



Consolidated Financial Statements

The Corporation of the Township of Dorion

December 31, 2017



DORION TOWNSHIP
Canyon Country

Statement of Administrative Responsibility

The management of The Corporation of the Township of Dorion have prepared the accompanying consolidated financial statements and are responsible for their accuracy and integrity. These statements consolidate all operations for which the Township has legislative and financial responsibility. The consolidated financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board [PSAB] of the Chartered Professional Accountant [CPA] of Canada.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Municipal assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

The Municipal Council reviews and approves the 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 2017 Consolidated 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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Independent Auditor's Report

Grant Thornton LLP
979 Alloy Drive
Thunder Bay, ON
P7B5Z8
T (807) 345-6571
F (807) 345-0032
www.GrantThornton.ca

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, 2017 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated 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 (deficit) and accumulated surplus for the year ended December 31, 2017.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Dorion as at December 31, 2017, 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.

Thunder Bay, Canada
August 14, 2018



Chartered Professional Accountants
Licensed Public Accountants

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

As at December 31	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	599,984	858,691
Taxes receivable <i>[note 3]</i>	187,723	190,275
Accounts receivable	262,663	90,698
Total financial assets	1,050,370	1,139,664
LIABILITIES		
Accounts payable and accrued liabilities	66,793	58,946
Deferred revenue <i>[note 5]</i>	22,653	46,037
Vested sick leave liability <i>[note 6]</i>	11,289	8,445
Long-term debt <i>[note 7]</i>	43,986	56,262
Landfill closure and post-closure liability <i>[note 9]</i>	399,015	388,578
Total liabilities	543,736	558,268
NET FINANCIAL ASSETS	506,634	581,396
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 10]</i> <i>[schedule 2]</i>	860,838	581,966
Prepaid expenses	11,047	6,139
	871,885	588,105
Accumulated surplus <i>[schedule 1]</i>	1,378,519	1,169,501

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 2017 \$ <i>[note 14]</i>	Actual 2017 \$	Actual 2016 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	312,366	332,163	319,323
Commercial and industrial	184,736	184,736	190,694
Taxation from other governments	95,098	95,098	79,686
	592,200	611,997	589,703
Other fees and service charges	3,800	3,126	3,976
	596,000	615,123	593,679
Grants			
Government of Canada	118,693	141,175	56,414
Province of Ontario	199,289	251,940	180,219
	317,982	393,115	236,633
Other			
Investment income	2,000	2,710	1,620
Penalties and late payment charges	25,000	32,346	23,952
Other	41,335	42,798	80,754
	68,335	77,854	106,326
Total revenues	982,317	1,086,092	936,638
EXPENSES [note 11] [schedule 3]			
General government	271,133	258,646	240,405
Protection to persons and property	129,667	122,649	132,651
Transportation services	390,631	333,610	429,658
Environmental services	10,437	10,437	24,901
Health services	33,518	34,722	32,246
Social and family services	51,910	51,910	51,841
Recreation and cultural services	76,519	65,100	71,475
	963,815	877,074	983,177
NET REVENUES (EXPENSES)	18,502	209,018	(46,539)
Annual surplus (deficit)	18,502	209,018	(46,539)
Accumulated surplus, beginning of year	1,216,040	1,169,501	1,216,040
Accumulated surplus, end of year	1,234,542	1,378,519	1,169,501

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 2017 \$ <i>[note 14]</i>	Actual 2017 \$	Actual 2016 \$
Annual surplus (deficit)	18,502	209,018	(46,539)
Acquisition of tangible capital assets	(214,271)	(336,359)	(58,642)
Amortization of tangible capital assets	57,487	57,487	61,939
Acquisition of prepaid expenses	-	(11,047)	(6,139)
Use of prepaid expenses	-	6,139	6,336
Decrease in net financial assets	(138,282)	(74,762)	(43,045)
Net financial assets, beginning of year	581,396	581,396	624,441
Net financial assets, end of year	443,114	506,634	581,396

See accompanying notes to the consolidated financial statements.

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

Year ended December 31	2017	2016
	\$	\$
OPERATIONS		
Annual surplus (deficit)	209,018	(46,539)
Non-cash charges		
Amortization of tangible capital assets	57,487	61,939
Increase in landfill liability	10,437	24,901
	276,942	40,301
Net change in non-cash working capital balances		
Decrease (increase) in taxes receivable	2,552	(14,513)
Decrease (increase) in accounts receivable	(171,965)	3,449
Increase (decrease) in accounts payable and accrued liabilities	7,846	(40,929)
Decrease in deferred revenue	(23,384)	(25,512)
Increase in vested sick leave liability	2,844	3,082
Decrease (increase) in prepaid expenses	(4,908)	197
Cash provided by (used in) operating transactions	89,927	(33,925)
CAPITAL		
Acquisition of tangible capital assets	(336,359)	(58,642)
Cash used in capital transaction	(336,359)	(58,642)
FINANCING		
Proceeds of long-term debt	-	56,262
Repayment of long-term debt	(12,275)	-
Cash provided by (used in) financing transactions	(12,275)	56,262
Decrease in cash and cash equivalents	(258,707)	(36,305)
Opening cash and cash equivalents	858,691	894,996
Closing cash and cash equivalents	599,984	858,691

