

The Corporation of the  
Township of Dawson  
Consolidated Financial Statements  
For the year ended December 31, 2023

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## The Corporation of the Township of Dawson Management's Responsibility for Financial Reporting

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

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

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

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

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

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

\_\_\_\_\_ Mayor

\_\_\_\_\_ 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 Dawson

### Opinion

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

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

### Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



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

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

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

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
April 18, 2024

## The Corporation of the Township of Dawson Consolidated Statement of Financial Position

December 31	2023	2022
		(Restated Note 1)
Financial assets		
Cash and cash equivalents (Note 2)	\$ 1,638,540	\$ 1,190,329
Taxes receivable	67,332	65,273
Accounts receivable	189,564	331,555
Investments (Note 3)	3,100	3,272
Loans receivable (Note 4)	158,228	121,328
	<u>2,056,764</u>	<u>1,711,757</u>
Liabilities		
Accounts payable and accrued liabilities	55,343	65,721
Deferred revenue (Note 5)	498,214	347,052
Long-term debt (Note 6)	158,228	121,328
Asset retirement obligation - landfill (Note 7)	2,338,995	2,270,869
	<u>3,050,780</u>	<u>2,804,970</u>
Net debt	<u>(994,016)</u>	<u>(1,093,213)</u>
Non-financial assets		
Tangible capital assets (Note 8)	3,878,862	4,069,262
Prepaid expenses	15,259	14,334
Inventory of supplies	136,716	53,130
	<u>4,030,837</u>	<u>4,136,726</u>
Accumulated surplus	3,036,821	3,043,513
Accumulated surplus is comprised of:		
Accumulated operating surplus (Note 9)	3,036,993	3,043,513
Accumulated remeasurement losses	(172)	-
	<u>\$ 3,036,821</u>	<u>\$ 3,043,513</u>

Contingent liability (Note 15)

Commitments (Note 17)

\_\_\_\_\_ Mayor

\_\_\_\_\_ Clerk-Treasurer

## The Corporation of the Township of Dawson Consolidated Statement of Operations

For the year ended December 31	Budget 2023	2023	2022
			(Restated Note 1)
Revenue			
Taxation	\$ 662,253	\$ 658,004	\$ 607,808
Government transfers - Federal (Note 12)	130,000	7,861	33,059
Government transfers - Provincial (Note 11)	891,705	582,906	750,184
User fees and service charges	11,030	10,975	12,639
Permits, licenses and fines	17,263	36,215	28,553
Investment income	39,575	48,164	26,721
Municipal grants	21,500	36,346	43,559
Other income (Note 10)	41,200	121,165	71,144
	<u>1,814,526</u>	<u>1,501,636</u>	<u>1,573,667</u>
Expenses			
General government	145,501	137,753	141,806
Protection services	162,314	171,632	158,575
Transportation services	664,405	624,150	704,073
Environmental services	32,259	111,772	102,037
Health services	135,647	136,893	127,856
Social and family services	9,317	9,316	11,269
Social housing	79,582	79,582	69,941
Recreation and cultural services	21,517	21,168	20,880
Planning and development	359,314	215,890	84,306
	<u>1,609,856</u>	<u>1,508,156</u>	<u>1,420,743</u>
Annual surplus (deficit)	<u>204,670</u>	<u>(6,520)</u>	<u>152,924</u>
Accumulated surplus, beginning of year, as previously stated	3,043,513	3,043,513	4,740,117
Change in accounting policy (Note 1)	-	-	(1,849,528)
Accumulated surplus, beginning of year, restated	<u>3,043,513</u>	<u>3,043,513</u>	<u>2,890,589</u>
Accumulated operating surplus, end of year	<u>\$ 3,248,183</u>	<u>\$ 3,036,993</u>	<u>\$ 3,043,513</u>

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

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The Corporation of the Township of Dawson  
Consolidated Statement of Remeasurement Losses

For the year ended December 31	2023	2022
Accumulated remeasurements losses, beginning of year	\$ -	\$ -
Unrealized losses attributable to:		
Portfolio investments	<u>(172)</u>	-
Accumulated remeasurements gains (losses), end of year	\$ (172)	\$ -

