



Consolidated Financial Statements

The Corporation of the Township of Dorion

December 31, 2024



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 2024 consolidated financial statements have been reported on by The Corporation of the Township of Dorion's external auditors, Doane 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

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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

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Dorion (the "Township"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Dorion as at December 31, 2024, and the results of its operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for qualified opinion

As described in Note 10, the Township has recognized an asset retirement obligation related to its tangible capital assets in accordance with PS 3280, *Asset retirement obligations* ("PS 3280"). However, the liability related to the Township's landfill site was not estimated using up to date cost and capacity information. The impact of this departure from PSAS has not been determined and therefore, we were not able to determine whether any adjustments might be necessary to tangible capital assets, asset retirement obligations, net financial assets, and accumulated surplus as at December 31, 2024 and to environmental services expenses, annual surplus, and changes in net financial assets for the year then ended. These adjustments could be material. Our audit opinion on the consolidated financial statements for the year ended December 31, 2023 was modified accordingly because of the effects of this departure from PSAS.

In addition, the Township did not determine a liability for asset retirement obligations associated with township-owned buildings on adoption of PS 3280 on January 1, 2023. Our audit opinion on the consolidated financial statements for the year ended December 31, 2023 was modified accordingly because of this departure from PSAS. In accordance with PSAS, the Township corrected the error in the current year's figures rather than correcting the comparative information. Our opinion on the current year's consolidated financial statements is modified because of the effects of this matter on the comparability of the current year's figures and the comparative information.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the Auditor's Responsibility for the Audit of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other matter - Supplementary information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The accompanying schedule of Library revenues and expenses on page 29 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes 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.



Thunder Bay, Canada
September 16, 2025

Chartered Professional Accountants
Licensed Public Accountants

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

As at December 31	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	640,758	763,668
Taxes receivable <i>[note 4]</i>	102,053	95,104
Accounts receivable	235,073	133,683
Total financial assets	977,884	992,455
LIABILITIES		
Accounts payable and accrued liabilities	150,412	120,601
Deferred revenue <i>[note 6]</i>	69,392	107,448
Vested sick leave liability <i>[note 7]</i>	28,441	25,970
Long-term debt <i>[note 8]</i>	115,128	164,472
Asset retirement obligations <i>[note 10]</i>	611,377	530,925
Total liabilities	974,750	949,416
NET FINANCIAL ASSETS	3,134	43,039
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 11]</i> <i>[schedule 2]</i>	3,216,700	3,122,968
Prepaid expenses	8,168	9,252
	3,224,868	3,132,220
Accumulated surplus <i>[schedule 1]</i>	3,228,002	3,175,259

See accompanying notes to the consolidated financial statements.

On behalf of the Township:

Reeve



Councillor



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

Year ended December 31

	Budget 2024 \$ [note 15]	Actual 2024 \$	Actual 2023 \$
REVENUE [schedule 3]			
Taxation			
Residential and farm taxation	442,063	460,367	408,777
Commercial and industrial	235,396	235,396	218,842
Taxation from other governments	124,764	129,179	114,775
	802,223	824,942	742,394
Other fees and service charges	2,700	3,480	3,400
	804,923	828,422	745,794
Grants			
Government of Canada	10,050	12,134	26,898
Province of Ontario	351,588	339,516	332,580
	361,638	351,650	359,478
Other			
Investment income	20,000	17,457	17,789
Penalties and late payment charges	22,000	27,465	17,828
Other	61,570	56,165	124,389
	103,570	101,087	160,006
Total revenues	1,270,131	1,281,159	1,265,278
EXPENSES [schedule 3]			
General government	341,124	326,422	340,063
Protection to persons and property	137,389	143,573	130,677
Transportation services	509,052	485,862	460,533
Environmental services	88,447	89,326	(38,993)
Health services	60,124	58,964	56,331
Social and family services	65,328	65,328	63,023
Recreation and cultural services	70,994	57,898	63,928
Planning and development	2,500	1,043	2,442
	1,274,958	1,228,416	1,078,004
NET REVENUES	(4,827)	52,743	187,274
Annual surplus (deficit)	(4,827)	52,743	187,274
Accumulated surplus, beginning of year	3,175,259	3,175,259	2,987,985
Accumulated surplus, end of year	3,170,432	3,228,002	3,175,259

