



Consolidated Financial Statements

The Corporation of the Township of Dorion

December 31, 2009



# Corporation of the Township of Dorion

R.R. #1, Dorion, ON POT 1K0

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## Statement of Administrative Responsibility

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

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 2009 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.

David Harris, Reeve

Helena Tamminen, Clerk-Treasurer

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Grant Thornton

## Auditors' 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 consolidated statement of financial position of The Corporation of the Township of Dorion as at December 31, 2009 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Township's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Thunder Bay, Canada  
October 15, 2010

Chartered Accountants  
Licensed Public Accountants

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

As at December 31	2009	2008
	\$	\$ <i>[restated - note 2]</i>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	305,247	349,327
Taxes receivable	248,500	173,918
Accounts receivable	63,209	91,516
Other current assets	8,605	—
<b>Total financial assets</b>	<b>625,561</b>	<b>614,761</b>
<b>LIABILITIES</b>		
Bank indebtedness <i>[note 4]</i>	25,000	—
Accounts payable and accrued liabilities	48,504	58,600
Deferred revenue <i>[note 5]</i>	53,025	127,053
Vested sick leave liability <i>[note 6]</i>	22,140	31,397
Long-term debt <i>[note 8]</i>	24,877	50,000
Landfill closure and post-closure liability <i>[note 9]</i>	256,544	238,890
Other current liabilities	—	3,526
<b>Total liabilities</b>	<b>430,090</b>	<b>509,466</b>
<b>NET FINANCIAL ASSETS</b>	<b>195,471</b>	<b>105,295</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 10] [schedule 2]</i>	693,127	735,143
Prepaid expenses	2,454	2,325
	<b>695,581</b>	<b>737,468</b>
<b>Accumulated surplus <i>[schedule 1]</i></b>	<b>891,052</b>	<b>842,763</b>

See accompanying notes to the consolidated financial statements.

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

Year ended December 31

	Budget 2009 \$ [note 14]	Actual 2009 \$	Actual 2008 \$ [restated - note 2]
<b>REVENUES [schedule 3]</b>			
<b>Taxation</b>			
Residential and farm taxation	343,023	334,655	326,071
Commercial and industrial	269,825	267,656	281,321
Taxation from other governments	18,799	18,287	15,473
	<b>631,647</b>	<b>620,598</b>	<b>622,865</b>
<b>Deduct</b>			
Amounts received or receivable on behalf of school boards	(135,830)	(134,996)	(160,797)
	<b>495,817</b>	<b>485,602</b>	<b>462,068</b>
<b>Other fees and service charges</b>	<b>9,600</b>	<b>6,914</b>	<b>5,927</b>
	<b>505,417</b>	<b>492,516</b>	<b>467,995</b>
<b>Grants</b>			
Government of Canada	28,724	—	17,532
Province of Ontario	355,153	344,894	552,328
	<b>383,877</b>	<b>344,894</b>	<b>569,860</b>
<b>Other</b>			
Investment income	—	3,071	9,736
Penalties and late payment charges	10,000	34,175	27,519
Other	16,800	36,301	38,604
	<b>26,800</b>	<b>73,547</b>	<b>75,859</b>
<b>Total revenues</b>	<b>916,094</b>	<b>910,957</b>	<b>1,113,714</b>

	<b>Budget 2009 \$ [note 14]</b>	<b>Actual 2009 \$</b>	<b>Actual 2008 \$ [restated - note 2]</b>
<b>EXPENSES [note 11] [schedule 3]</b>			
General government	266,663	226,594	243,891
Protection to persons and property	105,509	117,496	102,998
Transportation services	358,801	335,102	595,199
Environmental services	—	17,653	16,671
Health services	30,179	27,104	27,603
Social and family services	89,910	85,708	92,687
Recreation and cultural services	50,183	53,011	60,629
Planning and development	—	—	13,016
	<b>901,245</b>	<b>862,668</b>	<b>1,152,694</b>
<b>NET REVENUES (EXPENSES)</b>	<b>14,849</b>	<b>48,289</b>	<b>(38,980)</b>
<b>Annual surplus (deficit)</b>	<b>14,849</b>	<b>48,289</b>	<b>(38,980)</b>
Accumulated surplus (deficit), beginning of year	(23,699)	842,763	881,743
<b>Accumulated surplus (deficit), end of year</b>	<b>(8,850)</b>	<b>891,052</b>	<b>842,763</b>

See accompanying notes to the consolidated financial statements.

