



Consolidated Financial Statements

The Corporation of the Township of Dorion

December 31, 2018



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Canyon Country

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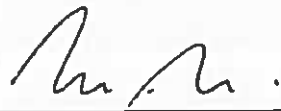
Statement of Administrative Responsibility

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 2018 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



Ed Chambers, 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, 2018, 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, 2018.

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
August 13, 2019

Chartered Professional Accountants
Licensed Public Accountants

**The Corporation of the Township of Dorion
Consolidated Statement of Financial Position**

As at December 31	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	610,421	599,984
Taxes receivable <i>[note 3]</i>	149,575	187,723
Accounts receivable	236,056	262,663
Total financial assets	996,052	1,050,370
LIABILITIES		
Accounts payable and accrued liabilities	58,644	66,793
Deferred revenue <i>[note 5]</i>	123,711	22,653
Vested sick leave liability <i>[note 6]</i>	14,849	11,289
Long-term debt <i>[note 7]</i>	31,711	43,986
Landfill closure and post-closure liability <i>[note 9]</i>	423,341	399,015
Total liabilities	652,256	543,736
NET FINANCIAL ASSETS	343,796	506,634
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 10]</i> <i>[schedule 2]</i>	2,031,053	860,838
Prepaid expenses	4,699	11,047
	2,035,752	871,885
Accumulated surplus <i>[schedule 1]</i>	2,379,548	1,378,519

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 2018 \$ <i>[note 14]</i>	Actual 2018 \$	Actual 2017 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	334,238	331,250	332,163
Commercial and industrial	188,787	188,787	184,736
Taxation from other governments	99,405	99,405	95,098
	<u>622,430</u>	<u>619,442</u>	<u>611,997</u>
Other fees and service charges	2,850	4,500	3,126
	<u>625,280</u>	<u>623,942</u>	<u>615,123</u>
Grants			
Government of Canada	88,964	53,101	141,175
Province of Ontario	1,574,286	1,155,855	251,940
	<u>1,663,250</u>	<u>1,208,956</u>	<u>393,115</u>
Other			
Investment income	2,900	2,776	2,710
Penalties and late payment charges	30,000	31,014	32,346
Other	38,145	73,766	42,798
	<u>71,045</u>	<u>107,556</u>	<u>77,854</u>
Total revenues	2,359,575	1,940,454	1,086,092
EXPENSES [note 11] [schedule 3]			
General government	327,781	320,954	258,646
Protection to persons and property	127,874	120,644	122,649
Transportation services	353,488	319,774	333,610
Environmental services	24,326	24,326	10,437
Health services	31,500	37,989	34,722
Social and family services	52,775	51,546	51,910
Recreation and cultural services	68,325	64,192	65,100
	<u>986,069</u>	<u>939,425</u>	<u>877,074</u>
NET REVENUES	1,373,506	1,001,029	209,018
Annual surplus	1,373,506	1,001,029	209,018
Accumulated surplus, beginning of year	1,378,519	1,378,519	1,169,501
Accumulated surplus, end of year	2,752,025	2,379,548	1,378,519

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 2018 \$ <i>[note 14]</i>	Actual 2018 \$	Actual 2017 \$
Annual surplus	1,373,506	1,001,029	209,018
Acquisition of tangible capital assets	(1,513,909)	(1,247,148)	(336,359)
Amortization of tangible capital assets	76,933	76,933	57,487
Acquisition of prepaid expenses	-	(4,699)	(11,047)
Use of prepaid expenses	-	11,047	6,139
Decrease in net financial assets	(63,470)	(162,838)	(74,762)
Net financial assets, beginning of year	-	506,634	581,396
Net financial assets, end of year	(63,470)	343,796	506,634

See accompanying notes to the consolidated financial statements.

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

Year ended December 31	2018	2017
	\$	\$
OPERATIONS		
Annual surplus (deficit)	1,001,029	209,018
Non-cash charges		
Amortization of tangible capital assets	76,933	57,487
Increase in landfill liability	24,326	10,437
	1,102,288	276,942
Net change in non-cash working capital balances		
Decrease in taxes receivable	38,148	2,552
Decrease (increase) in accounts receivable	26,607	(171,965)
Increase (decrease) in accounts payable and accrued liabilities	(8,149)	7,846
Increase (decrease) in deferred revenue	101,058	(23,384)
Increase in vested sick leave liability	3,560	2,844
Decrease (increase) in prepaid expenses	6,348	(4,908)
Cash provided by operating transactions	1,269,860	89,927
CAPITAL		
Acquisition of tangible capital assets	(1,247,148)	(336,359)
Cash used in capital transaction	(1,247,148)	(336,359)
FINANCING		
Repayment of long-term debt	(12,275)	(12,275)
Cash used in financing transactions	(12,275)	(12,275)
Increase (decrease) in cash and cash equivalents	10,437	(258,707)
Opening cash and cash equivalents	599,984	858,691
Closing cash and cash equivalents	610,421	599,984