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**The Corporation of the Township of Dawson  
Consolidated Statement of Change in Net Debt**

For the year ended December 31	Budget 2023	2023	2022
			(Restated Note 1)
Annual surplus (deficit)	\$ 204,670	\$ (6,520)	\$ 152,924
Acquisition of tangible capital assets	(467,838)	(68,451)	(473,546)
Capitalization of work in progress	-	-	(2,900)
Amortization of tangible capital assets	239,501	258,851	249,043
Proceeds on sale of tangible capital assets	-	-	253
	(23,667)	183,880	(74,226)
Use (acquisition) of prepaid expenses and inventory of supplies	-	(84,511)	1,658
Net change in net debt excluding net remeasurement losses	(23,667)	99,369	(72,568)
Net remeasurement losses Portfolio investments	-	(172)	-
Net change in net debt including net remeasurement losses	(23,667)	99,197	(72,568)
Net debt, beginning of year	(1,093,213)	(1,093,213)	(1,020,645)
Net debt, end of year	\$ (1,116,880)	\$ (994,016)	\$ (1,093,213)

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

For the year ended December 31	2023	2022
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ (6,520)	\$ 152,924
Remeasurement loss	(172)	-
<b>Item not involving cash</b>		
Amortization	258,851	249,043
Gain on disposal of tangible capital assets	-	(28,125)
<b>Changes in non-cash operating balances</b>		
Taxes receivable	(2,059)	3,190
Accounts receivable	141,991	(192,117)
Prepaid expenses and inventory of supplies	(84,511)	1,659
Accounts payable and accrued liabilities	(10,378)	32,426
Deferred revenue	151,162	101,652
Solid waste closure and post-closure liabilities	68,126	66,142
	<u>516,490</u>	<u>386,794</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(68,451)	(476,446)
Write-down on disposal of tangible capital assets	-	253
Proceeds on sale of tangible capital assets	-	28,125
	<u>(68,451)</u>	<u>(448,068)</u>
<b>Investing transactions</b>		
Disposal (acquisition) of investments	172	(68)
Advance of loan receivable	(50,000)	(50,000)
	<u>(49,828)</u>	<u>(50,068)</u>
<b>Financing transactions</b>		
Proceeds from issuance of long-term debt	50,000	50,000
Net change in cash and cash equivalents	448,211	(61,342)
Cash and cash equivalents, beginning of year	<u>1,190,329</u>	<u>1,251,671</u>
Cash and cash equivalents, end of year	<u>\$ 1,638,540</u>	<u>\$ 1,190,329</u>
<b>Cash and cash equivalents consist of:</b>		
Cash and cash equivalents	<u>\$ 1,638,540</u>	<u>\$ 1,190,329</u>

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# The Corporation of the Township of Dawson

## Summary of Significant Accounting Policies

December 31, 2023

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### Management's Responsibility for the Consolidated

**Financial Statements** The consolidated financial statements of the Corporation of the Township of Dawson are the representations of management. They have been prepared in accordance with Canadian accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**Basis of Consolidation** The consolidated financial statements reflect the assets, liabilities, revenues and expenditures of all the municipal Organizations, committees, and boards which are owned or controlled by Council.

The Municipality has a government partnership in place. The partnership is accounted for on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenue and expenditures are combined on a line by line basis in the consolidated financial statements. The Municipality has a 33.33% ownership in the government partnership. The government partnership that has been consolidated is:

Rainy River Health Care Committee

The following boards are not consolidated:

Northwestern Health Unit

Rainy River District Social Services Administration Board

Government business enterprises are separate legal entities which do not rely on the Municipality for funding. Investments in government business enterprises are accounted for using the modified equity method. No government business enterprises are reflected in the consolidated financial statements.

### Revenue Recognition

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

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

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# The Corporation of the Township of Dawson

## Summary of Significant Accounting Policies

December 31, 2023

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### Cash and Cash Equivalents

The policy of the Municipality is to disclose bank balances under cash and cash equivalents including bank overdrafts and lines of credit with balances that fluctuate frequently from being positive to being overdrawn and temporary investments with a maturity of three months or less from the date of acquisition.