**The Corporation of the Township of Dorion  
Consolidated Statement of Change in Net Financial  
Assets**

Year ended December 31

	Budget 2009 \$ [note 14]	Actual 2009 \$	Actual 2008 \$
Annual surplus (deficit)	14,849	48,289	(38,980)
Acquisition of tangible capital assets	(8,500)	(10,619)	(53,334)
Amortization of tangible capital assets	—	52,635	59,956
Acquisition of prepaid expenses	—	(2,454)	(2,325)
Use of prepaid expenses	—	2,325	2,471
<b>Increase (decrease) in net financial assets</b>	<b>6,349</b>	<b>90,176</b>	<b>(32,212)</b>
Net financial assets, beginning of year	—	105,295	137,507
<b>Net financial assets, end of year</b>	<b>—</b>	<b>195,471</b>	<b>105,295</b>

See accompanying notes to the consolidated financial statements.





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

Year ended December 31	2009	2008
	\$	\$ <i>[restated - note 2]</i>
<b>OPERATIONS</b>		
Annual surplus (deficit)	48,289	(38,980)
<b>Non-cash charges</b>		
Amortization of tangible capital assets	52,635	59,956
Increase in landfill liability	17,654	16,671
	<b>118,578</b>	<b>37,647</b>
<b>Net change in non-cash working capital balances</b>		
Increase in taxes receivable	(74,582)	(12,374)
Decrease in accounts receivable	28,307	111,633
(Increase) decrease in prepaid expenses	(129)	146
Increase in other current assets	(8,605)	—
Decrease in accounts payable	(10,096)	(25,740)
Increase (decrease) in deferred revenue	(74,028)	127,053
Decrease in other current liabilities	(3,526)	(5,930)
Increase (decrease) in vested sick leave liability	(9,257)	2,148
<b>Cash provided by (used in) operating transactions</b>	<b>(33,338)</b>	<b>234,583</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(10,619)	(53,334)
<b>Cash used in capital transactions</b>	<b>(10,619)</b>	<b>(53,334)</b>
<b>FINANCING</b>		
Proceeds (repayment) of long-term debt	(25,123)	50,000
<b>Cash provided by (used in) financing transactions</b>	<b>(25,123)</b>	<b>50,000</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(69,080)</b>	<b>231,249</b>
Opening cash and cash equivalents	349,327	118,078
<b>Closing cash and cash equivalents</b>	<b>280,247</b>	<b>349,327</b>
<b>Represented by</b>		
Cash and cash equivalents	305,247	349,327
Bank indebtedness	(25,000)	—
	<b>280,247</b>	<b>349,327</b>

See accompanying notes to the consolidated financial statements.



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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2009

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### GENERAL

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

### 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of The Corporation of the Township of Dorion are prepared by management in accordance with accounting policies generally accepted for the local government as prescribed by the Public Sector Accounting Board ("PSAB") of the CICA. 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 and 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 are 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 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 Operations and Accumulated Surplus.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2009

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### Accounting for school board transactions

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

### [b] Basis of accounting

#### Accrual accounting

The Township uses the accrual basis of accounting and recognizes revenues as they are levied or earned and become measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### 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.

#### 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 annual surplus, provides the Change in Net Financial Assets for the year.

#### [a] 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. 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
Furniture & computer - hardware	3 to 5 years
- software	5 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 capitalized.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2009

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[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, per PS 3150.17.

[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 are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

### Deferred revenue

Deferred revenue represents government transfers which have been received but not earned. These accounts will be recognized as revenues in the fiscal year the qualifying expenses occur and the grant is earned. The Township receives development charges under the authority of provincial legislation and Township by-laws (obligatory reserve funds) as well as 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 capital projects are recorded as revenue in the fiscal period they are expended [see note 5].

### Reserves and reserve funds

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

### Investment income

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.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2009

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### Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future or are the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the fiscal period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined.

### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. Actual results could differ from these estimates.

## 2. CHANGE IN ACCOUNTING POLICIES

[a] Effective January 1, 2009, the Township of Dorion adopted Canadian Institute of Chartered Accountants ("CICA") Public Sector Handbook Section 1200 - Financial Statement Presentation and Section 3150 - Tangible Capital Assets. As a result of these changes, the Township has recorded tangible capital assets for 2009 with prior year information restated to conform with the current year presentation. In addition, the statements reflect the new Consolidated Statement of Change in Net Financial Assets and no longer reflect the Statements of Operating, Capital and Reserves and Reserve funds.

