

Consolidated Financial Statements

The Corporation of the Township of Dorion

December 31, 2015



*Corporation of the*  
***Township of Dorion***

DORION, ONTARIO

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**Statement of Administrative Responsibility**

The management of The Corporation of the Township of Dorion have prepared the accompanying 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 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 financial statements.

The Municipal Council reviews and approves the 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 2015 Financial Statements have been reported on by The Corporation of the Township of Dorion's external auditors, Grant Thornton LLP, the auditors appointed by Municipal Council. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Mavis Harris, Clerk-Treasurer

Ed Chambers, Reeve

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**"Dorion is a safe, caring, healthy, rural and sustainable community."**

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## Independent Auditor's Report

**Grant Thornton LLP**

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To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of Dorion

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Dorion, which comprise the consolidated statement of financial position as at December 31, 2015 and the 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.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for qualified opinion**

The Township does not have a current valuation of the liabilities which will be associated with the closure and post-closure costs of its solid waste disposal facilities. Canadian public sector accounting standards require that a provision for closure and post-closure costs be provided for in the financial statements. Since we have been unable to obtain satisfactory evidence as to these liabilities we are unable to estimate the related effect on liabilities, annual surplus and accumulated surplus for the year ended December 31, 2015.

**Qualified opinion**

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Dorion as at December 31, 2015, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Thunder Bay, Canada  
July 19, 2016

Chartered Professional Accountants  
Licensed Public Accountants

# The Corporation of the Township of Dorion

## Consolidated Statement of Financial Position

As at December 31	2015	2014
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	894,996	948,815
Taxes receivable <i>[note 3]</i>	175,762	118,224
Accounts receivable	94,147	59,564
<b>Total financial assets</b>	<b>1,164,905</b>	<b>1,126,603</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	99,875	76,535
Deferred revenue <i>[note 5]</i>	71,549	73,177
Vested sick leave liability <i>[note 6]</i>	5,363	2,756
Landfill closure and post-closure liability <i>[note 8]</i>	363,677	383,849
Due to school boards	-	79,900
<b>Total liabilities</b>	<b>540,464</b>	<b>616,217</b>
<b>NET FINANCIAL ASSETS</b>	<b>624,441</b>	<b>510,386</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 9] [schedule 2]</i>	585,263	620,692
Prepaid expenses	6,336	6,833
	<b>591,599</b>	<b>627,525</b>
<b>Accumulated surplus <i>[schedule 1]</i></b>	<b>1,216,040</b>	<b>1,137,911</b>

See accompanying notes to the consolidated financial statements.

# The Corporation of the Township of Dorion

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31

	Budget 2015 \$ [note 13]	Actual 2015 \$	Actual 2014 \$
<b>REVENUES [schedule 3]</b>			
<b>Taxation</b>			
Residential and farm taxation	297,444	248,719	232,025
Commercial and industrial	185,520	239,879	230,115
Taxation from other governments	83,428	85,569	80,698
	566,392	574,167	542,838
<b>Other fees and service charges</b>	3,800	4,015	3,924
	570,192	578,182	546,762
<b>Grants</b>			
Government of Canada	19,574	34,732	31,457
Province of Ontario	187,835	191,910	198,796
	207,409	226,642	230,253
<b>Other</b>			
Investment income	3,700	2,067	3,772
Penalties and late payment charges	18,000	25,004	20,370
Other	41,095	54,191	56,506
	62,795	81,262	80,648
<b>Total revenues</b>	840,396	886,086	857,663
<b>EXPENSES [note 10] [schedule 3]</b>			
General government	229,504	206,639	264,927
Protection to persons and property	160,441	148,039	162,123
Transportation services	303,849	318,685	309,909
Environmental services	(20,172)	(20,172)	50,295
Health services	28,993	30,676	29,698
Social and family services	49,206	53,101	47,538
Recreation and cultural services	60,016	70,989	65,460
	811,837	807,957	929,950
<b>NET REVENUES (EXPENSES)</b>	28,559	78,129	(72,287)
<b>Annual surplus (deficit)</b>	28,559	78,129	(72,287)
Accumulated surplus, beginning of year	-	1,137,911	1,210,198
<b>Accumulated surplus, end of year</b>	28,559	1,216,040	1,137,911

