

**The Corporation of the
Township of Ignace
Consolidated Financial Statements
For the year ended December 31, 2019**

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

December 31, 2019


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 judgements. 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, BDO Canada 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. BDO Canada LLP have access to financial management and the Mayor and Council of The Corporation of the Township of Ignace and meet when required.



Mayor



Treasurer



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Thunder Bay ON P7B 5N3 Canada

Independent Auditor's Report

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

Qualified Opinion

We have audited the accompanying 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, 2019, and the consolidated statements 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, 2019, and its consolidated results of operations, its consolidated change 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 municipality 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. The impact of this departure from Canadian public sector accounting standards on the consolidated financial statements has not been determined. Our audit opinion on the consolidated financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this departure from Canadian public sector accounting standards.

As discussed in Note 1 to the consolidated financial statements, no liabilities associated with the closure and post closure costs of the municipal solid waste disposal facilities have been recorded in the consolidated financial statements, which constitutes a departure from Canadian public sector accounting standards. This is the result of a decision made by management in a previous year. The effects of this departure from Canadian public sector accounting standards on expense, annual surplus (deficit), and cash flows from operations for the years ended December 31, 2019 and 2018, liabilities and net debt as at December 31, 2019 and 2018, and net debt as at January 1 and December 31 for both the 2019 and 2018 years have not been determined. Our audit opinion on the consolidated financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this departure from Canadian public sector accounting standards.

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.

Independent Auditors' Report (cont'd)

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which explains that certain comparative information for the year ended December 31, 2018 has been restated. Our opinion is not qualified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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.

Independent Auditors' Report (cont'd)

- 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

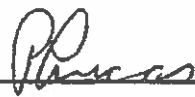
Thunder Bay, Ontario
December 6, 2021

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

December 31	2019	2018
		Restated (Note 2)
Financial assets		
Cash and cash equivalents	\$ 945,752	\$ 689,970
Temporary investments (Note 3)	666,497	429,410
Taxes receivable (Note 4)	544,100	418,932
Trade and other receivable (Note 5)	639,476	1,051,262
	2,795,825	2,589,574
Liabilities		
Temporary borrowings (Note 6)	915,053	839,102
Accounts payable and accrued liabilities	803,536	1,031,079
Deferred revenue/obligatory reserve fund (Note 7)	453,493	395,040
Long-term debt (Note 8)	3,186,851	3,371,637
	5,358,933	5,636,858
Net debt	(2,563,108)	(3,047,284)
Non-financial assets		
Tangible capital assets (Note 9)	28,680,051	29,237,247
Prepaid expenses	12,127	9,957
Land held for resale	374,298	311,501
	29,066,476	29,558,705
Accumulated surplus (Note 10)	\$26,503,368	\$ 26,511,421



Treasurer



Mayor

The Corporation of the Township of Ignace
Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget 2019	2019	2018
	(Note 22)		Restated (Note 2)
Revenue			
Taxation (Note 11)	\$ 2,109,702	\$ 2,039,223	\$ 1,930,009
Government transfers - Federal (Note 12)	72,928	155,050	196,108
Government transfers - Provincial (Note 13)	1,317,123	1,390,843	1,350,979
Fees and user charges	1,276,613	1,316,694	1,153,153
Other income (Note 14)	1,048,099	986,856	1,031,821
	<u>5,824,465</u>	<u>5,888,666</u>	<u>5,662,070</u>
Expenses (Note 15)			
General government	1,194,066	1,131,642	1,143,252
Protection services	698,765	662,892	655,967
Transportation services	1,134,736	945,279	936,439
Environmental services	907,784	1,563,390	1,441,688
Health services	147,017	123,749	130,133
Social and family services	92,216	89,560	79,315
Social housing	65,657	65,657	62,938
Recreation and cultural services	1,043,665	572,549	575,562
Planning and development	876,299	742,001	772,859
	<u>6,160,205</u>	<u>5,896,719</u>	<u>5,798,153</u>
Annual deficit	<u>(335,740)</u>	<u>(8,053)</u>	<u>(136,083)</u>
Accumulated surplus, beginning of year, as previously stated	26,379,492	26,379,492	26,497,705
Prior period adjustment (Note 2)	131,929	131,929	149,799
Accumulated surplus, beginning of year, restated	<u>26,511,421</u>	<u>26,511,421</u>	<u>26,647,504</u>
Accumulated surplus, end of year	<u>\$ 26,175,681</u>	<u>\$ 26,503,368</u>	<u>\$ 26,511,421</u>

