

**The Corporation of the
Town of Atikokan**
Consolidated Financial Statements
For the year ended December 31, 2023

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The Corporation of the Town of Atikokan Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Corporation of the Town of Atikokan and all the information in this annual report are the responsibility of management and have been approved by the Mayor and Treasurer on behalf of Council.

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

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

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

The Council reviews the Town's consolidated financial statements and meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by MNP LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. MNP LLP have full and free access to the Council.

_____ Mayor

_____ Treasurer

To the Mayor and Council of The Corporation of the Town of Atikokan:

Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Atikokan and its subsidiaries (the Group), which comprise the Consolidated Statement of Financial Position as at December 31, 2023, and the Consolidated Statement of Operations, the Consolidated Statement of Change in Net Financial Assets and the Consolidated Statement of Cash Flows for the year then ended, and Notes to Consolidated Financial Statements, including a Summary of Significant Accounting Policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for private enterprises, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Fort Frances, Ontario
December 16, 2025

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Town of Atikokan Consolidated Statement of Financial Position

December 31	2023	2022
		Restated (Note 1)
Financial assets		
Cash and cash equivalents (Note 3)	\$ 13,233,379	\$ 10,581,076
Taxes receivable	1,011,659	926,932
Accounts receivable	2,047,184	1,452,821
Investment in government business enterprises (Note 2)	5,100,962	4,768,354
	21,393,184	17,729,183
Liabilities		
Accounts payable and accrued liabilities (Note 4)	2,759,443	1,459,233
Deferred revenue (Note 7)	1,579,967	2,183,260
Employee benefits payable (Note 17)	689,400	681,400
Asset retirement obligations (Note 8)	5,486,394	5,366,171
Long-term debt (Note 9)	3,856,910	4,595,225
	14,372,114	14,285,289
Net financial assets	7,021,070	3,443,894
Non-financial assets		
Tangible capital assets (Note 10)	58,309,544	57,356,851
Prepaid expenses	50,258	97,789
Inventories of supplies	239,824	231,079
	58,599,626	57,685,719
Accumulated surplus (Note 11)	\$ 65,620,696	\$ 61,129,613

_____ Mayor

_____ Treasurer

The Corporation of the Town of Atikokan Consolidated Statement of Operations

For the year ended December 31	Budget 2023	2023	2022
			Restated (Note 1)
Revenue			
Taxation	\$ 9,300,269	\$ 9,327,154	\$ 9,007,266
Government transfers - Federal (Note 13)	261,996	248,716	279,182
Government transfers - Provincial (Note 14)	3,628,762	3,311,817	2,115,405
User fees and service charges	2,196,571	2,478,599	2,197,458
Municipal grants	5,000	12,042	2,238
Income from government business enterprises (Note 2)	-	332,607	150,962
Other income (Note 12)	589,520	1,017,220	668,984
	15,982,118	16,728,155	14,421,495
Expenses			
General government	1,710,642	1,937,414	1,778,670
Protection services	1,447,364	1,316,276	1,247,165
Transportation services	3,200,339	2,660,689	3,064,857
Environmental services	2,785,172	3,030,147	3,074,569
Health services	698,233	670,133	656,797
Social and family services	109,065	111,572	107,450
Social housing	487,625	327,625	294,039
Recreation and cultural services	1,979,655	1,965,076	1,826,415
Planning and development	195,023	218,140	227,753
	12,613,118	12,237,072	12,277,715
Annual surplus	3,369,000	4,491,083	2,143,780
Accumulated surplus , beginning of year, as previously stated	61,129,613	61,129,613	60,998,114
Change in accounting policy (Note 1)	-	-	(2,012,281)
Accumulated surplus , beginning of year, restated	61,129,613	61,129,613	58,985,833
Accumulated surplus , end of year	\$ 64,498,613	\$ 65,620,696	\$ 61,129,613

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

The Corporation of the Town of Atikokan Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2023	2023	2022
			Restated (Note 1)
Annual surplus	\$ 3,369,000	\$ 4,491,083	\$ 2,143,780
Acquisition of tangible capital assets	(4,590,500)	(2,652,062)	(570,087)
Amortization of tangible capital assets	1,718,277	1,699,369	1,755,765
	496,777	3,538,390	3,329,458
Purchase of prepaid expenses and inventory of supplies	-	38,786	(72,673)
Net change in net financial assets	496,777	3,577,176	3,256,785
Net financial assets , beginning of year, as previously stated	3,443,894	3,443,894	4,937,559
Change in accounting policy (Note 1)	-	-	(4,750,450)
Net financial assets , beginning of year, restated	3,443,894	3,443,894	187,109
Net financial assets , end of year	\$ 3,940,671	\$ 7,021,070	\$ 3,443,894

