



Consolidated Financial Statements

The Corporation of the Township of Dorion

December 31, 2021



DORION TOWNSHIP

Canyon Country

Statement of Administrative Responsibility

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

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

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

The 2021 consolidated financial statements have been reported on by The Corporation of the Township of Dorion's external auditors, Grant Thornton LLP, the auditors appointed by Municipal Council. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.


Mavis Harris, Clerk-Treasurer


Robert Beatty, Reeve

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Independent Auditor's Report

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

Qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Dorion as at December 31, 2021, and the results of its operations and accumulated surplus, its changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for qualified 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 Township 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.

The Township does not have a current valuation of the liabilities which will be associated with the closure and post-closure costs of its solid waste disposal facilities. Canadian public sector accounting standards require that a provision for closure and post-closure costs be provided for in the consolidated financial statements. Since we have been unable to obtain satisfactory evidence as to these liabilities, we are unable to estimate the related effect on liabilities, annual surplus and accumulated surplus for the year ended December 31, 2021.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 qualified opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Grant Thornton LLP

Thunder Bay, Canada
September 2, 2022

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Township of Dorion

Consolidated Statement of Financial Position

As at December 31	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	792,945	1,062,794
Taxes receivable <i>[note 3]</i>	91,571	104,229
Accounts receivable	212,909	81,539
Total financial assets	1,097,425	1,248,562
LIABILITIES		
Accounts payable and accrued liabilities	122,504	92,226
Deferred revenue <i>[note 5]</i>	4,022	62,829
Vested sick leave liability <i>[note 6]</i>	16,679	14,887
Long-term debt <i>[note 7]</i>	263,160	104,000
Landfill closure and post-closure liability <i>[note 9]</i>	201,025	193,771
Total liabilities	607,390	467,713
NET FINANCIAL ASSETS	490,035	780,849
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 10]</i>		
<i>[schedule 2]</i>	2,463,446	2,133,865
Prepaid expenses	7,413	3,993
	2,470,859	2,137,858
Accumulated surplus <i>[schedule 1]</i>	2,960,894	2,918,707

See accompanying notes to the consolidated financial statements.

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

Year ended December 31

	Budget 2021 \$ [note 14]	Actual 2021 \$	Actual 2020 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	372,596	371,789	341,870
Commercial and industrial	195,930	195,930	195,285
Taxation from other governments	104,462	110,331	102,855
	672,988	678,050	640,010
Other fees and service charges	500	1,550	1,490
	673,488	679,600	641,500
Grants			
Government of Canada	203,490	145,124	27,317
Province of Ontario	245,986	237,249	187,369
	449,476	382,373	214,686
Other			
Investment income	3,700	2,089	3,414
Penalties and late payment charges	24,000	20,155	23,515
Other	32,220	62,254	42,037
	59,920	84,498	68,966
Total revenues	1,182,884	1,146,471	925,152
EXPENSES [note 11] [schedule 3]			
General government	402,359	365,224	248,691
Protection to persons and property	147,340	137,515	126,714
Transportation services	458,274	390,225	389,790
Environmental services	20,167	21,747	(200,645)
Health services	47,607	49,002	44,395
Social and family services	59,748	59,748	56,009
Recreation and cultural services	62,048	59,802	47,555
Planning and development	16,000	21,021	27,360
	1,213,543	1,104,284	739,869
NET REVENUES	(30,659)	42,187	185,283
Annual surplus (deficit)			
	(30,659)	42,187	185,283
Accumulated surplus, beginning of year	2,918,707	2,918,707	2,733,424
Accumulated surplus, end of year	2,888,048	2,960,894	2,918,707

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Dorion Consolidated Statement of Changes in Net Financial Assets

Year ended December 31

	Budget 2021 \$ <i>[note 14]</i>	Actual 2021 \$	Actual 2020 \$
Annual surplus (deficit)	(30,659)	42,187	185,283
Acquisition of tangible capital assets	(260,335)	(437,269)	(7,545)
Amortization of tangible capital assets	107,688	107,688	95,268
Acquisition of prepaid expenses	-	(7,413)	(3,993)
Use of prepaid expenses	-	3,993	6,220
Increase (decrease) in net financial assets	(183,306)	(290,814)	275,233
Net financial assets, beginning of year	780,849	780,849	505,616
Net financial assets, end of year	597,543	490,035	780,849

See accompanying notes to the consolidated financial statements.

