

**The Corporation of the
Township of Ignace**
Consolidated Financial Statements
For the year ended December 31, 2021

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The Corporation of the Township of Ignace Management's Statement of Responsibility for Financial Reporting

December 31, 2021

The accompanying consolidated financial statements of The Corporation of the Township of Ignace are the responsibility of management and have been approved by the Mayor and Council.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.


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 the Corporation's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

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

The consolidated financial statements have been reported on by The Corporation of the Township of Ignace's external auditor, MNP LLP in accordance with Canadian generally accepted auditing standards. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the consolidated financial statements. MNP LLP have access to financial management and the Mayor and Council of The Corporation of the Township of Ignace and meet when required.



Mayor



CAO

To the of Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Ignace:

Qualified Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Ignace (the "Township"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of operations and accumulated surplus, consolidated change in net debt and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2021, and its results of consolidated operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective January 1, 2015, the Township was required to adopt PS 3260 Liability for Contaminated Sites. Under this standard, governments are required to identify contaminated sites and if these sites meet certain criteria to record a liability for the estimated costs to bring the site up to the current minimum standard for its use prior to contamination. As of the date of this report, certain sites had been identified that could be subject to contamination, however, management had not completed the process of determining whether there was contamination, whether the sites met the recognition criteria for recording a liability, and the amount of any liability. Since we have been unable to obtain satisfactory evidence as to these potential liabilities, we were not able to determine whether any adjustment might be necessary to expenses, annual surplus, and cash flows from operations for the years ended December 31, 2021 and 2020, liabilities as at December 31, 2021 and 2020, and accumulated surplus as at January 1 and December 31 for both the 2021 and 2020 years.

The Township has not determined the liabilities which will be associated with the closure and post-closure costs of its solid waste disposal facilities and, consequently, no provision for these liabilities has been made in these consolidated financial statements. This is a result of a decision taken by management in a prior year. Canadian public sector accounting standards require that a provision for closure and post-closure costs be provided for in the consolidated financial statements. Since we have been unable to obtain satisfactory evidence as to these liabilities, we were not able to determine whether any adjustment might be necessary to expenses, annual surplus, and cash flows from operations for the years ended December 31, 2021 and 2020, liabilities as at December 31, 2021 and 2020, and accumulated surplus as at January 1 and December 31 for both the 2021 and 2020 years.

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 Township 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 qualified opinion.

Other Matter

The consolidated financial statement for the year ended December 31, 2020 were audited by another auditor who expressed a qualified opinion on those statements on December 11, 2024 for the reasons described in the Basis for Qualified opinion paragraph.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Thunder Bay, Ontario

December 2, 2025

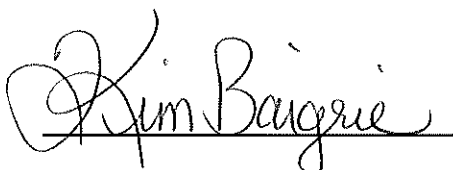
MNP LLP

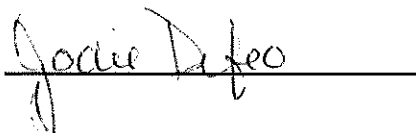
Chartered Professional Accountants

Licensed Public Accountants

The Corporation of the Township of Ignace
Consolidated Statement of Financial Position

December 31	2021	2020
Financial assets		
Cash (Note 6)	\$ 1,737,371	\$ 887,125
Temporary investments (Note 3)	692,273	677,235
Taxes receivable (Note 4)	313,597	608,029
Trade and other receivables (Note 5)	704,439	1,004,726
	<u>3,447,680</u>	<u>3,177,115</u>
Liabilities		
Accounts payable and accrued liabilities	359,808	731,437
Deferred revenue (Note 7)	1,352,174	887,985
Long-term debt (Note 8)	2,952,134	3,190,991
	<u>4,664,116</u>	<u>4,810,413</u>
Net debt	<u>(1,216,436)</u>	<u>(1,633,298)</u>
Non-financial assets		
Tangible capital assets (Note 9)	27,895,063	28,051,759
Prepaid expenses	13,949	109,881
Land held for resale	235,875	243,287
	<u>28,144,887</u>	<u>28,404,927</u>
Accumulated surplus (Note 10)	<u>\$ 26,928,451</u>	<u>\$ 26,771,629</u>

