



Grant Thornton

Consolidated Financial Statements

The Corporation of the Township of Dorion

December 31, 2011



Corporation of the
Township of Dorion

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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 2011 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.

Helena Tamminen, Clerk-Treasurer

David Harris, Reeve

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Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of

The Corporation of the Township of Dorion

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Dorion, which comprise the consolidated statement of financial position as at December 31, 2011 and the statements of operations and accumulated surplus, change 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.



Grant Thornton

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 Corporation of the Township of Dorion as at December 31, 2011, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Thunder Bay, Canada
June 19, 2012

Chartered Accountants
Licensed Public Accountants

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

As at December 31	2011	2010
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	680,162	417,113
Taxes receivable	82,753	271,171
Accounts receivable	55,670	45,392
Total financial assets	818,585	733,676
LIABILITIES		
Accounts payable and accrued liabilities	79,924	54,572
Deferred revenue <i>[note 4]</i>	79,750	65,864
Vested sick leave liability <i>[note 5]</i>	17,134	17,308
Long-term debt <i>[note 7]</i>	5,710	14,877
Landfill closure and post-closure liability <i>[note 8]</i>	293,372	274,597
Other current liabilities	—	8,209
Total liabilities	475,890	435,427
NET FINANCIAL ASSETS	342,695	298,249
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 9] [schedule 2]</i>	625,634	656,266
Prepaid expenses	3,381	2,614
	629,015	658,880
Accumulated surplus <i>[schedule 1]</i>	971,710	957,129

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 2011 \$ <i>[note 13]</i>	Actual 2011 \$	Actual 2010 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	331,443	342,106	341,956
Commercial and industrial	230,791	230,473	246,187
Taxation from other governments	16,720	16,697	19,245
	578,954	589,276	607,388
Deduct			
Amounts received or receivable on behalf of school boards	(95,728)	(98,016)	(102,090)
	483,226	491,260	505,298
Other fees and service charges	7,700	5,309	7,680
	490,926	496,569	512,978
Grants			
Government of Canada	—	2,520	4,105
Province of Ontario	186,812	200,203	222,985
	186,812	202,723	227,090
Other			
Investment income	—	1,786	1,115
Penalties and late payment charges	35,000	35,279	39,965
Other	23,500	24,931	50,669
	58,500	61,996	91,749
Total revenues	736,238	761,288	831,817

	Budget 2011 \$ <i>[note 13]</i>	Actual 2011 \$	Actual 2010 \$
EXPENSES <i>[note 10] [schedule 3]</i>			
General government	325,966	200,949	231,936
Protection to persons and property	131,345	134,003	120,969
Transportation services	264,500	251,172	241,767
Environmental services	—	18,775	18,053
Health services	29,864	26,602	26,972
Social and family services	59,935	58,071	73,109
Recreation and cultural services	48,832	57,135	52,934
	860,442	746,707	765,740
NET REVENUES (EXPENSES)	(124,204)	14,581	66,077
Annual surplus (deficit)	(124,204)	14,581	66,077
Accumulated surplus, beginning of year	224,604	957,129	891,052
Accumulated surplus, end of year	100,400	971,710	957,129

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 2011 \$ [note 13]	Actual 2011 \$	Actual 2010 \$
Annual surplus	100,400	14,581	66,077
Acquisition of tangible capital assets	(6,300)	(12,802)	(6,826)
Amortization of tangible capital assets	—	43,434	43,687
Acquisition of prepaid expenses	—	(3,381)	(2,614)
Use of prepaid expenses	—	2,614	2,454
Increase in net financial assets	94,100	44,446	102,778
Net financial assets, beginning of year	—	298,249	195,471
Net financial assets, end of year	94,100	342,695	298,249

See accompanying notes to the consolidated financial statements.