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

Year ended December 31	2021	2020
	\$	\$
OPERATIONS		
Annual surplus	42,187	185,283
Non-cash charges		
Amortization of tangible capital assets	107,688	95,268
Increase (decrease) in landfill liability	7,254	(215,506)
	157,129	65,045
Net change in non-cash working capital balances		
Decrease in taxes receivable	12,658	25,314
Decrease (increase) in accounts receivable	(131,370)	13,278
Increase (decrease) in accounts payable and accrued liabilities	30,278	(12,090)
Decrease in deferred revenue	(58,807)	(3,928)
Increase in vested sick leave liability	1,792	-
Decrease (increase) in prepaid expenses	(3,420)	2,227
Cash provided by operating transactions	8,260	89,846
CAPITAL		
Acquisition of tangible capital assets	(437,269)	(7,545)
Cash used in capital transaction	(437,269)	(7,545)
FINANCING		
Proceeds of long-term debt	186,720	-
Repayment of long-term debt	(27,560)	(31,436)
Cash provided by (used in) financing transactions	159,160	(31,436)
Increase (decrease) in cash and cash equivalents	(269,849)	50,865
Opening cash and cash equivalents	1,062,794	1,011,929
Closing cash and cash equivalents	792,945	1,062,794

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

GENERAL

The Corporation of the Township of Dorion is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

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

[a] Basis of consolidation

Reporting entity

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

Dorion Public Library Board

All interfund balances and transactions have been eliminated.

Joint local boards

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

Thunder Bay District Health Unit

The District of Thunder Bay Social Services Administration Board

Thunder Bay Area Emergency Measures Organization

District of Thunder Bay Home for the Aged

Trust funds

Trust funds administered by the Township have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. They are reported separately on the Trust Fund Statement of Financial Position and Statement of Continuity.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

Accounting for school board transactions

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

[b] Basis of accounting

Accrual accounting

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

Cash and cash equivalents

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

Employee benefits

Vacation pay, sick leave liability and other post-employment benefits are charged to operations in the year earned.

Pension and employee benefits

The Township accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer defined benefit plan, as a defined contribution plan. Post-employment benefits are charged to operations in the year earned.

Non-financial assets

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

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

[a] Tangible capital assets

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

Land improvements	20 years
Buildings	20 to 60 years
Library collection	10 years
Machinery and equipment	5 to 15 years
Linear assets - roads	15 to 40 years
- culverts	35 years
- wells	40 years
- bridges	50 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

[b] Contribution of tangible capital assets

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

[c] Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant of such assets are the Township's road allowances.

[d] Capitalization of interest

The Township has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset, for those interest costs incurred up to the date the asset goes into use.

[e] Leases

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

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes.

Taxation revenue

Taxes are recognized as assets and revenue when they meet the definition of an asset, are authorized and the taxable event occurs, which for property taxes is the period for which the tax is levied.

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

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

Revenue recognition

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

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

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

Government transfers

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

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

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

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

Landfill closure and post-closure liability

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

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Township may undertake in the future. Significant accounting estimates include valuation allowance for accounts receivable, employee benefits payable, estimated useful lives of tangible capital assets and solid waste land closure and post-closure liabilities. Actual results could differ from these estimates.

2. TRUST FUNDS

Trust funds administered by the Township amounting to \$15,893 [2020 - \$15,489] have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

3. TAXES RECEIVABLE

	2021	2020
	\$	\$
Property and business taxes receivable	179,692	168,970
Allowance for property and business tax arrears	(88,121)	(64,741)
	91,571	104,229

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

4. BANK INDEBTEDNESS

The Township has available a line of credit of \$500,000 [2020 - \$500,000] for which the Township has provided a borrowing by-law of which \$nil [2020 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at a rate of prime [2.45% at December 31, 2021].