The Corporation of the Town of Atikokan Consolidated Statement of Cash Flows

For the year ended December 31	2023	2022
		Restated (Note 1)
Operating transactions		
Annual surplus	\$ 4,491,083	\$ 2,143,780
Items not involving cash		
Income from government business enterprises	(332,607)	(150,962)
Amortization	1,699,369	1,755,765
Accretion of asset retirement obligations	120,223	123,486
Changes in non-cash operating balances		
Taxes receivable	(84,727)	(278,527)
Accounts receivable	(594,363)	1,376,303
Inventories of supplies	(8,744)	(5,252)
Prepaid expenses	47,531	(67,420)
Accounts payable and accrued liabilities	1,300,210	(47,765)
Employment benefits payable	8,000	33,200
Deferred revenue	(603,293)	818,308
Asset retirement obligations	-	12,638
	<u>6,042,682</u>	<u>5,713,554</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(2,652,062)</u>	<u>(570,087)</u>
Financing transactions		
Repayment of long-term debt	<u>(738,316)</u>	<u>(725,441)</u>
Net change in cash and cash equivalents	2,652,304	4,418,026
Cash and cash equivalents, beginning of year	<u>10,581,076</u>	<u>6,163,050</u>
Cash and cash equivalents, end of year	\$ 13,233,380	\$ 10,581,076

The Corporation of the Town of Atikokan

Summary of Significant Accounting Policies

December 31, 2023

Basis of Consolidation The consolidated financial statements reflect the assets, liabilities, revenues and expenditures of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenditures have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

Waterworks
Library Board
Centennial Museum Board
Cemetery Board
Senior Citizens Drop-In Centre

A government partnership exists where the Municipality has shared control over the board or entity. The Municipality's pro-rata share of the assets, liabilities, revenues and expenditures are reflected in the consolidated financial statements using the proportionate consolidation method. No proportionate interest or government partnerships are reflected in the consolidated financial statements.

The following boards are not consolidated:

Northwestern Health Unit
Rainy River District Social Services Administration Board

Government business enterprises are separate legal entities which do not rely on the Municipality for funding. The Municipality's government business enterprises consist of investments in Atikokan Hydro Inc. and Atikokan Enercom Inc. These investments are accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies, which follow Canadian generally accepted accounting principles for publicly accountable enterprises, are not adjusted to conform with public sector accounting standards and inter-entity transactions and balances are not eliminated.

Basis of Accounting The consolidated financial statements have been prepared using Canadian public sector accounting standards.

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

Investments The Municipality accounts for its investments at cost. The carrying value of an investment is written down to its net recoverable amount if a decline in value is determined to be other than temporary.

The Corporation of the Town of Atikokan Summary of Significant Accounting Policies

December 31, 2023

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 assets 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 assets commencing once the assets are available for productive use as follows:

Buildings and facilities	40 years
Linear assets	20 to 60 years
Pooled assets	20 to 60 years
Machinery and equipment	5 to 15 years
Vehicles	10 years

Revenue Recognition

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

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

Deferred Revenue

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

The Corporation of the Town of Atikokan

Summary of Significant Accounting Policies

December 31, 2023

Government Transfers Government transfers, which include legislative grants, are recognized as revenue on the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. When transfer stipulations give rise to a liability, government transfers are recognized as deferred revenue and recognized as revenue when the stipulations are settled.

School Boards The Municipality collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenditures, assets and liabilities with respect to the operation of the school boards are not reflected in these consolidated financial statements.

Trust Funds Funds held in trust by the Municipality, and their related operations, are not included in these consolidated financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

Retirement Benefits and Other Employee Benefit Plans The Municipality 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 investment of the assets and administration of the benefits. The Municipality records pension expense when contributions are due.

Asset Retirement Obligations A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The Corporation of the Town of Atikokan

Summary of Significant Accounting Policies

December 31, 2023

Use of Estimates

The preparation of consolidated 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.

The estimates used in preparation of these consolidated financial statements are the useful lives of the tangible capital assets, the capacity of the landfill site, the useful life of the landfill site, the post-closure costs of the landfill and the Municipality's employee post-retirement benefits liability.