 Mayor

 Councillor

The Corporation of the Township of Ignace

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget 2021	2021	2020
	(Note 18)		
Revenue			
Taxation (Note 11)	\$ 2,225,636	\$ 2,223,993	\$ 2,253,395
Government transfers - Federal (Note 12)	1,426	90,567	-
Government transfers - Provincial (Note 13)	1,157,229	1,255,779	1,091,483
Fees and user charges	1,879,946	1,158,864	1,383,698
Nuclear Waste Management Organization	2,513,630	2,394,323	1,367,210
Other income (Note 14)	115,800	159,257	62,337
	<u>7,893,667</u>	<u>7,282,783</u>	<u>6,158,123</u>
Expenses			
General government	1,105,375	1,434,895	1,561,563
Protection services	632,672	715,373	658,662
Transportation services	1,025,862	1,318,535	993,022
Environmental services	917,822	1,475,497	1,330,720
Health services	138,022	134,868	128,448
Social and family services	94,533	90,840	91,528
Social housing	58,307	57,742	62,878
Recreation and cultural services	659,005	571,420	503,992
Planning and development	2,740,502	1,326,791	559,049
	<u>7,372,100</u>	<u>7,125,961</u>	<u>5,889,862</u>
Annual surplus	<u>521,567</u>	<u>156,822</u>	<u>268,261</u>
Accumulated surplus, beginning of year	<u>26,771,629</u>	<u>26,771,629</u>	<u>26,503,368</u>
Accumulated surplus, end of year	<u>\$ 27,293,196</u>	<u>\$ 26,928,451</u>	<u>\$ 26,771,629</u>

The Corporation of the Township of Ignace

Consolidated Statement of Change in Net Debt

For the year ended December 31	Budget 2021	2021	2020
	(Note 18)		
Annual surplus	\$ 521,567	\$ 156,822	\$ 268,261
Acquisition of tangible capital assets	(32,000)	(954,172)	(435,663)
Amortization of tangible capital assets	-	1,110,868	1,058,930
Loss (gain) on disposal of tangible capital assets	-	(1,196)	5,025
Proceeds on sale of tangible capital assets	-	1,196	-
Change in land inventory	-	7,412	131,011
Use/consumption of prepaid expenses	-	95,932	(97,754)
Net change in net debt	489,567	416,862	929,810
Net debt, beginning of year	(1,633,298)	(1,633,298)	(2,563,108)
Net debt, end of year	\$ (1,143,731)	\$ (1,216,436)	\$ (1,633,298)

The Corporation of the Township of Ignace

Consolidated Statement of Cash Flows

For the year ended December 31	2021	2020
Operating transactions		
Annual surplus	\$ 156,822	\$ 268,261
Item not involving cash		
Amortization of tangible capital assets	1,110,868	1,058,930
Loss (gain) on disposal of tangible capital assets	(1,196)	5,025
Interest accrual on temporary investments	(15,038)	(10,738)
	<u>1,251,456</u>	<u>1,321,478</u>
 Changes in non-cash operating balances		
Taxes receivable	294,432	(63,929)
Trade and other receivables	300,287	(362,319)
Accounts payable and accrued liabilities	(371,629)	(75,030)
Deferred revenue	464,189	434,492
Prepaid expenses	95,932	(97,754)
Land held for resale	7,412	131,011
	<u>2,042,079</u>	<u>1,287,949</u>
 Capital transactions		
Acquisition of tangible capital assets	(954,172)	(435,663)
Proceeds on sale of tangible capital assets	1,196	-
	<u>(952,976)</u>	<u>(435,663)</u>
 Investing transactions		
Purchase of temporary investments	(679,337)	(670,548)
Proceeds on disposal of temporary investments	679,337	670,548
	<u>-</u>	<u>-</u>
 Financing transactions		
Advances of temporary borrowings	-	(678,222)
Repayment of long-term debt	(238,857)	(232,691)
	<u>(238,857)</u>	<u>(910,913)</u>
 Increase (decrease) in cash during the year	850,246	(58,627)
 Cash, beginning of year	887,125	945,752
 Cash, end of year	\$ 1,737,371	\$ 887,125

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

1. Significant Accounting Policies

Management's Responsibility for the Consolidated Financial Statements	The consolidated financial statements of the Corporation of the Township of Ignace are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards. the Corporation of the Township of Ignace is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. the Corporation of the Township of Ignace provides municipal services such as fire, public works, planning, parks, recreation and other general government services.
Reporting Entity	<p>The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the Township. The following entities have been consolidated:</p> <ul style="list-style-type: none"> - Ignace Public Library Board <p>All inter-entity transactions and balances have been eliminated.</p> <p>The Township contributes to the following joint boards, which are not proportionately consolidated in these statements:</p> <ul style="list-style-type: none"> - District of Kenora Home for the Aged - Kenora District Services Board - Northwestern Health Unit
Temporary Investments	Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.
Tangible Capital Assets	Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue.