The Corporation of the Township of Ignace
Consolidated Statement of Change in Net Debt

<u>For the year ended December 31</u>	<u>Budget 2019</u>	<u>2019</u>	<u>2018</u>
	(Note 22)		Restated (Note 2)
Annual deficit	\$ (335,740)	\$ (8,053)	\$ (136,083)
Acquisition of tangible capital assets	-	(485,569)	(688,770)
Amortization of tangible capital assets	-	1,042,765	993,484
	<u>(335,740)</u>	<u>549,143</u>	<u>168,631</u>
Change in land inventory	-	(62,797)	6,372
Use/consumption of prepaid expenses	-	(2,170)	73,124
	<u>-</u>	<u>(64,967)</u>	<u>79,496</u>
Net change in net financial assets (debt)	(335,740)	484,176	248,127
Net debt, beginning of year	<u>(3,047,284)</u>	<u>(3,047,284)</u>	<u>(3,295,411)</u>
Net debt, end of year	\$ (3,383,024)	\$ (2,563,108)	\$ (3,047,284)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Ignace
Consolidated Statement of Cash Flows

<u>For the year ended December 31</u>	<u>2019</u>	<u>2018</u>
		Restated (Note 2)
Operating transactions		
Annual deficit	\$ (8,053)	\$ (136,083)
Item not involving cash		
Amortization of tangible capital assets	<u>1,042,765</u>	<u>993,484</u>
	<u>1,034,712</u>	<u>857,401</u>
 Changes in non-cash operating balances		
Taxes receivable	(125,168)	(52,062)
Trade and other receivables	411,786	57,867
Accounts payable and accrued liabilities	(227,543)	(107,949)
Deferred revenue/obligatory reserve funds	58,453	158,917
Prepaid expenses	(2,170)	73,124
Land held for resale	<u>(62,797)</u>	<u>6,372</u>
	<u>1,087,273</u>	<u>993,670</u>
 Capital transactions		
Acquisition of tangible capital assets	<u>(485,569)</u>	<u>(688,770)</u>
 Investing transactions		
Purchase of temporary investments	(658,940)	(428,794)
Proceeds on disposal of temporary investments	<u>421,853</u>	<u>426,816</u>
	<u>(237,087)</u>	<u>(1,978)</u>
 Financing transactions		
Repayment of temporary borrowings	(34,735)	(31,999)
Advances of temporary borrowings	110,686	260,237
Repayment of long-term debt	<u>(184,786)</u>	<u>(181,907)</u>
	<u>(108,835)</u>	<u>46,331</u>
 Net change in cash and cash equivalents	255,782	349,253
Cash and cash equivalents, beginning of year	<u>689,970</u>	<u>340,717</u>
Cash and cash equivalents, end of year	<u>\$ 945,752</u>	<u>\$ 689,970</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Ignace

Summary of Significant Accounting Policies

December 31, 2019

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> <p style="padding-left: 40px;">Ignace Public Library Board</p> <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> <p style="padding-left: 40px;">District of Kenora Home for the Aged Kenora District Services Board Northwestern Health Unit</p>
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.
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.

The Corporation of the Township of Ignace Summary of Significant Accounting Policies

December 31, 2019

**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. 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:

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

Assets under construction are not amortized until the asset is available for use.

Accounting for

The Township collects taxation revenue on behalf of the school boards.

**School Board
Transactions**

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.

Trust Funds

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.

The Corporation of the Township of Ignace

Summary of Significant Accounting Policies

December 31, 2019

Government Transfers 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.

Revenue Recognition Charges for sewer and water usage are recorded as user fees as earned. Connection fee revenues are recognized when the connection has been established.