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

Year ended December 31	2011	2010
	\$	\$
OPERATIONS		
Annual surplus	14,581	66,077
Non-cash charges		
Amortization of tangible capital assets	43,434	43,687
Increase in landfill liability	18,775	18,053
	76,790	127,817
Net change in non-cash working capital balances		
Decrease (increase) in taxes receivable	188,418	(22,671)
Decrease (increase) in accounts receivable	(10,278)	17,817
Increase in prepaid expenses	(767)	(160)
Decrease in other current assets	—	8,605
Increase in accounts payable and accrued liabilities	25,352	6,068
Increase in deferred revenue	13,886	12,839
Increase (decrease) in other current liabilities	(8,209)	8,209
Decrease in vested sick leave liability	(174)	(4,832)
Cash provided by operating transactions	285,018	153,692
CAPITAL		
Acquisition of tangible capital assets	(12,802)	(6,826)
Cash used in capital transactions	(12,802)	(6,826)
FINANCING		
Repayment of long-term debt	(9,167)	(10,000)
Cash used in financing transactions	(9,167)	(10,000)
Increase in cash and cash equivalents	263,049	136,866
Opening cash and cash equivalents	417,113	280,247
Closing cash and cash equivalents	680,162	417,113

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2011

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, 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 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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2011

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 and 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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2011

[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 4].

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 is 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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2011

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 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. Actual results could differ from these estimates.

2. TRUST FUNDS

Trust funds administered by the Township amounting to \$12,530 [2010 - \$10,582] 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. BANK INDEBTEDNESS

The Township has available a line of credit of \$500,000 [2010 - \$500,000] for which the Township has provided a borrowing by-law of which \$nil [2010 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at a rate of prime plus 1% [4% at December 31, 2011].

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

December 31, 2011

4. DEFERRED REVENUE

	2011 \$	2010 \$
Obligatory reserve funds		
Unearned Gas Tax proceeds	69,143	48,099
Other deferred revenue		
Unearned grant proceeds	10,607	17,765
	79,750	65,864

The continuity of deferred revenue is as follows:

	2011 \$	2010 \$
Balance, beginning of year	65,864	53,025
Investment income	313	136
Gas Tax, Municipal Infrastructure Investment Initiative, COMRIF, Rural Infrastructure	23,251	23,344
Gas Tax revenue earned	(2,520)	(4,105)
Other grant revenue earned	(7,158)	(6,536)
Balance, end of year	79,750	65,864

5. 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 \$17,134 [2010 - \$17,308]. The liability for these days which could be taken by an employee upon voluntary termination of employment amount to approximately \$17,134 [2010 - \$17,308]. \$Nil [2010 - \$1,634] 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, 2011

6. 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 2011 was \$5,278 [2010 - \$4,837] for current service.

7. LONG-TERM DEBT

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

	2011	2010
	\$	\$
Bank of Montreal loan payable in monthly instalments of \$833 plus interest at a rate of prime plus 1% [4% at December 31, 2011], maturing 2012.	5,710	14,877

[b] Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$482 [2010 - \$1,267].

The Corporation of the Township of Dorion
Notes to the Consolidated Financial Statements
December 31, 2011

8. LANDFILL CLOSURE AND POST-CLOSURE

The main components of the landfill closure plan include 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 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 \$18,755 [2010 - \$18,053] based on a total estimated undiscounted outflow in the future of \$619,517 [2010 - \$641,200], leaving an amount to be recognized in the future of \$326,145 [2010 - \$366,603] over the closure and post-closure period. An amount of \$195,941 [2010 - \$124,917] 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 8 years. Post-closure care is estimated to continue for a period of approximately 20 years.

9. TANGIBLE CAPITAL ASSETS

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

There were no write-downs of assets in 2011 [2010 - \$nil].

Interest capitalized during 2011 was \$nil [2010 - \$nil].

There were no tangible capital assets contributed to the Township in 2011 [2010 - \$nil].

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2011

10. SEGMENTED INFORMATION

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

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

General government

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

Protection to persons and property

Protection to persons and property is comprised of police services, fire services and protective inspection and control. The police services are contracted from the Ontario Provincial Police. The Fire Services Department is responsible for fire suppression; fire prevention programs; training and education related to prevention, detection or 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).

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 include 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.

The Corporation of the Township of Dorion

Notes to the Consolidated Financial Statements

December 31, 2011

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).

The Corporation of the Township of Dorion
Notes to the Consolidated Financial Statements
December 31, 2011

11. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2011 \$	2010 \$
Reserves		
Balance, beginning of year	117,859	117,859
Balance, end of year	117,859	117,859
Reserve funds		
Balance, beginning of year	237,179	235,487
Increases		
Contributions from current operations	103,909	577
Interest earned	1,786	1,115
	105,695	1,692
Balance, end of year	342,874	237,179

12. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$342,874 [2010 - \$237,179] to support reserve funds.