Financial Instruments

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

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

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

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

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

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

1. Change in Accounting Policy

Effective January 1, 2023, the Municipality adopted new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standard requires recognition of Asset Retirement Obligations when there is a legal obligation to incur retirement costs. This change in accounting policy has been applied using the modified retroactive application with restatement of prior periods. The impact of adoption of this standard was as follows:

	<u>2022</u>
Increase in tangible capital assets	\$ 2,700,681
Decrease in landfill liability	492,235
Increase in asset retirement obligations	(5,366,171)
Increase in Transportation services expenses	2,160
Increase in Environmental services expenses	112,729
Increase in Health services expenses	157
Increase in Planning and Development services expenses	<u>45,928</u>
Decrease in opening accumulated surplus	<u>\$ (2,012,281)</u>

The change in accounting policy resulted in increased in the previously reported Transportation, Health, Planning & Development, and Environmental services expenses for the 2022 year of \$2,160, \$158, \$45,928 and \$112,729 respectively, and a corresponding decrease of \$160,974 in the previously reported annual surplus for the 2022 year.

2. Investment in Government Business Enterprises

Atikokan Hydro Inc.

Atikokan Hydro Inc. is a Corporation that was created for the purpose of distributing electrical power within the Corporation of the Town of Atikokan. The Municipality holds 100% of the common shares of Atikokan Hydro Inc.

Atikokan Enercom Inc.

Atikokan Enercom Inc. is a corporation that was created for the purpose of providing utility maintenance services to the Corporation of the Town of Atikokan. The Corporation is also in the business of retail sales including cell phones, accessories and plans. The Municipality holds 100% of the common shares of Atikokan Enercom Inc.

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

2. Investment in Government Business Enterprises (continued)

The condensed supplementary financial information is as follows:

Financial position			2023	2022
	Atikokan Hydro Inc.	Atikokan Enercom Inc.	Total	Total
Current assets	\$ 2,048,755	\$ 1,054,010	\$ 3,102,765	\$ 2,458,056
Loan receivable	-	79,244	79,244	141,980
Capital assets	3,400,601	17,926	3,418,527	3,443,080
Other assets	87,880	-	87,880	149,197
	\$ 5,537,236	\$ 1,151,180	\$ 6,688,416	\$ 6,192,313
Current liabilities	\$ 884,716	\$ 9,490	\$ 894,206	\$ 646,177
Long-term liabilities	330,444	-	330,444	385,225
Deferred liability	160,919	-	160,919	171,902
	1,376,079	9,490	1,385,569	1,203,304
Regulatory deferral account credits and related deferred tax	201,885	-	201,885	220,655
Share capital	2,539,963	1	2,539,964	2,539,964
Net equity, end of year	1,419,309	1,141,689	2,560,998	2,228,390
	3,959,272	1,141,690	5,100,962	4,768,354
	\$ 5,537,236	\$ 1,151,180	\$ 6,688,416	\$ 6,192,313
			2023	2022
Results of operations	Atikokan Hydro Inc.	Atikokan Enercom Inc.	Total	Total
Revenues	\$ 5,055,717	\$ 230,158	\$ 5,285,875	\$ 5,381,326
Operating expenses	4,763,052	190,216	4,953,268	5,230,364
Net income	292,665	39,942	332,607	150,962
Net equity, beginning of year	1,126,644	1,101,747	2,228,391	2,077,429
Net equity, end of year	\$ 1,419,309	\$ 1,141,689	\$ 2,560,998	\$ 2,228,391

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

3. Cash and Cash Equivalents

The balance of cash reported on the consolidated statement of financial position is made up of the following:

	<u>2023</u>	<u>2022</u>
Unrestricted	\$ 8,171,669	\$ 5,764,439
Restricted by Council resolution	3,711,058	3,532,558
Restricted by funding agreement	1,350,653	1,284,079
	<u>\$ 13,233,380</u>	<u>\$ 10,581,076</u>

Certain surplus funds are set aside by by-laws or Council resolution for specific purposes and referred to as reserve funds. Cash and cash equivalents restricted by Council resolution represent assets that are maintained in respect of those reserve funds (Note 10).

4. Accounts Payable and Accrued Liabilities

	<u>2023</u>	<u>2022</u>
Trade payables and accrued liabilities	\$ 2,514,532	\$ 1,268,183
Accrued vacation	244,911	191,050
Total accounts payable and accrued liabilities	<u>\$ 2,759,443</u>	<u>\$ 1,459,233</u>

5. Bank Indebtedness

The maximum authorized amount is \$2,000,000 and bears interest at the prime rate. As of December 31, 2023, the amount of overdraft used was \$NIL (2022 - \$NIL).