Sales of service and other revenue is recognized when services are performed or goods are delivered and there is reasonable assurance of collection.

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.

The Corporation of the Township of Ignace

Summary of Significant Accounting Policies

December 31, 2019

Taxation Revenues	<p>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.</p> <p>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.</p> <p>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.</p> <p>Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.</p>
Use of Estimates	<p>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 and accounts receivable, supplementary taxes and tax write-offs and useful lives of tangible capital assets.</p>
Pension Agreement	<p>The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit plan, are expensed when contributions are due.</p>

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2019

1. Closure and Post Closure Costs of Solid Waste Disposal Facilities

Section 3260.08 of the Public Sector Accounting Standards requires the municipalities to set up the estimated liabilities associated with the closure and post closure costs of their solid waste disposal facilities (landfill site).

Management and council determined, at this time, the benefit of performing the study to determine the closure and post closure cost do not justify the cost of having the closure and post closure cost liability recorded.

As a result, no liabilities associated with the closure and post closure costs of the municipal solid waste disposal facilities have been recorded.

2. Prior Period Adjustment

As part of the reporting for the 2019 fiscal period, information became available that demonstrated that the Township had understated its consolidated tangible capital assets and accumulated surplus in prior years. The Township has revised the 2018 comparative figures to adjust the accumulated amortization and amortization expense for tangible capital assets recorded by the Township. The following is the adjustment to the comparative financial statements for the 2018 year:

	Previously Reported	Adjustment	Restated
Consolidated Statement of Financial Position			
Tangible capital assets	\$ 29,105,318	\$ 131,929	\$ 29,237,247
Accumulated surplus	26,379,492	131,929	26,511,421
Consolidated Statement of Operations and Accumulated Surplus			
Amortization of tangible capital assets	975,614	17,870	993,484
Annual deficit	(118,213)	(17,870)	(136,083)
Accumulated surplus, beginning of year	26,497,705	149,799	26,647,504
Accumulated surplus, end of year	26,379,492	131,929	26,511,421
Consolidated Statement of Change in Net Debt			
Annual deficit	(118,213)	(17,870)	(136,083)
Amortization of tangible capital assets	975,614	17,870	993,484
Consolidated Statement of Cash Flows			
Annual deficit	(118,213)	(17,870)	(136,083)
Amortization of tangible capital assets	975,614	17,870	993,484

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

December 31, 2019

3. Temporary Investments

	2019	2018
CIBC GIC's - Externally restricted	\$ 108,343	\$ 31,783
CIBC GIC's - Internally restricted	558,154	397,627
	\$ 666,497	\$ 429,410

The GIC's have interest rates of 1.80% (2018 - 0.60%) and maturity dates of March 2020.

4. Taxes Receivable

	2019	2018
Taxes receivable	\$ 680,978	\$ 490,138
Allowance for doubtful accounts	(136,878)	(71,206)
	\$ 544,100	\$ 418,932

5. Trade and Other Receivable

	2019	2018
Trade and other receivable	\$ 520,702	\$ 324,794
Federal grants receivable	46,360	89,019
Provincial grants receivable	31,500	532,358
HST receivable	91,264	152,217
Allowance for doubtful accounts	(50,350)	(47,126)
	\$ 639,476	\$ 1,051,262

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

December 31, 2019

6. Temporary Borrowings

	2019	2018
Alterna demand instalment loan, monthly repayment of \$1,553 plus interest, interest rate of 3.7%	\$ 118,167	\$ 132,149
Alterna demand instalment loan, monthly repayment of \$655 plus interest, interest rate of 3.7%	25,574	32,352
Alterna demand instalment loan, monthly repayment of \$1,475 plus interest, interest rate of 3.7%	93,090	107,065
Operating lines of credit	678,222	567,536
	\$ 915,053	\$ 839,102

The Township has a revolving line of credit up to a maximum of \$1,000,000 with Alterna Savings and Credit Union Limited. This operating line of credit is for general business purposes, is due on demand, and bears interest at the prime rate plus 1%. Council authorized this temporary borrowing for 2019 in By-law #62/2019. Advances totaling \$678,222 (2018 - \$427,656) had been utilized at December 31, 2019. The bank's prime rate as at December 31, 2019 was 3.95% (2018 - 3.95%). The Alterna revolving line of credit and demand instalment loans are secured by a general security agreement. Subsequent to year end, the line of credit was reduced to \$250,000.