### Basis of Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

The consolidated statement of financial position reflects all of the financial assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. 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 excess of revenues over expenses, provides the change in net financial assets for the year. Accumulated surplus represents the financial position of the Municipality, and is the difference between its assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

### Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded at one half of the annual rate in the year of capitalization. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	20 to 50 years
Roads	10 to 80 years
Machinery and equipment	10 to 20 years
Vehicles	10 to 20 years
Furniture and equipment	10 years
Computer hardware and software	5 to 10 years

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## The Corporation of the Township of Dawson Summary of Significant Accounting Policies

December 31, 2023

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Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized on the consolidated statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers, which include legislative grants, are recognized on the consolidated financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
School Boards	The Municipality collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.
Trust Fund	Funds held in trust by the Municipality, and their related operations, are not included on these consolidated financial statements. The financial activity and position of the Trust Fund are reported separately on the Trust Fund statement of continuity and balance sheet.
Long-term Loans Receivable	Loans receivable are initially valued at cost. Loans are carried at the unpaid principal less allowance for doubtful loans. Allowances are recognized when events or circumstances result in the expectation of a loss. Interest revenue is recognized when earned using the accrual basis of accounting.
Asset Retirement Obligations	A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

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## The Corporation of the Township of Dawson Summary of Significant Accounting Policies

December 31, 2023

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**Use of Estimates** The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The estimates used in preparation of these consolidated financial statements are the useful lives of the property, plant and equipment, the useful lives of the landfill sites, the post-closure costs of the landfills and taxation revenue.

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

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

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

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

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

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

# The Corporation of the Township of Dawson

## Notes to Consolidated Financial Statements

December 31, 2023

### 1. Change in Accounting Policy

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

	2022
Increase in tangible capital assets	\$ 351,388
Decrease in landfill liability	404
Increase in asset retirement obligations	(2,270,869)
Increase in environmental services expenses	\$ 69,549
Decrease in opening accumulated surplus	\$ (1,849,528)

The change in accounting policy resulted in a \$69,549 increase in the previously reported Environmental services expenses for the 2022 year and a corresponding decrease of \$69,549 in the previously reported annual surplus for the 2022 year.

### 2. Cash and Cash Equivalents

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

	2023	2022
Unrestricted	\$ 27,113	\$ 58,185
Restricted by Council resolution	1,327,465	885,092
Restricted by funding agreement	283,962	247,052
	\$ 1,638,540	\$ 1,190,329

Certain surplus funds are set aside by by-laws or Council resolution for specific purposes and referred to as reserve funds. Cash and cash equivalents restricted by Council resolution represent assets that are maintained in respect of those reserve funds (Note 9).

### 3. Investments

	2023	2022
Bonds	\$ 3,100	\$ 3,272

The income (loss) from investments for the year was \$172 (2022 - \$67). The market value of the Municipality's investment in bonds was \$3,100 (2022 - \$3,272).

## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

### 4. Loans Receivable

The Municipality advanced funds to landowners under the Ontario Tile Loan Program. The Municipality has received a corresponding loan from the Ministry of Agriculture, Food and Rural Affairs (Note 6).

	2023	2022
Due from landowners with interest at 6.0%, repayable in annual instalments of \$6,793 principal and interest, maturing August 1, 2028.	\$ 28,616	\$ 33,405
Due from landowners with interest at 6.0%, repayable in annual instalments of \$6,793 principal and interest, maturing October 1, 2029.	33,405	37,923
Due from landowners with interest at 6.0%, repayable in annual instalments of \$6,793 principal and interest, maturing January 1, 2033.	46,207	50,000
Due from landowners with interest at 6.0%, repayable in annual instalments of \$6,793 principal and interest, maturing July 1, 2033.	50,000	-
Total loans receivable	\$ 158,228	\$ 121,328

### 5. Deferred Revenue

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Canada Community Building Fund	231,336	30,976	12,940	(7,861)	267,391
Infrastructure programs	100,000	161,036	12,024	(58,808)	214,252
Parks	15,716	-	855	-	16,571
	347,052	192,012	25,819	(66,669)	498,214

#### Canada Community Building Fund

The Ministry requires the Municipality to put unspent CCBF funding into a reserve. The funding and interest earned in the reserve must be spent on approved projects.