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

6. Pension Agreement

The employees of the Municipality participate in the Ontario Municipal Employees Retirement System (OMERS). The Municipality also makes contributions to the OMERS plan on behalf of its employees. The plan has a defined benefit option at retirement available to some employees, which specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. However, the plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan. The Municipality is only one of a number of employers that participate in the plan and the financial information provided to the Municipality on the basis of the contractual agreements, is usually insufficient to reliably measure the Municipality's proportionate share in the plan assets and liabilities.

The contributions payable in exchange for services rendered during a period is recognized as an expense during that period. The Municipality's employer portion of amounts paid to OMERS during the year ended December 31, 2023, was \$221,713 (2022 - \$204,210).

As at December 31, 2023, the OMERS plan was 97% funded (December 31, 2022 - 95%) and reported an actuarial funding deficit of \$4.2 billion (2022 - \$6.7 billion). OMERS has a strategy to return the plan to a fully funded position. The Municipality is not able to assess the implications, if any, of this strategy or of the withdrawal of other participating entities from the OMERS plan on its future contributions.

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

7. Deferred Revenue

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Federal gas tax	\$ 1,284,079	\$ 182,216	\$ 69,358	\$ (185,000)	\$ 1,350,653
Other programs	786,228	2,508	1,063	(704,122)	85,677
Provincial gas tax	112,953	24,438	6,246	-	143,637
	\$ 2,183,260	\$ 209,162	\$ 76,667	\$ (889,122)	\$ 1,579,967

Federal Gas Tax

The Federal Government advances the Municipality funding related to gasoline tax. This funding must be spent on approved infrastructure projects. The funding can be deferred for a maximum of 5 years.

Provincial Gas Tax

The Ministry of Transportation advanced the Municipality funding related to gasoline tax. This funding must be spent on approved infrastructure projects.

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

8. Asset Retirement Obligations

The Municipality's financial statements include asset retirement obligations for the closure and post closure costs of the Municipality's solid waste landfill, decommissioning costs of the Municipality's fuel tanks, and abatement of asbestos within certain properties owned by the Municipality. The related asset retirement costs are being amortized on a straight line basis.

The liability for the open landfill has been estimated using a net present value technique with a discount rate of 2.8% (2022 - 2.8%). It is estimated that the landfill will be settled in 87 years. The estimated total undiscounted future expenditures are \$19,618,271 (2022 - \$19,618,271), which are to be incurred over 30 years, with an estimated time frame from the year 2081 to the year 2110.

The liability for the closed landfill has been estimated using a net present value technique with a discount rate of 2.8% (2022 - 2.8%). It is estimated that the landfill will be settled in 27 years. The estimated total undiscounted future expenditures are \$1,773,272 (2022 - \$1,773,272), which are to be incurred over 30 years, with an estimated time frame from the year 2021 to the year 2050.

The liability for the fuel tanks has been estimated using a net present value technique with a discount rate of 2.8% (2022 - 2.8%). The estimated total undiscounted future expenditures are \$73,734 (2022 - \$73,734), which are to be incurred over the next 8 years. It is estimated that the liability will be settled in the December 31, 2031 year.

The liability for the abatement of asbestos has been estimated using a net present value technique with a discount rate of 2.8% (2022 - 2.8%). The estimated total undiscounted future expenditures are \$3,909,734 (2022 - \$3,909,734), which are to be incurred over the next 99 years. It is estimated that the liability will be settled in the December 31, 2122 year.

	Landfill	Fuel tanks	Asbestos	Total
Asset retirement obligation as at December 31, 2022	\$ 3,818,509	\$ 57,524	\$ 1,490,138	\$ 5,366,171
Increase due to accretion expense	<u>76,938</u>	<u>1,609</u>	<u>41,676</u>	<u>120,223</u>
Asset retirement obligation as at December 31, 2023	<u>\$ 3,895,447</u>	<u>\$ 59,133</u>	<u>\$ 1,531,814</u>	<u>\$ 5,486,394</u>

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

9. Net Long-term Debt

Net long-term debt reported on the consolidated statement of financial position is comprised of the following:

	2023	2022
Canada Mortgage and Housing Corporation, 3.68%, annual payments of \$395,731 including interest, due June 2025.	\$ 764,536	\$ 1,127,279
Infrastructure Ontario loan, 1.79%, semi-annual payments of \$100,000 plus interest, due August 2031.	1,600,000	1,800,000
Infrastructure Ontario loan, 3.02%, semi-annual payments of \$87,787 plus interest, due March 2032.	1,492,374	1,667,946
	3,856,910	4,595,225
Current portion	(743,711)	(730,644)
	\$ 3,113,199	\$ 3,864,581

The loans are unsecured and there are no financial covenants set in relation to the loans.