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 2024 \$ <i>[note 15]</i>	Actual 2024 \$	Actual 2023 \$
Annual surplus (deficit)	(4,827)	52,743	187,274
Acquisition of tangible capital assets	(261,685)	(240,560)	(272,208)
Amortization of tangible capital assets	199,946	199,946	170,440
Revaluation of tangible capital assets - ARO	-	(53,118)	(507,189)
Acquisition of prepaid expenses	-	(8,168)	(9,252)
Use of prepaid expenses	-	9,252	6,278
Decrease in net financial assets	(66,566)	(39,905)	(424,657)
Net financial assets, beginning of year	43,039	43,039	467,696
Net financial assets (net debt), end of year	(23,527)	3,134	43,039

See accompanying notes to the consolidated financial statements.

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

Year ended December 31	2024	2023
	\$	\$
OPERATIONS		
Annual surplus	52,743	187,274
Non-cash charges		
Amortization of tangible capital assets	199,946	170,440
Decrease in landfill liability	-	(127,661)
Accretion of asset retirement obligation	27,334	23,736
	280,023	253,789
Net change in non-cash working capital balances		
Increase in taxes receivable	(6,949)	(4,739)
Increase in accounts receivable	(101,390)	(28,862)
Increase in accounts payable and accrued liabilities	29,811	5,826
Decrease in deferred revenue	(38,056)	(59,336)
Increase in vested sick leave liability	2,471	1,837
Decrease (increase) in prepaid expenses	1,084	(2,974)
Cash provided by operating transactions	166,994	165,541
CAPITAL		
Acquisition of tangible capital assets	(240,560)	(272,208)
Cash used in capital transactions	(240,560)	(272,208)
FINANCING		
Repayment of long-term debt	(49,344)	(49,344)
Cash used in financing transactions	(49,344)	(49,344)
Decrease in cash and cash equivalents	(122,910)	(156,011)
Opening cash and cash equivalents	763,668	919,679
Closing cash and cash equivalents	640,758	763,668

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

GENERAL

The Corporation of the Township of Dorion ("the Township") 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. ADOPTION OF NEW STANDARDS

Revenue

Effective January 1, 2024, the Township adopted the amendments to Section PS 3400 Revenue, which provide additional guidance on the application of requirements related to identifying the transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have any performance obligations (i.e., non-exchange transactions). PS 3400 Revenue does not impact standards that already exist, such as government transfers or tax revenues.

The measurement requirements were applied prospectively. As a result of applying the amendments, there was no impact to the Township's consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of the Township 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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

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

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.

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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

Pension and employee benefits

The Township accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined benefit plan. Obligations for sick leave under employee benefits payable are accrued as the employees render the services necessary to earn the benefits. Vacation pay and other 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.

[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, as well as any asset retirement obligations related to 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
Landfill	12 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.

Estimated closure and post-closure expenses for the landfill site are amortized annually on the basis of capacity used during the year as a percentage of the estimate total capacity of the landfill site.

[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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

[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.

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

Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Town based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Town is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are 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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

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.

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 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.

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.

Asset retirement obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The liability is measured at the Township's best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset. For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for (1) changes as a result of the passage of time with corresponding accretion expense and (2) adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized on a rational basis based on the useful life of the related asset.

A recovery related to asset retirement obligations is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

Financial instruments

Financial instruments are classified as either fair value, amortized cost or cost.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. Unrealized gains and losses on financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Consolidated Statement of Operations. A Consolidated Statement of Remeasurement Gains and Losses has not been included, as there are no matters to report therein.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. The effective interest rate method allocates interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Consolidated Statement of Operations.

Financial liabilities (or part of a financial liability) are removed from the Consolidated Statement of Financial Position when, and only when, they are discharged, cancelled or expire.

