

Consolidated Financial Statements

The Corporation of the Township of Dorion

December 31, 2016



DORION TOWNSHIP

Canyon Country

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 2016 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.

A handwritten signature in black ink, appearing to read 'Mavis Harris', is written above a horizontal line.

Mavis Harris, Clerk-Treasurer

A handwritten signature in blue ink, appearing to read 'Ed Chambers', is written above a horizontal line.

Ed Chambers, Reeve

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

As at December 31	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	858,691	894,996
Taxes receivable <i>[note 3]</i>	190,275	175,762
Accounts receivable	90,698	94,147
Total financial assets	1,139,664	1,164,905
LIABILITIES		
Accounts payable and accrued liabilities	58,946	99,875
Deferred revenue <i>[note 5]</i>	46,037	71,549
Vested sick leave liability <i>[note 6]</i>	8,445	5,363
Long-term debt <i>[note 7]</i>	56,262	-
Landfill closure and post-closure liability <i>[note 9]</i>	388,578	363,677
Total liabilities	558,268	540,464
NET FINANCIAL ASSETS	581,396	624,441
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 10]</i> <i>[schedule 2]</i>	581,966	585,263
Prepaid expenses	6,139	6,336
	588,105	591,599
Accumulated surplus <i>[schedule 1]</i>	1,169,501	1,216,040

See accompanying notes to the consolidated financial statements.



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 consolidated financial statements of The Corporation of the Township of Dorion, which comprise the consolidated statement of financial position as at December 31, 2016 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, 2016.

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, 2016, 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 11, 2017

Chartered Professional Accountants
Licensed Public Accountants

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

Year ended December 31

	Budget 2016 \$ [note 14]	Actual 2016 \$	Actual 2015 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	313,448	319,323	248,719
Commercial and industrial	190,694	190,694	239,879
Taxation from other governments	93,158	79,686	85,569
	597,300	589,703	574,167
Other fees and service charges	4,100	3,976	4,015
	601,400	593,679	578,182
Grants			
Government of Canada	40,852	56,414	34,732
Province of Ontario	176,669	180,219	191,910
	217,521	236,633	226,642
Other			
Investment income	2,500	1,620	2,067
Penalties and late payment charges	20,000	23,952	25,004
Other	44,182	80,754	54,191
	66,682	106,326	81,262
Total revenues	885,603	936,638	886,086
EXPENSES [note 11] [schedule 3]			
General government	247,491	240,405	206,639
Protection to persons and property	137,734	132,651	148,039
Transportation services	327,330	429,658	318,685
Environmental services	24,901	24,901	(20,172)
Health services	31,367	32,246	30,676
Social and family services	50,281	51,841	53,101
Recreation and cultural services	60,927	71,475	70,989
	880,031	983,177	807,957
NET REVENUES (EXPENSES)	5,572	(46,539)	78,129
Annual surplus (deficit)	5,572	(46,539)	78,129
Accumulated surplus, beginning of year	1,216,040	1,216,040	1,137,911
Accumulated surplus, end of year	1,221,612	1,169,501	1,216,040

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 2016 \$ <i>[note 14]</i>	Actual 2016 \$	Actual 2015 \$
Annual surplus (deficit)	5,572	(46,539)	78,129
Acquisition of tangible capital assets	(64,785)	(58,642)	(20,344)
Amortization of tangible capital assets	61,939	61,939	55,773
Acquisition of prepaid expenses	-	(6,139)	(6,336)
Use of prepaid expenses	-	6,336	6,833
Increase (decrease) in net financial assets	2,726	(43,045)	114,055
Net financial assets, beginning of year	624,441	624,441	510,386
Net financial assets, end of year	627,167	581,396	624,441

See accompanying notes to the consolidated financial statements.