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 2015 \$ [note 13]	Actual 2015 \$	Actual 2014 \$
<b>Annual surplus (deficit)</b>	<b>28,559</b>	<b>78,129</b>	<b>(72,287)</b>
Acquisition of tangible capital assets	<b>(73,832)</b>	<b>(20,344)</b>	(23,175)
Amortization of tangible capital assets	<b>55,773</b>	<b>55,773</b>	54,750
Acquisition of prepaid expenses	-	<b>(6,336)</b>	(6,833)
Use of prepaid expenses	-	<b>6,833</b>	5,569
Increase (decrease) in net financial assets	<b>10,500</b>	<b>114,055</b>	(41,976)
Net financial assets, beginning of year	-	<b>510,386</b>	552,362
<b>Net financial assets, end of year</b>	<b>10,500</b>	<b>624,441</b>	510,386

See accompanying notes to the consolidated financial statements.



# The Corporation of the Township of Dorion

## Consolidated Statement of Cash Flows

Year ended December 31	2015	2014
	\$	\$
<b>OPERATIONS</b>		
Annual surplus (deficit)	78,129	(72,287)
<b>Non-cash charges</b>		
Amortization of tangible capital assets	55,773	54,750
(Decrease) increase in landfill liability	(20,172)	50,661
	113,730	33,124
<b>Net change in non-cash working capital balances</b>		
(Increase) decrease in taxes receivable	(57,538)	158,100
(Increase) decrease in accounts receivable	(34,583)	6,602
Increase in accounts payable and accrued liabilities	23,340	10,019
Decrease in deferred revenue	(1,628)	(26,325)
Increase (decrease) in vested sick leave liability	2,607	(1,466)
(Decrease) increase in due to school boards	(79,900)	23,851
Decrease (increase) in prepaid expenses	497	(1,264)
<b>Cash provided by (used in) operating transactions</b>	<b>(33,475)</b>	<b>202,641</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(20,344)	(23,175)
<b>Cash used in capital transaction</b>	<b>(20,344)</b>	<b>(23,175)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(53,819)</b>	<b>179,466</b>
Opening cash and cash equivalents	948,815	769,349
<b>Closing cash and cash equivalents</b>	<b>894,996</b>	<b>948,815</b>

See accompanying notes to the consolidated financial statements.

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# **The Corporation of the Township of Dorion**

## **Notes to the Consolidated Financial Statements**

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December 31, 2015

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### **GENERAL**

The Corporation of the Township of Dorion is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

### **1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements of The Corporation of the Township of Dorion are prepared by management in accordance with accounting policies generally accepted for the local government as prescribed by the Public Sector Accounting Board ("PSAB") of the CPA Canada. The more significant of these accounting policies are as follows:

#### **[a] Basis of consolidation**

##### **Reporting entity**

These consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, local boards, and committees accountable for the administration of their financial affairs and resources to the Township, and which are owned or controlled by the Township. Accordingly, the following is consolidated in these financial statements.

Dorion Public Library Board

All interfund balances and transactions have been eliminated.

##### **Joint local boards**

The financial activities of certain entities associated with the Township are not consolidated. The Township's contribution to these entities are recorded in the Consolidated Statement of Operations and Accumulated Surplus. The entities that are accounted for in this manner are:

Thunder Bay District Health Unit

The District of Thunder Bay Social Services Administration Board

Thunder Bay Area Emergency Measures Organization

District of Thunder Bay Home for the Aged

##### **Trust funds**

Trust funds administered by the Township have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. They are reported separately on the Trust Fund Statement of Financial Position and Statement of Continuity.

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# **The Corporation of the Township of Dorion**

## **Notes to the Consolidated Financial Statements**

December 31, 2015

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### **Accounting for school board transactions**

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards, are not reflected in these consolidated financial statements.

## **[b] Basis of accounting**

### **Accrual accounting**

The Township uses the accrual basis of accounting which recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. It recognizes a liability until the obligation or conditions underlying the liability is partly or wholly satisfied and recognizes an asset until the future economic benefit underlying the asset is partly or wholly used or lost.

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances in banks.