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2018

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, 2018

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, 2018

[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, 2018

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, 2018

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 \$16,764 [2017 - \$15,458] 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

	2018	2017
	\$	\$
Property and business taxes receivable	235,050	256,350
Allowance for property and business tax arrears	(85,475)	(68,627)
	<u>149,575</u>	<u>187,723</u>

The Corporation of the Township of Dorion
Notes to the Consolidated Financial Statements
December 31, 2018

4. BANK INDEBTEDNESS

The Township has available a line of credit of \$500,000 [2017 - \$500,000] for which the Township has provided a borrowing by-law of which \$nil [2017 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at a rate of prime plus .50% [3.95% at December 31, 2018].

5. DEFERRED REVENUE

	2018 \$	2017 \$
Obligatory reserve funds		
Unearned Gas Tax proceeds	38,161	19,516
Other deferred revenue		
Unearned grant proceeds	85,550	3,137
	123,711	22,653

The continuity of deferred revenue is as follows:

	2018 \$	2017 \$
Balance, beginning of year	22,653	46,037
Investment income	2,270	148
Gas Tax revenue received	21,531	20,917
Gas Tax revenue earned	(3,198)	(44,449)
Other grant revenue received	1,092,291	8,388
Other grant revenue earned	(1,011,836)	(8,388)
Balance, end of year	123,711	22,653

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 \$14,849 [2017 - \$11,289]. The liability for these days which could be taken by an employee upon voluntary termination of employment amount to approximately \$14,849 [2017 - \$11,289]. \$Nil [2017 - \$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, 2018

7. LONG-TERM DEBT

	2018	2017
	\$	\$
Bank of Montreal		
Term loan repayable in monthly instalments of \$1,023, including interest at prime [2.7% at year-end], maturing July, 2021.	31,711	43,986

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

	\$
2019	12,275
2020	12,275
2021	7,161
	<u>31,711</u>

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.

Effective January 1, 2018, contribution rates ranged from 9.0% to 14.6% depending on the proposed retirement age and the level of earnings. As a result, \$11,972 [2017 - \$11,483] was contributed to OMERS in the current year.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2018

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 2 years, with an anticipated closure date of 2020 and an estimated remaining capacity of 2,098 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 3.52% [2017 - 3.52%] for closure costs and 3.52% [2017 - 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 \$423,341 [2017 - \$399,015] 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 [2017 - \$nil].

Interest capitalized during 2018 was \$nil [2017 - \$nil].

There were no tangible capital assets contributed to the Township in 2018 [2017 - \$nil].

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2018

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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2018

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.

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).

The Corporation of the Township of Dorion
Notes to the Consolidated Financial Statements
December 31, 2018

12. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2018 \$	2017 \$
Reserves		
Balance, beginning of year	117,859	117,859
Balance, end of year	117,859	117,859
Reserve funds		
Balance, beginning of year	672,456	761,970
Increases (decreases)		
Net transfers	(179,997)	(92,132)
Interest earned	4,930	2,618
	(175,067)	(89,514)
Balance, end of year	497,389	672,456

13. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$497,389 [2017 - \$672,456] to support reserve funds.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2018

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	622,430	-	622,430
User charges	2,850	-	2,850
Government transfers	1,663,250	-	1,663,250
Other	119,788	(48,743)	71,045
	2,408,318	(48,743)	2,359,575
Expenses			
General government	323,121	4,660	327,781
Protection to persons and property	168,084	(40,210)	127,874
Transportation services	1,759,632	(1,406,144)	353,488
Environmental services	-	24,326	24,326
Health services	38,410	(6,910)	31,500
Social and family services	52,775	-	52,775
Recreation and cultural services	66,296	2,029	68,325
	2,408,318	(1,422,249)	986,069
Annual surplus	-	1,373,506	1,373,506
Interfund transfers	(39,144)	(39,144)	
Capital items	1,513,909	1,513,909	
Amortization	-	(76,933)	
Landfill post-closure costs	-	(24,326)	
Approved surplus	1,474,765	1,373,506	