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 asset retirement obligations. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$611,377. These estimates are subject to uncertainty because of several factors including, but not limited to estimated settlement dates, estimated costs and change in the discount rate. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

3. TRUST FUNDS

The only trust funds currently administered by the Township are the Cemetery Care and Maintenance Trust Fund. These trust funds amounting to \$9,414 [2023 - \$14,648] 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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

4. TAXES RECEIVABLE

	2024	2023
	\$	\$
Property and business taxes receivable	186,957	224,609
Allowance for property and business tax arrears	(84,904)	(129,505)
	102,053	95,104

5. BANK INDEBTEDNESS

The Township has available a line of credit of \$500,000 [2023 - \$500,000] for which the Township has provided a borrowing by-law of which \$nil [2023 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at a rate of prime [5.45% at December 31, 2024].

6. DEFERRED REVENUE

	2024	2023
	\$	\$
Obligatory reserve funds		
Federal Gas Tax	13,526	1,629
Northern Ontario Resource Development Support	54,879	103,584
Ontario Community Infrastructure Fund	987	2,235
Other deferred revenue		
	69,392	107,448

The continuity of deferred revenue is as follows:

	2024	2023
	\$	\$
Balance, beginning of year	107,448	166,784
Investment income	4,392	6,242
Federal Gas Tax funds received	23,892	20,915
Federal Gas Tax revenue earned	(12,134)	(26,898)
OCIF funds received	132,250	115,000
OCIF revenue earned	(134,680)	(160,200)
NORDS funds received	52,208	55,056
NORDS revenue earned	(103,984)	(69,451)
Balance, end of year	69,392	107,448

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

7. LIABILITY FOR EMPLOYEE VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate up to 960 hours for certain eligible employees. Active employees may become entitled to that sick leave if they are unable to work due to a valid medical condition. The employees may be entitled to be paid 0%-50% of the value of the accumulated sick leave credits upon retirement. The liability for these accumulated sick days amounted to \$28,441 [2023 - \$25,970] at the end of the year.

\$Nil [2023 - \$nil] was paid to employees who left the Township's employment during the year.

8. LONG-TERM DEBT

	2024 \$	2023 \$
Bank of Montreal		
Term loan repayable in monthly principal payments of \$3,112, plus fixed interest of 1.56%, maturing July 2026.	56,000	96,472
Term loan repayable in monthly principal payments of \$1,000, plus fixed interest of 2.85%, maturing August 2029.	59,128	68,000
	115,128	164,472

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

	\$
2025	49,344
2026	33,784
2027	12,000
2028	12,000
2029	8,000
	115,128

Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$3,014 [2023 - \$3,938].

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

9. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employee 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 the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all the pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2024. The results of this valuation disclosed total actuarial liabilities of \$142,489 million with respect to benefits accrued for services with actuarial assets at that date of \$139,576 million indicating an actuarial deficit of \$2,913 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2024 was \$21,111 [2023 - \$19,505] for current service.

10. ASSET RETIREMENT OBLIGATIONS

The Township has recognized an asset retirement obligation related to closure and post-closure costs for the landfill site and removal of asbestos containing materials in various township-owned buildings. A reconciliation of the aggregate carrying amount of the liability is as follows:

	2024	2023
	\$	\$
Opening balance as previously reported under PS3270	-	127,661
Removal of PS3270 liability	-	(127,661)
Prospective adoption of PS3280 applied to landfill site	-	507,189
Opening balance as reported under PS3280	530,925	-
Prospective adoption of PS3280 applied to township-owned buildings	53,118	-
Accretion expense	27,334	23,736
Closing balance	611,377	530,925

The landfill site was opened in 1976 with a capacity of 36,300 cubic meters. As at December 31, 2024, the remaining capacity of the site as assessed by management without an up to date site assessment is estimated at 11,115 cubic meters representing 31% of the total capacity. The open site is expected to close when it reaches capacity in 2034.

The closure and post-closure costs for the landfill site are based upon best estimates by management. Post-closure care for the open landfill site is estimated to be required for 20 years from the date of closure.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

The Township owns and operates buildings that are known to have asbestos, which represents a health hazard if disturbed during renovations or upon demolition of the building and there is a legal obligation to remove it. This asset retirement obligation was not recognized on January 1, 2023. Instead, management applied PS3280 prospectively and the Township recognized an obligation relating to the removal of the asbestos in these buildings as estimated at January 1, 2024. The liability was measured using estimated costs to be incurred for the abatement of designated substances and hazardous building materials for each of the buildings.

