



Consolidated Financial Statements

The Corporation of the Township of Dorion

December 31, 2019



**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 2019 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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**Grant Thornton LLP**

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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, 2019, 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, 2019.

**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  
July 21, 2020

Chartered Professional Accountants  
Licensed Public Accountants

# The Corporation of the Township of Dorion

## Consolidated Statement of Financial Position

As at December 31	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	1,011,929	610,421
Taxes receivable <i>[note 3]</i>	129,543	149,575
Accounts receivable	94,817	236,056
<b>Total financial assets</b>	<b>1,236,289</b>	996,052
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	104,316	58,644
Deferred revenue <i>[note 5]</i>	66,757	123,711
Vested sick leave liability <i>[note 6]</i>	14,887	14,849
Long-term debt <i>[note 7]</i>	135,436	31,711
Landfill closure and post-closure liability <i>[note 9]</i>	409,277	423,341
<b>Total liabilities</b>	<b>730,673</b>	652,256
<b>NET FINANCIAL ASSETS</b>	<b>505,616</b>	343,796
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 10]</i>		
<i>[schedule 2]</i>	2,221,588	2,031,053
Prepaid expenses	6,220	4,699
	<b>2,227,808</b>	2,035,752
<b>Accumulated surplus <i>[schedule 1]</i></b>	<b>2,733,424</b>	2,379,548

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 2019 \$ [note 14]	Actual 2019 \$	Actual 2018 \$
<b>REVENUES [schedule 3]</b>			
<b>Taxation</b>			
Residential and farm taxation	342,117	346,742	331,250
Commercial and industrial	194,218	194,218	188,787
Taxation from other governments	102,043	110,008	99,405
	<b>638,378</b>	<b>650,968</b>	619,442
<b>Other fees and service charges</b>	<b>3,400</b>	<b>3,560</b>	4,500
	<b>641,778</b>	<b>654,528</b>	623,942
<b>Grants</b>			
Government of Canada	45,000	37,367	53,101
Province of Ontario	512,910	542,339	1,155,855
	<b>557,910</b>	<b>579,706</b>	1,208,956
<b>Other</b>			
Investment income	3,500	5,917	2,776
Penalties and late payment charges	30,000	30,893	31,014
Other	38,745	59,041	73,766
	<b>72,245</b>	<b>95,851</b>	107,556
<b>Total revenues</b>	<b>1,271,933</b>	<b>1,330,085</b>	1,940,454
<b>EXPENSES [note 11] [schedule 3]</b>			
General government	282,340	227,137	320,954
Protection to persons and property	145,506	149,517	120,644
Transportation services	420,423	404,852	319,774
Environmental services	27,000	(5,818)	24,326
Health services	38,656	40,434	37,989
Social and family services	53,810	53,810	51,546
Recreation and cultural services	59,391	54,545	64,192
	<b>1,027,126</b>	<b>924,477</b>	939,425
<b>NET REVENUES</b>	<b>244,807</b>	<b>405,608</b>	1,001,029
Loss on disposal of tangible capital assets	-	(51,732)	-
<b>Annual surplus</b>	<b>244,807</b>	<b>353,876</b>	1,001,029
Accumulated surplus, beginning of year	2,379,548	2,379,548	1,378,519
<b>Accumulated surplus, end of year</b>	<b>2,624,355</b>	<b>2,733,424</b>	2,379,548

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 2019 \$ <i>[note 14]</i>	Actual 2019 \$	Actual 2018 \$
<b>Annual surplus</b>	<b>244,807</b>	<b>353,876</b>	1,001,029
Acquisition of tangible capital assets	<b>(381,395)</b>	<b>(350,431)</b>	(1,247,148)
Amortization of tangible capital assets	<b>91,164</b>	<b>91,164</b>	76,933
Proceeds from sale of tangible capital assets	-	<b>17,000</b>	-
Loss on sale of tangible capital assets	-	<b>51,732</b>	-
Acquisition of prepaid expenses	-	<b>(6,220)</b>	(4,699)
Use of prepaid expenses	-	<b>4,699</b>	11,047
Increase (decrease) in net financial assets	<b>(45,424)</b>	<b>161,820</b>	(162,838)
Net financial assets, beginning of year	<b>343,796</b>	<b>343,796</b>	506,634
<b>Net financial assets, end of year</b>	<b>298,372</b>	<b>505,616</b>	343,796

See accompanying notes to the consolidated financial statements.