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

Year ended December 31	2016	2015
	\$	\$
OPERATIONS		
Annual surplus (deficit)	(46,539)	78,129
Non-cash charges		
Amortization of tangible capital assets	61,939	55,773
Increase (decrease) in landfill liability	24,901	(20,172)
	40,301	113,730
Net change in non-cash working capital balances		
Increase in taxes receivable	(14,513)	(57,538)
(Increase) decrease in accounts receivable	3,449	(34,583)
(Decrease) increase in accounts payable and accrued liabilities	(40,929)	23,340
Decrease in deferred revenue	(25,512)	(1,628)
Increase in vested sick leave liability	3,082	2,607
Decrease in due to school boards	-	(79,900)
Decrease in prepaid expenses	197	497
Cash used in operating transactions	(33,925)	(33,475)
CAPITAL		
Acquisition of tangible capital assets	(58,642)	(20,344)
Cash used in capital transaction	(58,642)	(20,344)
FINANCING		
Proceeds of long-term debt	56,262	-
Cash used in financing transactions	56,262	-
Decrease in cash and cash equivalents	(36,305)	(53,819)
Opening cash and cash equivalents	894,996	948,815
Closing cash and cash equivalents	858,691	894,996

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

GENERAL

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

[a] Basis of consolidation

Reporting entity

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

Dorion Public Library Board

All interfund balances and transactions have been eliminated.

Joint local boards

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

Thunder Bay District Health Unit
The District of Thunder Bay Social Services Administration Board
Thunder Bay Area Emergency Measures Organization
District of Thunder Bay Home for the Aged

Trust funds

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

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

Accounting for school board transactions

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

[b] Basis of accounting

Accrual accounting

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

Cash and cash equivalents

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

Employee benefits

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

Pension and employee benefits

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

Non-financial assets

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

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

[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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

Reserves and reserve funds

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

Taxation revenue

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

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

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

Revenue recognition

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

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

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

Government transfers

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

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

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 \$15,518 [2015 - \$14,109] 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

	2016	2015
	\$	\$
Property and business taxes receivable	250,271	222,742
Allowance for property and business tax arrears	(59,996)	(46,980)
	<u>190,275</u>	<u>175,762</u>

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

4. BANK INDEBTEDNESS

The Township has available a line of credit of \$500,000 [2015 - \$500,000] for which the Township has provided a borrowing by-law of which \$nil [2015 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at a rate of prime plus 1% [3.7% at December 31, 2016].

5. DEFERRED REVENUE

	2016 \$	2015 \$
Obligatory reserve funds		
Unearned Gas Tax proceeds	42,900	68,412
Other deferred revenue		
Unearned grant proceeds	3,137	3,137
	46,037	71,549

The continuity of deferred revenue is as follows:

	2016 \$	2015 \$
Balance, beginning of year	71,549	73,177
Investment income	207	272
Gas Tax revenue received	20,553	19,574
Gas Tax revenue earned	(46,272)	(21,474)
Other grant revenue received	25,198	30,484
Other grant revenue earned	(25,198)	(30,484)
Balance, end of year	46,037	71,549

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 \$8,445 [2015 - \$5,363]. The liability for these days which could be taken by an employee upon voluntary termination of employment amount to approximately \$8,445 [2015 - \$5,363]. \$Nil [2015 - \$nil] was paid to employees who left the Township's employment during the year.

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

December 31, 2016

7. LONG-TERM DEBT

	2016	2015
	\$	\$
Bank of Montreal		
Term loan repayable in monthly instalments of \$1,023, including interest at prime [2.7% at year-end], maturing July, 2021.	56,262	-

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

	\$
2017	10,890
2018	11,184
2019	11,485
2020	11,796
2021	10,907
	<u>56,262</u>

8. PENSION AGREEMENTS

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

Effective January 1, 2016, contribution rates ranged from 9.0% to 14.6% depending on the proposed retirement age and the level of earnings. As a result, \$10,099 [2015 - \$8,528] was contributed to OMERS in the current year.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

9. LANDFILL CLOSURE AND POST-CLOSURE

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

The obligation to close and maintain solid waste landfill sites is based on the estimated future expenses in current dollars, adjusted for estimated inflation and is charged to expenses as the landfill site's capacity is used. The remaining useful life of the site has been determined to be 3 years, with an anticipated closure date of 2020 and an estimated remaining capacity of 3,232 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% [2015 - 3.2%] for closure costs and 3.2% [2015 - 3.2%] 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 \$388,578 [2015 - \$363,677] is included as a liability on the Consolidated Statement of Financial Position. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

10. TANGIBLE CAPITAL ASSETS

Schedule 2 provides information on the tangible capital assets of the Township by major asset class, as well as accumulated amortization of the assets controlled.