The liability is estimated using a present value technique that discounts the expected future expenditures. The discount rate used was based on the borrowing rate for liabilities with similar risks and maturity of 4.68% and the inflation rate used was 2%. The total undiscounted expenditures and the time period over which they are expected to be incurred is as follows:

	\$
2024	-
2025	-
2026	-
2027	-
2028	-
Thereafter	1,256,473
	<u>1,256,473</u>

11. 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 [2023 - \$nil].

Interest capitalized during the year was \$nil [2023 - \$nil].

There were \$nil tangible capital assets contributed to the Township in the year [2023 - \$nil].

12. 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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

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.

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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

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 2. For additional information see the Consolidated Schedule of Segment Disclosure (Schedule 3).

13. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2024	2023
	\$	\$
Reserves		
Balance, beginning of year	117,859	117,859
Balance, end of year	117,859	117,859
Reserve funds		
Balance, beginning of year	568,523	619,422
Increases (decreases)		
Contributions from operations	56,081	23,804
Contributions to operations	(17,046)	(92,491)
Interest earned	17,457	17,788
	56,492	(50,899)
Balance, end of year	625,015	568,523

14. RESTRICTED AND DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, Council has designated \$558,830 [2023 - \$619,204] to support reserve funds. In addition, cash of \$69,392 [2023 - \$107,448] is externally restricted in connection with how obligatory reserve funds reported in Note 6 may be used.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

15. 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	802,223	-	802,223
User charges	2,700	-	2,700
Government transfers	361,638	-	361,638
Other	216,147	(112,577)	103,570
	1,382,708	(112,577)	1,270,131
Expenses			
General government	326,985	14,139	341,124
Protection to persons and property	249,107	(111,718)	137,389
Transportation services	588,534	(79,482)	509,052
Environmental services	21,000	67,447	88,447
Health services	60,124	-	60,124
Social and family services	65,328	-	65,328
Recreation and cultural services	69,130	1,864	70,994
Planning and development	2,500	-	2,500
	1,382,708	(107,750)	1,274,958
Annual deficit	-	(4,827)	(4,827)
Interfund transfers	-	(88,576)	
Capital items	-	261,685	
Debt repayments	-	49,344	
Amortization	-	(199,946)	
Accretion of asset retirement obligations	-	(27,334)	
Approved deficit	-	(4,827)	

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

16. FINANCIAL INSTRUMENTS

Classification

The following table provides the carrying amount of information of the Township's financial instruments by category. The maximum exposure to credit risk for the financial assets would be the carrying values shown below.

Financial Instrument	2024		2023	
	Amortized Cost/Cost	Fair Value	Amortized Cost/Cost	Fair Value
	\$	\$	\$	\$
Cash and cash equivalents	640,758	-	763,668	-
Accounts receivable	235,073	-	133,683	-
Accounts payable and accrued liabilities	-	-	-	-
Long-term debt	150,412	-	120,601	-
	115,128	-	164,472	-
	-	-	-	-
	1,141,371	-	1,182,424	-

Risk disclosures

Credit risk

Credit risk is the risk of financial loss to the Township if a debtor fails to discharge their obligation (e.g., pay the accounts receivable owing to the Township). The Township is exposed to this risk arising from its cash and accounts receivable. The Township holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Township's cash accounts are insured up to \$1,000,000 (2023 - \$1,000,000).