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

Year ended December 31	2019	2018
	\$	\$
<b>OPERATIONS</b>		
Annual surplus (deficit)	353,876	1,001,029
<b>Non-cash charges</b>		
Amortization of tangible capital assets	91,164	76,933
Increase (decrease) in landfill liability	(14,064)	24,326
Loss on disposal of tangible capital assets	51,732	-
	<b>482,708</b>	<b>1,102,288</b>
<b>Net change in non-cash working capital balances</b>		
Decrease in taxes receivable	20,032	38,148
Decrease in accounts receivable	141,239	26,607
Increase (decrease) in accounts payable and accrued liabilities	45,672	(8,149)
Increase (decrease) in deferred revenue	(56,954)	101,058
Increase in vested sick leave liability	38	3,560
Decrease (increase) in prepaid expenses	(1,521)	6,348
<b>Cash provided by operating transactions</b>	<b>631,214</b>	<b>1,269,860</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(350,431)	(1,247,148)
Proceeds from sale of tangible capital assets	17,000	-
<b>Cash used in capital transaction</b>	<b>(333,431)</b>	<b>(1,247,148)</b>
<b>FINANCING</b>		
Proceeds of long-term debt	120,000	-
Repayment of long-term debt	(16,275)	(12,275)
<b>Cash provided by (used in) financing transactions</b>	<b>103,725</b>	<b>(12,275)</b>
<b>Increase in cash and cash equivalents</b>	<b>401,508</b>	<b>10,437</b>
Opening cash and cash equivalents	610,421	599,984
<b>Closing cash and cash equivalents</b>	<b>1,011,929</b>	<b>610,421</b>

See accompanying notes to the consolidated financial statements.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

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### 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.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

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### **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.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

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December 31, 2019

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[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.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

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### **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.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

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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 \$16,372 [2018 - \$16,764] 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

	2019	2018
	\$	\$
Property and business taxes receivable	<b>196,170</b>	235,050
Allowance for property and business tax arrears	<b>(66,627)</b>	(85,475)
	<b>129,543</b>	149,575

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

### 4. BANK INDEBTEDNESS

The Township has available a line of credit of \$500,000 [2018 - \$500,000] for which the Township has provided a borrowing by-law of which \$nil [2018 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at a rate of prime [3.95% at December 31, 2019].

### 5. DEFERRED REVENUE

	2019 \$	2018 \$
Obligatory reserve funds		
Unearned Gas Tax proceeds	42,147	38,161
Other deferred revenue		
Unearned grant proceeds	24,610	85,550
	<b>66,757</b>	<b>123,711</b>

The continuity of deferred revenue is as follows:

	2019 \$	2018 \$
<b>Balance, beginning of year</b>	<b>123,711</b>	22,653
Investment income	529	2,270
Gas Tax revenue received	41,105	21,531
Gas Tax revenue earned	(37,367)	(3,198)
Other grant revenue received	170,215	1,092,291
Other grant revenue earned	(231,436)	(1,011,836)
<b>Balance, end of year</b>	<b>66,757</b>	<b>123,711</b>

### 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 \$14,887 [2018 - \$14,849]. The liability for these days which could be taken by an employee upon voluntary termination of employment amount to approximately \$14,887 [2018 - \$14,849]. \$Nil [2018 - \$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, 2019

### 7. LONG-TERM DEBT

	2019	2018
	\$	\$
<b>Bank of Montreal</b>		
Term loan repayable in monthly principal payments of \$1,023, plus interest at prime [3.95% at year-end], maturing July 2021.	19,436	31,711
Term loan repayable in monthly principal payments of \$1,000, plus fixed interest of 2.85%, maturing August 2029.	116,000	-
	<b>135,436</b>	<b>31,711</b>

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

	\$
2020	24,275
2021	19,161
2022	12,000
2023	12,000
2024	12,000
Thereafter	56,000
	<b>135,436</b>

Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$2,184 [2018 - \$1,373].

### 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 2019 was \$11,342 [2018 - \$11,972] for current service.



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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

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### 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 14.9 years, and an estimated remaining capacity of 54,770 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 3.95% [2018 - 3.52%] for closure costs and 3.95% [2018 - 3.52%] 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 \$409,277 [2018 - \$423,341] 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 [2018 - \$nil].