### **Employee benefits**

Vacation pay, sick leave liability and other post-employment benefits are charged to operations in the year earned.

### **Pension and employee benefits**

The Township accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer defined benefit plan, as a defined contribution plan. Post-employment benefits are charged to operations in the year earned.

### **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the net revenues (expenses), provides the change in net financial assets for the year.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

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December 31, 2015

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[a] Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and write-downs, if any. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 years
Buildings	20 to 60 years
Library collection	10 years
Machinery and equipment	5 to 15 years
Linear assets - roads	15 to 40 years
- culverts	35 years
- wells	40 years
- bridges	50 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

[b] Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

[c] Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant of such assets are the Township's road allowances.

[d] Capitalization of interest

The Township has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset, for those interest costs incurred up to the date the asset goes into use.

[e] Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property to the Township are accounted for as the acquisition of a capital asset and the incurrence of an obligation. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

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# **The Corporation of the Township of Dorion**

## **Notes to the Consolidated Financial Statements**

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December 31, 2015

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### **Reserves and reserve funds**

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes.

### **Taxation revenue**

Taxes are recognized as assets and revenue when they meet the definition of an asset, are authorized and the taxable event occurs, which for property taxes is the period for which the tax is levied.

At each financial statement date, management evaluates the extent to which its taxes receivable are ultimately collectible and valuation allowances are used to reflect taxes receivable at their net recoverable amount.

At each financial statement date, management evaluates the likelihood of having to repay taxes collected under tax measures that have been deemed authorized using the concept of legislative convention and recognizes a liability when required. Related refunds are accounted for in the period in which the change in estimate occurs.

### **Revenue recognition**

User charges and other revenues are recognized as revenue in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed are recognized as a liability and recognized as revenue when the related services are performed.

Investment income earned on surplus funds are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue balance.

Funds received, other than government transfers and tax revenue, for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

### **Government transfers**

Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

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December 31, 2015

Government transfers made to a recipient by the Township are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

The Municipality receives the Gas Tax proceeds from the Federal Government through the Association of Municipalities of Ontario. These funds, by their nature, are restricted in their use and, until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying projects are recorded as revenue in the fiscal period they are expended.

### Landfill closure and post-closure liability

The obligation to close and maintain solid waste landfill sites is based on the estimated future expenses in current dollars, adjusted for estimated inflation and is charged to expenses as the landfill site's capacity is used.

### Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Township may undertake in the future. Significant accounting estimates include valuation allowance for accounts receivable, employee benefits payable, estimated useful lives of tangible capital assets and solid waste land closure and post-closure liabilities. Actual results could differ from these estimates.

## 2. TRUST FUNDS

Trust funds administered by the Township amounting to \$14,109 [2014 - \$14,570] have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

## 3. TAXES RECEIVABLE

	2015	2014
	\$	\$
Property and business taxes receivable	222,742	157,044
Allowance for property and business tax arrears	(46,980)	(38,820)
	175,762	118,224

# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2015

### 4. BANK INDEBTEDNESS

The Township has available a line of credit of \$500,000 [2014 - \$500,000] for which the Township has provided a borrowing by-law of which \$nil [2014 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at a rate of prime plus 1% [4.0% at December 31, 2015].

### 5. DEFERRED REVENUE

	2015 \$	2014 \$
Obligatory reserve funds		
Unearned Gas Tax proceeds	68,412	70,040
Other deferred revenue		
Unearned grant proceeds	3,137	3,137
	<b>71,549</b>	<b>73,177</b>

The continuity of deferred revenue is as follows:

	2015 \$	2014 \$
<b>Balance, beginning of year</b>	<b>73,177</b>	<b>99,502</b>
Investment income	272	348
Gas Tax revenue received	19,574	20,195
Gas Tax revenue earned	(21,474)	(21,457)
Other grant revenue received	30,484	21,879
Other grant revenue earned	(30,484)	(47,290)
<b>Balance, end of year</b>	<b>71,549</b>	<b>73,177</b>

### 6. LIABILITY FOR EMPLOYEE VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they retire or leave the Township's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken by an employee on retirement or his/her voluntary or involuntary termination amounted to approximately \$5,363 [2014 - \$2,756]. The liability for these days which could be taken by an employee upon voluntary termination of employment amount to approximately \$5,363 [2014 - \$2,756]. \$Nil [2014 - \$nil] was paid to employees who left the Township's employment during the year.