13. BUDGET FIGURES

The operating budget approved by Township Council for 2011 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.

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

Year ended December 31	2011	2010
	\$	\$
Surpluses		
General fund	174,461	221,804
Library fund	9,964	13,495
Invested in tangible capital assets	625,634	656,266
Unfunded		
Long-term debt	(5,710)	(14,877)
Landfill closure and post-closure liabilities	(293,372)	(274,597)
Total surpluses	510,977	602,091
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	53,482	48,358
For roads equipment	50,970	46,364
For administration equipment	11,533	6,481
For recreation	2,547	2,533
For landfill site	195,941	124,917
For museum	9,401	8,526
For tax arrears	19,000	—
Total reserve funds	342,874	237,179
Accumulated surplus	971,710	957,129

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

Year ended December 31, 2011

Schedule 2

	General						Totals	
	Land	Land Improvements	Buildings	Library Collection	Machinery and Equipment	Linear Assets	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	112,106	7,017	399,088	31,310	443,731	1,995,031	2,988,283	2,981,457
Add: Additions during the year	—	—	—	6,077	6,725	—	12,802	6,826
Balance, end of year	112,106	7,017	399,088	37,387	450,456	1,995,031	3,001,085	2,988,283
ACCUMULATED AMORTIZATION								
Balance, beginning of year	—	7,017	200,498	15,530	307,280	1,801,692	2,332,017	2,288,330
Add: Amortization during the year	—	—	9,854	2,633	14,476	16,471	43,434	43,687
Balance, end of year	—	7,017	210,352	18,163	321,756	1,818,163	2,375,451	2,332,017
Net book value	112,106	—	188,736	19,224	128,700	176,868	625,634	656,266

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

Year ended December 31, 2011

Schedule 3

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Revenues										
Taxation	491,260	505,298	—	—	—	—	—	—	—	—
Operating grants	172,822	196,411	—	—	9,878	10,641	—	—	—	—
User fees and service charges	—	—	—	—	—	—	—	—	—	—
Other revenues	58,291	84,015	—	—	1,919	6,619	—	—	—	—
Interest income - reserve funds	1,786	1,115	—	—	—	—	—	—	—	—
	724,159	786,839	—	—	11,797	17,260	—	—	—	—
Expenses										
Salaries, wages and employee benefits	96,420	102,764	13,648	12,316	78,434	80,923	—	—	—	—
Long-term debt charges	482	1,267	—	—	—	—	—	—	—	—
Materials	54,215	62,127	20,985	21,842	65,370	66,171	18,775	18,053	—	—
Contracted services	28,721	39,599	—	61,368	88,742	75,474	—	—	—	—
Rent and financials	16,451	21,344	13,137	6,480	—	—	—	—	—	—
External transfers	—	—	71,058	3,788	—	—	—	—	—	—
Amortization	4,660	4,835	15,175	15,175	18,626	19,199	—	—	26,602	26,972
	200,949	231,936	134,003	120,969	251,172	241,767	18,775	18,053	26,602	26,972
Net revenues (expenses)	523,210	554,903	(134,003)	(120,969)	(239,375)	(224,507)	(18,775)	(18,053)	(26,602)	(26,972)

Schedule 3 (continued)

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

Year ended December 31, 2011

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2011	2010	2011	2010	2011	2010	
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Taxation	—	—	—	—	—	—	505,298
Operating grants	—	—	20,023	20,038	—	—	227,090
User fees and service charges	—	—	5,309	7,680	—	—	7,680
Other revenues	—	—	—	—	—	—	90,634
Interest income - reserve funds	—	—	—	—	—	—	1,115
	—	—	25,332	27,718	—	—	831,817
Expenses							
Salaries, wages and employee benefits	—	—	28,185	25,198	—	—	221,201
Long-term debt charges	—	—	—	—	—	—	1,267
Materials	—	—	14,803	15,615	—	—	183,808
Contracted services	—	—	—	—	—	—	176,441
Rent and financials	—	—	9,174	7,643	—	—	35,467
External transfers	58,071	73,109	—	—	—	—	103,869
Amortization	—	—	4,973	4,478	—	—	43,687
	58,071	73,109	57,135	52,934	—	—	765,740
Net revenues (expenses)	(58,071)	(73,109)	(31,803)	(25,216)	—	—	66,077