The Township has an operating line of credit up to a maximum of \$750,000 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 1%. Council authorized this temporary borrowing for 2019 in By-law #61/2019. Advances totaling \$Nil (2018 - \$139,880) had been utilized at December 31, 2019. The bank's prime rate as at December 31, 2019 was 3.95% (2018 - 3.95%). Subsequent to year end, the line of credit was reduced to \$50,000.

The Alterna Savings and Credit Union Limited 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, 2019

7. Deferred Revenue/Obligatory Reserve Fund

	<u>2019</u>	<u>2018</u>
Deferred revenue		
Nuclear Waste Management Organization	\$ 83,414	\$ 178,871
Association of Municipalities Ontario	-	33,296
Ministry of Community Safety and Correctional Services	-	3,247
Ontario Community Infrastructure Fund	<u>194,346</u>	<u>-</u>
	<u>277,760</u>	<u>215,414</u>
Obligatory reserve fund (Federal Gas Tax)	<u>175,733</u>	<u>179,626</u>
	<u>\$ 453,493</u>	<u>\$ 395,040</u>

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

	<u>2019</u>	<u>2018</u>
Deferred Revenue		
Balance, beginning of year	<u>\$ 215,414</u>	<u>\$ 2,571</u>
Funds received in the current year:		
Association of Municipalities Ontario	-	38,709
Ministry of Community Safety and Correctional Services	5,797	1,750
Nuclear Waste Management Organization	300,000	692,500
Ontario Community Infrastructure Fund	<u>194,346</u>	<u>-</u>
	<u>500,143</u>	<u>732,959</u>
Revenue recognized in the current year:		
Association of Municipalities Ontario	33,296	5,412
Ministry of Community Safety and Correctional Services	9,044	1,074
Nuclear Waste Management Organization	<u>395,457</u>	<u>513,630</u>
	<u>437,797</u>	<u>520,116</u>
Balance, end of year	<u>\$ 277,760</u>	<u>\$ 215,414</u>

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

December 31, 2019

7. Deferred Revenue/Obligatory Reserve Fund (continued)

Grants

Under various grant agreements with the Nuclear Waste Management Organization, the Association of Municipalities of Ontario, the Ontario Community Infrastructure Fund and the Ministry of Community Safety and Correctional Services, the Township is required to account for the grant provided and to complete the projects in accordance with standards detailed in the agreement. If these requirements are not adhered to, the grant provided will become repayable. Unexpended funds are repayable upon final accounting. Funds are deferred until related expenses under the specific agreement have been incurred.

	2019	2018
Obligatory Reserve Fund Federal Gas Tax		
Balance, beginning of year	\$ 179,626	\$ 233,552
Funds received in the current year	150,924	76,570
Interest earned	233	1,504
Revenue recognized in the current year	(155,050)	(132,000)
Balance, end of year	\$ 175,733	\$ 179,626

Federal Gas Tax

The Ministry requires the Municipality to put unspent gas tax funding into a reserve. 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, 2019

8. Long-Term Debt

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

	<u>2019</u>	<u>2018</u>
Infrastructure Ontario loan, interest rate of 4.42%, blended semi-annual payments of \$37,272; due 2036	\$ 884,431	\$ 918,741
Infrastructure Ontario loan, interest rate of 3.77%, blended semi-annual payments of \$28,496; due 2037	725,388	754,216
Infrastructure Ontario loan, interest rate of 3.30%, blended semi-annual payments of \$29,527; due 2041	918,540	946,587
CMHC loans, interest rate of 3.42%, blended annual payments of \$122,209; due 2025	658,492	752,093
	<u>\$ 3,186,851</u>	<u>\$ 3,371,637</u>