Interest capitalized during 2019 was \$nil [2018 - \$nil].

There were no tangible capital assets contributed to the Township in 2019 [2018 - \$nil].

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

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### 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.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

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### 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:

	2019	2018
	\$	\$
<hr/>		
<b>Reserves</b>		
Balance, beginning of year	117,859	117,859
<hr/>		
<b>Balance, end of year</b>	<b>117,859</b>	117,859
<hr/>		
<b>Reserve funds</b>		
Balance, beginning of year	497,389	672,456
<hr/>		
<b>Increases (decreases)</b>		
Net transfers	199,742	(179,997)
Interest earned	5,917	4,930
<hr/>		
	<b>205,659</b>	<b>(175,067)</b>
<hr/>		
<b>Balance, end of year</b>	<b>703,048</b>	497,389
<hr/>		

# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

### 13. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$703,048 [2018 - \$497,389] 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 \$
<b>Revenues</b>			
Taxation	638,378	-	638,378
User charges	3,400	-	3,400
Government transfers	557,910	-	557,910
Other	160,245	(88,000)	72,245
	<b>1,359,933</b>	<b>(88,000)</b>	<b>1,271,933</b>
<b>Expenses</b>			
General government	294,956	(12,616)	282,340
Protection to persons and property	144,253	1,253	145,506
Transportation services	743,925	(323,502)	420,423
Environmental services	27,000	-	27,000
Health services	38,656	-	38,656
Social and family services	53,810	-	53,810
Recreation and cultural services	57,333	2,058	59,391
	<b>1,359,933</b>	<b>(332,807)</b>	<b>1,027,126</b>
<b>Annual surplus</b>	<b>-</b>	<b>244,807</b>	<b>244,807</b>
Interfund transfers	-	(62,700)	
Capital items	-	381,395	
Debt repayments	-	17,276	
Amortization	-	(91,164)	
<b>Approved surplus</b>	<b>-</b>	<b>244,807</b>	

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2019

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### 15. SUBSEQUENT EVENTS

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.

To date, the Township has taken the following actions in response to the pandemic:

- (a) On March 24, 2020, in response to legislated closures of non-essential services, the Township closed all of the Township of Dorion facilities including the Municipal Office; Public Library; Community Centre; Centennial Room and Public Works Garage. In addition, all recreation programs were suspended until further notice. The Township expects a reduction in rentals, and user fees of approximately \$285 per month as a result of these closures.
- (b) On April 29, 2020, the Township passed By-law No. 960-20 to amend By-law No. 958-20 for property tax relief. Late payment penalties will not be applied for the months of April and May, 2020. As a result, the Township expects a decrease of interest and penalties revenue of approximately \$2,170 per month for two months. The Township expects that some of its taxpayers will face additional financial pressures that may impact their ability to make their payments on a timely basis.

The Township has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Township for future periods.

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

Year ended December 31	2019	2018
	\$	\$
<b>Surpluses</b>		
General fund	238,268	194,991
Library fund	(2,626)	(6,692)
Invested in tangible capital assets	2,221,588	2,031,053
Unfunded		
Long-term debt	(135,436)	(31,711)
Landfill closure and post-closure liabilities	(409,277)	(423,341)
<b>Total surpluses</b>	<b>1,912,517</b>	<b>1,764,300</b>
<b>Reserves set aside for specific purposes by Council</b>		
For working capital	114,217	114,217
For library	3,642	3,642
<b>Total reserves</b>	<b>117,859</b>	<b>117,859</b>
<b>Reserve funds set aside for specific purposes by Council</b>		
For fire equipment	59,173	58,707
For roads equipment	60,193	16,574
For administration equipment	18,537	18,391
For recreation	6,395	6,345
For landfill site	343,644	349,128
For museum	21,333	20,224
For tax arrears	19,826	19,670
For Centennial Building	4,588	4,551
For OCIF	-	3,799
For service modernization funding	169,359	-
<b>Total reserve funds</b>	<b>703,048</b>	<b>497,389</b>
<b>Accumulated surplus</b>	<b>2,733,424</b>	<b>2,379,548</b>