5. DEFERRED REVENUE

	2021 \$	2020 \$
Obligatory reserve funds		
Unearned Gas Tax proceeds	973	34,178
Other deferred revenue		
Unearned grant proceeds	3,049	28,651
	4,022	62,829

The continuity of deferred revenue is as follows:

	2021 \$	2020 \$
Balance, beginning of year	62,829	66,757
Investment income	159	265
Gas Tax revenue received	39,313	19,173
Gas Tax revenue earned	(72,570)	(27,317)
Other grant revenue received	65,447	65,705
Other grant revenue earned	(91,156)	(61,754)
Balance, end of year	4,022	62,829

6. LIABILITY FOR EMPLOYEE VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they retire or leave the Township's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken by an employee on retirement or his/her voluntary or involuntary termination amounted to approximately \$16,679 [2020 - \$14,887]. The liability for these days which could be taken by an employee upon voluntary termination of employment amount to approximately \$16,679 [2020 - \$14,887]. \$Nil [2020 - \$nil] was paid to employees who left the Township's employment during the year.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

7. LONG-TERM DEBT

	2021	2020
	\$	\$
Bank of Montreal		
Term loan repayable in monthly principal payments of \$3,112, plus fixed interest of 1.56%, maturing July 2026.	171,160	-
Term loan repayable in monthly principal payments of \$1,000, plus fixed interest of 2.85%, maturing August 2029.	92,000	104,000
	263,160	104,000

Principal repayments required over the next five years are as follows:

	\$
2022	49,344
2023	49,344
2024	49,344
2025	49,344
2026	33,784
Thereafter	32,000
	263,160

Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$4,200 [2020 - \$3,480].

8. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2021 was \$14,800 [2020 - \$11,506] for current service.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

9. LANDFILL CLOSURE AND POST-CLOSURE

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

The obligation to close and maintain solid waste landfill sites is based on the estimated future expenses in current dollars, adjusted for estimated inflation and is charged to expenses as the landfill site's capacity is used. The remaining useful life of the site has been determined to be 12.9 years, and an estimated remaining capacity of 14,487 cubic meters. The estimated liability is the present value for future cash flows associated with the closure and post-closure care discounted using a rate of 2.45% [2020 - 2.45%] for closure costs and 2.45% [2020 - 2.45%] for post-closure cost discounting. The estimated total expenses for closure have been estimated at \$181,720 and post-closure care has been determined to be \$18,181 annually for 20 years of post-closure care. Management's estimated accrued liability for these costs of \$201,025 [2020 - \$193,771] is included as a liability on the Consolidated Statement of Financial Position. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

10. TANGIBLE CAPITAL ASSETS

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

During the year, there were no write-downs of assets [2020 - \$nil].

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

There were no tangible capital assets contributed to the Township in the year [2020 - \$nil].

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

11. SEGMENTED INFORMATION

The Corporation of the Township of Dorion is a diversified municipal government institution that provides a wide range of services to its citizens, including police, emergency services and waste management. For management reporting purposes, the Township's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

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

Protection to persons and property

Protection to persons and property is comprised of police services, fire services and protective inspection and control. The police services are contracted from the Ontario Provincial Police. The Fire Services Department is responsible for fire suppression; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. Protective inspection and control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants.

Transportation services

Transportation services include roadways and winter control. Roadways covers the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, culverts, and signage. Winter control includes snowplowing, sanding and salting, snow removal and flood control.

Environmental services

Environmental services consist of waste disposal and recycling. Waste disposal and recycling includes the landfill site operations and waste minimization programs.