Principal repayments and interest relating to long-term debt for the next five years and thereafter are due as follows:

	<u>Principal Repayments</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 194,437	\$ 118,363	\$ 312,800
2021	201,551	111,249	312,800
2022	208,929	103,871	312,800
2023	216,580	96,220	312,800
2024	224,515	88,285	312,800
Thereafter	2,140,839	592,226	2,733,065
	<u>\$ 3,186,851</u>	<u>\$ 1,110,214</u>	<u>\$ 4,297,065</u>

The annual principal and interest payments required to service the long-term liabilities of the municipality are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

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

December 31, 2019

9. Tangible Capital Assets

											2019
	Land	Buildings	Equipment	Machinery and Linear Assets	Improvement	Land	Vehicles	Collections	Construction in Progress	Total	
Cost, beginning of year	\$ 1,265,724	\$ 21,826,052	\$ 1,037,177	\$ 19,557,194	\$ 330,031	\$ 330,031	\$ 706,890	\$ 186,792	\$ -	\$ 44,909,860	
Additions	-	110,446	41,771	72,834	-	-	227,255	-	33,263	485,569	
Cost, end of year	\$ 1,265,724	\$ 21,936,498	\$ 1,078,948	\$ 19,630,028	\$ 330,031	\$ 330,031	\$ 934,145	\$ 186,792	\$ 33,263	\$ 45,395,429	
Accumulated amortization, beginning of year	\$ -	\$ 6,311,319	\$ 437,235	\$ 8,141,915	\$ 130,556	\$ 130,556	\$ 469,465	\$ 182,123	\$ -	\$ 15,672,613	
Amortization	-	441,149	69,179	480,586	10,734	10,734	36,448	4,669	-	1,042,765	
Accumulated amortization, end of year	\$ -	\$ 6,752,468	\$ 506,414	\$ 8,622,501	\$ 141,290	\$ 141,290	\$ 505,913	\$ 186,792	\$ -	\$ 16,715,378	
Net carrying amount, end of year	\$ 1,265,724	\$ 15,184,030	\$ 572,534	\$ 11,007,527	\$ 188,741	\$ 188,741	\$ 428,232	\$ -	\$ 33,263	\$ 28,680,051	

The net book value of tangible capital assets not being amortized because they are under construction is \$33,263 (2018 - \$NIL).

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

December 31, 2019

9. Tangible Capital Assets (continued)

	Land	Buildings	Machinery and Equipment	Linear Assets	Land Improvement	Vehicles	Collections	Construction in Progress	Total	2018 Restated (Note 2)
Cost, beginning of year	\$ 1,265,724	\$ 21,826,052	\$ 818,186	\$ 17,735,895	\$ 330,031	\$ 706,890	\$ 186,792	\$ 1,351,520	\$ 44,221,090	
Additions	-	-	218,991	469,779	-	-	-	-	688,770	
Transfers	-	-	-	1,351,520	-	-	-	(1,351,520)	-	
Cost, end of year	\$ 1,265,724	\$ 21,826,052	\$ 1,037,177	\$ 19,557,194	\$ 330,031	\$ 706,890	\$ 186,792	\$ -	\$ 44,909,860	
Accumulated amortization, beginning of year, as previously stated	\$ -	\$ 5,922,838	\$ 370,489	\$ 7,790,098	\$ 119,822	\$ 452,407	\$ 173,274	\$ -	\$ 14,828,928	
Prior period adjustment (Note 2)	-	(47,248)	6,756	(103,236)	-	(5,580)	(491)	-	(149,799)	
Amortization	-	435,729	59,990	455,053	10,734	22,638	9,340	-	993,484	
Accumulated amortization, end of year	\$ -	\$ 6,311,319	\$ 437,235	\$ 8,141,915	\$ 130,556	\$ 469,465	\$ 182,123	\$ -	\$ 15,672,613	
Net carrying amount, end of year	\$ 1,265,724	\$ 15,514,733	\$ 599,942	\$ 11,415,279	\$ 199,475	\$ 237,425	\$ 4,669	\$ -	\$ 29,237,247	