During the year, there were no write-downs of assets [2015 - \$nil].

Interest capitalized during 2016 was \$nil [2015 - \$nil].

There were no tangible capital assets contributed to the Township in 2016 [2015 - \$nil].

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

11. SEGMENTED INFORMATION

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

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

General government

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

Protection to persons and property

Protection to persons and property is comprised of police services, fire services and protective inspection and control. The police services are contracted from the Ontario Provincial Police. The Fire Services Department is responsible for fire suppression; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. Protective inspection and control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants. 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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

Health services

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

Social and family services

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

Recreation and cultural services

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

Planning and development

The planning and development services include planning and zoning activities.

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

The Corporation of the Township of Dorion
Notes to the Consolidated Financial Statements
December 31, 2016

12. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2016 \$	2015 \$
Reserves		
Balance, beginning of year	117,859	117,859
Balance, end of year	117,859	117,859
Reserve funds		
Balance, beginning of year	536,582	533,343
Increases		
Net transfers	223,767	-
Interest earned	1,621	3,239
	225,388	3,239
Balance, end of year	761,970	536,582

13. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$761,970 [2015 - \$536,582] to support reserve funds.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2016

14. BUDGET FIGURES

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

	Approved Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Taxation	597,300	-	597,300
User charges	4,100	-	4,100
Government transfers	217,521	-	217,521
Other	85,442	(18,760)	66,682
	904,363	(18,760)	885,603
Expenses			
General government	263,353	(15,862)	247,491
Protection to persons and property	129,424	8,310	137,734
Transportation services	366,957	(39,627)	327,330
Environmental services	-	24,901	24,901
Health services	31,367	-	31,367
Social and family services	50,281	-	50,281
Recreation and cultural services	62,981	(2,054)	60,927
	904,363	(24,332)	880,031
Annual surplus	-	5,572	5,572
Interfund transfers	(14,398)	(14,398)	
Capital items	(66,870)	(66,870)	
Amortization	-	61,939	
Landfill post-closure costs	-	24,901	
Approved surplus	(81,268)	5,572	

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

Year ended December 31	2016	2015
	\$	\$
Surpluses		
General fund	162,114	347,589
Library fund	(9,568)	(7,576)
Invested in tangible capital assets	581,966	585,263
Unfunded		
Long-term debt	(56,262)	-
Landfill closure and post-closure liabilities	(388,578)	(363,677)
Total surpluses	289,672	561,599
Reserves set aside for specific purposes by Council		
For working capital	114,217	114,217
For library	3,642	3,642
Total reserves	117,859	117,859
Reserve funds set aside for specific purposes by Council		
For fire equipment	58,186	58,010
For roads equipment	207,852	132,452
For administration equipment	28,406	31,505
For recreation	6,147	6,129
For landfill site	351,992	276,158
For museum	14,892	12,892
For tax arrears	19,495	19,436
For Centennial Building	75,000	-
Total reserve funds	761,970	536,582
Accumulated surplus	1,169,501	1,216,040

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

Year ended December 31, 2016

Schedule 2

	General					Totals	
	Land	Land Improvements	Buildings	Library Collection	Machinery and Equipment	Linear Assets	
	\$	\$	\$	\$	\$	\$	\$
COST							
Balance, beginning of year	112,106	7,017	429,468	52,263	496,342	2,072,226	3,149,078
Add: Additions during the year	-	-	-	2,996	55,646	-	20,344
Balance, end of year	112,106	7,017	429,468	55,259	551,988	2,072,226	3,169,422
ACCUMULATED AMORTIZATION							
Balance, beginning of year	-	7,017	249,903	31,726	395,170	1,900,343	2,528,386
Add: Amortization during the year	-	-	11,552	3,927	24,843	21,617	61,939
Balance, end of year	-	7,017	261,455	35,653	420,013	1,921,960	2,584,159
Net book value of tangible capital assets, beginning of year	112,106	-	179,565	20,537	101,172	171,883	620,692
Net book value of tangible capital assets, end of year	112,106	-	168,013	19,606	131,975	150,266	581,966