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# **The Corporation of the Township of Dorion**

## **Notes to the Consolidated Financial Statements**

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December 31, 2015

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### **7. PENSION AGREEMENTS**

The Township makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay.

Effective January 1, 2015, contribution rates ranged from 9.0% to 14.6% depending on the proposed retirement age and the level of earnings. As a result, \$8,528 [2014 - \$3,621] was contributed to OMERS in the current year.

### **8. LANDFILL CLOSURE AND POST-CLOSURE**

The main components of the landfill closure plan includes final capping using selected specific layers of impermeable materials based on an engineered cap design and implementation of a drainage management plan and gas management plan. The post-closure care requirements will involve cap maintenance, groundwater monitoring, gas management system operation and maintenance, and annual inspections and reports as in accordance with Ministry of Environment regulations.

The obligation to close and maintain solid waste landfill sites is based on the estimated future expenses in current dollars, adjusted for estimated inflation and is charged to expenses as the landfill site's capacity is used. The remaining useful life of the site has been determined to be 4 years, with an anticipated closure date of 2020 and an estimated remaining capacity of 4,366 cubic meters. The estimated liability is the present value for future cash flows associated with the closure and post-closure care discounted using a rate of 3.2% [2014 - 2.5%] for closure costs and 3.2% [2014 - 2.5%] for post-closure cost discounting. The estimated total expenses for closure have been estimated at \$181,720 and post-closure care has been determined to be \$18,181 annually for 20 years of post-closure care. Management's estimated accrued liability for these costs of \$363,677 [2014 - \$383,849] is included as a liability on the Consolidated Statement of Financial Position. The decrease in landfill liability of \$20,172 has been recorded as a credit to the environmental services expenses - materials. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

### **9. 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 [2014 - \$nil].

Interest capitalized during 2015 was \$nil [2014 - \$nil].

There were no tangible capital assets contributed to the Township in 2015 [2014 - \$nil].



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# **The Corporation of the Township of Dorion**

## **Notes to the Consolidated Financial Statements**

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December 31, 2015

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### **10. SEGMENTED INFORMATION**

The Corporation of the Township of Dorion is a diversified municipal government institution that provides a wide range of services to its citizens, including police, emergency services and waste management. For management reporting purposes, the Township's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### **General government**

General government comprises various administrative services, including Finance Department, Corporate Services Department, and Reeve and Council.

#### **Protection to persons and property**

Protection to persons and property is comprised of police services, fire services and protective inspection and control. The police services are contracted from the Ontario Provincial Police. The Fire Services Department is responsible for fire suppression; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. Protective inspection and control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants. Protective inspection and control also represents the Township's contribution to the activities of the Thunder Bay Area Emergency Measures Organization (EMO).

#### **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.

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# **The Corporation of the Township of Dorion**

## **Notes to the Consolidated Financial Statements**

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December 31, 2015

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### **Health services**

Health services include public health services and ambulance services. Public health services covers the Township's contribution to the activities of the Thunder Bay District Health Unit. In response to the health needs of the community, the Thunder Bay District Health Unit provides health information and prevention-related clinical services to people of all ages; advocates for healthy public policy; protects citizens by investigating reportable diseases; and upholds regulations that apply to public health.

### **Social and family services**

Social and family services include general assistance, assistance to aged persons, child care and assistance to the disabled. General assistance represents the Township's contribution to the activities of The District of Thunder Bay Social Services Administration Board (TBDSSAB). TBDSSAB is responsible for issuing welfare payments, Ontario Works program delivery, employment assistance services and social housing. Under assistance to aged persons, TBDSSAB is responsible for providing services to seniors.

### **Recreation and cultural services**

Recreation and cultural services include recreation programs and facilities, public library and contributions to cultural organizations. The Community Services Department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs, the development and maintenance of various recreational facilities; and the maintenance of parks and open spaces. The public library is dedicated to providing community access to local and global information resources that support lifelong learning, research and leisure activities. The Township makes contributions to various cultural organizations under specific funding programs.