#### Infrastructure Programs

These programs relate to various capital grants that are required to be spent on infrastructure. Until the funding has been spent on infrastructure it has not been earned and therefore, has been deferred.

#### Parks

The Municipality charges a fee to sever land. The Ministry of Municipal Affairs and Housing requires this revenue to be put into a reserve and spending is restricted to park maintenance and capital.



## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

### 6. Long-term Debt

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

	2023	2022
Ministry of Agriculture, Food and Rural Affairs, interest at 6.0%, repayable in annual instalments of \$6,793 principal and interest, maturing August 1, 2028.	\$ 28,616	\$ 33,405
Ministry of Agriculture, Food and Rural Affairs, interest at 6.0%, repayable in annual instalments of \$6,793 principal and interest, maturing October 1, 2029.	33,405	37,923
Ministry of Agriculture, Food and Rural Affairs, interest at 6.0%, repayable in annual instalments of \$6,793 principal and interest, maturing January 1, 2033.	46,207	50,000
Ministry of Agriculture, Food and Rural Affairs, interest at 6.0%, repayable in annual instalments of \$6,793 principal and interest, maturing July 1, 2033.	50,000	-
	\$ 158,228	\$ 121,328

The above loans were advanced to the Municipality under the Ontario Tile Loan Program. The Municipality has advanced a corresponding amount to landowners (Note 4).

Principal repayments relating to long-term debt of \$158,228 outstanding are due as follows:

Year	Princial Repayments
2024	\$ 17,680
2025	18,741
2026	19,865
2027	21,057
2028	22,320
Thereafter	58,565
	\$ 158,228

The gross interest paid relating to the above long-term debt was \$7,280 (2022 - \$4,807).

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## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

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### 7. Asset Retirement Obligations

The Municipality's financial statements include an asset retirement obligation for the Blue Landfill and the Worthington Landfill. The related asset retirement costs are being amortized on a straight line basis.

The liability for the Blue Landfill has been estimated using a net present value technique with a discount rate of 3% (2022 - 3%). The estimated total undiscounted future expenditures are \$195,000 (2022 - \$195,000), which are to be incurred over 25 years. The liability is expected to be settled in 156 years.

The liability for the Worthington Landfill has been estimated using a net present value technique with a discount rate of 3% (2022 - 3%). The estimated total undiscounted future expenditures are \$342,672 (2022 - \$342,672), which are to be incurred over 23 years. The liability is expected to be settled in 114 years.

The carrying amount of the liabilities are as follows:

	<u>Blue</u>	<u>Worthington</u>	<u>Total</u>
Asset retirement obligation as at December 31, 2022	\$ 854,862	\$ 1,416,007	\$ 2,270,869
Increase due to accretion expense	25,646	42,480	68,126
Asset retirement obligation as at December 31, 2023	<u>\$ 880,508</u>	<u>\$ 1,458,487</u>	<u>\$ 2,338,995</u>

The Corporation of the Township of Dawson  
Notes to Consolidated Financial Statements

December 31, 2023

8. Tangible Capital Assets

2023

	Land	Buildings	Equipment	Roads and bridges	Water and other utility systems	Vehicles	Culverts	Total
Cost, beginning of year	\$ 591,141	\$ 670,223	\$ 1,355,742	\$ 3,681,205	\$ 34,071	\$ 532,581	\$ 1,555,048	\$ 8,420,011
Additions	-	-	4,922	58,808	-	-	4,721	68,451
Disposals	-	-	-	-	-	-	-	-
Cost, end of year	591,141	670,223	1,360,664	3,740,013	34,071	532,581	1,559,769	8,488,462
Accumulated amortization, beginning of year	173,907	293,471	507,940	2,215,438	15,606	431,534	712,853	4,350,749
Amortization	3,826	11,788	56,462	124,414	1,160	23,228	37,973	258,851
Disposals	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	177,733	305,259	564,402	2,339,852	16,766	454,762	750,826	4,609,600
Net carrying amount, end of year	\$ 413,408	\$ 364,964	\$ 796,262	\$ 1,400,161	\$ 17,305	\$ 77,819	\$ 808,943	\$ 3,878,862