The Corporation of the Township of Dorion
Consolidated Schedule of Segment Disclosure
Schedule 3

Year ended December 31, 2016

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	589,703	574,167	-	-	-	-	-	-	-	-
Operating grants	186,435	187,893	-	-	25,000	25,000	-	-	-	-
User fees and service charges	-	-	-	-	-	-	-	-	-	-
Other revenues	55,354	41,991	-	-	46,272	21,474	-	-	-	-
Interest income - reserve funds	1,620	2,067	-	-	-	-	-	-	-	-
	833,112	806,118	-	-	71,272	46,474	-	-	-	-
Expenses										
Salaries, wages and employee benefits	120,558	112,084	14,659	15,419	94,300	88,601	-	-	-	-
Long-term debt interest	715	-	-	-	-	-	-	-	-	-
Materials	72,928	53,399	22,211	36,470	132,760	71,193	24,901	(20,172)	-	-
Contracted services	16,464	19,983	-	-	170,237	130,597	-	-	-	-
Rent and financials	25,080	16,513	8,532	6,122	-	-	-	-	-	-
External transfers	-	-	68,464	74,218	-	-	-	-	32,246	30,676
Amortization	4,660	4,660	18,785	15,810	32,361	28,294	-	-	-	-
	240,405	206,639	132,651	148,039	429,658	318,685	24,901	(20,172)	32,246	30,676
Annual surplus (deficit)	592,707	599,479	(132,651)	(148,039)	(358,386)	(272,211)	(24,901)	20,172	(32,246)	(30,676)

Schedule 3 (continued)

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

Year ended December 31, 2016

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2016	2015	2016	2015	2016	2015	
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Taxation	-	-	-	-	-	-	574,167
Operating grants	-	-	25,198	13,749	-	-	226,642
User fees and service charges	-	-	7,056	6,487	-	-	6,487
Other revenues	-	-	-	13,258	-	-	76,723
Interest income - reserve funds	-	-	-	-	-	-	2,067
	-	-	32,254	33,494	-	-	936,638
Expenses							
Salaries, wages and employee benefits	-	-	36,227	34,336	-	-	250,440
Long-term debt interest	-	-	-	-	-	-	715
Materials	-	-	20,503	21,139	-	-	162,029
Contracted services	-	-	-	-	-	-	150,580
Rent and financials	-	-	8,613	8,505	-	-	31,140
External transfers	51,841	53,101	6,132	7,009	-	-	157,995
Amortization	-	-	71,475	70,989	-	-	55,773
	51,841	53,101	71,475	70,989	-	-	807,957
Annual surplus (deficit)	(51,841)	(53,101)	(39,221)	(37,495)	-	-	78,129



Independent Auditor's Report

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

We have audited the accompanying financial statements of Dorion Public Library Board, which comprise the statement of financial position as at December 31, 2016 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, 2016, 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 11, 2017

Chartered Professional Accountants
Licensed Public Accountants

Dorion Public Library Board Statement of Financial Position

As at December 31	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	2,220	166
Accounts receivable	760	2,211
Total financial assets	2,980	2,377
LIABILITIES		
Accounts payable	2,617	1,805
Due to The Corporation of the Township of Dorion	9,931	8,148
Total liabilities	12,548	9,953
NET FINANCIAL LIABILITIES	(9,568)	(7,576)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 3]</i>	26,330	28,295
Accumulated surplus <i>[note 4]</i>	16,762	20,719

See accompanying notes to the financial statements.

Dorion Public Library Board Statement of Operations and Accumulated Surplus

Year ended December 31	2016	2016	2015
	Budget \$ <i>[note 5]</i>	Actual \$	Actual \$
REVENUES			
Municipal contribution	15,373	16,143	17,548
Province of Ontario grants	11,205	15,056	15,171
Other	3,500	5,711	4,378
Total revenues	30,078	36,910	37,097
EXPENSES			
Administration	2,836	6,815	6,855
Amortization	4,961	4,961	4,669
Program wages	-	5,733	5,606
Supplies	1,500	1,364	694
Utilities	2,208	1,012	850
Wages and benefits	21,534	20,982	19,764
	33,039	40,867	38,438
Annual deficit	(2,961)	(3,957)	(1,341)
Accumulated surplus, beginning of year	20,719	20,719	22,060
Accumulated surplus, end of year	17,758	16,762	20,719

See accompanying notes to the financial statements.