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

1. Significant Accounting Policies

Tangible Capital Assets (cont'd)	<p>Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table> <tr> <td>Buildings</td><td>50 years</td></tr> <tr> <td>Machinery and equipment</td><td>3 to 20 years</td></tr> <tr> <td>Linear assets</td><td>10 to 75 years</td></tr> <tr> <td>Land improvement</td><td>20 years</td></tr> <tr> <td>Vehicles</td><td>7 to 20 years</td></tr> <tr> <td>Collections</td><td>20 years</td></tr> </table>	Buildings	50 years	Machinery and equipment	3 to 20 years	Linear assets	10 to 75 years	Land improvement	20 years	Vehicles	7 to 20 years	Collections	20 years
Buildings	50 years												
Machinery and equipment	3 to 20 years												
Linear assets	10 to 75 years												
Land improvement	20 years												
Vehicles	7 to 20 years												
Collections	20 years												
	<p>Assets under construction are not amortized until the asset is available for use.</p>												
Accounting for School Board Transactions	<p>The Township collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements. Education taxes collected by the Township and over-remitted or not remitted to the respective school boards as at December 31 are reported as a financial asset or liability on the consolidated statement of financial position.</p>												
Trust Funds	<p>Trust funds held in trust by the Corporation of the Township of Ignace and their related operations are not included in these consolidated financial statements. The financial activity and position of the trust funds are reported separately.</p>												
Government Transfers	<p>Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished.</p>												
Revenue Recognition	<p>Charges for sewer and water usage are recorded as user fees as earned. Connection fee revenues are recognized when the connection has been established.</p> <p>Sales of service and other revenue is recognized when services are performed or goods are delivered and there is reasonable assurance of collection.</p>												

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

1. Significant Accounting Policies

Revenue Recognition (cont'd)

Interest is recognized as it is earned. Interest earned on deferred revenue is added to the fund balance and forms part of the deferred revenue balance. Investment income earned on reserve funds is added to the fund balance and forms part of the reserve fund 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.

Taxation Revenues

The amount of the total property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council approved policies, in order to raise the revenues required to meeting operating budget requirements. Education tax rates are established by the Province each year in order to fund the costs of education on a Province wide basis.

Property assessments, on which property taxes are based, are established by the Municipal Property Assessment Corporation. The current value assessment ("CVA") of a property represents an estimated market value of a property as of a fixed date. Assessed value for all properties within the municipality are provided to the Township in the form of the returned assessment roll in December of each year.

The amount of property taxes levied on an individual property is the product of the CVA of the property and the tax rate for the class, together with any adjustments that reflect Council approved mitigation or other tax policy measures.

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

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

1. Significant Accounting Policies

Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates in these consolidated financial statements include assumptions used in estimating provisions for doubtful taxes, accounts receivable and land held for resale, supplementary taxes and tax write-offs and useful lives of tangible capital assets.
Pension and Employee Benefits	The Township is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investments of the assets and administration of the benefits. The Township records pension expense when contributions are due.

2. Uncertainty Due to COVID-19

On March 17, 2020, the Province of Ontario declared a state of emergency which was followed shortly by the closure of non-essential workplaces. The Township's office was closed to the public for periods throughout 2020 and 2021 while the landfill was able to remain open as it is outdoors and physical distancing could be maintained. Additionally, there were no penalties charged for the year which resulted in no penalty revenue for 2020. However, interest on amounts owing to the Township was reinstated in 2021. More meetings were held virtually or events cancelled which decreased travel expenses for Council and staff. The Ministry of Municipal Affairs and Housing provided funding to assist with the purchase of personal protective equipment and other items needed for the Township employees and Council members to work safely and remotely when needed.

3. Temporary Investments

	2021	2020
CIBC GICs - externally restricted	\$ 113,871	\$ 111,397
CIBC GICs - internally restricted	578,402	565,838
	<u>\$ 692,273</u>	<u>\$ 677,235</u>

The GICs have interest rates of 2.50% (2020 - 1.3%) and mature in March 2022.