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

Year ended December 31	2018	2017
	\$	\$
Surpluses		
General fund	194,991	177,157
Library fund	(6,692)	(6,790)
Invested in tangible capital assets	2,031,053	860,838
Unfunded		
Long-term debt	(31,711)	(43,986)
Landfill closure and post-closure liabilities	(423,341)	(399,015)
Total surpluses	1,764,300	588,204
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	58,707	58,386
For roads equipment	16,574	202,155
For administration equipment	18,391	18,328
For recreation	6,345	6,310
For landfill site	349,128	347,217
For museum	20,224	15,879
For tax arrears	19,670	19,562
For Centennial Building	4,551	4,527
For OCIF	3,799	92
Total reserve funds	497,389	672,456
Accumulated surplus	2,379,548	1,378,519

Schedule 2

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

Year ended December 31, 2018

	General					Totals		
	Land	Land Improvements	Buildings	Library Collection	Machinery and Equipment	Linear Assets	2017	2018
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	112,106	7,017	500,199	58,267	560,175	2,326,659	3,564,423	3,228,064
Add: Additions during the year	-	-	26,913	2,507	213,020	1,004,708	1,247,148	336,359
Balance, end of year	112,106	7,017	527,112	60,774	773,195	3,331,367	4,811,571	3,564,423
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	7,017	270,200	39,629	440,684	1,946,055	2,703,585	2,646,098
Add: Amortization during the year	-	-	11,406	5,030	19,541	40,956	76,933	57,487
Balance, end of year	-	7,017	281,606	44,659	460,225	1,987,011	2,780,518	2,703,585
Net book value of tangible capital assets, beginning of year	112,106	-	229,999	18,638	119,491	380,604	860,838	581,966
Net book value of tangible capital assets, end of year	112,106	-	245,506	16,115	312,970	1,344,356	2,031,053	860,838

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

Schedule 3

Year ended December 31, 2018

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	619,442	611,997	-	-	-	-	-	-	-	-
Government transfers	199,746	233,201	-	-	1,005,943	149,800	-	-	-	-
User fees and service charges	-	-	-	-	-	-	-	-	-	-
Other revenues	59,295	42,914	-	-	39,659	27,209	-	-	-	-
Interest income - reserve funds	2,776	2,710	-	-	-	-	-	-	-	-
	881,259	890,822	-	-	1,045,602	177,009	-	-	-	-
Expenses										
Salaries, wages and employee benefits	137,701	130,077	20,108	15,470	97,558	94,489	-	-	-	-
Long-term debt interest	1,373	1,458	-	-	-	-	-	-	-	-
Materials	75,027	69,755	24,273	26,042	74,220	93,233	24,326	10,437	-	-
Contracted services	15,191	15,468	-	-	87,156	108,587	-	-	-	-
Rent and financials	87,002	37,228	8,989	6,124	-	-	-	-	-	-
External transfers	-	-	60,870	64,497	-	-	-	-	-	-
Amortization	4,660	4,660	6,404	10,516	60,840	37,301	-	-	37,989	34,722
	320,954	258,646	120,644	122,649	319,774	333,610	24,326	10,437	37,989	34,722
Annual surplus (deficit)	560,305	632,176	(120,644)	(122,649)	725,828	(156,601)	(24,326)	(10,437)	(37,989)	(34,722)

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

Year ended December 31, 2018

Schedule 3 (continued)

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2018	2017	2018	2017	2018	2017	
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Taxation	-	-	-	-	-	-	611,997
Government transfers	-	-	3,267	10,114	-	-	393,115
User fees and service charges	-	-	4,500	3,126	-	-	3,126
Other revenues	-	-	5,826	5,021	-	-	75,144
Interest income - reserve funds	-	-	-	-	-	-	2,710
	-	-	13,593	18,261	-	-	1,940,454
							1,086,092
Expenses							
Salaries, wages and employee benefits	-	-	26,408	24,725	-	-	264,761
Long-term debt interest	-	-	-	-	-	-	1,458
Materials	-	-	22,443	20,670	-	-	220,137
Contracted services	-	-	-	-	-	-	124,055
Rent and financials	-	-	10,312	14,695	-	-	58,047
External transfers	51,546	51,910	-	-	-	-	151,129
Amortization	-	-	5,029	5,010	-	-	57,487
	51,546	51,910	64,192	65,100	-	-	939,425
							877,074
Annual surplus (deficit)	(51,546)	(51,910)	(50,599)	(46,839)	-	-	209,018

Independent Auditor's Report

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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, 2018, 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, 2018, 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
August 13, 2019

Chartered Professional Accountants
Licensed Public Accountants

Dorion Public Library Board
Statement of Financial Position

As at December 31	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash	934	816
Accounts receivable	179	562
Total financial assets	1,113	1,378
LIABILITIES		
Accounts payable	1,674	2,037
Due to The Corporation of the Township of Dorion	6,131	6,131
Total liabilities	7,805	8,168
NET FINANCIAL LIABILITIES	(6,692)	(6,790)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 3]</i>	21,806	24,328
Accumulated surplus <i>[note 4]</i>	15,114	17,538

See accompanying notes to the financial statements.