Principal repayments and interest are due as follows:

	Principal Repayments	Interest	Total
2024	\$ 743,711	\$ 99,276	\$ 842,987
2025	757,258	76,649	833,907
2026	390,287	53,721	444,008
2027	375,573	44,839	420,412
2028	375,573	36,056	411,629
Thereafter	1,214,508	55,897	1,270,405
	\$ 3,856,910	\$ 366,438	\$ 4,223,348

The gross interest paid relating to the above long-term debt was \$110,333 (2022 - \$132,008).

**The Corporation of the Town of Atikokan
Notes to Consolidated Financial Statements**

December 31, 2023

10. Tangible Capital Assets

	2023						
	Buildings and facilities	Land improvement	Equipment and machinery	Linear assets	Pooled assets	Vehicles	Total
Cost, beginning of year	\$ 34,074,771	\$ 2,797,612	\$ 4,255,520	\$ 56,114,293	\$ 2,729,251	\$ 1,945,327	\$ 101,916,774
Additions	268,340	-	56,527	2,178,752	31,419	117,024	2,652,062
Cost, end of year	34,343,111	2,797,612	4,312,047	58,293,045	2,760,670	2,062,351	104,568,836
Accumulated amortization, beginning of year	13,044,224	300,682	3,018,710	25,122,744	1,685,085	1,388,478	44,559,923
Amortization	462,800	30,436	209,112	860,715	41,403	94,903	1,699,369
Accumulated amortization, end of year	13,507,024	331,118	3,227,822	25,983,459	1,726,488	1,483,381	46,259,292
Net carrying amount, end of year	\$ 20,836,087	\$ 2,466,494	\$ 1,084,225	\$ 32,309,586	\$ 1,034,182	\$ 578,970	\$ 58,309,544

The Town of Atikokan owns numerous parcels of land; however, the historical cost of the land is nominal and therefore, has not been disclosed separately on the consolidated financial statements.

**The Corporation of the Town of Atikokan
Notes to Consolidated Financial Statements**

December 31, 2023

10. Tangible Capital Assets (continued)

	2022						
	Buildings and facilities	Land improvement	Equipment and machinery	Linear assets	Pooled assets	Vehicles	Total
Cost, beginning of year	33,911,371	2,797,612	4,227,968	55,829,492	2,687,084	1,893,160	\$ 101,346,687
Additions	163,400	-	27,552	284,801	42,167	52,167	570,087
Cost, end of year	34,074,771	2,797,612	4,255,520	56,114,293	2,729,251	1,945,327	101,916,774
Accumulated amortization, beginning of year	12,568,308	270,246	2,809,867	24,212,520	1,644,030	1,299,187	42,804,158
Amortization	475,916	30,436	208,843	910,224	41,055	89,291	1,755,765
Accumulated amortization, end of year	13,044,224	300,682	3,018,710	25,122,744	1,685,085	1,388,478	44,559,923
Net carrying amount, end of year	\$ 21,030,547	\$ 2,496,930	\$ 1,236,810	\$ 30,991,549	\$ 1,044,166	556,849	\$ 57,356,851

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

11. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2023	2022
<u>Investment in tangible capital assets</u>		
Tangible capital assets	\$ 58,309,544	\$ 57,356,851
Long-term debt related to capital assets	(3,856,910)	(4,595,225)
Total investment in tangible capital assets	54,452,634	52,761,626
<u>Current operations</u>		
General operating	7,352,181	4,924,755
<u>Other allocated deficits</u>		
Landfill closure	(5,486,394)	(5,366,171)
Employee future benefits	(689,400)	(681,400)
Total other allocated deficits	(6,175,794)	(6,047,571)
<u>Reserve funds</u>		
Employee benefits	725,196	775,196
Fire department	428,500	438,500
Roads	765,978	782,478
Equipment replacement	250,000	75,000
Environmental	1,346,283	1,246,283
Medical building	73,249	73,249
Other reserves	121,852	141,852
Total reserve funds	3,711,058	3,532,558
Working capital reserve	643,680	805,732
Reserves	535,976	384,159
Investment in government business enterprises	5,100,961	4,768,354
Total surplus	\$ 65,620,696	\$ 61,129,613

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.