The Township's investment policy operates within the constraints of the investment guidelines laid out in the Municipal Act which puts limits on the types of investments the Township may invest in, lays out composition of its investment portfolio, specifies the bond quality limits and issuer type limits and general guidelines for geographical exposure. The Act permits the Township's funds to be invested in bonds issued by the Government of Canada or a Canadian province having a rating of A or better, or corporate investments having a rating of AAA (high) or better. It also limits its investments in pooled funds to Canadian money market funds and bond funds.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

Accounts receivable is primarily due from government, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Township measures its exposure to credit risk based on how long the amounts have been outstanding. An allowance is set up based on the Township's historical experience regarding collections. There were no changes in exposures to credit risk during the period. The amounts outstanding at year end were as follows:

	2024					
	Current	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
	\$	\$	\$	\$	\$	\$
Government receivables	210,192		-	-	-	210,192
Other accounts receivable	24,881		-	-	-	24,881
Total	235,073		-	-	-	235,073
Less						
Other receivable allowance	-		-	-	-	-
Net receivable	235,073		-	-	-	235,073

	2023					
	Current	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
	\$	\$	\$	\$	\$	\$
Government receivables	85,823		-	-	-	85,823
Other accounts receivable	47,860		-	-	-	47,860
Total	133,683		-	-	-	133,683
Less						
Other receivable allowance	-		-	-	-	-
Net receivable	133,683		-	-	-	133,683

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

Liquidity risk

Liquidity risk is the risk that the Township will not be able to meet all cash outflow obligations as they come due. The Township mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the expected maturities, representing undiscounted cash-flows of its financial liabilities:

	2024				Total
	Within 1 Year	2-3 Years	4-5 Years	Over 5 Years	
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	150,412	-	-	-	150,412
Long-term debt	49,344	45,784	20,000	-	115,128
Total	199,756	33,784	20,000	-	265,540

	2023				Total
	Within 1 Year	2-3 Years	4-5 Years	Over 5 Years	
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	120,601	-	-	-	120,601
Long-term debt	49,344	83,128	24,000	8,000	164,472
Total	169,945	83,128	24,000	8,000	285,073

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Township operates within the constraints of the investment guidelines in the Ontario Municipal Act. The Township does not have any investments.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. The Municipality is exposed to this risk through its debt. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2024

17. COMMITMENTS

In September 2024, the Township entered into an agreement with Superior Propane to purchase of a minimum of 22,000L of propane at \$0.6227/L during the period of October 1, 2024 to August 31, 2026. As at year-end, the Township had purchased 6,877L leaving a remaining commitment of 15,123L.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

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

Year ended December 31	2024	2023
	\$	\$
Surpluses		
General fund	(21,161)	51,922
Library fund	16,094	9,384
Invested in tangible capital assets	3,216,700	3,122,968
Unfunded		
Long-term debt	(115,128)	(164,472)
Asset retirement obligation	(611,377)	(530,925)
Total surpluses	2,485,128	2,488,877
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	68,442	66,477
For roads equipment	146,638	119,645
For administration equipment	18,650	18,114
For recreation	5,435	5,279
For landfill site	312,647	303,673
For museum	16,704	16,225
For tax arrears	15,019	14,588
For Centennial Building	51	50
For cemetery	26,146	-
For service modernization funding	2,755	6,248
For Safe Restart COVID-19 funding	12,528	18,224
Total reserve funds	625,015	568,523
Accumulated surplus	3,228,002	3,175,259

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

Schedule 2

Year ended December 31, 2024

	General							Totals	
	Landfill \$	Land \$	Land Improvements \$	Buildings \$	Library Collection \$	Machinery and Equipment \$	Linear Assets \$	2024 \$	2023 \$
COST									
Balance, beginning of year	507,189	112,106	76,468	630,401	29,385	861,130	3,953,649	6,170,328	5,392,396
Add:									
Additions during the year	-	-	103,984	-	1,895	-	134,681	240,560	272,208
Revaluation of tangible capital assets - ARO	-	-	-	53,118	-	-	-	53,118	507,189
Less: Disposals during the year	-	-	-	-	(6,416)	-	-	(6,416)	(1,465)
Balance, end of year	507,189	112,106	180,452	683,519	24,864	861,130	4,088,330	6,457,590	6,170,328
ACCUMULATED AMORTIZATION									
Balance, beginning of year	42,266	-	8,406	352,568	19,409	551,464	2,073,247	3,047,360	2,878,385
Add: Amortization during the year	42,266	-	5,378	18,707	2,220	30,047	101,328	199,946	170,440
Less: Accumulated amortization on disposals	-	-	-	-	(6,416)	-	-	(6,416)	(1,465)
Balance, end of year	84,532	-	13,784	371,275	15,213	581,511	2,174,575	3,240,890	3,047,360
Net book value of tangible capital assets, beginning of year	464,923	112,106	68,062	277,833	9,976	309,666	1,880,402	3,122,968	2,514,011
Net book value of tangible capital assets, end of year	422,657	112,106	166,668	312,244	9,651	279,619	1,913,755	3,216,700	3,122,968