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

December 31, 2019

10. Accumulated Surplus

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

	<u>2019</u>	<u>2018</u>
		(Restated)
Investment in tangible capital assets	\$28,680,051	\$ 29,237,247
Current Funds	309,503	216,967
Unfunded liabilities	(3,423,684)	(3,643,203)
Reserves:		
Working funds	25,000	25,000
Fire department	20,000	20,000
Reserve funds set aside for specific purpose by Council:		
Gas tax	76,560	-
Landfill	286,671	286,671
Vehicles and equipment	87,661	84,849
Infrastructure	441,606	283,890
	<u>\$26,503,368</u>	<u>\$ 26,511,421</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>2019</u>	<u>2018</u>
Property taxes	\$ 2,266,132	\$ 2,159,583
Payments-in-lieu of property	113,434	109,255
	<u>2,379,566</u>	<u>2,268,838</u>
Payments to school boards	(340,343)	(338,829)
Available for general municipal purposes	<u>\$ 2,039,223</u>	<u>\$ 1,930,009</u>

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2019

12. Government Transfers - Federal

	Budget 2019	2019	2018
Operating			
Association of Municipalities of Ontario			
Federal Gas Tax Fund	\$ -	\$ -	\$ 10,000
Federation of Canadian Municipalities	-	-	46,360
Tangible Capital Assets			
New Building Canada Fund Small Community Fund	-	-	17,748
Association of Municipalities of Ontario			
Federal Gas Tax Fund	72,928	155,050	122,000
	<u>\$ 72,928</u>	<u>\$ 155,050</u>	<u>\$ 196,108</u>

13. Government Transfers - Provincial

	Budget 2019	2019	2018
Operating			
Province of Ontario			
Ontario Municipal Partnership Fund	\$ 921,100	\$ 918,400	\$ 920,200
Conditional - Other	217,593	168,643	94,992
	<u>1,138,693</u>	<u>1,087,043</u>	<u>1,015,192</u>
Tangible Capital Assets			
Province of Ontario			
Ministry of Municipal Affairs and Housing			
- Municipal Modernization	-	303,800	-
Ontario Community Infrastructure Fund	178,430	-	281,239
Other grants	-	-	54,548
	<u>178,430</u>	<u>303,800</u>	<u>335,787</u>
Total provincial grants	<u>\$ 1,317,123</u>	<u>\$ 1,390,843</u>	<u>\$ 1,350,979</u>

14. Other Income

	2019	2018
Penalties and interest on taxation	\$ 36,571	\$ 47,823
Investment	7,303	23,461
Trailer rents	725	1,823
Donations	-	3,201
Sale of land and other assets	57	4,628
Municipality (Provincial Offences Act)	8,011	24,215
Nuclear Waste Management Organization	934,189	926,670
	<u>\$ 986,856</u>	<u>\$ 1,031,821</u>

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

December 31, 2019

15. Expenses by Object

Total operating expenses for the year reported on the statement of operations and accumulated surplus are as follows:

	<u>2019</u>	<u>2018</u>
		(Restated)
Salaries and wages	\$ 1,649,235	\$ 1,587,149
Materials	1,138,227	1,153,389
Contracted services	1,615,122	1,581,690
Rents and financial expenses	42,700	79,348
Interest on long-term debt	137,010	142,684
Contributions to other organizations	271,660	260,409
Amortization	1,042,765	993,484
	<u>\$ 5,896,719</u>	<u>\$ 5,798,153</u>

16. Pension Agreements

OMERS provides pension services to more than 500,000 active 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, 2019. The results of this valuation disclosed total actuarial liabilities of \$107,687 (2018 - \$100,081) million in respect of benefits accrued for service with actuarial assets at that date of \$104,290 (2018 - \$95,890) million indicating an actuarial deficit of \$3,397 (2018 - \$4,191) million. 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 municipality does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the municipality to OMERS for 2019 was \$69,407 (2018- \$74,470), which is included as an expense on the statement of operations and accumulated surplus.