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

12. Other Income

	2023	2022
Penalties and interest on taxation	\$ 183,170	\$ 135,621
Investment income	545,099	169,299
Licenses, permits and rents	110,450	106,390
Donations	55,653	19,629
Other	122,848	238,045
	\$ 1,017,220	\$ 668,984

13. Government Transfers - Federal

	2023	2022
Operating		
Total operating transfers	\$ 63,716	\$ 87,642
Tangible capital assets		
Association of Municipalities of Ontario		
Federal Gas Tax Fund	185,000	-
ICIP Green Stream	-	183,755
Other	-	7,785
	185,000	191,540
Total tangible capital assets transfers	185,000	191,540
Total federal transfers	\$ 248,716	\$ 279,182

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

14. Government Transfers - Provincial

	2023	2022
Operating		
Province of Ontario		
Ontario Municipal Partnership Fund	\$ 1,643,900	\$ 1,657,100
Ontario Community Infrastructure Fund	6,472	37,346
Other	258,096	165,873
Total operating transfers	1,908,468	1,860,319
Tangible capital assets		
Province of Ontario		
Ontario Community Infrastructure Fund	1,085,405	101,972
ICIP Green Stream	-	153,114
Other	317,944	-
Total tangible capital assets transfers	1,403,349	255,086
Total provincial transfers	\$ 3,311,817	\$ 2,115,405

15. Expenses by Object

	2023	2022
Salaries, wages and employee benefits	\$ 3,950,913	\$ 3,912,957
Materials	3,175,216	2,894,394
Contracted services	2,126,825	2,443,636
Rents and financial expenses	186,339	194,913
Contributions to other Organizations	988,077	944,042
Amortization	1,699,369	1,755,765
Interest on long-term debt	110,333	132,008
	\$ 12,237,072	\$ 12,277,715

16. Operations of School Boards

During the year, the following taxation revenue was raised and remitted:

	2023	2022
School boards	\$ 318,948	\$ 318,900

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

17. Employee Benefits Payable

Employee benefits payable reported on the consolidated statement of financial position are comprised of the following:

	2023	2022
Post-retirement benefits liability	\$ 376,500	\$ 379,500
Illness allowance	312,900	301,900
	\$ 689,400	\$ 681,400

The latest actuarial valuation was performed in June 2025.

Employee Benefits Liabilities

	Illness Allowance	Post-Retirement Benefits
Accrued benefits obligation	\$ 301,900	\$ 353,200
Unamortized net estimation adjustment	11,000	23,300
Employee benefits liabilities	\$ 312,900	\$ 376,500

Employee Benefits Expenditures

	Illness Allowance	Post-Retirement Benefits
Current year service costs	\$ 20,100	\$ 14,400
Interest on accrued benefit obligation	12,200	16,200
Amortization of actuarial (gains)/losses	(5,000)	(4,600)
Employee benefits expenditures	\$ 27,300	\$ 26,000

The significant actuarial assumptions adopted and estimated for the calculation of the accrued benefit obligations are as follows:

	2023	2022
Discount on accrued benefit obligations	4.60%	4.60%
Dental cost trend rates	6%	4%
Extended health care trend rates	5.40%	5.60%

Extended health care trend rates are assumed to be 7.00% per annum beginning in 2015, decreasing by 0.2% per annum to an ultimate rate of 5.0% in 2025 and thereafter.

Dental cost trend rates are assumed to be 4.00% per annum beginning in 2015, increasing to 6.00% in 2023 and decreasing by 0.1% per annum to an ultimate rate of 4.00% in 2043 and thereafter.

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

18. Trust Funds

The trust funds administered by the Municipality amounting to \$163,810 (2022 - \$158,826) have not been included on the consolidated statement of financial position nor have the operations been included on the consolidated statement of operations.

19. Contributions to Unconsolidated Boards

The following contributions were made by the Municipality to these boards.