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2017

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, 2017

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, 2017

[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, 2017

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, 2017

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 \$15,458 [2016 - \$15,518] 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

	2017	2016
	\$	\$
Property and business taxes receivable	256,350	250,271
Allowance for property and business tax arrears	(68,627)	(59,996)
	187,723	190,275

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2017

4. BANK INDEBTEDNESS

The Township has available a line of credit of \$500,000 [2016 - \$500,000] for which the Township has provided a borrowing by-law of which \$nil [2016 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at a rate of prime plus .50% [3.95% at December 31, 2017].

5. DEFERRED REVENUE

	2017 \$	2016 \$
Obligatory reserve funds		
Unearned Gas Tax proceeds	19,516	42,900
Other deferred revenue		
Unearned grant proceeds	3,137	3,137
	22,653	46,037

The continuity of deferred revenue is as follows:

	2017 \$	2016 \$
Balance, beginning of year	46,037	71,549
Investment income	148	207
Gas Tax revenue received	20,917	20,553
Gas Tax revenue earned	(44,449)	(46,272)
Other grant revenue received	8,388	25,198
Other grant revenue earned	(8,388)	(25,198)
Balance, end of year	22,653	46,037

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 \$11,289 [2016 - \$8,445]. The liability for these days which could be taken by an employee upon voluntary termination of employment amount to approximately \$11,289 [2016 - \$8,445]. \$Nil [2016 - \$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, 2017

7. LONG-TERM DEBT

	2017	2016
	\$	\$
Bank of Montreal		
Term loan repayable in monthly instalments of \$1,023, including interest at prime [2.7% at year-end], maturing July, 2021.	43,986	56,262

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

	\$
2018	12,275
2019	12,275
2020	12,275
2021	7,161
	43,986

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, 2017, contribution rates ranged from 9.0% to 14.6% depending on the proposed retirement age and the level of earnings. As a result, \$11,483 [2016 - \$10,099] was contributed to OMERS in the current year.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2017

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 2 years, with an anticipated closure date of 2020 and an estimated remaining capacity of 2,098 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 3.5% [2016 - 3.2%] for closure costs and 3.5% [2016 - 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 \$399,015 [2016 - \$388,578] 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 [2016 - \$nil].

Interest capitalized during 2017 was \$nil [2016 - \$nil].

There were no tangible capital assets contributed to the Township in 2017 [2016 - \$nil].

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2017

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.

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, 2017

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, 2017

12. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2017	2016
	\$	\$
Reserves		
Balance, beginning of year	117,859	117,859
Balance, end of year	117,859	117,859
Reserve funds		
Balance, beginning of year	761,970	536,582
Increases (decreases)		
Net transfers	(92,132)	223,767
Interest earned	2,618	1,621
	(89,514)	225,388
Balance, end of year	672,456	761,970

13. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$672,456 [2016 - \$761,970] to support reserve funds.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2017

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 Consolidated Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Taxation	592,200	-	592,200
User charges	3,800	-	3,800
Government transfers	317,982	-	317,982
Other	202,192	(133,857)	68,335
	1,116,174	(133,857)	982,317
Expenses			
General government	266,473	4,660	271,133
Protection to persons and property	195,886	(66,219)	129,667
Transportation services	486,467	(95,836)	390,631
Environmental services	-	10,437	10,437
Health services	33,518	-	33,518
Social and family services	51,910	-	51,910
Recreation and cultural services	81,920	(5,401)	76,519
	1,116,174	(152,359)	963,815
Annual surplus	-	18,502	18,502
Interfund transfers	(127,845)	(127,845)	
Capital items	214,271	214,271	
Amortization	-	(57,487)	
Landfill post-closure costs	-	(10,437)	
Approved surplus	86,426	18,502	

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

Year ended December 31	2017	2016
	\$	\$
Surpluses		
General fund	177,157	162,114
Library fund	(6,790)	(9,568)
Invested in tangible capital assets	860,838	581,966
Unfunded		
Long-term debt	(43,986)	(56,262)
Landfill closure and post-closure liabilities	(399,015)	(388,578)
Total surpluses	588,204	289,672
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	58,386	58,186
For roads equipment	202,155	207,852
For administration equipment	18,328	28,406
For recreation	6,310	6,147
For landfill site	347,217	351,992
For museum	15,879	14,892
For tax arrears	19,562	19,495
For Centennial Building	4,527	75,000
For OCIF	92	-
Total reserve funds	672,456	761,970
Accumulated surplus	1,378,519	1,169,501