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

**Schedule 2**

Year ended December 31, 2019

	General					Totals		
	Land	Land Improvements \$	Buildings \$	Library Collection \$	Machinery and Equipment \$	Linear Assets \$	2019 \$	2018 \$
<b>COST</b>								
Balance, beginning of year	112,106	7,017	527,112	60,774	773,195	3,331,367	4,811,571	3,564,423
Add: Additions during the year	-	-	-	2,064	1,154	347,213	350,431	1,247,148
Less: Disposals during the year	-	-	-	-	(56,652)	(293,538)	(350,190)	-
Balance, end of year	112,106	7,017	527,112	62,838	717,697	3,385,042	4,811,812	4,811,571
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	7,017	281,606	44,659	460,225	1,987,011	2,780,518	2,703,585
Add: Amortization during the year	-	-	11,969	3,966	27,012	48,217	91,164	76,933
Less: Accumulated amortization on disposals	-	-	-	-	(50,543)	(230,915)	(281,458)	-
Balance, end of year	-	7,017	293,575	48,625	436,694	1,804,313	2,590,224	2,780,518
<b>Net book value of tangible capital assets, beginning of year</b>	112,106	-	245,506	16,115	312,970	1,344,356	2,031,053	860,838
<b>Net book value of tangible capital assets, end of year</b>	112,106	-	233,537	14,213	281,003	1,580,729	2,221,588	2,031,053

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

**Schedule 3**

Year ended December 31, 2019

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>										
Taxation	650,968	619,442	-	-	-	-	-	-	-	-
Government transfers	315,784	199,746	-	-	257,088	1,005,943	-	-	-	-
User fees and service charges	-	-	-	-	-	-	-	-	-	-
Other revenues	37,248	59,295	-	-	44,794	39,659	-	-	-	-
Interest income - reserve funds	5,917	2,776	-	-	-	-	-	-	-	-
	<b>1,009,917</b>	<b>881,259</b>	<b>-</b>	<b>-</b>	<b>301,882</b>	<b>1,045,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>										
Salaries, wages and employee benefits	133,882	137,701	22,493	20,108	103,912	97,558	-	-	-	-
Long-term debt interest	2,184	1,373	-	-	-	-	-	-	-	-
Materials	51,449	75,027	47,268	24,273	130,661	74,220	(14,064)	24,326	-	-
Contracted services	19,474	15,191	-	-	96,381	87,156	8,246	-	-	-
Rent and financials	15,488	87,002	9,051	8,989	-	-	-	-	-	-
External transfers	-	-	63,157	60,870	-	-	-	-	40,434	37,989
Amortization	4,660	4,660	7,548	6,404	73,898	60,840	-	-	-	-
	<b>227,137</b>	<b>320,954</b>	<b>149,517</b>	<b>120,644</b>	<b>404,852</b>	<b>319,774</b>	<b>(5,818)</b>	<b>24,326</b>	<b>40,434</b>	<b>37,989</b>
<b>Net revenue (expenses) before undernoted item</b>	<b>782,780</b>	<b>560,305</b>	<b>(149,517)</b>	<b>(120,644)</b>	<b>(102,970)</b>	<b>725,828</b>	<b>5,818</b>	<b>(24,326)</b>	<b>(40,434)</b>	<b>(37,989)</b>
Gain (loss) on tangible capital asset	-	-	-	-	(51,732)	-	-	-	-	-
<b>Annual surplus (deficit)</b>	<b>782,780</b>	<b>560,305</b>	<b>(149,517)</b>	<b>(120,644)</b>	<b>(154,702)</b>	<b>725,828</b>	<b>5,818</b>	<b>(24,326)</b>	<b>(40,434)</b>	<b>(37,989)</b>