### **Planning and development**

The planning and development services include planning and zoning activities. The Township's contribution to the activities of the Lakehead Rural Planning Board are included in the planning activities.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1. For additional information see the Consolidated Schedule of Segment Disclosure (Schedule 3).

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**The Corporation of the Township of Dorion**  
**Notes to the Consolidated Financial Statements**  
December 31, 2015

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**11. RESERVES AND RESERVE FUNDS**

The continuity of reserves and reserve funds is as follows:

	2015 \$	2014 \$
<b>Reserves</b>		
Balance, beginning of year	117,859	117,859
<b>Balance, end of year</b>	<b>117,859</b>	<b>117,859</b>
<b>Reserve funds</b>		
Balance, beginning of year	533,343	446,887
<b>Increases</b>		
Contributions from current operations	-	83,033
Interest earned	3,239	3,423
	<b>3,239</b>	<b>86,456</b>
<b>Balance, end of year</b>	<b>536,582</b>	<b>533,343</b>

**12. DESIGNATED ASSETS**

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$533,343 [2014 - \$446,887] to support reserve funds.

# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2015

### 13. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period of 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 2015 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
<b>Revenue</b>	<b>869,642</b>	<b>(29,246)</b>	<b>840,396</b>
<b>Expenses</b>	<b>869,642</b>	<b>(57,805)</b>	<b>811,837</b>
<b>Annual surplus</b>	<b>-</b>	<b>28,559</b>	<b>28,559</b>
Less:			
Capital	-	(73,832)	(73,832)
Transfer to reserves	19,574	(19,574)	-
Landfill post-closure costs	20,172	(20,172)	-
Add:			
Amortization	-	55,773	55,773
Transfer from reserves	(29,246)	29,246	-
	<b>10,500</b>	<b>(28,559)</b>	<b>(18,059)</b>
<b>Decrease in financial assets</b>	<b>10,500</b>	<b>-</b>	<b>10,500</b>

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

Year ended December 31	2015	2014
	\$	\$
<b>Surpluses</b>		
General fund	347,589	257,031
Library fund	(7,576)	(7,338)
Invested in tangible capital assets	585,263	620,865
Unfunded		
Landfill closure and post-closure liabilities	(363,677)	(383,849)
<b>Total surpluses</b>	<b>561,599</b>	<b>486,709</b>
<b>Reserves set aside for specific purposes by Council</b>		
For working capital	114,217	114,217
For library	3,642	3,642
<b>Total reserves</b>	<b>117,859</b>	<b>117,859</b>
<b>Reserve funds set aside for specific purposes by Council</b>		
For fire equipment	58,010	57,787
For roads equipment	132,452	131,940
For administration equipment	31,505	31,384
For recreation	6,129	4,177
For landfill site	276,158	275,151
For museum	12,892	13,543
For tax arrears	19,436	19,361
<b>Total reserve funds</b>	<b>536,582</b>	<b>533,343</b>
<b>Accumulated surplus</b>	<b>1,216,040</b>	<b>1,137,911</b>

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

Year ended December 31, 2015

## Schedule 2

	General					Totals	
	Land	Land Improvements	Buildings	Library Collection	Machinery and Equipment	Linear Assets	
		\$	\$	\$	\$	\$	
<b>COST</b>							
Balance, beginning of year	112,106	7,017	412,690	48,697	496,342	2,072,226	3,149,078
Add: Additions during the year	-	-	16,778	3,566	-	-	23,175
Balance, end of year	112,106	7,017	429,468	52,263	496,342	2,072,226	3,169,422
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	-	7,017	239,952	27,057	375,634	1,878,726	2,473,636
Add: Amortization during the year	-	-	9,951	4,669	19,536	21,617	54,750
Balance, end of year	-	7,017	249,903	31,726	395,170	1,900,343	2,584,159
<b>Net book value of tangible capital assets, beginning of year</b>	112,106	-	172,738	21,640	120,708	193,500	676,276
<b>Net book value of tangible capital assets, end of year</b>	112,106	-	179,565	20,537	101,172	171,883	620,692