Health services

Health services include public health services and ambulance services. Public health services covers the Township's contribution to the activities of the Thunder Bay District Health Unit. In response to the health needs of the community, the Thunder Bay District Health Unit provides health information and prevention-related clinical services to people of all ages; advocates for healthy public policy; protects citizens by investigating reportable diseases; and upholds regulations that apply to public health.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

Social and family services

Social and family services include general assistance, assistance to aged persons, child care and assistance to the disabled. General assistance represents the Township's contribution to the activities of The District of Thunder Bay Social Services Administration Board (TBDSSAB). TBDSSAB is responsible for issuing welfare payments, Ontario Works program delivery, employment assistance services and social housing. Under assistance to aged persons, TBDSSAB is responsible for providing services to seniors.

Recreation and cultural services

Recreation and cultural services include recreation programs and facilities, public library and contributions to cultural organizations. The Community Services Department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs, the development and maintenance of various recreational facilities; and the maintenance of parks and open spaces. The public library is dedicated to providing community access to local and global information resources that support lifelong learning, research and leisure activities. The Township makes contributions to various cultural organizations under specific funding programs.

Planning and development

The planning and development services include planning and zoning activities.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1. For additional information see the Consolidated Schedule of Segment Disclosure (Schedule 3).

12. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2021	2020
	\$	\$
<hr/>		
Reserves		
Balance, beginning of year	117,859	117,859
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Balance, end of year	117,859	117,859
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Reserve funds		
Balance, beginning of year	870,477	703,048
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Increases (decreases)		
Net transfers	(127,870)	164,015
Interest earned	2,089	3,414
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	(125,781)	167,429
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Balance, end of year	744,696	870,477
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The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

13. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$751,138 [2020 - \$917,598] to support reserve funds.

14. BUDGET FIGURES

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

	Approved Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Taxation	672,988	-	672,988
User charges	500	-	500
Government transfers	449,476	-	449,476
Other	295,286	(235,366)	59,920
	1,418,250	(235,366)	1,182,884
Expenses			
General government	557,951	(154,092)	403,859
Protection to persons and property	141,839	5,501	147,340
Transportation services	517,740	(60,966)	456,774
Environmental services	20,000	167	20,167
Health services	47,607	-	47,607
Social and family services	59,748	-	59,748
Recreation and cultural services	57,365	4,683	62,048
Planning and development	16,000	-	16,000
	1,418,250	(204,707)	1,213,543
Annual surplus	-	(30,659)	(30,659)
Interfund transfers	-	(210,866)	
Capital items	-	260,335	
Debt repayments	-	27,560	
Amortization	-	(107,688)	
Approved surplus	-	(30,659)	

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2021

15. IMPACTS OF COVID-19

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

During the year, the Township experienced the following in connection with the ongoing pandemic:

- [a] The Township continued to take precautions during 2021, with facilities being closed to the public various times during the year.
- [b] During 2021, most Council and Committee meetings were held electronically.
- [c] In 2021, the Township of Dorion received COVID-19 funding in the amount of \$40,837 to support COVID-19 operating pressures and local needs. The Township continues to respond to the challenges brought on by pandemic and adjusts municipal operations and services, with respect to provincial guidelines and protocols.

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

The Corporation of the Township of Dorion Schedule 1 Consolidated Schedule of Accumulated Surplus

Year ended December 31	2021	2020
	\$	\$
Surpluses		
General fund	100,198	97,560
Library fund	(1,120)	(3,283)
Invested in tangible capital assets	2,463,446	2,133,865
Unfunded		
Long-term debt	(263,160)	(104,000)
Landfill closure and post-closure liabilities	(201,025)	(193,771)
Total surpluses	2,098,339	1,930,371
Reserves set aside for specific purposes by Council		
For working capital	114,217	114,217
For library	3,642	3,642
Total reserves	117,859	117,859
Reserve funds set aside for specific purposes by Council		
For fire equipment	63,834	68,837
For roads equipment	109,212	129,738
For administration equipment	18,664	18,616
For recreation	6,439	6,422
For landfill site	416,600	445,186
For museum	15,580	21,029
For tax arrears	14,008	19,910
For Centennial Building	4,619	4,607
For service modernization funding	60,854	139,395
For Safe Restart COVID-19 funding	34,886	16,737
Total reserve funds	744,696	870,477
Accumulated surplus	2,960,894	2,918,707