The Corporation of the Township of Dawson  
Notes to Consolidated Financial Statements

December 31, 2023

8. Tangible Capital Assets (continued)

2022

	Land	Buildings	Equipment	Roads and bridges	Water and other utility systems	Vehicles	Culverts	Total
Cost, beginning of year	\$ 591,141	\$ 573,249	\$ 1,219,157	\$ 3,556,549	\$ 34,071	\$ 532,581	\$ 1,510,102	\$ 8,016,850
Additions	-	96,974	212,771	124,656	-	-	44,946	479,347
Disposals	-	-	(75,932)	-	-	-	-	(75,932)
	-	-	(254)	-	-	-	-	(254)
Cost, end of year	591,141	670,223	1,355,742	3,681,205	34,071	532,581	1,555,048	8,420,011
Accumulated amortization, beginning of year	170,081	282,214	532,881	2,094,738	14,445	408,305	674,974	4,177,638
Amortization	3,826	11,257	50,991	120,700	1,161	23,229	37,879	249,043
Disposals	-	-	(75,932)	-	-	-	-	(75,932)
Accumulated amortization, end of year	173,907	293,471	507,940	2,215,438	15,606	431,534	712,853	4,350,749
Net carrying amount, end of year	\$ 417,234	\$ 376,752	\$ 847,802	\$ 1,465,767	\$ 18,465	\$ 101,047	\$ 842,195	\$ 4,069,262

## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

9. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2023	2022
<u>Investment in tangible capital assets</u>		
Tangible capital assets	\$ 3,878,862	\$ 4,069,262
<u>Current operations</u>		
General operating	586,991	401,983
Government partnership	15,340	10,777
Total operating surplus	602,331	412,760
<u>Other allocated deficits</u>		
Asset retirement obligation - landfill	(2,338,995)	(2,270,869)
<u>Reserve funds</u>		
Replacement of equipment	731,435	671,906
Landfill closures	56,360	53,454
Total reserve funds	787,795	725,360
Working capital reserve	107,000	107,000
Total surplus	\$ 3,036,993	\$ 3,043,513

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by by-law or Council resolution for specific purposes.

## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

### 10. Other Income

	2023	2022
Gain on sale of tangible capital assets	\$ -	\$ 27,872
Commuted payments (drainage charges)	120,912	41,029
Donations and fundraising	253	243
Sale of land	-	2,000
	<b>\$ 121,165</b>	<b>\$ 71,144</b>

### 11. Government Transfers - Provincial

	2023	2022
Operating		
Ontario Municipal Partnership Fund	\$ 480,800	\$ 493,800
Ministry of Rural Affairs - Drainage Program	31,634	34,545
Public Library Operating Grant	1,644	1,644
Ministry of Agriculture - Livestock Grants	8,964	1,824
Court Cost Grant	1,056	1,002
	524,098	532,815
Tangible capital assets		
Ministry of Agriculture, Food and Rural Affairs - ICIP	-	95,296
Northern Ontario Resource Development Support	58,808	122,073
	58,808	217,369
Total provincial transfers	<b>\$ 582,906</b>	<b>\$ 750,184</b>

### 12. Government Transfers - Federal

	2023	2022
Tangible capital assets		
Canada Community Building Fund	\$ 7,861	\$ 33,059
	<b>\$ 7,861</b>	<b>\$ 33,059</b>

## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

### 13. Government Partnership

On July 11, 2011, the Municipality entered into an agreement with three other communities to jointly construct and maintain housing for locum physicians and medical students. All revenues and costs related to the development and operations will be shared based on each community's financial contribution to the project. Upon entering into the agreement, each community made a \$25,000 refundable contribution leaving each community with a 25% proportional interest.

In September 2015, one of the member communities withdrew from the partnership and was refunded their original \$25,000 member contribution. For each of the remaining three member communities, the exit of this partner resulted in an increase in their proportionate interest of the partnership to 33.33%.