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

4. Taxes Receivable

	2021	2020
Taxes receivable	\$ 344,733	\$ 699,738
Supplemental taxes receivable	-	92,539
Allowance for doubtful accounts	(31,136)	(184,248)
	<u>\$ 313,597</u>	<u>\$ 608,029</u>

5. Trade and Other Receivables

	2021	2020
Trade and other receivables	\$ 452,760	\$ 494,961
Provincial grant receivables	243,910	-
Nuclear Waste Management Organization receivable	-	373,607
HST/public service bodies' rebate receivables	99,448	171,438
Allowance for doubtful accounts	(91,679)	(35,280)
	<u>\$ 704,439</u>	<u>\$ 1,004,726</u>

6. Temporary Borrowings

The Township has a revolving line of credit up to a maximum of \$100,000 (2020 - \$250,000) with Alterna Savings. This operating line of credit is for general business purposes, is due on demand, and bears interest at the prime rate plus 1% (3.45% at year end). Advances totaling \$nil (2020 - \$nil) had been utilized at December 31, 2021. The Alterna revolving line of credit and demand instalment loans are secured by a general security agreement.

The Township has an operating line of credit up to a maximum of \$50,000 (2020 - \$50,000) with the Canadian Imperial Bank of Commerce. This operating line of credit is for general business purposes, is due on demand and bears interest at the rate of prime plus 5.750%. Council authorized this temporary borrowing for 2021 in By-law #02/2021. Advances totaling \$nil (2020 - \$nil) had been utilized at December 31, 2021. The bank's prime rate as at December 31, 2021 was 2.45% (2020 - 2.45%).

The Alterna Savings and Canadian Imperial Bank of Commerce credit facility agreements contain certain requirements, one of which requires the Township to submit audited consolidated financial statements within 180 days of year-end. This requirement has not been complied with.

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

7. Deferred Revenue

	2021	2020
Nuclear Waste Management Organization	\$ 366,715	\$ 244,598
Municipal Modernization funding	-	3,632
Ontario Community Infrastructure Fund	581,732	388,039
Canada Community Building Fund (previously Federal Gas Tax)	403,727	251,716
	<u>\$ 1,352,174</u>	<u>\$ 887,985</u>

The net change during the year in the deferred revenue balances is made up as follows:

	2021	2020
Deferred Revenue		
Balance, beginning of year	\$ 887,985	\$ 453,493
Funds received in the current year:		
Municipal Modernization funding	107,842	78,375
Nuclear Waste Management Organization	2,186,269	747,215
Ontario Community Infrastructure Fund	193,693	193,693
Canada Community Building Fund (Federal Gas Tax)	149,538	72,928
Interest earned on Federal Gas Tax funds	2,473	3,055
	<u>2,639,815</u>	<u>1,095,266</u>
Revenue recognized in the current year:		
Nuclear Waste Management Organization	2,064,152	586,031
Municipal Modernization funding	111,474	74,743
	<u>2,175,626</u>	<u>660,774</u>
Balance, end of year	<u>\$ 1,352,174</u>	<u>\$ 887,985</u>

Federal Gas Tax

The Ministry requires the Municipality to put unspent gas tax funding into a separate bank account. The funding and interest earned in the reserve must be spent on approved projects.

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

8. Long-Term Debt

Long-term liabilities reported on the statement of financial position is comprised of the following:

	2021	2020
Infrastructure Ontario loan, interest rate of 4.42%, blended semi-annual payments of \$37,272; due July 2036	\$ 811,143	\$ 848,588
Infrastructure Ontario loan, interest rate of 3.77%, blended semi-annual payments of \$28,496; due June 2037	664,400	695,463
Infrastructure Ontario loan, interest rate of 3.30%, blended semi-annual payments of \$29,527; due July 2041	859,616	889,560
CMHC loans, interest rate of 3.42%, blended annual payments of \$122,209; due September 2025	453,580	557,759
Alterna demand term loan, monthly repayment of \$1,553 including interest at 3.7%, maturing March 2027, secured by a general security agreement and certain vehicle	88,605	103,659
Alterna demand term loan, monthly repayment of \$655 including interest of 3.7%, maturing June 2023, secured by a general security agreement and certain equipment	11,245	17,371
Alterna demand term loan, monthly repayment of \$1,475 including interest at 3.7%, maturing November 2025, secured by a general security agreement and certain equipment	63,545	78,591
	\$ 2,952,134	\$ 3,190,991

Principal repayments and interest relating to long-term debt for the next five years and thereafter are due approximately as follows, assuming repayment is not demanded on applicable loans:

	Principal Repayments	Interest	Total
2022	\$ 247,900	\$ 109,100	\$ 357,000
2023	252,900	100,000	352,900
2024	258,400	90,800	349,200
2025	269,200	81,300	350,500
2026	137,400	71,800	209,200
Thereafter	1,786,334	447,700	2,234,034
	\$ 2,952,134	\$ 900,700	\$ 3,852,834

The Corporation of the Township of Ignace
Notes to Consolidated Financial Statements

December 31, 2021

9. Tangible Capital Assets

	2021							
	Land	Buildings	Machinery and Equipment	Linear Assets	Land Improvement	Vehicles	Collections	Total
Cost, beginning of year	\$ 1,265,724	\$ 21,966,926	\$ 1,417,980	\$ 19,692,241	\$ 353,421	\$ 934,145	\$ 186,792	\$ 45,817,229
Additions	-	-	283,741	17,553	631,304	21,574	-	954,172
Disposals	-	-	-	-	-	(6,850)	-	(6,850)
Cost, end of year	\$ 1,265,724	\$ 21,966,926	\$ 1,701,721	\$ 19,709,794	\$ 984,725	\$ 948,869	\$ 186,792	\$ 46,764,551
Accumulated amortization, beginning of year	\$ -	\$ 7,198,544	\$ 585,433	\$ 9,096,520	\$ 152,609	\$ 545,572	\$ 186,792	\$ 17,765,470
Amortization	-	447,005	108,631	482,974	33,599	38,659	-	1,110,868
Disposals	-	-	-	-	-	(6,850)	-	(6,850)
Accumulated amortization, end of year	\$ -	\$ 7,645,549	\$ 694,064	\$ 9,579,494	\$ 186,208	\$ 577,381	\$ 186,792	\$ 18,869,488
Net carrying amount	\$ 1,265,724	\$ 14,321,377	\$ 1,007,657	\$ 10,130,300	\$ 798,517	\$ 371,488	\$ -	\$ 27,895,063

The Corporation of the Township of Ignace
Notes to Consolidated Financial Statements

December 31, 2021

9. Tangible Capital Assets (cont'd)

	2020								
	Land	Buildings	Machinery and Equipment	Linear Assets	Land Improvement	Vehicles	Collections	Construction in Progress	Total
Cost, beginning of year	\$ 1,265,724	\$ 21,936,498	\$ 1,078,948	\$ 19,630,028	\$ 330,031	\$ 934,145	\$ 186,792	\$ 33,263	\$ 45,395,429
Additions	-	30,428	305,769	76,076	23,390	-	-	-	435,663
Transfers	-	-	33,263	-	-	-	-	(33,263)	-
Disposals	-	-	-	(13,863)	-	-	-	-	(13,863)
Cost, end of year	\$ 1,265,724	\$ 21,966,926	\$ 1,417,980	\$ 19,692,241	\$ 353,421	\$ 934,145	\$ 186,792	\$ -	\$ 45,817,229
Accumulated amortization, beginning of year	\$ -	\$ 6,752,468	\$ 506,414	\$ 8,622,501	\$ 141,290	\$ 505,913	\$ 186,792	\$ -	\$ 16,715,378
Amortization	-	446,076	79,019	482,857	11,319	39,659	-	-	1,058,930
Disposals	-	-	-	(8,838)	-	-	-	-	(8,838)
Accumulated amortization, end of year	\$ -	\$ 7,198,544	\$ 585,433	\$ 9,096,520	\$ 152,609	\$ 545,572	\$ 186,792	\$ -	\$ 17,765,470
Net carrying amount	\$ 1,265,724	\$ 14,768,382	\$ 832,547	\$ 10,595,721	\$ 200,812	\$ 388,573	\$ -	\$ -	\$ 28,051,759

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

10. Accumulated Surplus

The Corporation of the Township of Ignace segregates its accumulated surplus in the following categories:

	<u>2021</u>	<u>2020</u>
Investment in tangible capital assets	\$ 27,895,063	\$ 28,051,759
General fund	1,540	72,015
Unfunded liabilities	(2,952,134)	(3,190,991)
Reserves:		
Working funds	45,000	35,000
Fire department	40,000	30,000
Reserve funds set aside for specific purpose by Council:		
Gas tax	76,560	76,560
Landfill	557,667	557,667
Vehicles and equipment	94,804	90,372
Infrastructure	1,169,951	1,049,247
	<u>\$ 26,928,451</u>	<u>\$ 26,771,629</u>

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by By-Law or Council resolution for specific purposes.