The Corporation of the Township of Dorion Consolidated Schedule of Tangible Capital Assets

Year ended December 31, 2021

Schedule 2

	General						Totals	
	Land	Land Improvements	Buildings	Library Collection	Machinery and Equipment	Linear Assets	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	112,106	7,017	533,250	64,245	717,697	3,385,042	4,819,357	4,811,812
Add: Additions during the year	-	-	98,745	405	25,173	312,946	437,269	7,545
Balance, end of year	112,106	7,017	631,995	64,650	742,870	3,697,988	5,256,626	4,819,357
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	7,017	305,851	50,119	465,063	1,857,442	2,685,492	2,590,224
Add: Amortization during the year	-	-	14,344	3,010	26,772	63,562	107,688	95,268
Balance, end of year	-	7,017	320,195	53,129	491,835	1,921,004	2,793,180	2,685,492
Net book value of tangible capital assets, beginning of year	112,106	-	227,399	14,126	252,634	1,527,600	2,133,865	2,221,588
Net book value of tangible capital assets, end of year	112,106	-	311,800	11,521	251,035	1,776,984	2,463,446	2,133,865

The Corporation of the Township of Dorion

Consolidated Schedule of Segment Disclosure

Year ended December 31, 2021

Schedule 3

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	678,050	640,010	-	-	-	-	-	-	-	-
Government transfers	181,535	128,652	28,604	997	145,005	45,456	-	-	-	-
User fees and service charges	-	-	-	-	-	-	-	-	-	-
Other revenues	30,056	29,436	15,116	9,834	23,239	6,610	-	6,690	-	-
Interest income - reserve funds	2,089	3,414	-	-	-	-	-	-	-	-
	891,730	801,512	43,720	10,831	168,244	52,066	-	6,690	-	-
Expenses										
Salaries, wages and employee benefits	146,537	135,357	22,620	19,821	109,318	103,500	-	-	-	-
Long-term debt interest	4,200	3,480	-	-	-	-	-	-	-	-
Materials	124,020	69,082	40,304	31,650	101,068	119,436	8,092	(213,548)	-	-
Contracted services	1,709	976	690	680	91,130	88,815	13,488	12,903	-	-
Rent and financials	83,630	35,136	5,797	4,272	-	-	-	-	-	-
External transfers	-	-	59,603	62,743	-	-	-	-	49,002	44,395
Amortization	5,128	4,660	8,501	7,548	88,709	78,039	167	-	-	-
	365,224	248,691	137,515	126,714	390,225	389,790	21,747	(200,645)	49,002	44,395
Net revenue (expenses) before undernoted item	526,506	552,821	(93,795)	(115,883)	(221,981)	(337,724)	(21,747)	207,335	(49,002)	(44,395)
Annual surplus	526,506	552,821	(93,795)	(115,883)	(221,981)	(337,724)	(21,747)	207,335	(49,002)	(44,395)

The Corporation of the Township of Dorion Consolidated Schedule of Segment Disclosure

Year ended December 31, 2021

Schedule 3 (continued)

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Revenues								
Taxation	-	-	-	-	-	-	678,050	640,010
Government transfers	-	-	7,853	12,264	19,376	27,317	382,373	214,686
User fees and service charges	-	-	1,550	1,490	-	-	1,550	1,490
Other revenues	-	-	13,998	12,982	-	-	82,409	65,552
Interest income - reserve funds	-	-	-	-	-	-	2,089	3,414
	59,748	56,009	23,401	26,736	19,376	27,317	1,146,471	925,152
Expenses								
Salaries, wages and employee benefits	-	-	21,769	20,788	-	-	300,244	279,466
Long-term debt interest	-	-	-	-	-	-	4,200	3,480
Materials	-	-	19,412	15,041	21,021	27,360	313,917	49,021
Contracted services	-	-	1,134	1,578	-	-	108,151	104,952
Rent and financials	-	-	12,304	5,127	-	-	101,731	44,535
External transfers	59,748	56,009	-	-	-	-	168,353	163,147
Amortization	-	-	5,183	5,021	-	-	107,688	95,268
	59,748	56,009	59,802	47,555	21,021	27,360	1,104,284	739,869
Net revenue (expenses) before undernoted item	(59,748)	(56,009)	(36,401)	(20,819)	(1,645)	(43)	42,187	185,283
Annual surplus	(59,748)	(56,009)	(36,401)	(20,819)	(1,645)	(43)	42,187	185,283