	2023		2022	
	Municipality		Municipality	
	Total	Portion	Total	Portion
Financial assets	\$ 56,560	\$ 18,853	\$ 52,845	\$ 17,615
Financial liabilities	85,540	28,513	75,360	25,120
Net financial debt	(28,980)	(9,660)	(22,515)	(7,505)
Non-financial assets	387,447	129,149	393,416	131,139
Accumulated surplus	<u>\$ 358,467</u>	<u>\$ 119,489</u>	<u>\$ 370,901</u>	<u>\$ 123,634</u>

Municipality	2023		2022	
	Municipality		Municipality	
	Total	Portion	Total	Portion
Revenue	\$ 16,390	\$ 5,463	\$ 16,429	\$ 5,478
Expenses	28,824	9,608	18,388	6,130
Annual debt	(12,434)	(4,145)	(1,959)	(652)
Accumulated surplus, beginning of year	172	123,634	372,860	124,286
Accumulated surplus, end of year	<u>\$ (12,262)</u>	<u>\$ 119,489</u>	<u>\$ 172</u>	<u>\$ 123,634</u>

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## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

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### 14. Expenses by Object

	2023	2022
Salaries, wages and employee benefits	\$ 388,550	\$ 350,918
Materials	155,999	264,840
Contracted services	353,588	213,244
Rent and financial expenses	127,698	134,278
Contributions to other Organizations	216,190	203,613
Amortization	258,851	249,043
Interest on long-term debt	7,280	4,807
	<u>\$ 1,508,156</u>	<u>\$ 1,420,743</u>

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### 15. Contingent Liability

The Municipality was formerly a member of a reciprocal insurance Company licensed under the Insurance Act. In the event that a claim is experienced relating to the period that the Municipality was a member of the Company, they may be required to pay additional premiums or losses related to the event. Should any premium demands or losses occur, such losses will be recognized in the year of resolution or settlement of the claim.

The reciprocal insurance Company is in runoff with an expected wind-up date subsequent to December 31, 2025. If a surplus exists in the Company at the time of wind-up, it will be returned to the former members. Should any surplus be returned to the Municipality, it will be recognized in the year it is received.

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### 16. Pension Agreement

The Municipality makes contributions to the Ontario Municipal Employees' Retirement System (OMERS), a multi-employer plan, on behalf of two 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. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of the Ontario municipal Organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2023 was \$22,243 (2022 - \$21,495) for current service. The OMERS Board rate was 9.0% to 14.6% depending on income level for 2023 (2022 - 9.0% to 14.6% depending on income level).



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## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

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### 17. Commitments

#### *Locum Housing*

The Municipality has entered into an agreement with two other Organizations to construct housing for locum doctors in the Town of Rainy River. In the event that insufficient grants, contributions, donations or fundraising proceeds are available to cover the costs of the construction and furnishings of the housing, the parties to the agreement have agreed to provide the necessary funds to complete the project by way of repayable loans, bearing interest at prime up to the maximum set by the committee.

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### 18. Operations of School Boards

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

	<u>2023</u>	<u>2022</u>
School boards	\$ 114,614	\$ 113,807

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### 19. Trust Fund

The Trust Fund administered by the Municipality amounting to \$30,080 (2022 - \$29,010) has not been included in the consolidated statement of financial position nor has the operation been included in the consolidated statement of operations.

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### 20. Contributions to Unconsolidated Boards

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

	<u>2023</u>	<u>2022</u>
Northwestern Health Unit	\$ 21,631	\$ 25,275
Rainy River District Social Services Administration Board	191,766	175,304
	<u>\$ 213,397</u>	<u>\$ 200,579</u>

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## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

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### 21. Financial Instrument Risk Management

The Municipality is exposed to credit risk and liquidity risk from its financial instruments. This note describes the Municipality's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Municipality is exposed to credit risk through taxes receivable.

At year end, the amounts outstanding for the Municipality's financial assets exposed to credit risk are as follows:

Taxes receivable	2023	2022
Current	47,246	48,020
1 year past due	11,624	11,163
2 years past due	7,127	2,632
3 years past due	1,335	3,459
Total	67,332	65,274

The Municipality manages its credit risk by implementing the tax sale policies legislated by the Ontario Municipal Act.