As a result of the PSAB changes, non-financial assets for 2008 have increased by \$737,468 for tangible capital assets and prepaid expenses, 2008 expenses decreased by \$2,249, prepaids increased by \$2,325, and the 2008 opening municipal position has increased by \$738,003 and is now represented by accumulated surplus.

[b] On January 1, 2009, the Township changed its accounting policy for joint local boards. Joint local boards were previously accounted for as government partnerships and proportionately consolidated in the financial statements are no longer proportionately consolidated in the Township's financial statements. This policy change has been applied retroactively in the financial statements. Management believes that this policy provides more relevant and reliable information to the users of the financial statements.

As a result of the non-proportionate consolidation of joint local boards, 2008 financial assets have decreased by \$129,849, 2008 financial liabilities have decreased by \$160,481, 2008 revenues have decreased by \$236,053, and the 2008 opening municipal position has decreased by \$117,614 and is now represented by accumulated surplus.

# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2009

### 3. TRUST FUNDS

Trust funds administered by the Township amounting to \$10,920 [2008 - \$10,711] 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.

### 4. BANK INDEBTEDNESS

The Township has available a line of credit of \$500,000 [2008 - \$500,000] for which the Township has provided a borrowing by-law of which \$25,000 [2008 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at a rate of prime plus 0.75% [3.00% at December 31, 2009].

### 5. DEFERRED REVENUE

	2009 \$	2008 \$
Obligatory reserve funds		
Unearned Gas Tax proceeds	28,724	—
Other deferred revenue		
Unearned grant proceeds	24,301	127,053
	<b>53,025</b>	<b>127,053</b>

The continuity of deferred revenue is as follows:

	2009 \$	2008 \$
<b>Balance, beginning of year</b>	<b>127,053</b>	—
Gas Tax, Municipal Infrastructure Investment Initiative, COMRIF, Rural Infrastructure	28,724	127,053
Other grant revenue earned	(102,752)	—
<b>Balance, end of year</b>	<b>53,025</b>	<b>127,053</b>

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

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

The liability for these accumulated days, to the extent that they have vested and could be taken by an employee on retirement or his/her voluntary or involuntary termination amounted to approximately \$22,140 [2008 - \$31,397]. The liability for these days which could be taken by an employee upon voluntary termination of employment amount to approximately \$22,140 [2008 - \$31,397]. \$5,560 [2008 - \$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, 2009

### 7. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2009 was \$4,488 [2008 - \$2,884] for current service.

### 8. LONG-TERM DEBT

[a] The balance of debt reported on the consolidated statement of financial position is as follows:

	2009	2008
	\$	\$
Bank of Montreal loan payable in monthly instalments of \$833 plus interest at a rate of prime plus 0.75% [3.00% at December 31, 2009], maturing 2012.	24,877	50,000

[b] Principal due on debt is summarized as follows:

	\$
2010	10,000
2011	10,000
2012	4,877
	24,877

[c] The debt in [a] issued in the name of the Township has received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs.

[d] Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$1,767 [2008 - \$5,506].

### 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.

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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2009

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The estimated liability for this care is the present value for future cash flows associated with closure and post closure costs discounted using the Township's average long-term borrowing rate of 6.0%. The change in the recorded liability is \$17,654 [2008 - \$16,671] based on a total estimated undiscounted outflow in the future of \$663,642 [2008 - \$686,670], leaving an amount to be recognized in the future of \$407,098 [2008 - \$447,979] over the closure and post closure period. An amount of \$124,912 [2008 - \$123,557] has been provided in a reserve fund to fund this liability and future landfill expansion. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

The estimated remaining life of the site is approximately 10 years. Post closure care is estimated to continue for a period of approximately 20 years.

### 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.

There were no write-downs of assets in 2009 [2008 - \$nil].

Interest capitalized during 2009 was \$nil [2008 - \$nil].

There were no contributed tangible capital assets in 2009 [2008 - \$nil].

### 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 extinguishments 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 Organizations (EMO).





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# The Corporation of the Township of Dorion

## Notes to the Consolidated Financial Statements

December 31, 2009

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### **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.

### **Health services**

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

### **Social and family services**

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

### **Recreation and cultural services**

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

### **Planning and development**

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

For additional information see the Consolidated Schedule of Segment Disclosure (Schedule 3).