Dorion Public Library Board Statement of Changes in Net Financial Assets

Year ended December 31	2016	2016	2015
	Budget \$ <i>[note 5]</i>	Actual \$	Actual \$
Annual deficit	(2,961)	(3,957)	(1,341)
Acquisition of tangible capital assets	(2,000)	(2,996)	(3,566)
Amortization of tangible capital assets	4,961	4,961	4,669
Decrease in net financial assets	-	(1,992)	(238)
Net financial liabilities, beginning of year	(7,576)	(7,576)	(7,338)
Net financial liabilities, end of year	(7,576)	(9,568)	(7,576)

See accompanying notes to the financial statements.

Dorion Public Library Board Statement of Cash Flows

Year ended December 31	2016	2015
	\$	\$
OPERATING ACTIVITIES		
Annual deficit	(3,957)	(1,341)
Non-cash charges		
Amortization of tangible capital assets	4,961	4,669
	1,004	3,328
Changes in non-cash working capital balances		
Decrease in accounts receivable	1,451	1,186
Increase (decrease) in accounts payable	812	(492)
Increase in due to The Corporation of the Township of Dorion	1,783	3,346
Cash provided by operating transactions	5,050	7,368
CAPITAL		
Acquisition of tangible capital assets	(2,996)	(3,566)
Cash used in capital transactions	(2,996)	(3,566)
Increase in cash during year	2,054	3,802
Cash (bank indebtedness), beginning of year	166	(3,636)
Cash, end of year	2,220	166

See accompanying notes to the financial statements.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

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

Accrual accounting

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

Tangible capital assets

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

Library collection	10 years
Furniture and equipment	10 years

Contributions of tangible capital assets

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

Leases

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

Cash

Cash consists of cash on deposit and cash on hand.

Reporting entity

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

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2016

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 2016 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 [2015 - \$3,642] is being held by The Corporation of the Township of Dorion.

Dorion Public Library Board
Notes to the Financial Statements
December 31, 2016

3. TANGIBLE CAPITAL ASSETS

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

	Library Collection \$	Furniture and Equipment \$	2016 Total \$	2015 Total \$
Cost				
Balance, beginning of year	52,263	10,343	62,606	59,040
Add:				
Additions during the year	2,996	-	2,996	3,566
Balance, end of year	55,259	10,343	65,602	62,606
Accumulated amortization				
Balance, beginning of year	30,691	3,620	34,311	29,642
Add:				
Amortization during the year	3,927	1,034	4,961	4,669
Balance, end of year	34,618	4,654	39,272	34,311
Net book value	20,641	5,689	26,330	28,295

4. ACCUMULATED SURPLUS

	2016 \$	2015 \$
Surpluses		
General fund	(9,568)	(7,576)
Investment in tangible capital assets	26,330	28,295
Accumulated surplus	16,762	20,719

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2016

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 \$
Revenues	30,078	-	30,078
Expenses	30,078	2,961	33,039
Annual deficit	-	(2,961)	(2,961)
Less:			
Acquisition of tangible capital assets	-	(2,000)	(2,000)
Add:			
Amortization of tangible capital assets	-	4,961	4,961
	-	2,961	2,961
Increase in net financial assets	-	-	-



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, 2016 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, 2016, 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 11, 2017

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	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	30,766	27,514
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to The Corporation of the Township of Dorion	15,248	13,405
Fund balance	15,518	14,109
Total Liabilities and Fund Balance	30,766	27,514

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	2016	2015
	\$	\$
Fund balance, beginning of year	14,109	14,570
Revenues		
Interest earned	10	27
Sale of plots, monuments and internments	3,250	150
	3,260	177
Expenditures		
Cemetery maintenance	1,851	638
Fund balance, end of year	15,518	14,109

See accompanying note to the financial statements.

**The Corporation of the Township of Dorion
Cemetery Perpetual Care Trust Fund
Note to the Financial Statements
December 31, 2016**

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.