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# The Corporation of the Township of Dawson

## Notes to Consolidated Financial Statements

December 31, 2023

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### 22. Segmented Information

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

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

#### General Government

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

#### Protection Services

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

#### Transportation Services

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

#### Environmental Services

Environmental services consists of maintenance of the two waste disposal facilities located within the municipal borders.

#### Health Services

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

#### Social and Family Services

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

#### Social Housing

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

#### Recreation and Cultural Services

This service area consists of various small recreation programs. Also, the Municipality contributes to the library board of another Municipality in order to ensure a library is available to the citizens of the Municipality.

#### Planning and Development

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

## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

### 21. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning and Development	2023 Total
<b>Revenue</b>										
Taxation	\$ 65,764	\$ 67,774	\$ 357,073	\$ 29,541	\$ 56,330	\$ 36,128	\$ 31,303	\$ 13,160	\$ 931	\$ 658,004
Fees and user charges	-	20	-	1,325	6,382	-	-	-	8,629	16,356
Conditional grants	-	10,021	58,808	-	-	-	-	1,644	39,494	109,967
Unconditional grants	48,053	49,522	260,911	21,586	41,160	26,399	22,873	9,616	680	480,800
Municipal grants	-	-	36,346	-	-	-	-	-	-	36,346
Commuted payments	-	-	-	-	-	-	-	-	120,912	120,912
Other	32,432	5,941	36,529	2,906	1,443	-	-	-	-	79,251
	<u>146,249</u>	<u>133,278</u>	<u>749,667</u>	<u>55,358</u>	<u>105,315</u>	<u>62,527</u>	<u>54,176</u>	<u>24,420</u>	<u>170,646</u>	<u>1,501,636</u>
<b>Expenses</b>										
Wages and benefits	89,004	12,639	250,801	28,994	1,653	-	-	5,459	-	388,550
Materials	11,680	34,197	104,191	-	5,549	-	-	382	-	155,999
Contracted services	20,511	97,988	21,256	-	1,335	-	-	6,681	205,817	353,588
Rent and financial	14,979	8,898	16,849	78,880	1,867	-	-	6,225	-	127,698
External transfers	-	-	-	-	124,499	9,316	79,582	-	2,793	216,190
Amortization	1,579	17,910	231,053	3,898	1,990	-	-	2,421	-	258,851
Long-term interest	-	-	-	-	-	-	-	-	7,280	7,280
	<u>137,753</u>	<u>171,632</u>	<u>624,150</u>	<u>111,772</u>	<u>136,893</u>	<u>9,316</u>	<u>79,582</u>	<u>21,168</u>	<u>215,890</u>	<u>1,508,156</u>
<b>Net surplus (deficit)</b>	<u>\$ 8,496</u>	<u>\$ (38,354)</u>	<u>\$ 125,517</u>	<u>\$ (56,414)</u>	<u>\$ (31,578)</u>	<u>\$ 53,211</u>	<u>\$ (25,406)</u>	<u>\$ 3,252</u>	<u>\$ (45,244)</u>	<u>\$ (6,520)</u>