Independent Auditor's Report

Grant Thornton LLP

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

Opinion

We have audited the financial statements of Dorion Public Library Board ("the Board"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, changes in net financial debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Dorion Public Library Board as at December 31, 2021, and its results of operations and accumulated surplus, its changes in its net financial debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 Board'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 Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Grant Thornton LLP

Thunder Bay, Canada
September 2, 2022

Chartered Professional Accountants
Licensed Public Accountants

Dorion Public Library Board Statement of Financial Position

As at December 31	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	962	7,161
Accounts receivable	745	3,632
Total financial assets	1,707	10,793
LIABILITIES		
Accounts payable	696	947
Due to The Corporation of the Township of Dorion	2,131	13,129
Total liabilities	2,827	14,076
NET FINANCIAL LIABILITIES	(1,120)	(3,283)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 3]</i>	12,904	16,659
Accumulated surplus <i>[note 4]</i>	11,784	13,376

See accompanying notes to the financial statements.

Dorion Public Library Board

Statement of Operations and Accumulated Surplus

Year ended December 31	2021	2021	2020
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 5]</i>		
REVENUES			
Municipal contribution	20,149	18,189	15,924
Province of Ontario grants	7,944	7,853	8,508
Other	4,050	5,050	3,000
Total revenues	32,143	31,092	27,432
EXPENSES			
Administration	6,237	4,221	3,308
Amortization	4,160	4,160	4,714
Internet services	2,208	1,757	1,747
Program wages	7,794	7,614	7,648
Supplies	1,500	1,142	1,210
Wages and benefits	13,904	13,790	12,769
	35,803	32,684	31,396
Annual deficit	(3,660)	(1,592)	(3,964)
Accumulated surplus, beginning of year	13,376	13,376	17,340
Accumulated surplus, end of year	9,716	11,784	13,376

See accompanying notes to the financial statements.

Dorion Public Library Board

Statement of Changes in Net Financial Debt

Year ended December 31	2021	2021	2020
	Budget \$ <i>[note 5]</i>	Actual \$	Actual \$
Annual deficit	(3,660)	(1,592)	(3,964)
Acquisition of tangible capital assets	(500)	(405)	(1,407)
Amortization of tangible capital assets	4,160	4,160	4,714
Decrease (increase) in net financial liabilities	-	2,163	(657)
Net financial liabilities, beginning of year	(3,283)	(3,283)	(2,626)
Net financial liabilities, end of year	(3,283)	(1,120)	(3,283)

See accompanying notes to the financial statements.

Dorion Public Library Board

Statement of Cash Flows

Year ended December 31	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Annual deficit	(1,592)	(3,964)
Non-cash charges		
Amortization of tangible capital assets	4,160	4,714
	2,568	750
Changes in non-cash working capital balances		
Decrease (increase) in accounts receivable	2,887	(3,247)
Decrease in accounts payable	(251)	(666)
Increase (decrease) in due to The Corporation of the Township of Dorion	(10,998)	6,998
Cash provided by (used in) operating transactions	(5,794)	3,835
CAPITAL		
Acquisition of tangible capital assets	(405)	(1,407)
Cash used in capital transactions	(405)	(1,407)
Increase (decrease) in cash during year	(6,199)	2,428
Cash, beginning of year	7,161	4,733
Cash, end of year	962	7,161

See accompanying notes to the financial statements.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

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

Accrual accounting

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

Tangible capital assets

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

Library collection	10 years
Furniture and equipment	10 years

Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

Leases

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

Cash

Cash consists of cash on deposit and cash on hand.