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

December 31, 2009

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### 12. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2009 \$	2008 \$
<b>Reserves</b>		
Balance, beginning of year	117,859	117,859
<b>Balance, end of year</b>	<b>117,859</b>	<b>117,859</b>
<b>Reserve funds</b>		
Balance, beginning of year	283,145	288,292
<b>Increases</b>		
Contributions from current operations	1,645	8,117
Interest earned	3,071	9,736
	<b>4,716</b>	<b>17,853</b>
<b>Decreases</b>		
Contributions to current operations	52,374	23,000
<b>Balance, end of year</b>	<b>235,487</b>	<b>283,145</b>

### 13. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$235,487 [2008 - \$283,145] to support reserve funds.

### 14. BUDGET FIGURES

The operating budget approved by Township Council for 2009 is reflected on the consolidated statement of operations and accumulated surplus. The budget established for capital investment in tangible capital assets is 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 expenses. The Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results.

### 15. RECLASSIFICATIONS

Certain amounts in the 2008 consolidated financial statements have been reclassified to conform to the 2009 presentation.



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

Year ended December 31	2009	2008
	\$	\$ <i>[restated - note 2]</i>
<b>Surpluses</b>		
General fund	107,655	(23,699)
Library fund	18,345	19,205
Invested in tangible capital assets	693,127	735,143
Unfunded		
Long-term debt	(24,877)	(50,000)
Landfill closure and post-closure liabilities	(256,544)	(238,890)
<b>Total surpluses</b>	<b>537,706</b>	<b>441,759</b>
<b>Reserves set aside for specific purposes by Council</b>		
For working capital	114,217	114,217
For library	3,642	3,642
<b>Total reserves</b>	<b>117,859</b>	<b>117,859</b>
<b>Reserve funds set aside for specific purposes by Council</b>		
For fire equipment	48,130	47,618
For roads equipment	46,144	97,442
For administration equipment	6,454	6,390
For recreation	1,920	1,102
For landfill site	124,912	123,577
For museum	7,927	7,016
<b>Total reserve funds</b>	<b>235,487</b>	<b>283,145</b>
<b>Accumulated surplus</b>	<b>891,052</b>	<b>842,763</b>

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

Schedule 2

Year ended December 31, 2009

	General					Totals		
	Land	Land Improvements	Buildings	Library Collection	Machinery and Equipment	Linear Assets	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year	112,106	7,017	399,088	19,805	437,791	1,995,031	2,970,838	2,917,504
Add: Additions during the year	—	—	—	4,679	5,940	—	10,619	53,334
Balance, end of year	112,106	7,017	399,088	24,484	443,731	1,995,031	2,981,457	2,970,838
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	—	6,491	180,790	11,643	276,151	1,760,620	2,235,695	2,175,739
Add: Amortization during the year	—	351	9,854	1,749	16,723	23,958	52,635	59,956
Balance, end of year	—	6,842	190,644	13,392	292,874	1,784,578	2,288,330	2,235,695
<b>Net book value</b>	112,106	175	208,444	11,092	150,857	210,453	693,127	735,143

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

Year ended December 31, 2009

## Schedule 3

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<b>Revenues</b>										
Taxation	485,602	462,068	—	—	—	—	—	—	—	—
Operating Grants	235,566	233,226	—	4,966	84,452	307,806	—	—	—	—
User fees and service charges	—	—	—	—	—	—	—	—	—	—
Other revenues	57,498	63,752	—	—	12,978	2,371	—	—	—	—
Interest income - reserve funds	3,071	9,736	—	—	—	—	—	—	—	—
Capital grants	—	—	—	—	5,940	—	—	—	—	—
	<b>781,737</b>	<b>768,782</b>	<b>—</b>	<b>4,966</b>	<b>103,370</b>	<b>310,177</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Expenses</b>										
Salaries, wages and employee benefits	105,891	111,925	71,100	57,910	74,020	112,269	—	—	—	—
Long-term debt charges	1,767	5,506	—	—	—	—	—	—	—	—
Materials	59,155	63,261	23,572	23,720	149,671	247,965	17,653	16,671	101	101
Contracted services	16,237	24,434	5,624	5,303	83,051	198,069	—	—	—	—
Rent and financials	38,533	33,754	—	—	—	—	—	—	—	—
External transfers	—	—	2,025	1,884	—	—	—	—	—	—
Amortization	5,011	5,011	15,175	14,181	28,360	36,896	—	—	27,003	27,502
	<b>226,594</b>	<b>243,891</b>	<b>117,496</b>	<b>102,998</b>	<b>335,102</b>	<b>595,199</b>	<b>17,653</b>	<b>16,671</b>	<b>27,104</b>	<b>27,603</b>
<b>Net revenues (expenses)</b>	<b>555,143</b>	<b>524,891</b>	<b>(117,496)</b>	<b>(98,032)</b>	<b>(231,732)</b>	<b>(285,022)</b>	<b>(17,653)</b>	<b>(16,671)</b>	<b>(27,104)</b>	<b>(27,603)</b>