## The Corporation of the Township of Dawson Notes to Consolidated Financial Statements

December 31, 2023

### 21. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning and Development	2022 Total
<b>Revenue</b>										
Taxation	\$ 60,746	\$ 62,604	\$ 329,834	\$ 27,288	\$ 52,033	\$ 33,372	\$ 28,915	\$ 12,156	\$ 860	\$ 607,808
Fees and user charges	-	70	-	3,713	6,366	-	-	-	7,657	17,806
Conditional grants	-	98,122	122,073	-	-	-	-	1,644	67,604	289,443
Unconditional grants	49,353	50,861	267,966	22,169	42,273	27,112	23,491	9,876	699	493,800
Municipal grants	-	-	43,559	-	-	-	-	-	-	43,559
Commuted payments	29,872	-	-	-	-	-	-	-	41,029	70,901
Other	34,205	2,486	12,107	1,113	439	-	-	-	-	50,350
	<u>174,176</u>	<u>214,143</u>	<u>775,539</u>	<u>54,283</u>	<u>101,111</u>	<u>60,484</u>	<u>52,406</u>	<u>23,676</u>	<u>117,849</u>	<u>1,573,667</u>
<b>Expenses</b>										
Wages and benefits	88,971	11,597	220,836	22,918	1,631	-	-	4,965	-	350,918
Materials	7,697	30,397	223,922	-	2,220	-	-	604	-	264,840
Contracted services	20,706	91,388	17,149	-	854	-	-	6,681	76,466	213,244
Rent and financial	22,867	7,795	20,166	75,451	1,791	-	-	6,208	-	134,278
External transfers	-	-	-	-	119,370	11,269	69,941	-	3,033	203,613
Amortization	1,565	17,398	222,000	3,668	1,990	-	-	2,422	-	249,043
Long-term interest	-	-	-	-	-	-	-	-	4,807	4,807
	<u>141,806</u>	<u>158,575</u>	<u>704,073</u>	<u>102,037</u>	<u>127,856</u>	<u>11,269</u>	<u>69,941</u>	<u>20,880</u>	<u>84,306</u>	<u>1,420,743</u>
<b>Net surplus (deficit)</b>	<b>\$ 32,370</b>	<b>\$ 55,568</b>	<b>\$ 71,466</b>	<b>\$ (47,754)</b>	<b>\$ (26,745)</b>	<b>\$ 49,215</b>	<b>\$ (17,535)</b>	<b>\$ 2,796</b>	<b>\$ 33,543</b>	<b>\$ 152,924</b>

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

The Corporation of the Township of  
Dawson Trust Funds  
Financial Statements  
For the year ended December 31, 2023

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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 Dawson

### Opinion

We have audited the financial statements of the Corporation of the Township of Dawson Trust Fund (the Entity), which comprise the Balance Sheet as at December 31, 2023, and the Statement of Continuity for the year then ended, and Notes to Financial Statements, including a Summary of Significant Accounting Policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and the continuity thereof, in accordance with the basis of accounting as described in Note 1.

### Basis 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Basis of Accounting and Restrictions on Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the Corporation of the Township of Dawson to comply with the reporting requirements of the Bereavement Authority of Ontario. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the management of the Corporation of the Township of Dawson and the Bereavement Authority of Ontario and should not be used by parties other than the management of the Corporation of the Township of Dawson and the Bereavement Authority of Ontario.

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

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

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

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



## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
April 18, 2024



The Corporation of the Township of Dawson  
Trust Fund - Cemetery Perpetual Care  
Balance Sheet

December 31	2023	2022
<b>Assets</b>		
Cash	\$ 30,080	\$ 29,010
<b>Liabilities</b>		
Balance - capital	\$ 30,080	\$ 29,010

The Corporation of the Township of Dawson  
Trust Fund - Cemetery Perpetual Care  
Statement of Continuity

December 31	2023	2022
Balance, beginning of year	\$ 29,010	\$ 27,270
<b>Revenue</b>		
Care and maintenance fee	1,070	1,740
Interest earned	1,189	196
	2,259	1,936
<b>Expenditure</b>		
Administration fees	1,189	196
Balance, end of year	\$ 30,080	\$ 29,010

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The Corporation of the Township of Dawson  
Trust Fund - Cemetery Perpetual Care  
Notes to Financial Statements

December 31, 2023

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1. Summary of Significant Accounting Policies

Management's Responsibility	The financial statements of the Corporation of the Township of Dawson Trust Fund are the representation of management and have been prepared in accordance with accrual based accounting principles. Precise determination of some assets and liabilities may be dependent upon future events and estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgement and review.
Accrual Basis of Accounting	<p>Sources of financing and expenditures are reported on the accrual basis of accounting.</p> <p>The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.</p>

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2. Nature of Trust Fund

The Cemetery Perpetual Care Trust Fund was established in accordance with the Cemeteries Act for the care and maintenance of certain cemetery grounds.

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3. Statement of Changes in Cash Flows

A statement of changes in cash flows has not been provided since the sources and uses of cash are readily apparent from the information included in the financial statements.