	<u>2023</u>	<u>2022</u>
Northwestern Health Unit	\$ 126,161	\$ 141,783
Rainy River District Social Services Administration Board	811,916	752,258
	\$ 938,077	\$ 894,041

20. Contingent Liabilities

Various lawsuits and appeals have been filed against the Municipality for incidents that arose in the ordinary course of business. These lawsuits and appeals include the following specific claims:

A claim in the amount of \$1,899,000 has been filed against the Municipality that is in relation to a lien dispute between the Municipality and a contractor involved in an infrastructure project. In the opinion of management and legal counsel, the outcome of the lawsuit, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

In previous years, the Corporation of the Town of Atikokan was convicted on two charges under the Ontario Water Resources Act, R.S.O. 1990, c. O.40, relating to non-compliance with a Director's Order issued on February 27, 2018. The charges were related to:

- Failure to upgrade sewage pumping stations as required under Schedule A-2 of the Order;
- and
- Failure to install sewage backflow preventers as required under Schedule A-1 of the Order.

As a result of these convictions, the municipality was assessed penalties totaling \$75,000, which have been recognized as a liability in the current year's financial statements under accounts payable and accrued liabilities. The municipality is reviewing its compliance protocols and infrastructure management practices to ensure adherence to environmental regulations in the future.

The Corporation of the Town of Atikokan

Notes to Consolidated Financial Statements

December 31, 2023

21. Segmented Information

The Corporation of the Town of Atikokan is a diversified municipal government institution that provides a wide range of services to its citizens. The management of the Municipality considers decisions based on separate service areas. These service areas are: general government, protection services, transportation services, environmental services, health services, social and family services, social housing, recreation and cultural services and planning and development.

Descriptions of the services and funds that management bases their decisions on, are as follows:

General Government

General government consists of governance, Corporate management and program support. These categories relate to operations of all of the various programs and services that the Municipality offers to its citizens.

Protection Services

Protection is comprised of police service and fire protection. Police service is contracted out to the Ontario Provincial Police. The fire department is responsible for providing fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishment of fires. The members of the fire department consist of volunteers.

Transportation Services

The transportation services area provides construction and maintenance of roadways throughout the Municipality.

Environmental Services

Environmental services consist of the management and maintenance of the sanitary sewer system, waterworks system, and waste disposal facility located within the municipal borders.

Health Services

Health services are comprised of public health services and ambulance service. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

Social and Family Services

Social and family services are comprised of general assistance, child care and assistance to the aged. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

Social Housing

The Municipality contributes to a local board, which provides social housing if the citizens of the Corporation of the Town of Atikokan require the service.

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

21. Segmented Information (continued)

Recreation and Cultural Services

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

Planning and Development

This service relates to zoning issues as well as planning of various municipal maintenance projects.

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

21. 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	Recreation and Cultural Services	Planning and Development	2023 Total
Revenue										
Taxation	\$ 1,476,706	\$ 1,003,272	\$ 2,027,990	\$ 2,309,593	\$ 510,779	\$ 85,040	\$ 249,717	\$ 1,497,790	\$ 166,267	\$ 9,327,154
Fees and user charges	-	10,535	116,118	2,091,558	23,268	4,220	-	232,830	70	2,478,599
Conditional grants	-	17,613	1,594,821	119,186	-	16,605	-	167,808	-	1,916,033
Unconditional grants	260,363	176,890	357,561	407,212	90,057	14,994	44,028	264,080	29,315	1,644,500
Municipal grants	-	12,042	-	-	-	-	-	-	-	12,042
Gain from government business enterprises	332,607	-	-	-	-	-	-	-	-	332,607
Other	161,049	109,417	221,173	251,884	55,706	9,274	27,235	163,349	18,133	1,017,220
	<u>2,230,725</u>	<u>1,329,769</u>	<u>4,317,663</u>	<u>5,179,433</u>	<u>679,810</u>	<u>130,133</u>	<u>320,980</u>	<u>2,325,857</u>	<u>213,785</u>	<u>16,728,155</u>
Expenses										
Wages and benefits	905,928	299,420	1,084,331	514,459	34,988	382	-	1,104,944	6,461	3,950,913
Materials	649,285	180,604	751,765	823,897	56,528	28,322	-	574,085	110,730	3,175,216
Contracted services	208,734	771,629	2,204	1,074,263	8,602	4,800	-	53,510	3,083	2,126,825
Rents and financial	13,611	-	1,609	126,210	132	-	-	3,255	41,522	186,339
External transfers	-	-	-	-	549,650	60,802	327,625	-	50,000	988,077
Interest	-	-	110,333	-	-	-	-	-	-	110,333
Amortization	159,856	64,623	710,447	491,318	20,233	17,266	-	229,282	6,344	1,699,369
	<u>1,937,414</u>	<u>1,316,276</u>	<u>2,660,689</u>	<u>3,030,147</u>	<u>670,133</u>	<u>111,572</u>	<u>327,625</u>	<u>1,965,076</u>	<u>218,140</u>	<u>12,237,072</u>
Net surplus (deficit)	\$ 293,311	\$ 13,493	\$ 1,656,974	\$ 2,149,286	\$ 9,677	\$ 18,561	\$ (6,645)	\$ 360,781	\$ (4,355)	\$ 4,491,083