11. Taxation

	<u>2021</u>	<u>2020</u>
Residential and multi-residential	\$ 1,321,580	\$ 1,305,582
Commercial, industrial and pipeline	782,474	830,201
Payments-in-lieu	119,939	117,612
	<u>\$ 2,223,993</u>	<u>\$ 2,253,395</u>

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

12. Government Transfers - Federal

	Budget 2021	2021	2020
Fednor	\$ 31,000	\$ 90,567	\$ -
Federal Gas Tax Fund	1,426	-	-
	<u>\$ 32,426</u>	<u>\$ 90,567</u>	<u>\$ -</u>

13. Government Transfers - Provincial

	Budget 2021	2021	2020
Province of Ontario			
Ontario Municipal Partnership Fund	\$ 913,000	\$ 908,500	\$ 913,000
MMAH - COVID-19 Safe Restart	-	31,000	92,100
MMAH - COVID-19 Recovery Funding	-	31,633	-
MMAH - Municipal Modernization	145,000	111,474	74,743
Ministry of Infrastructure	-	95,188	-
Northern Ontario Heritage Fund	39,590	36,753	-
Other	28,639	41,231	11,640
	<u>1,126,229</u>	<u>1,255,779</u>	<u>1,091,483</u>

14. Other Income

	2021	2020
Investment income	\$ 40,632	\$ 9,101
Penalties and interest on taxation	42,566	-
Sale of land and other assets	68,699	9,397
Gain (loss) on disposal of tangible capital assets	1,196	(5,025)
Other	6,164	48,865
	<u>\$ 159,257</u>	<u>\$ 62,338</u>

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

15. Pension and Employee Benefits

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its full time 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.

OMERS provides pension services to over half a million active, deferred, and retired members and approximately 1,000 employers. 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 \$120.8 billion (\$113.1 billion in 2020) in respect of benefits accrued for service with actuarial assets at that date of 2021 (\$109.8 billion in 2020) indicating an actuarial deficit of \$3.1 billion (\$3.3 billion in 2020). Because OMERS is a multi-employer Plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Township to OMERS for 2021 were \$151,154 (\$61,735 in 2020), which is included as an expense on the statement of operations and accumulated surplus.

16. Contributions to Unconsolidated Joint Boards

The following contributions were made by the Township to these boards:

	2021	2020
District of Kenora Home for the Aged	\$ 60,061	\$ 63,995
Kenora District Services Board	150,680	152,215
Northwestern Health Unit	59,339	59,339
	<u>\$ 270,080</u>	<u>\$ 275,549</u>

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

17. Trust Fund

The Cemetery Perpetual Care Trust Fund administered by the Township amounting to \$48,536 (2020 - \$46,508) have not been included in the statement of financial position nor have the operations been included in the statement of operations and accumulated surplus.

18. Budget

The Financial Plan (Budget) By-Law adopted by Council on October 5, 2020, was not prepared on a basis consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis while public sector accounting standards require a full accrual basis. The budget expensed all acquisitions of tangible capital assets rather than including amortization expense. As a result, the budget figures presented in the statements of operations and accumulated surplus, and change in net debt represent the Financial Plan adopted by Council on October 5, 2020, with adjustments as follows:

	<u>2021</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Repayment of long-term debt	356,995
Acquisition of tangible capital assets	32,000
Transfers to reserves and reserve funds	132,572
Interdepartmental fees and charges	-
Budgeted surplus per statement of operations and accumulated surplus	<u>\$ 521,567</u>

Under Canadian public sector accounting standards, budget amounts are to be reported on the statement of operations and accumulated surplus for comparative purposes. The 2021 budget amounts for the Township, approved by Council, have been restated to conform to the basis of preparation of the revenue and expenses on the statement of operations and accumulated surplus.

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

19. Contractual Commitments

The Corporation of the Township of Ignace approved By-law #32/2018 authorizing the renewal agreement with Northern Waterworks Inc. for the provision of all services required for the management, operation and maintenance of the treatment facilities for a fee of 12% of the agreed annual expenses as well as limited services for supervision of and technical assistance for the distribution and collection facilities. These services will be provided for an annual fee of \$8,000 per year for the length of the agreement. The term of the contract is for a period of ten years, commencing on June 11, 2018, and expiring on June 10, 2028.

20. Subsequent Event

On November 28, 2024, the Nuclear Waste Management Organization (NWMO) informed Mayor, Council and Senior Officials that the Township of Ignace/Wabigoon Lake area has been chosen to host Canada's first deep geological repository to store used nuclear fuel. This has the potential to be a \$26 billion dollar project. On March 18, 2024, NWMO and the Township of Ignace signed a Hosting Agreement that set out an anticipated schedule starting in 2025 and lasting until 2174. The financial benefits of this project for the Township include milestone payments ranging from \$1.5 to \$6 million, annual payments, emplacement fees and discretionary benefits.