**The Corporation of the Township of Dorion**  
**Consolidated Schedule of Segment Disclosure**  
 Year ended December 31, 2009

**Schedule 3 (continued)**

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2009	2008	2009	2008	2009	2008	
<b>Revenues</b>							
Taxation	—	—	—	—	—	—	—
Operating Grants	—	—	18,936	23,862	—	—	485,602
User fees and service charges	—	—	6,914	5,927	—	—	338,954
Other revenues	—	—	—	—	—	—	6,914
Interest income - reserve funds	—	—	—	—	—	—	70,476
Capital grants	—	—	—	—	—	—	3,071
	—	—	25,850	29,789	—	—	5,940
							910,957
							1,113,714
<b>Expenses</b>							
Salaries, wages and employee benefits	—	—	26,120	31,445	—	13,016	277,131
Long-term debt charges	—	—	—	—	—	—	1,767
Materials	—	—	13,554	15,612	—	—	263,706
Contracted services	—	—	—	—	—	—	104,912
Rent and financials	—	—	9,248	9,704	—	—	47,781
External transfers	85,708	92,687	—	—	—	—	114,736
Amortization	—	—	4,089	3,868	—	—	52,635
	85,708	92,687	53,011	60,629	—	13,016	862,668
							1,152,694
<b>Net revenues (expenses)</b>	(85,708)	(92,687)	(27,161)	(30,840)	—	(13,016)	48,289
							(38,980)



Grant Thornton

## Auditors' 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 statement of financial position of Dorion Public Library Board as at December 31, 2009 and the statements of operations and accumulated surplus and change in net financial assets for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Thunder Bay, Canada  
October 15, 2010

Chartered Accountants  
Licensed Public Accountants

## Dorion Public Library Board Statement of Financial Position

As at December 31	2009	2008
	\$	\$
<b>FINANCIAL ASSETS</b>		
Accounts receivable	6,175	3,232
Due from The Corporation of the Township of Dorion	12,535	18,452
<b>Total financial assets</b>	<b>18,710</b>	<b>21,684</b>
<b>LIABILITIES</b>		
<b>Liabilities</b>		
Bank indebtedness	77	1,224
Accounts payable	288	1,255
<b>Total liabilities</b>	<b>365</b>	<b>2,479</b>
<b>NET FINANCIAL ASSETS</b>	<b>18,345</b>	<b>19,205</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 3]</i>	11,092	8,162
<b>Accumulated surplus <i>[note 4]</i></b>	<b>29,437</b>	<b>27,367</b>

See accompanying notes to the financial statements.



## Dorion Public Library Board Statement of Operations and Accumulated Surplus

Year ended December 31	2009	2009	2008
	Budget	Actual	Actual
	\$	\$	\$
<b>REVENUES</b>			
Municipal contribution	15,172	15,172	13,090
Province of Ontario grants	1,510	18,936	8,225
Other	500	548	555
<b>Total revenues</b>	<b>17,182</b>	<b>34,656</b>	<b>21,870</b>
<b>EXPENSES</b>			
Administration	1,780	6,113	2,764
Amortization	—	1,749	1,528
Program wages	—	4,634	—
Project	200	—	500
Supplies	500	983	419
Utilities	1,000	943	907
Wages and benefits	14,502	18,164	19,613
	<b>17,982</b>	<b>32,586</b>	<b>25,731</b>
<b>NET REVENUE (EXPENSES)</b>	<b>(800)</b>	<b>2,070</b>	<b>(3,861)</b>
<b>Annual surplus (deficit)</b>	<b>(800)</b>	<b>2,070</b>	<b>(3,861)</b>
Accumulated surplus, beginning of year	2,800	27,367	31,228
<b>Accumulated surplus, end of year</b>	<b>2,000</b>	<b>29,437</b>	<b>27,367</b>

See accompanying notes to the financial statements.