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

**Schedule 3 (continued)**

Year ended December 31, 2019

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
<b>Revenues</b>								
Taxation	-	-	-	-	-	-	<b>650,968</b>	619,442
Government transfers	-	-	<b>6,834</b>	3,267	-	-	<b>579,706</b>	1,208,956
User fees and service charges	-	-	<b>3,560</b>	4,500	-	-	<b>3,560</b>	4,500
Other revenues	-	-	<b>7,892</b>	5,826	-	-	<b>89,934</b>	104,780
Interest income - reserve funds	-	-	-	-	-	-	<b>5,917</b>	2,776
	-	-	<b>18,286</b>	13,593	-	-	<b>1,330,085</b>	1,940,454
<b>Expenses</b>								
Salaries, wages and employee benefits	-	-	<b>22,602</b>	26,408	-	-	<b>282,889</b>	281,775
Long-term debt interest	-	-	-	-	-	-	<b>2,184</b>	1,373
Materials	-	-	<b>15,664</b>	22,443	-	-	<b>230,978</b>	220,289
Contracted services	-	-	<b>63</b>	-	-	-	<b>124,164</b>	102,347
Rent and financials	-	-	<b>11,158</b>	10,312	-	-	<b>35,697</b>	106,303
External transfers	<b>53,810</b>	51,546	-	-	-	-	<b>157,401</b>	150,405
Amortization	-	-	<b>5,058</b>	5,029	-	-	<b>91,164</b>	76,933
	<b>53,810</b>	51,546	<b>54,545</b>	64,192	-	-	<b>924,477</b>	939,425
<b>Net revenue (expenses) before undernoted item</b>	<b>(53,810)</b>	(51,546)	<b>(36,259)</b>	(50,599)	-	-	<b>405,608</b>	1,001,029
Gain (loss) on tangible capital asset	-	-	-	-	-	-	<b>(51,732)</b>	-
<b>Annual surplus (deficit)</b>	<b>(53,810)</b>	(51,546)	<b>(36,259)</b>	(50,599)	-	-	<b>353,876</b>	1,001,029

# Independent Auditor's Report

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**Grant Thornton LLP**

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P7B 5Z8

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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, 2019, 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, 2019, 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  
July 21, 2020

Chartered Professional Accountants  
Licensed Public Accountants

## Dorion Public Library Board Statement of Financial Position

As at December 31	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	4,733	934
Accounts receivable	385	179
<b>Total financial assets</b>	<b>5,118</b>	1,113
<b>LIABILITIES</b>		
Accounts payable	1,613	1,674
Due to The Corporation of the Township of Dorion	6,131	6,131
<b>Total liabilities</b>	<b>7,744</b>	7,805
<b>NET FINANCIAL LIABILITIES</b>	<b>(2,626)</b>	(6,692)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 3]</i>	19,966	21,806
<b>Accumulated surplus <i>[note 4]</i></b>	<b>17,340</b>	15,114

See accompanying notes to the financial statements.

## Dorion Public Library Board Statement of Operations and Accumulated Surplus

Year ended December 31	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 5]</i>		
<b>REVENUES</b>			
Municipal contribution	21,088	20,213	28,361
Province of Ontario grants	3,225	6,834	3,267
Other	5,100	5,194	56
<b>Total revenues</b>	<b>29,413</b>	<b>32,241</b>	<b>31,684</b>
<b>EXPENSES</b>			
Administration	5,437	1,709	7,836
Amortization	5,058	5,058	5,029
Internet services	2,208	1,075	1,231
Program wages	3,430	7,054	3,465
Supplies	1,400	1,468	918
Wages and benefits	13,938	13,651	15,629
	<b>31,471</b>	<b>30,015</b>	<b>34,108</b>
<b>Annual surplus (deficit)</b>	<b>(2,058)</b>	<b>2,226</b>	<b>(2,424)</b>
Accumulated surplus, beginning of year	15,114	15,114	17,538
<b>Accumulated surplus, end of year</b>	<b>13,056</b>	<b>17,340</b>	<b>15,114</b>

See accompanying notes to the financial statements.

## Dorion Public Library Board

### Statement of Changes in Net Financial Debt

Year ended December 31	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 5]</i>		
<b>Annual surplus (deficit)</b>	<b>(2,058)</b>	<b>2,226</b>	<b>(2,424)</b>
Acquisition of tangible capital assets	<b>(3,000)</b>	<b>(3,218)</b>	<b>(2,507)</b>
Amortization of tangible capital assets	<b>5,058</b>	<b>5,058</b>	<b>5,029</b>
Increase in net financial assets	<b>-</b>	<b>4,066</b>	<b>98</b>
Net financial liabilities, beginning of year	<b>(6,692)</b>	<b>(6,692)</b>	<b>(6,790)</b>
<b>Net financial liabilities, end of year</b>	<b>(6,692)</b>	<b>(2,626)</b>	<b>(6,692)</b>

See accompanying notes to the financial statements.