21. Contingencies

The nature of the Township's activities is such that there is usually litigation pending or in prospect at any one time. Subsequent to year-end, there were outstanding claims pending against the Township for which the amount of settlement, if any, is not determinable. Consequently, no provision for claims has been made in these financial statements.

22. Segmented Information

The Township is a diversified municipal government institution that provides a wide range of services both directly and through third parties to its citizens, such as transportation services, public housing, police, fire and water. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

General government comprises various administrative services, including the Mayor and Council, and Administrator/Treasurer.

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2021

22. Segmented Information (cont'd)

Protection Services

Protection is comprised of police services and fire protection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers.

Transportation Services

Transportation encompasses maintenance of the Township's roads, streetlights and airport services.

Environmental Services

Environmental services consists of providing waterworks, sanitary sewer, waste collection and disposal. Waterworks provides drinking water to the citizens of the Township. The sanitary sewer collects and treats wastewater. Waste collection and disposal include the collection of solid waste and landfill site operations.

Health Services

Health services include public health services and ambulance services. Public health services cover the Township's contribution to the activities to the Northwestern Health Unit. The Northwestern Health Unit works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities. The ambulance service transports the injured to the hospital and provides emergency medical care to those in distress.

Social and Family Services

Social and family services represent the Township's contributions to the activities of the Kenora District Services Board and the District of Kenora Home for the Aged. Social services provides services that are meant to help the less fortunate in society. Social housing is provided to help shelter families and elderly in need.

Social Housing

The Municipality contributes to a local board which provides social housing if the citizens of the Corporation of the Township of Ignace require the service.

Recreational and Cultural Services

This service area consists of the operation and maintenance of local parks, recreation facilities, cultural facilities, and the library.

Planning and Development

These services relate to zoning issues as well as planning of various municipal maintenance projects.

The Corporation of the Township of Ignace
Notes to Consolidated Financial Statements

December 31, 2021

22. Segmented Information (cont'd)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreational and Cultural Services	Planning and Development	2021 Total
Revenue										
Taxation	\$ 472,450	\$ 208,061	\$ 388,607	\$ 466,974	\$ 43,632	\$ 29,388	\$ 18,681	\$ 162,475	\$ 433,725	\$ 2,223,993
Government grants - Federal	-	-	-	-	-	-	-	-	90,567	90,567
Government grants - Provincial	392,421	102,563	168,339	283,567	17,214	11,598	7,372	71,679	201,026	1,255,779
User fees and service charges	40,032	95,250	9,872	973,651	(439)	-	-	11,509	28,989	1,158,864
NWMO	-	-	-	-	-	-	-	-	2,394,323	2,394,323
Other	158,273	(8,148)	-	-	-	-	-	9,132	-	159,257
	<u>1,063,176</u>	<u>397,726</u>	<u>566,818</u>	<u>1,724,192</u>	<u>60,407</u>	<u>40,986</u>	<u>26,053</u>	<u>254,795</u>	<u>3,148,630</u>	<u>7,282,783</u>
Expenses										
Salaries and wages	636,053	134,312	588,196	69,108	-	-	-	218,863	851,297	2,497,829
Materials	350,399	103,632	355,856	112,548	7,189	-	-	243,915	224,943	1,398,482
Contracted services	224,141	452,057	20,129	636,299	-	-	-	12,916	250,551	1,596,093
Rents and financial	136,106	-	7,971	-	-	-	-	-	-	144,077
External transfers	-	-	-	-	127,679	84,659	57,742	-	-	270,080
Long-term debt interest	-	-	18,030	90,500	-	-	-	-	-	108,530
Amortization	88,196	25,372	328,353	567,042	-	6,181	-	95,726	-	1,110,870
	<u>1,434,895</u>	<u>715,373</u>	<u>1,318,535</u>	<u>1,475,497</u>	<u>134,868</u>	<u>90,840</u>	<u>57,742</u>	<u>571,420</u>	<u>1,326,791</u>	<u>7,125,961</u>
Surplus (deficit)	\$ (371,719)	\$ (317,647)	\$ (751,717)	\$ 248,695	\$ (74,461)	\$ (49,854)	\$ (31,689)	\$ (316,625)	\$ 1,821,839	\$ 156,822

The Corporation of the Township of Ignace
Notes to Consolidated Financial Statements