# The Corporation of the Township of Dorion

## Consolidated Schedule of Segment Disclosure

Year ended December 31, 2015

Schedule 3

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>										
Taxation	574,167	542,838	-	-	-	-	-	-	-	-
Operating grants	187,893	195,255	-	-	25,000	27,650	-	-	-	-
User fees and service charges	-	-	-	-	-	-	-	-	-	-
Other revenues	41,991	46,913	-	-	21,474	28,466	-	-	-	-
Interest income - reserve funds	2,067	3,772	-	-	-	-	-	-	-	-
	<b>806,118</b>	<b>788,778</b>	<b>-</b>	<b>-</b>	<b>46,474</b>	<b>56,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>										
Salaries, wages and employee benefits	112,084	124,741	15,419	15,639	88,601	76,050	-	-	-	-
Materials	53,399	70,611	36,470	36,538	71,193	95,967	(20,172)	50,295	-	-
Contracted services	19,983	33,960	-	-	130,597	109,636	-	-	-	-
Rent and financials	16,513	30,955	6,122	11,241	-	-	-	-	-	-
External transfers	-	-	74,218	83,274	-	-	-	-	30,676	29,698
Amortization	4,660	4,660	15,810	15,431	28,294	28,256	-	-	-	-
	<b>206,639</b>	<b>264,927</b>	<b>148,039</b>	<b>162,123</b>	<b>318,685</b>	<b>309,909</b>	<b>(20,172)</b>	<b>50,295</b>	<b>30,676</b>	<b>29,698</b>
<b>Annual surplus (deficit)</b>	<b>599,479</b>	<b>523,851</b>	<b>(148,039)</b>	<b>(162,123)</b>	<b>(272,211)</b>	<b>(253,793)</b>	<b>20,172</b>	<b>(50,295)</b>	<b>(30,676)</b>	<b>(29,698)</b>

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

Year ended December 31, 2015

**Schedule 3 (continued)**

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2015	2014	2015	2014	2015	2014	
	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
Taxation	-	-	-	-	-	-	542,838
Operating grants	-	-	13,749	7,348	-	-	230,253
User fees and service charges	-	-	6,487	5,421	-	-	5,421
Other revenues	-	-	13,258	-	-	-	75,379
Interest income - reserve funds	-	-	-	-	-	-	3,772
	-	-	33,494	12,769	-	-	886,086
							857,663
<b>Expenses</b>							
Salaries, wages and employee benefits	-	-	34,336	33,744	-	-	250,440
Materials	-	-	21,139	16,995	-	-	162,029
Contracted services	-	-	-	-	-	-	143,596
Rent and financials	-	-	8,505	8,318	-	-	50,514
External transfers	53,101	47,538	-	-	-	-	160,510
Amortization	-	-	7,009	6,403	-	-	54,750
	53,101	47,538	70,989	65,460	-	-	807,957
							929,950
<b>Annual surplus (deficit)</b>	<b>(53,101)</b>	<b>(47,538)</b>	<b>(37,495)</b>	<b>(52,691)</b>	<b>-</b>	<b>-</b>	<b>(72,287)</b>



## Independent Auditor's Report

**Grant Thornton LLP**

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To the Board Members, Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of Dorion

We have audited the accompanying financial statements of Dorion Public Library Board, which comprise the statement of financial position as at December 31, 2015 and the 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.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dorion Public Library Board as at December 31, 2015, and the results of its operations and changes in its net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Thunder Bay, Canada  
July 19, 2016

Chartered Professional Accountants  
Licensed Public Accountants

# **Dorion Public Library Board**

## **Statement of Financial Position**

As at December 31	2015	2014
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	166	-
Accounts receivable	2,211	3,397
<b>Total financial assets</b>	<b>2,377</b>	<b>3,397</b>
<b>LIABILITIES</b>		
Bank indebtedness	-	3,636
Accounts payable	1,805	2,297
Due to The Corporation of the Township of Dorion	8,148	4,802
<b>Total liabilities</b>	<b>9,953</b>	<b>10,735</b>
<b>NET FINANCIAL LIABILITIES</b>	<b>(7,576)</b>	<b>(7,338)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 3]</i>	28,295	29,398
<b>Accumulated surplus <i>[note 4]</i></b>	<b>20,719</b>	<b>22,060</b>

See accompanying notes to the financial statements.