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

Schedule 3

Year ended December 31, 2024

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	824,942	742,394	-	-	-	-	-	-	-	-
Government transfers	90,324	162,652	103,984	-	143,507	184,142	-	-	-	-
User fees and service charges	-	-	-	-	-	-	-	-	-	-
Other revenues	31,769	21,157	19,004	28,792	20,932	81,458	-	-	-	-
Interest income - reserve funds	17,457	17,789	-	-	-	-	-	-	-	-
	964,492	943,992	122,988	28,792	164,439	265,600	-	-	-	-
Expenses										
Salaries, wages and employee benefits	174,489	156,473	25,315	25,405	170,489	161,973	-	-	-	-
Long-term debt interest	-	-	-	-	3,014	3,938	-	-	-	-
Materials	61,473	93,030	32,683	33,480	98,532	90,720	619	(124,240)	3,237	2,574
Contracted services	1,393	1,634	660	696	85,280	99,616	21,260	18,911	-	142
Rent and financials	74,928	80,753	12,403	5,482	-	-	-	-	-	-
External transfers	-	-	59,229	54,315	-	-	-	-	55,727	53,615
Amortization	11,873	8,173	13,175	11,299	128,434	104,286	42,600	42,600	-	-
Accretion	2,266	-	108	-	113	-	24,847	23,736	-	-
	326,422	340,063	143,573	130,677	485,862	460,533	89,326	(38,993)	58,964	56,331
Annual surplus (deficit)	638,070	603,929	(20,585)	(101,885)	(321,423)	(194,933)	(89,326)	38,993	(58,964)	(56,331)

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

Schedule 3 (continued)

Year ended December 31, 2024

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Revenues								
Taxation	-	-	-	-	-	-	824,942	742,394
Government transfers	-	-	13,835	12,684	-	-	351,650	359,478
User fees and service charges	-	-	3,480	3,400	-	-	3,480	3,400
Other revenues	-	-	11,925	10,810	-	-	83,630	142,217
Interest income - reserve funds	-	-	-	-	-	-	17,457	17,789
	-	-	29,240	26,894	-	-	1,281,159	1,265,278
Expenses								
Salaries, wages and employee benefits	-	-	26,950	26,521	-	-	397,243	370,372
Long-term debt interest	-	-	-	-	-	-	3,014	3,938
Materials	-	-	10,284	16,367	1,043	2,442	207,871	114,373
Contracted services	-	-	7,411	6,269	-	-	116,004	127,268
Rent and financials	-	-	9,389	10,689	-	-	96,720	96,924
External transfers	65,328	63,023	-	-	-	-	180,284	170,953
Amortization	-	-	3,864	4,082	-	-	199,946	170,440
Accretion	-	-	-	-	-	-	27,334	23,736
	65,328	63,023	57,898	63,928	1,043	2,442	1,228,416	1,078,004
Annual surplus (deficit)	(65,328)	(63,023)	(28,658)	(37,034)	(1,043)	(2,442)	52,743	187,274

Schedule 4**The Corporation of the Township of Dorion
Schedule of Library Revenues and Expenses**

(Unaudited)

Year ended December 31

	2024	2024	2023
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
Municipal contribution	24,032	23,236	29,975
Grants			
Provincial	7,353	13,835	12,684
Other	6,595	6,850	-
Miscellaneous	3,550	3,530	4,110
Total revenues	41,530	47,451	46,769
EXPENSES			
Administrative and general	4,565	4,959	4,536
Amortization	2,433	2,433	2,651
Internet services	8,231	7,411	6,269
Program wages and benefits	8,914	8,509	8,867
Supplies	500	1,360	2,343
Wages and benefits	17,320	16,606	16,106
	41,963	41,278	40,772
Annual surplus (deficit)	(433)	6,173	5,997