The Corporation of the Town of Atikokan Notes to Consolidated Financial Statements

December 31, 2023

21. 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	Recreation and Cultural Services	Planning and Development	2022 Total
Revenue										
Taxation	\$ 1,322,217	\$ 927,110	\$ 2,276,728	\$ 2,201,753	\$ 488,128	\$ 79,875	\$ 218,581	\$ 1,357,710	\$ 135,164	\$ 9,007,266
Fees and user charges	-	59,348	148,227	1,762,878	27,515	4,473	-	193,422	1,595	2,197,458
Conditional grants	-	11,778	139,318	413,375	-	15,172	-	151,427	-	731,070
Unconditional grants	244,195	171,224	420,480	406,633	90,150	14,752	40,369	250,751	24,963	1,663,517
Municipal grants	-	2,238	-	-	-	-	-	-	-	2,238
Gain from government business enterprises	150,962	-	-	-	-	-	-	-	-	150,962
Other	98,203	68,858	169,096	163,528	36,254	5,933	16,234	100,839	10,039	668,984
	<u>1,815,577</u>	<u>1,240,556</u>	<u>3,153,849</u>	<u>4,948,167</u>	<u>642,047</u>	<u>120,205</u>	<u>275,184</u>	<u>2,054,149</u>	<u>171,761</u>	<u>14,421,495</u>
Expenses										
Wages and benefits	1,056,468	278,446	1,305,598	249,049	37,057	110	-	975,497	10,732	3,912,957
Materials	273,114	166,090	931,691	770,802	52,978	23,510	-	562,892	113,317	2,894,394
Contracted services	273,633	743,733	7,766	1,342,328	9,033	4,800	-	55,299	7,044	2,443,636
Rents and financial	12,920	-	1,565	137,459	128	-	-	2,525	40,316	194,913
External transfers	-	-	-	-	537,368	62,635	294,039	-	50,000	944,042
Interest	-	-	132,008	-	-	-	-	-	-	132,008
Amortization	162,535	58,896	686,229	574,931	20,233	16,395	-	230,202	6,344	1,755,765
	<u>1,778,670</u>	<u>1,247,165</u>	<u>3,064,857</u>	<u>3,074,569</u>	<u>656,797</u>	<u>107,450</u>	<u>294,039</u>	<u>1,826,415</u>	<u>227,753</u>	<u>12,277,715</u>
Net surplus	\$ 36,907	\$ (6,609)	\$ 88,992	\$ 1,873,598	\$ (14,750)	\$ 12,755	\$ (18,855)	\$ 227,734	\$ (55,992)	\$ 2,143,780

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes, certain government grants and other revenue have been apportioned based on a percentage of budgeted expenditures.

To the Mayor and Council of The Corporation of the Town of Atikokan:

We have audited the financial statements of the Corporation of the Town of Atikokan Trust Funds (the Entity), which comprise the Balance Sheet as at December 31, 2023, and the Statement of Continuity for the year then ended, and Notes to 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 Entity as at December 31, 2023, and the continuity thereof, in accordance with the basis of accounting as described in Note 1.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

Basis of Accounting

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting as described in Note 1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Fort Frances, Ontario
December 16, 2025

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

**The Corporation of the Town of Atikokan
Trust Funds
Statement of Continuity**

December 31	2023	2022
Balance , beginning of year	\$ 158,826	\$ 153,356
Capital receipts		
Perpetual care	4,984	5,470
Expenditures	-	-
Balance , end of year	\$ 163,810	\$ 158,826

**The Corporation of the Town of Atikokan
Trust Funds
Balance Sheet**

December 31	2023	2022
Assets		
Cash	\$ 163,810	\$ 158,826
Liabilities		
Balance - capital	\$ 163,810	\$ 158,826

**The Corporation of the Town of Atikokan
Trust Funds
Notes to Financial Statements**

December 31, 2023

1. Significant Accounting Policies

Management's Responsibility

The financial statements of the Corporation of the Town of Atikokan trust funds are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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.

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; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

2. Nature of Trust Funds

Cemetery Perpetual Care 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.