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

Year ended December 31, 2017

Schedule 2

	General					Totals		
	Land	Land Improvements	Buildings	Library Collection	Machinery and Equipment	Linear Assets	2016	2017
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	112,106	7,017	429,468	55,259	551,988	2,072,226	3,228,064	3,169,422
Add: Additions during the year	-	-	70,731	3,008	8,187	254,433	336,359	58,642
Balance, end of year	112,106	7,017	500,199	58,267	560,175	2,326,659	3,564,423	3,228,064
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	7,017	261,455	35,653	420,013	1,921,960	2,646,098	2,584,159
Add: Amortization during the year	-	-	8,745	3,976	20,671	24,095	57,487	61,939
Balance, end of year	-	7,017	270,200	39,629	440,684	1,946,055	2,703,585	2,646,098
Net book value of tangible capital assets, beginning of year	112,106	-	168,013	19,606	131,975	150,266	581,966	585,263
Net book value of tangible capital assets, end of year	112,106	-	229,999	18,638	119,491	380,604	860,838	581,966

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

Year ended December 31, 2017

Schedule 3

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	611,997	589,703	-	-	-	-	-	-	-	-
Operating grants	233,201	186,435	-	-	149,800	25,000	-	-	-	-
User fees and service charges	-	-	-	-	-	-	-	-	-	-
Other revenues	42,914	35,568	-	-	27,209	60,348	-	-	-	-
Interest income - reserve funds	2,710	1,620	-	-	-	-	-	-	-	-
	890,822	813,326	-	-	177,009	85,348	-	-	-	-
Expenses										
Salaries, wages and employee benefits	130,077	120,558	15,470	14,659	94,489	94,300	-	-	-	-
Long-term debt interest	1,458	715	-	-	-	-	-	-	-	-
Materials	69,755	72,928	26,042	22,211	93,233	132,760	10,437	24,901	-	-
Contracted services	15,468	16,464	-	-	108,587	170,237	-	-	-	-
Rent and financials	37,228	25,080	6,124	8,532	-	-	-	-	-	-
External transfers	-	-	64,497	68,464	-	-	-	-	-	-
Amortization	4,660	4,660	10,516	18,785	37,301	32,361	-	-	34,722	32,246
	258,646	240,405	122,649	132,651	333,610	429,658	10,437	24,901	34,722	32,246
Annual surplus (deficit)	632,176	572,921	(122,649)	(132,651)	(156,601)	(344,310)	(10,437)	(24,901)	(34,722)	(32,246)

The Corporation of the Township of Dorion
Schedule 3 (continued)
Consolidated Schedule of Segment Disclosure

Year ended December 31, 2017

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2017	2016	2017	2016	2017	2016	
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Taxation	-	-	-	-	-	-	589,703
Operating grants	-	-	10,114	25,198	-	-	236,633
User fees and service charges	-	-	3,126	3,976	-	-	3,976
Other revenues	-	-	5,021	8,791	-	-	104,707
Interest income - reserve funds	-	-	-	-	-	-	1,620
	-	-	18,261	37,965	-	-	936,639
Expenses							
Salaries, wages and employee benefits	-	-	24,725	36,227	-	-	265,744
Long-term debt interest	-	-	-	-	-	-	715
Materials	-	-	20,670	20,503	-	-	273,303
Contracted services	-	-	-	-	-	-	186,701
Rent and financials	-	-	14,695	8,613	-	-	42,225
External transfers	51,910	51,841	-	-	-	-	152,551
Amortization	-	-	5,010	6,132	-	-	61,938
	51,910	51,841	65,100	71,475	-	-	983,177
Annual surplus (deficit)	(51,910)	(51,841)	(46,839)	(33,510)	-	-	(46,538)

Independent Auditor's Report

Grant Thornton LLP
979 Alloy Drive
Thunder Bay, ON
P7B5Z8
T (807) 345-6571
F (807) 345-0032
www.GrantThornton.ca

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, 2017 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, 2017, 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
August 14, 2018

Chartered Professional Accountants
Licensed Public Accountants

Dorion Public Library Board Statement of Financial Position

As at December 31	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	816	2,220
Accounts receivable	562	760
Total financial assets	1,378	2,980
LIABILITIES		
Accounts payable	2,037	2,617
Due to The Corporation of the Township of Dorion	6,131	9,931
Total liabilities	8,168	12,548
NET FINANCIAL LIABILITIES	(6,790)	(9,568)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 3]</i>	24,328	26,330
Accumulated surplus <i>[note 4]</i>	17,538	16,762

See accompanying notes to the financial statements.

