264	230,231	230,122
Receivable from the Municipality of Sioux Lookout	-	-	600	600	600
Total financial assets	154,816	53,151	22,864	230,831	230,722
FINANCIAL LIABILITIES					
Repayable to the Municipality of Sioux Lookout	-	5,400	-	5,400	5,400
Accumulated surplus	154,816	47,751	22,864	225,431	225,322
	154,816	53,151	22,864	230,831	230,722

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

2020

2019

	Cemetery Perpetual Care \$	Elsie Cosco Memorial Scholarship Fund \$	Mayfair Theatre Fund \$	Total \$	Total \$
REVENUES					
Capital receipts	-	-	-	-	624
Interest income	109	-	-	109	73
Total revenues	109	-	-	109	697
EXPENSES					
Transfer to the Municipality of Sioux Lookout	-	-	-	-	1,968
NET REVENUES	109	-	-	109	(1,271)
Annual surplus	109	-	-	109	(1,271)
Accumulated surplus, beginning of year	154,707	47,751	22,864	225,322	226,593
Accumulated surplus, end of year	154,816	47,751	22,864	225,431	225,322

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	2020	2019
	\$	\$
OPERATIONS		
Annual surplus	109	(1,271)
Net changes in non-cash working capital balances		
Decrease in payable to the Municipality of Sioux Lookout	-	(1,832)
Cash provided by (used in) operating transactions	109	(3,103)
INVESTING		
(Increase) decrease in investments	(109)	3,103
Cash provided by (used in) investing	(109)	3,103
Increase in cash during year	-	-
Cash, beginning of year	-	-
Cash, end of year	-	-

See accompanying notes to the financial statements.

The Corporation of the Municipality of Sioux Lookout Trust Funds

Notes to the Financial Statements

December 31, 2020

1. 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.

2. 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.