## Dorion Public Library Board

### Statement of Cash Flows

Year ended December 31	2019	2018
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	2,226	(2,424)
<b>Non-cash charges</b>		
Amortization of tangible capital assets	5,058	5,029
	7,284	2,605
<b>Changes in non-cash working capital balances</b>		
Decrease (increase) in accounts receivable	(206)	383
Decrease in accounts payable	(61)	(363)
<b>Cash provided by operating transactions</b>	<b>7,017</b>	<b>2,625</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(3,218)	(2,507)
<b>Cash used in capital transactions</b>	<b>(3,218)</b>	<b>(2,507)</b>
<b>Increase in cash during year</b>	<b>3,799</b>	118
Cash, beginning of year	934	816
<b>Cash, end of year</b>	<b>4,733</b>	934

See accompanying notes to the financial statements.

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# **Dorion Public Library Board**

## **Notes to the Financial Statements**

December 31, 2019

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### **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.



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# **Dorion Public Library Board**

## **Notes to the Financial Statements**

December 31, 2019

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### **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 2019 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 [2018 - \$3,642] is being held by The Corporation of the Township of Dorion.

# Dorion Public Library Board

## Notes to the Financial Statements

December 31, 2019

### 3. TANGIBLE CAPITAL ASSETS

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

	Library Collection \$	Furniture and Equipment \$	2019 Total \$	2018 Total \$
<b>Cost</b>				
Balance, beginning of year	60,774	10,343	71,117	68,610
Add:				
Additions during the year	2,064	1,154	3,218	2,507
<b>Balance, end of year</b>	<b>62,838</b>	<b>11,497</b>	<b>74,335</b>	<b>71,117</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	42,589	6,722	49,311	44,282
Add:				
Amortization during the year	3,966	1,092	5,058	5,029
<b>Balance, end of year</b>	<b>46,555</b>	<b>7,814</b>	<b>54,369</b>	<b>49,311</b>
<b>Net book value</b>	<b>16,283</b>	<b>3,683</b>	<b>19,966</b>	<b>21,806</b>

### 4. ACCUMULATED SURPLUS

	2019 \$	2018 \$
<b>Surpluses</b>		
General fund	(2,626)	(6,692)
Investment in tangible capital assets	19,966	21,806
<b>Accumulated surplus</b>	<b>17,340</b>	<b>15,114</b>

# Dorion Public Library Board

## Notes to the Financial Statements

December 31, 2019

### 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 \$
<b>Revenues</b>			
Municipal contribution	21,088	-	21,088
Province of Ontario grants	3,225	-	3,225
Other	5,100	-	5,100
	<b>29,413</b>	<b>-</b>	<b>29,413</b>
<b>Expenses</b>			
Administration	8,437	(3,000)	5,437
Amortization	-	5,058	5,058
Internet services	2,208	-	2,208
Program wages	3,430	-	3,430
Supplies	1,400	-	1,400
Wages and benefits	13,938	-	13,938
	<b>29,413</b>	<b>2,058</b>	<b>31,471</b>
<b>Annual surplus (deficit)</b>	<b>-</b>	<b>(2,058)</b>	<b>(2,058)</b>
Capital items	-	(3,000)	
Amortization	-	5,058	
<b>Approved surplus (deficit)</b>	<b>-</b>	<b>2,058</b>	

# 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, 2019, and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Cemetery Perpetual Care Trust Fund of The Corporation of the Township of Dorion as at December 31, 2019, 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  
July 21, 2020

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	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	<b>36,824</b>	33,228
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Due to The Corporation of the Township of Dorion	<b>20,452</b>	16,464
<b>Fund balance</b>	<b>16,372</b>	16,764
<b>Total Liabilities and Fund Balance</b>	<b>36,824</b>	33,228

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	2019	2018
	\$	\$
<b>Fund balance, beginning of year</b>	<b>16,764</b>	15,458
<b>Revenues</b>		
Interest earned	162	95
Sale of plots, monuments and internments	3,440	1,220
	<b>3,602</b>	1,315
<b>Expenditures</b>		
Cemetery maintenance	3,994	9
<b>Fund balance, end of year</b>	<b>16,372</b>	16,764

See accompanying note to the financial statements.

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

December 31, 2019

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**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.