December 31, 2021

22. Segmented Information (cont'd)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreational and Cultural Services	Planning and Development	2020 Total
Revenue										
Taxation	\$ 597,437	\$ 251,996	\$ 379,919	\$ 509,119	\$ 49,143	\$ 35,017	\$ 24,056	\$ 192,822	\$ 213,886	\$ 2,253,395
Government grants - Provincial	408,905	108,740	153,931	206,278	19,911	14,188	9,747	83,124	86,659	1,091,483
User fees and service charges	18,482	80,975	34,187	1,210,155	2,624	-	-	37,251	24	1,383,698
NWMO	-	-	-	-	-	-	-	-	1,338,710	1,338,710
Other	15,147	63,967	-	-	-	-	-	11,723	-	90,837
	<u>1,039,971</u>	<u>505,678</u>	<u>568,037</u>	<u>1,925,552</u>	<u>71,678</u>	<u>49,205</u>	<u>33,803</u>	<u>324,920</u>	<u>1,639,279</u>	<u>6,158,123</u>
Expenses										
Salaries and wages	578,121	90,707	397,487	87,527	-	-	-	178,948	249,292	1,582,082
Materials	552,364	82,921	237,054	110,726	1,124	-	-	247,815	75,127	1,307,131
Contracted services	250,489	461,108	6,996	498,079	-	-	-	4,713	234,630	1,456,015
Rents and financial	91,758	-	6,824	-	-	-	-	-	-	98,582
External transfers	-	-	-	-	127,324	85,347	62,878	-	-	275,549
Long-term debt interest	-	-	21,476	90,097	-	-	-	-	-	111,573
Amortization	88,831	23,926	323,185	544,291	-	6,181	-	72,516	-	1,058,930
	<u>1,561,563</u>	<u>658,662</u>	<u>993,022</u>	<u>1,330,720</u>	<u>128,448</u>	<u>91,528</u>	<u>62,878</u>	<u>503,992</u>	<u>559,049</u>	<u>5,889,862</u>
Surplus (deficit)	<u>\$ (521,592)</u>	<u>\$ (152,984)</u>	<u>\$ (424,985)</u>	<u>\$ 594,832</u>	<u>\$ (56,770)</u>	<u>\$ (42,323)</u>	<u>\$ (29,075)</u>	<u>\$ (179,072)</u>	<u>\$ 1,080,230</u>	<u>\$ 268,261</u>

**The Corporation of the
Township of Ignace
Cemetery Perpetual Care Trust Fund
Financial Statements
For the year ended December 31, 2021**

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To the of The Corporation of the Township of Ignace Cemetery Perpetual Care Trust Fund:

We have audited the financial statements of The Corporation of the Township of Ignace Cemetery Perpetual Care Trust Fund (the "Trust Fund"), which comprise the statement of financial position as at December 31, 2021, and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2021, and its continuity for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Township to comply with the reporting provisions of the Municipal Act. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Matter

The financial statement for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on December 11, 2024.

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

Management is responsible for the preparation and fair presentation of the 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 going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Thunder Bay, Ontario

December 2, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

**The Corporation of the Township of Ignace
Cemetery Perpetual Care Trust Fund
Statement of Financial Position**

December 31	2021	2020
Assets		
Temporary investment - GIC maturing March 29, 2022 with an interest rate of 2.50%	\$ 47,189	\$ 46,161
Due from the Corporation of the Township of Ignace	1,347	347
	48,536	46,508
Fund balance	\$ 48,536	\$ 46,508

Statement of Continuity

For the year ended December 31	2021	2020
Balance, beginning of year	\$ 46,508	\$ 44,484
Receipts		
Interest revenue	1,028	624
Plot sales	1,000	1,300
Marker sales	-	100
	2,028	2,024
Balance, end of year	\$ 48,536	\$ 46,508

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

The Corporation of the Township of Ignace Cemetery Perpetual Care Trust Fund Notes to Financial Statements

December 31, 2021

1. Significant Accounting Policies

Management's Responsibility

The financial statements of the Corporation of the Township of Ignace Cemetery Perpetual Care Trust Fund are the representation of management and have been prepared in accordance with accrual based accounting principles. Precise determination of some assets and liabilities may be dependent upon future events and estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgement and review. Actual results could differ from these estimates.

Accrual Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting.

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

2. Nature of Trust Fund

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

3. Statement of Cash Flows

A statement of cash flows has not been provided since the sources and uses of cash are readily apparent from the information included in the financial statements.