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

December 31, 2019

17. Contributions to Unconsolidated Joint Boards

Further to the significant accounting policies, the following contributions were made by the municipality to these boards:

	<u>2019</u>	<u>2018</u>
District of Kenora Home for the Aged	\$ 62,538	\$ 52,706
Kenora District Services Board	150,768	146,302
Northwestern Health Unit	<u>58,354</u>	<u>61,401</u>
	<u>\$ 271,660</u>	<u>\$ 260,409</u>

18. Trust Funds

The Cemetery Perpetual Care Trust Funds administered by the Township amounting to \$44,484 (2018 - \$43,826) have not been included in the statement of financial position nor have the operations been included in the statement of operations and accumulated surplus.

19. Comparative Figures

Certain of the comparative figures have been restated to conform to the presentation adopted in the current year.

20. COVID-19

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. On March 17, 2020, the Province of Ontario declared a state of emergency which was shortly followed by the closure of all non-essential workplaces. This resulted in the Township temporarily closing operations of some segments and the purchase of personal protective equipment items needed for the Township employees and Council members to work safely. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time.

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2019

21. 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.

22. Budget

The Financial Plan (Budget) By-Law adopted by Council on March 11, 2019, was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget expensed all tangible capital expenses 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 March 11, 2019, with adjustments as follows:

	2019
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Repayment of long-term debt	356,995
Capital expenses	987,407
Less:	
Budgeted use of prior year surplus	(564,507)
Budgeted transfers from accumulated surplus	(72,870)
Amortization	(1,042,765)
Budget deficit per statement of operations and accumulated surplus	\$ (335,740)

Under Canadian public sector accounting standards, budget amounts are to be reported on the statement of operations and accumulated surplus for comparative purposes. The 2019 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.

23. 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.

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2019

24. 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.

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.

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

December 31, 2019

23. Segmented Information (continued)

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, 2019

23. Segmented Information (continued)

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		2019 Total	
	\$		\$		\$		\$		\$		\$		\$		\$		\$			\$
Revenue																				
Taxation	\$ 391,380	\$	229,213	\$	326,900	\$	540,655	\$	42,795	\$	30,972	\$	22,706	\$	198,001	\$	256,601	\$	2,039,223	
User fees and service charges	18,192	49,903	1,185,178	2,665	17,256	1,185,178	2,665	1,185,178	2,665	-	-	-	-	-	39,377	4,123	-	-	1,316,694	
Conditional grants	-	-	156,333	-	222,960	368,752	29,188	21,124	29,188	21,124	15,486	135,046	175,015	15,486	135,046	175,015	-	-	155,050	
Unconditional grants	189,403	110,925	110,925	158,199	158,199	261,643	20,710	14,988	20,710	10,988	10,988	124,180	124,180	124,180	95,820	95,820	-	-	1,390,843	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	986,856
	865,914	546,374	725,315	2,511,278	95,358	67,084	49,180	468,244	559,919	559,919	559,919	559,919	559,919	559,919	559,919	559,919	559,919	559,919	5,888,666	
Expenses																				
Salaries and wages	490,385	89,838	399,092	99,081	399,092	99,081	153	153	153	972	237,468	333,371	333,371	333,371	237,468	237,468	237,468	237,468	1,649,235	
Materials	353,072	100,412	186,543	81,303	186,543	81,303	722,685	722,685	722,685	19,293	174,705	174,705	174,705	174,705	241,067	241,067	241,067	241,067	1,138,227	
Contracted services	159,066	449,046	31,107	-	31,107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,615,122
Rents and financial	42,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42,700
External transfers	-	-	-	-	-	-	-	-	123,596	82,407	65,657	-	-	-	-	-	-	-	-	271,660
Long-term debt interest	-	-	-	127,550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	137,010
Amortization	86,419	23,596	319,077	532,771	319,077	532,771	-	-	-	6,181	74,721	-	-	-	-	-	-	-	1,042,765	
	1,131,642	662,892	945,279	1,563,390	123,749	89,560	65,657	572,549	742,001	742,001	742,001	742,001	742,001	742,001	572,549	572,549	572,549	572,549	5,896,719	
Net surplus (deficit)	\$ (265,728)	\$ (116,518)	\$ (219,964)	\$ 947,888	\$ (28,391)	\$ (22,476)	\$ (16,477)	\$ (104,305)	\$ (182,082)	\$ (182,082)	\$ (182,082)	\$ (182,082)	\$ (182,082)	\$ (182,082)	\$ (104,305)	\$ (104,305)	\$ (104,305)	\$ (104,305)	\$ (8,053)	