# Dorion Public Library Board

## Statement of Operations and Accumulated Surplus

Year ended December 31	2015	2015	2014
	Budget	Actual	Actual
	\$	\$	\$
	[note 5]		
<b>REVENUES</b>			
Municipal contribution	17,548	17,548	16,646
Province of Ontario grants	1,510	15,171	11,879
Other	2,500	4,378	3,068
<b>Total revenues</b>	<b>21,558</b>	<b>37,097</b>	<b>31,593</b>
<b>EXPENSES</b>			
Administration	2,336	6,855	4,366
Amortization	4,669	4,669	4,062
Program wages	800	5,606	5,606
Supplies	500	694	2,306
Utilities	850	850	850
Wages and benefits	15,872	19,764	19,712
	<b>25,027</b>	<b>38,438</b>	<b>36,902</b>
<b>Annual deficit</b>	<b>(3,469)</b>	<b>(1,341)</b>	<b>(5,309)</b>
Accumulated surplus, beginning of year	-	22,060	27,369
<b>Accumulated surplus (deficit), end of year</b>	<b>(3,469)</b>	<b>20,719</b>	<b>22,060</b>

See accompanying notes to the financial statements.

## Dorion Public Library Board

### Statement of Changes in Net Financial Assets

Year ended December 31	2015	2015	2014
	Budget \$ [note 5]	Actual \$	Actual \$
<b>Annual deficit</b>	<b>(3,469)</b>	<b>(1,341)</b>	<b>(5,309)</b>
Acquisition of tangible capital assets	<b>(2,000)</b>	<b>(3,566)</b>	<b>(3,429)</b>
Amortization of tangible capital assets	<b>4,669</b>	<b>4,669</b>	<b>4,062</b>
Decrease in net financial assets	<b>(800)</b>	<b>(238)</b>	<b>(4,676)</b>
Net financial liabilities, beginning of year	-	<b>(7,338)</b>	<b>(2,662)</b>
<b>Net financial liabilities, end of year</b>	<b>(800)</b>	<b>(7,576)</b>	<b>(7,338)</b>

See accompanying notes to the financial statements.

## Dorion Public Library Board

### Statement of Cash Flows

Year ended December 31	2015	2014
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(1,341)	(5,309)
<b>Non-cash charges</b>		
Amortization of tangible capital assets	4,669	4,062
	<b>3,328</b>	(1,247)
<b>Changes in non-cash working capital balances</b>		
Decrease in accounts receivable	1,186	247
Increase (decrease) in accounts payable	(492)	2,297
Increase (decrease) in due to The Corporation of the Township of Dorion	3,346	(912)
<b>Cash provided by operating transactions</b>	<b>7,368</b>	385
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(3,566)	(3,429)
<b>Cash used in capital transactions</b>	<b>(3,566)</b>	(3,429)
<b>Increase (decrease) in cash during year</b>	<b>3,802</b>	(3,044)
Bank indebtedness, beginning of year	(3,636)	(592)
<b>Cash (bank indebtedness), end of year</b>	<b>166</b>	(3,636)

See accompanying notes to the financial statements.

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# **Dorion Public Library Board**

## **Notes to the Financial Statements**

December 31, 2015

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### **1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements of Dorion Public Library Board are prepared by management in accordance with accounting policies generally accepted for the local government sector as prescribed by the Public Sector Accounting Board ("PSAB") of the CPA Canada. The more significant of these accounting policies are as follows:

#### **Accrual accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable.

#### **Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Library collection	10 years
Furniture and equipment	10 years

#### **Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

#### **Leases**

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable.

#### **Cash**

Cash consists of cash on deposit and cash on hand.

#### **Reporting entity**

The financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the Board.

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## **Dorion Public Library Board**

### **Notes to the Financial Statements**

December 31, 2015

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#### **Revenue recognition**

Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

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

#### **Deferred revenue**

Deferred revenue is comprised of donations subject to externally imposed restrictions with respect to its use and the unspent portion of conditional grants.

#### **Use of estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Board may undertake in the future. Significant accounting estimates include allowance for doubtful accounts and estimated useful lives of tangible capital assets. Actual results could differ from those estimates.