## Dorion Public Library Board Statement of Change in Net Financial Assets

Year ended December 31	2009	2009	2008
	Budget	Actual	Actual
	\$	\$	\$
<b>Accumulated surplus (deficit)</b>	(800)	2,070	(3,861)
Acquisition of tangible capital assets	(2,000)	(4,679)	(3,457)
Amortization of tangible capital assets	—	1,749	1,528
<b>Decrease in net financial assets</b>	<b>(2,800)</b>	<b>(860)</b>	<b>(5,790)</b>
<b>Net financial assets, beginning of year</b>	<b>2,800</b>	<b>19,205</b>	<b>24,995</b>
<b>Net financial assets, end of year</b>	<b>—</b>	<b>18,345</b>	<b>19,205</b>

See accompanying notes to the financial statements.

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# **Dorion Public Library Board**

## **Notes to the Financial Statements**

December 31, 2009

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

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

#### **Basis of accounting**

Effective January 1, 2009, the Board adopted CICA Public Sector Handbook section 1200 - Financial Statement Presentation and section 3150 - Tangible Capital Assets. As a result of these changes, the Board has recorded its tangible capital assets for 2009 with prior year information restated to conform with the current year presentation. In addition, the statements reflect the new Statement of Changes in Net Financial Assets.

As a result of the PSAB changes, non-financial assets have increased by \$8,162 for tangible capital assets, 2008 expenditures decreased by \$2,249 and opening fund balances has increased by \$6,233 and is now represented by accumulated surplus.

#### **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
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One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets less than \$500 are expensed in the year incurred.

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



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# **Dorion Public Library Board**

## **Notes to the Financial Statements**

December 31, 2009

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### **Cash**

Cash consists of cash on deposit and cash on hand.

### **Reporting entity**

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

### **Revenue recognition**

Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonable 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 generally accepted accounting principles 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. Actual results could differ from those estimates.

### **Budget figures**

The operating budget approved by the Board for 2009 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 [2008 - \$3,642] is being held by The Corporation of the Township of Dorion.

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## Dorion Public Library Board Notes to the Financial Statements

December 31, 2009

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### 3. TANGIBLE CAPITAL ASSETS

Details of year-end tangible capital asset balances for the library collection are as follows:

	2009	2008
	\$	\$
<b>Cost</b>		
Balance, beginning of year	19,805	16,348
Add: Additions during the year	4,679	3,457
<b>Balance, end of year</b>	<b>24,484</b>	<b>19,805</b>
<b>Accumulated amortization</b>		
Balance, beginning of year	11,643	10,115
Add: Amortization during the year	1,749	1,528
<b>Balance, end of year</b>	<b>13,392</b>	<b>11,643</b>
<b>Net book value</b>	<b>11,092</b>	<b>8,162</b>

### 4. ACCUMULATED SURPLUS

	2009	2008
	\$	\$
<b>Surpluses</b>		
General fund	18,345	19,205
Investment in tangible capital assets	11,092	8,162
<b>Accumulated surplus</b>	<b>29,437</b>	<b>27,367</b>

### 5. BUDGET FIGURES

Budget figures are compiled from the 2009 fiscal year operating budget approved by the Library Board and are not subject to audit.



Grant Thornton

## Auditors' 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 statement of financial position of the Cemetery Perpetual Care Trust Fund of The Corporation of the Township of Dorion as at December 31, 2009 and the statement of continuity for the year then ended. These financial statements are the responsibility of the Township's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accounting principles.

*Grant Thornton LLP*

Thunder Bay, Canada  
October 15, 2010

Chartered Accountants  
Licensed Public Accountants

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

As at December 31	2009	2008
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	20,686	19,253
Interest receivable	—	236
<b>Total Financial Assets</b>	<b>20,686</b>	<b>19,489</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Due to The Corporation of the Township of Dorion	9,766	8,778
<b>Fund balance</b>	<b>10,920</b>	<b>10,711</b>
<b>Total Liabilities and Fund Balance</b>	<b>20,686</b>	<b>19,489</b>

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	2009	2008
	\$	\$
<b>Fund balance, beginning of year</b>	<b>10,711</b>	<b>11,284</b>
<b>Revenues</b>		
Interest earned	47	445
Sale of plots, monuments and interments	1,150	1,075
	<b>1,197</b>	<b>1,520</b>
<b>Expenditures</b>		
Cemetery maintenance	988	2,093
<b>Fund balance, end of year</b>	<b>10,920</b>	<b>10,711</b>

See accompanying note to the financial statements.



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

December 31, 2009

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting**

Interest earned in this fund is recorded on the accrual basis.

[a] Capital receipts and income are reported on the accrual basis of accounting.

[b] 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.