Dorion Public Library Board Statement of Operations and Accumulated Surplus

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 5]</i>		
REVENUES			
Municipal contribution	20,790	28,361	26,277
Province of Ontario grants	9,176	3,267	11,388
Other	500	56	182
Total revenues	30,466	31,684	37,847
EXPENSES			
Administration	3,337	7,836	6,698
Amortization	5,029	5,029	5,010
Program wages	1,666	3,465	5,809
Supplies	1,500	918	1,430
Internet services	2,208	1,231	1,013
Wages and benefits	15,755	15,629	17,111
	29,495	34,108	37,071
Annual surplus (deficit)	971	(2,424)	776
Accumulated surplus, beginning of year	16,762	17,538	16,762
Accumulated surplus, end of year	17,733	15,114	17,538

See accompanying notes to the financial statements.

Dorion Public Library Board
Statement of Changes in Net Financial Debt

Year ended December 31	2018	2018	2017
	Budget \$ <i>[note 5]</i>	Actual \$	Actual \$
Annual surplus (deficit)	971	(2,424)	776
Acquisition of tangible capital assets	(3,000)	(2,507)	(3,008)
Amortization of tangible capital assets	5,029	5,029	5,010
Increase (decrease) in net financial assets	3,000	98	2,778
Net financial liabilities, beginning of year	(6,473)	(6,790)	(9,568)
Net financial liabilities, end of year	(3,473)	(6,692)	(6,790)

See accompanying notes to the financial statements.

Dorion Public Library Board Statement of Cash Flows

Year ended December 31	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Annual surplus (deficit)	(2,424)	776
Non-cash charges		
Amortization of tangible capital assets	5,029	5,010
	2,605	5,786
Changes in non-cash working capital balances		
Decrease in accounts receivable	383	198
Increase (decrease) in accounts payable	(363)	(579)
Increase (decrease) in due to The Corporation of the Township of Dorion	-	(3,801)
Cash provided by operating transactions	2,625	1,604
CAPITAL		
Acquisition of tangible capital assets	(2,507)	(3,008)
Cash used in capital transactions	(2,507)	(3,008)
Increase (decrease) in cash during year	118	(1,404)
Cash, beginning of year	816	2,220
Cash, end of year	934	816

See accompanying notes to the financial statements.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2018

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, 2018

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 2018 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 [2017 - \$3,642] is being held by The Corporation of the Township of Dorion.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2018

3. TANGIBLE CAPITAL ASSETS

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

	Library Collection \$	Furniture and Equipment \$	2018 Total \$	2017 Total \$
Cost				
Balance, beginning of year	58,267	10,343	68,610	65,602
Add:				
Additions during the year	2,507	-	2,507	3,008
Balance, end of year	60,774	10,343	71,117	68,610
Accumulated amortization				
Balance, beginning of year	38,594	5,688	44,282	39,272
Add:				
Amortization during the year	3,995	1,034	5,029	5,010
Balance, end of year	42,589	6,722	49,311	44,282
Net book value	18,185	3,621	21,806	24,328

4. ACCUMULATED SURPLUS

	2018 \$	2017 \$
Surpluses		
General fund	(6,692)	(6,790)
Investment in tangible capital assets	21,806	24,328
Accumulated surplus	15,114	17,538

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2018

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	20,790	-	20,790
Province of Ontario grants	9,176	-	9,176
Other	500	-	500
	30,466	-	30,466
Expenses			
Administration	6,337	(3,000)	3,337
Amortization	-	5,029	5,029
Program wages	1,666	-	1,666
Supplies	1,500	-	1,500
Utilities	2,208	-	2,208
Wages and benefits	15,755	-	15,755
	27,466	2,029	29,495
Annual surplus (deficit)	3,000	(2,029)	971
Capital items	(3,000)	(3,000)	
Amortization	-	5,029	
Approved surplus (deficit)	(3,000)	2,029	

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, 2018, 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, 2018, 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
August 13, 2019

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	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	33,228	31,922
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to The Corporation of the Township of Dorion	16,464	16,464
Fund balance	16,764	15,458
Total Liabilities and Fund Balance	33,228	31,922

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	2018	2017
	\$	\$
Fund balance, beginning of year	15,458	15,518
Revenues		
Interest earned	95	15
Sale of plots, monuments and interments	1,220	1,150
	1,315	1,165
Expenditures		
Cemetery maintenance	9	1,225
Fund balance, end of year	16,764	15,458

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, 2018

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.