



Independent Practitioner's Reasonable Assurance Report

To Thunder Bay Port Authority

We have undertaken a reasonable assurance engagement of the accompanying Special Examination of the Thunder Bay Port Authority (the "Port Authority") for the period January 1, 2018 to December 31, 2018 in accordance with the applicable criteria presented in Appendix A.

Management's Responsibility

Management is responsible for the preparation of the subject matter information in accordance with the applicable criteria.

Management is also responsible for selecting the applicable criteria used.

Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter information to conform with the applicable criteria.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on the Special Examination based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3001, *Direct Engagements*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Special Examination conforms with the applicable criteria in all significant respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant deviation when it exists. Deviations can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the evaluation of the underlying subject matter in accordance with the applicable criteria.

Our Independence and Quality Control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



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Independent Practitioner's Reasonable Assurance Report (Cont.)

Opinion

In our opinion, the subject matter information of the Port Authority conforms in all significant respects, with the applicable criteria for the period January 1, 2018 to December 31, 2018.

The subject matter information has been prepared in accordance with the applicable criteria referred to above. As a result, the subject matter information may not be suitable for another purpose.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
June 25, 2019

Special Examination Report

Appendix A - System, Practices and Criteria

The Port Authority is required by subsections 38(1) and 38(2) of the Canada Marine Act to maintain systems and practices in such a manner as will provide reasonable assurance that:

- The assets of the Port Authority are safeguarded and controlled;
- The transactions of the Port Authority are in accordance with Part I of the Act and its letters patent and by-laws; and
- The financial, human and physical resources of the Port Authority are managed economically and efficiently and its operations are carried out effectively.

The criteria that were applied to each of these areas were as follows:

Item	Description
Management direction and leadership	The extent to which the Port Authority's objectives are incorporated into the Port Authority's plans, structure and decision-making processes.
Appropriateness	The extent to which the Port Authority's procedures and controls allow it to operate effectively, efficiently, and economically.
Achievement of intended results	The extent to which the anticipated outcome is achieved for each aspect of the Port Authority's operations.
Responsiveness/anticipation	The extent to which the Port Authority responds to changes in the operating environment and other conditions.
Asset protection	The extent to which assets were adequately safeguarded and maintained.
Monitoring and Reporting	The extent to which systems and procedures help the Port Authority economically, effectively, efficiently and transparently monitor its operations and ensure that reporting requirements are met.