#### **Budget figures**

The operating budget approved by the Board for 2015 is reflected on the Statement of Operations and Accumulated Surplus. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be incurred over a number of years and therefore may not be comparable with the current year's actual expenditures. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results.

## **2. ANALYSIS OF RESERVE**

A reserve in the amount of \$3,642 [2014 - \$3,642] is being held by The Corporation of the Township of Dorion.



# Dorion Public Library Board

## Notes to the Financial Statements

December 31, 2015

### 3. TANGIBLE CAPITAL ASSETS

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

	Library Collection \$	Furniture and Equipment \$	2015 Total \$	2014 Total \$
<b>Cost</b>				
Balance, beginning of year	48,697	10,343	59,040	55,611
Add:				
Additions during the year	3,566	-	3,566	3,429
<b>Balance, end of year</b>	<b>52,263</b>	<b>10,343</b>	<b>62,606</b>	<b>59,040</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	27,056	2,586	29,642	25,580
Add:				
Amortization during the year	3,635	1,034	4,669	4,062
<b>Balance, end of year</b>	<b>30,691</b>	<b>3,620</b>	<b>34,311</b>	<b>29,642</b>
<b>Net book value</b>	<b>21,572</b>	<b>6,723</b>	<b>28,295</b>	<b>29,398</b>

### 4. ACCUMULATED SURPLUS

	2015 \$	2014 \$
<b>Surpluses</b>		
General fund	(7,576)	(7,338)
Investment in tangible capital assets	28,295	29,398
<b>Accumulated surplus</b>	<b>20,719</b>	<b>22,060</b>

# Dorion Public Library Board

## Notes to the Financial Statements

December 31, 2015

### 5. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved 2015 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
<b>Revenues</b>	<b>22,358</b>	<b>(800)</b>	<b>21,558</b>
<b>Expenses</b>	<b>22,358</b>	<b>2,669</b>	<b>25,027</b>
<b>Annual deficit</b>	<b>-</b>	<b>(3,469)</b>	<b>(3,469)</b>
Less:			
Acquisition of tangible capital assets	-	(2,000)	(2,000)
Add:			
Transfers from reserve funds	(800)	800	-
Amortization of tangible capital assets	-	4,669	4,669
	<b>(800)</b>	<b>3,469</b>	<b>2,669</b>
<b>Decrease in net financial assets</b>	<b>(800)</b>	<b>-</b>	<b>(800)</b>

## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of Dorion

We have audited the accompanying financial statements of the Cemetery Perpetual Care Trust Fund of The Corporation of the Township of Dorion, which comprise the statement of financial position as at December 31, 2015 and the statement of continuity for the year then ended, and a summary of significant accounting policies.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2015, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Thunder Bay, Canada  
July 19, 2016

Chartered Professional Accountants  
Licensed Public Accountants

**The Corporation of the Township of Dorion  
Cemetery Perpetual Care Trust Fund  
Statement of Financial Position**

As at December 31	2015	2014
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	27,514	27,337
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Due to The Corporation of the Township of Dorion	13,405	12,767
<b>Fund balance</b>	14,109	14,570
<b>Total Liabilities and Fund Balance</b>	27,514	27,337

See accompanying note to the financial statements.

**The Corporation of the Township of Dorion  
Cemetery Perpetual Care Trust Fund  
Statement of Continuity**

Year ended December 31	2015	2014
	\$	\$
<b>Fund balance, beginning of year</b>	<b>14,570</b>	<b>21,834</b>
<b>Revenues</b>		
Interest earned	27	91
Sale of plots, monuments and internments	150	150
	<b>177</b>	<b>241</b>
<b>Expenditures</b>		
Cemetery maintenance	638	7,505
<b>Fund balance, end of year</b>	<b>14,109</b>	<b>14,570</b>

See accompanying note to the financial statements.

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

December 31, 2015

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting**

- [a] Interest earned in this fund is recorded on the accrual basis.
- [b] Capital receipts and income are reported on the accrual basis of accounting.
- [c] Expenditures are reported on the accrual basis of accounting which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit and term deposits in money market instruments with maturity dates of less than three months from the date they are acquired. They are recorded at the lower of cost or market value.