Reporting entity

The financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the Board.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2021

Revenue recognition

Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

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

Deferred revenue is comprised of donations subject to externally imposed restrictions with respect to its use and the unspent portion of conditional grants.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Board may undertake in the future. Significant accounting estimates include allowance for doubtful accounts and estimated useful lives of tangible capital assets. Actual results could differ from those estimates.

Budget figures

The operating budget approved by the Board for 2021 is reflected on the Statement of Operations and Accumulated Surplus. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be incurred over a number of years and therefore may not be comparable with the current year's actual expenditures. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results.

2. ANALYSIS OF RESERVE

A reserve in the amount of \$3,642 [2020 - \$3,642] is being held by The Corporation of the Township of Dorion.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2021

3. TANGIBLE CAPITAL ASSETS

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

	Library Collection \$	Furniture and Equipment \$	2021 Total \$	2020 Total \$
Cost				
Balance, beginning of year	64,245	11,497	75,742	74,335
Add:				
Additions during the year	405	-	405	1,407
Balance, end of year	64,650	11,497	76,147	75,742
Accumulated amortization				
Balance, beginning of year	50,119	8,964	59,083	54,369
Add:				
Amortization during the year	3,010	1,150	4,160	4,714
Balance, end of year	53,129	10,114	63,243	59,083
Net book value	11,521	1,383	12,904	16,659

4. ACCUMULATED SURPLUS

	2021 \$	2020 \$
Surpluses		
General fund	(1,120)	(3,283)
Investment in tangible capital assets	12,904	16,659
Accumulated surplus	11,784	13,376

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2021

5. BUDGET FIGURES

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

	Approved Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Municipal contribution	20,149	-	20,149
Province of Ontario grants	7,944	-	7,944
Other	4,050	-	4,050
	32,143	-	32,143
Expenses			
Administration	6,737	(500)	6,237
Amortization	-	4,160	4,160
Internet services	2,208	-	2,208
Program wages	7,794	-	7,794
Supplies	1,500	-	1,500
Wages and benefits	13,904	-	13,904
	32,143	3,660	35,803
Annual surplus (deficit)	-	(3,660)	(3,660)
Capital items	-	(500)	
Amortization	-	4,160	
Approved deficit	-	(3,660)	

Independent Auditor's Report

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

Opinion

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

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Cemetery Perpetual Care Trust Fund of The Corporation of the Township of Dorion as at December 31, 2021, and its statement of continuity for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Cemetery's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Cemetery or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery'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 Cemetery'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 Cemetery to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Grant Thornton LLP

Thunder Bay, Canada
September 2, 2022

Chartered Professional Accountants
Licensed Public Accountants

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

As at December 31	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	40,318	37,614
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to The Corporation of the Township of Dorion	24,425	22,125
Fund balance	15,893	15,489
Total Liabilities and Fund Balance	40,318	37,614

See accompanying note to the financial statements.

**The Corporation of the Township of Dorion
Cemetery Perpetual Care Trust Fund
Statement of Continuity**

Year ended December 31	2021	2020
	\$	\$
Fund balance, beginning of year	15,489	16,372
Revenues		
Interest earned	53	74
Sale of plots, monuments and internments	2,390	720
Contributions	270	-
	2,713	794
Expenditures		
Cemetery maintenance	2,309	1,677
Fund balance, end of year	15,893	15,489

See accompanying note to the financial statements.

**The Corporation of the Township of Dorion
Cemetery Perpetual Care Trust Fund
Note to the Financial Statements**

December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

[a] Interest earned in this fund is recorded on the accrual basis.

[b] Capital receipts and income are reported on the accrual basis of accounting.

[c] Expenditures are reported on the accrual basis of accounting which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and term deposits in money market instruments with maturity dates of less than three months from the date they are acquired. They are recorded at the lower of cost or market value.