The Corporation of the Township of Ignace

Notes to Consolidated Financial Statements

December 31, 2019

23. Segmented Information (continued)

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		2018 Total (Restated)
	\$		\$		\$		\$		\$		\$		\$		\$		\$		
Revenue																			
Taxation	\$ 381,725	\$ 216,912	\$ 310,904	\$ 480,710	\$ 43,451	\$ 26,483	\$ 21,015	\$ 190,755	\$ 258,054										\$ 1,930,009
User fees and service charges	62,568	45,165	10,393	955,817	3,400	-	-	61,356	14,454										1,153,153
Conditional grants	105,052	1,074	290,859	108,255	-	-	-	46,457	75,190										626,887
Unconditional grants	182,003	103,420	148,234	229,195	20,717	12,627	10,019	90,949	123,036										920,200
Other	204,079	115,965	166,215	256,997	23,230	14,158	11,235	101,981	137,961										1,031,821
	935,427	482,536	926,605	2,030,974	90,798	53,268	42,269	491,498	608,695										5,662,070
Expenses																			
Salaries and wages	484,421	75,577	441,128	28,934	-	-	-	202,659	354,430										1,587,149
Materials	338,219	83,874	161,297	115,349	5,720	76	-	274,390	174,464										1,153,389
Contracted services	155,454	477,311	26,475	659,233	-	-	-	19,252	243,965										1,581,690
Rents and financial	79,348	-	-	-	-	-	-	-	-										79,348
External transfers	-	-	-	-	124,413	73,058	62,938	-	-										260,409
Long-term debt interest	-	-	10,722	131,962	-	-	-	-	-										142,684
Amortization	85,810	19,205	296,817	506,210	-	6,181	-	79,261	-										993,484
	1,143,252	655,967	936,439	1,441,688	130,133	79,315	62,938	575,562	772,859										5,798,153
Net surplus (deficit)	\$ (207,825)	\$ (173,431)	\$ (9,834)	\$ 589,286	\$ (39,335)	\$ (26,047)	\$ (20,669)	\$ (84,064)	\$ (164,164)										\$ (136,083)

Independent Auditors' Report

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

Opinion

We have audited the financial statements of The Corporation of the Township of Ignace Cemetery Perpetual Care Trust Funds (the Township), which comprise the statement of financial position as at December 31, 2019, 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 Funds as at December 31, 2019, and its continuity for the year then ended in accordance with the basis of accounting as described in Note 1.

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 Entity 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 of 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.

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 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.

Independent Auditor's Report (cont'd)

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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
December 6, 2021

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

December 31	2019	2018
Assets		
Temporary investments - GIC maturing March 26, 2020 with an interest rate of 1.80%	\$ 45,537	\$ 26,902
Due (to) from The Corporation of the Township of Ignace	(1,053)	16,924
	<u>\$ 44,484</u>	<u>\$ 43,826</u>
Fund Balance	<u>\$ 44,484</u>	<u>\$ 43,826</u>

Statement of Continuity

For the year ended December 31	2019	2018
Balance, beginning of year	\$ 43,826	\$ 42,956
Receipts		
Loan interest	658	120
Plot sales	-	750
	<u>658</u>	<u>870</u>
Balance, end of year	<u>\$ 44,484</u>	<u>\$ 43,826</u>

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

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

December 31, 2019

1. Significant Accounting Policies

Management Responsibility	The financial statements of The Corporation of the Township of Ignace Cemetery Perpetual Care Trust Funds 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	<p>Sources of financing and expenditures are reported on the accrual basis of accounting.</p> <p>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.</p>

2. Nature of Trust Funds

The 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.