Dorion Public Library Board

Statement of Operations and Accumulated Surplus

Year ended December 31	2017	2017	2016
	Budget \$ [note 5]	Actual \$	Actual \$
REVENUES			
Municipal contribution	26,277	26,277	16,143
Province of Ontario grants	11,389	11,388	15,056
Other	500	182	5,711
Total revenues	38,166	37,847	36,910
EXPENSES			
Administration	5,336	6,698	6,815
Amortization	5,010	5,010	4,961
Program wages	5,733	5,809	5,733
Supplies	1,500	1,430	1,364
Utilities	2,708	1,013	1,012
Wages and benefits	18,889	17,111	20,982
	39,176	37,071	40,867
Annual surplus (deficit)	(1,010)	776	(3,957)
Accumulated surplus, beginning of year	16,762	16,762	20,719
Accumulated surplus, end of year	15,752	17,538	16,762

See accompanying notes to the financial statements.

Dorion Public Library Board Statement of Changes in Net Financial Assets

Year ended December 31	2017	2017	2016
	Budget \$ <i>[note 5]</i>	Actual \$	Actual \$
Annual surplus (deficit)	(1,010)	776	(3,957)
Acquisition of tangible capital assets	(4,000)	(3,008)	(2,996)
Amortization of tangible capital assets	5,010	5,010	4,961
Increase (decrease) in net financial assets	-	2,778	(1,992)
Net financial liabilities, beginning of year	(9,568)	(9,568)	(7,576)
Net financial liabilities, end of year	(9,568)	(6,790)	(9,568)

See accompanying notes to the financial statements.

Dorion Public Library Board

Statement of Cash Flows

Year ended December 31	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Annual surplus (deficit)	776	(3,957)
Non-cash charges		
Amortization of tangible capital assets	5,010	4,961
	5,786	1,004
Changes in non-cash working capital balances		
Decrease in accounts receivable	198	1,451
Increase (decrease) in accounts payable	(579)	812
Increase (decrease) in due to The Corporation of the Township of Dorion	(3,801)	1,783
Cash provided by operating transactions	1,604	5,050
CAPITAL		
Acquisition of tangible capital assets	(3,008)	(2,996)
Cash used in capital transactions	(3,008)	(2,996)
Increase (decrease) in cash during year	(1,404)	2,054
Cash, beginning of year	2,220	166
Cash, end of year	816	2,220

See accompanying notes to the financial statements.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2017

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, 2017

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 2017 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 [2016 - \$3,642] is being held by The Corporation of the Township of Dorion.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2017

3. TANGIBLE CAPITAL ASSETS

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

	Library Collection \$	Furniture and Equipment \$	2017 Total \$	2016 Total \$
Cost				
Balance, beginning of year	55,259	10,343	65,602	62,606
Add:				
Additions during the year	3,008	-	3,008	2,996
Balance, end of year	58,267	10,343	68,610	65,602
Accumulated amortization				
Balance, beginning of year	34,618	4,654	39,272	34,311
Add:				
Amortization during the year	3,976	1,034	5,010	4,961
Balance, end of year	38,594	5,688	44,282	39,272
Net book value	19,673	4,655	24,328	26,330

4. ACCUMULATED SURPLUS

	2017 \$	2016 \$
Surpluses		
General fund	(6,790)	(9,568)
Investment in tangible capital assets	24,328	26,330
Accumulated surplus	17,538	16,762

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2017

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 Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Municipal contribution	26,277	-	26,277
Province of Ontario grants	11,389	-	11,389
Other	500	-	500
	38,166	-	38,166
Expenses			
Administration	9,336	(4,000)	5,336
Amortization	-	5,010	5,010
Program wages	5,733	-	5,733
Supplies	1,500	-	1,500
Utilities	2,708	-	2,708
Wages and benefits	18,889	-	18,889
	38,166	1,010	39,176
Annual surplus (deficit)	-	(1,010)	(1,010)
Capital items	(4,000)	(4,000)	
Amortization	-	5,010	
Approved surplus (deficit)	(4,000)	1,010	

Independent Auditor's Report

Grant Thornton LLP
979 Alloy Drive
Thunder Bay, ON
P7B5Z8
T (807) 345-6571
F (807) 345-0032
www.GrantThornton.ca

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, 2017 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, 2017, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Thunder Bay, Canada
August 14, 2018

Grant Thornton LLP

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	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	31,922	30,766
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to The Corporation of the Township of Dorion	16,464	15,248
Fund balance	15,458	15,518
Total Liabilities and Fund Balance	31,922	30,766

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	2017	2016
	\$	\$
Fund balance, beginning of year	15,518	14,109
Revenues		
Interest earned	15	10
Sale of plots, monuments and internments	1,150	3,250
	1,165	3,260
Expenditures		
Cemetery maintenance	1,225	1,851
Fund balance, end of year	15,458	15,518

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, 2017

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.