Independent Auditor's Report

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

We have audited the accompanying financial statements of Dorion Public Library Board, which comprise the statement of financial position as at December 31, 2011 and the statements of operations and accumulated surplus and change in net financial assets 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, 2011, 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
June 19, 2012

Chartered Accountants
Licensed Public Accountants

Dorion Public Library Board Statement of Financial Position

As at December 31	2011	2010
	\$	\$
FINANCIAL ASSETS		
Cash	578	1,786
Accounts receivable	4,522	5,030
Due from The Corporation of the Township of Dorion	6,800	7,243
Total financial assets	11,900	14,059
LIABILITIES		
Accounts payable	1,936	564
Total liabilities	1,936	564
NET FINANCIAL ASSETS	9,964	13,495
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 3]</i>	19,224	15,780
Accumulated surplus <i>[note 4]</i>	29,188	29,275

See accompanying notes to the financial statements.

Dorion Public Library Board
Statement of Operations and Accumulated Surplus

Year ended December 31	2011	2011	2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Municipal contribution	16,112	16,112	12,435
Province of Ontario grants	14,926	20,023	20,038
Other	500	721	365
Total revenues	31,538	36,856	32,838
EXPENSES			
Administration	4,921	6,184	4,947
Amortization	—	2,633	2,138
Program wages	5,300	5,223	5,223
Supplies	1,080	1,455	3,209
Utilities	1,000	939	944
Wages and benefits	20,037	20,509	16,539
	32,338	36,943	33,000
NET EXPENSES	(800)	(87)	(162)
Annual deficit	(800)	(87)	(162)
Accumulated surplus, beginning of year	2,800	29,275	29,437
Accumulated surplus, end of year	2,000	29,188	29,275

See accompanying notes to the financial statements.

Dorion Public Library Board
Statement of Change in Net Financial Assets

Year ended December 31	2011	2011	2010
	Budget	Actual	Actual
	\$	\$	\$
Accumulated surplus (deficit)	2,000	(87)	(162)
Acquisition of tangible capital assets	(2,000)	(6,077)	(6,826)
Amortization of tangible capital assets	—	2,633	2,138
Decrease in net financial assets	—	(3,531)	(4,850)
Net financial assets, beginning of year	—	13,495	18,345
Net financial assets, end of year	—	9,964	13,495

See accompanying notes to the financial statements.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2011

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:

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
--------------------	----------

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 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, 2011

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 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 2011 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 [2010 - \$3,642] is being held by The Corporation of the Township of Dorion.

Dorion Public Library Board

Notes to the Financial Statements

December 31, 2011

3. TANGIBLE CAPITAL ASSETS

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

	2011	2010
	\$	\$
Cost		
Balance, beginning of year	31,310	24,484
Add: Additions during the year	6,077	6,826
Balance, end of year	37,387	31,310
Accumulated amortization		
Balance, beginning of year	15,530	13,392
Add: Amortization during the year	2,633	2,138
Balance, end of year	18,163	15,530
Net book value	19,224	15,780

4. ACCUMULATED SURPLUS

	2011	2010
	\$	\$
Surpluses		
General fund	9,964	13,495
Investment in tangible capital assets	19,224	15,780
Accumulated surplus	29,188	29,275

5. BUDGET FIGURES

Budget figures are compiled from the 2011 fiscal year operating budget approved by the Library Board and are not subject to audit.



Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of

The Corporation of the Township of Dorion

We have audited the accompanying financial statements of the Cemetery Perpetual Care Trust Fund of The Corporation of the Township of Dorion, which comprise the statement of financial position as at December 31, 2011 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 generally accepted accounting principles, 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, 2011, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Thunder Bay, Canada
June 19, 2012

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	2011	2010
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	23,896	21,644
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to The Corporation of the Township of Dorion	11,366	11,062
Fund balance	12,530	10,582
Total Liabilities and Fund Balance	23,896	21,644

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	2011	2010
	\$	\$
Fund balance, beginning of year	10,582	10,920
Revenues		
Interest earned	101	33
Sale of plots, monuments and interments	2,161	925
	2,262	958
Expenditures		
Cemetery maintenance	314	1,296
Fund balance, end of year	12,530	10,582

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, 2011

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.