
**THE CORPORATION OF
THE TOWNSHIP OF RYERSON**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

THE CORPORATION OF THE TOWNSHIP OF RYERSON
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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 Ryerson

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Ryerson which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Ryerson as at December 31, 2013, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

North Bay, Canada
May 20, 2014

Chartered Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	2013	2012
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 695,308	\$ 624,117
Taxes receivable	238,465	191,182
Accounts receivable	241,708	128,676
Inventories held for resale	1,226	1,039
	1,176,707	945,014
LIABILITIES		
Accounts payable and accrued liabilities	189,513	172,687
Deferred revenue-general	61	1,703
Deferred revenue-obligatory reserve funds <i>(Note 5)</i>	83,637	58,952
Municipal debt <i>(Note 6)</i>	206,077	103,592
Accrued interest on long-term debt	310	511
Tangible capital lease <i>(Note 8)</i>	4,224	15,929
Employee benefits payable <i>(Note 9)</i>	21,010	18,083
Landfill closure and post-closure liability <i>(Note 10)</i>	128,424	116,472
	633,256	487,929
NET FINANCIAL ASSETS	543,451	457,085
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>(Note 12)</i>	3,483,267	3,538,683
Inventories of supplies	57,965	32,713
Prepaid expenses	3,424	3,620
	3,544,656	3,575,016
ACCUMULATED SURPLUS <i>(Note 13)</i>	\$ 4,088,107	\$ 4,032,101

Contingencies *(Notes 3 and 11)*

APPROVED ON BEHALF OF COUNCIL:

_____ Reeve

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget 2013 <i>(see Note 15)</i>	Actual 2013	Actual 2012
REVENUE			
Property taxes	\$ 1,416,051	\$ 1,442,120	\$ 1,358,502
User charges	48,586	45,907	46,526
Government transfers	355,382	363,240	354,180
Other	83,076	141,409	104,402
TOTAL REVENUE	1,903,095	1,992,676	1,863,610
EXPENSES			
General government	419,354	406,937	417,932
Protection to persons and property	200,165	194,135	177,592
Transportation services	908,997	882,458	951,813
Environmental services	116,459	108,831	98,898
Health services	69,774	68,919	66,691
Social and family services	113,218	113,218	112,543
Recreation and cultural services	137,308	143,075	130,762
Planning and development	47,246	19,097	23,225
TOTAL EXPENSES	2,012,521	1,936,670	1,979,456
ANNUAL SURPLUS (DEFICIT) <i>(Note 13)</i>	(109,426)	56,006	(115,846)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,032,101	4,032,101	4,147,947
ACCUMULATED SURPLUS, END OF YEAR	\$ 3,922,675	\$ 4,088,107	\$ 4,032,101

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget 2013 <i>(see Note 15)</i>	Actual 2013	Actual 2012
Annual surplus (deficit)	\$ (109,426)	\$ 56,006	\$ (115,846)
Acquisition of tangible capital assets	(393,331)	(391,589)	(241,898)
Contributed tangible capital assets	-	(40,748)	-
Accumulated amortization - contributed shared services assets	-	15,061	-
Amortization of tangible capital assets	333,005	333,274	501,332
Loss (gain) on disposal of tangible capital assets	-	(26,987)	59,692
Proceeds from disposal of tangible capital assets	-	166,405	1,190
Change in supplies inventories	-	(25,252)	(9,663)
Change in prepaid expenses	-	196	16,167
Increase (decrease) in net financial assets	(169,752)	86,366	210,974
Net financial assets, beginning of year	457,085	457,085	246,111
Net financial assets, end of year	\$ 287,333	\$ 543,451	\$ 457,085

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
Operating transactions		
Annual surplus (deficit)	\$ 56,006	\$ (115,846)
Non-cash charges to operations:		
Amortization	333,274	501,332
Loss on disposal of tangible capital assets	(26,987)	59,692
Change in employee benefits payable	2,927	2,360
Change in landfill closure and post-closure liability	11,952	(19,221)
	377,172	428,317
Changes in non-cash items:		
Taxes receivable	(47,283)	24,390
Accounts receivable	(113,032)	(36,108)
Inventories held for resale	(187)	384
Accounts payable and accrued liabilities	16,826	46,973
Deferred revenue-general	(1,642)	(1,138)
Deferred revenue-obligatory reserve funds	24,685	(17,744)
Inventories of supplies	(25,252)	(9,663)
Prepaid expenses	196	16,167
	(145,689)	23,261
Cash provided by operating transactions	231,483	451,578
Capital transactions		
Acquisition of tangible capital assets	(391,589)	(241,898)
Contributed tangible capital assets	(40,748)	-
Accumulated amortization - contributed shared services assets	15,061	-
Proceeds from disposal of tangible capital assets	166,405	1,190
Cash applied to capital transactions	(250,871)	(240,708)
Financing transactions		
Decrease in accrued interest on long-term debt	(201)	(196)
Proceeds from municipal debt	153,800	-
Debt principal repayments	(51,315)	(97,439)
Tangible capital lease repayment	(11,705)	(11,370)
Cash provided by (applied to) financing transactions	90,579	(109,005)
Net change in cash and cash equivalents	71,191	101,865
Cash and cash equivalents, beginning of year	624,117	522,252
Cash and cash equivalents, end of year	\$ 695,308	\$ 624,117
Cash flow supplementary information:		
Cash paid for interest	\$ 3,274	\$ 6,606

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Ryerson (the "Municipality") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Proportionally consolidated entities

The following joint boards and committees are proportionally consolidated:

- Fire
- TRI R
- Arena and Community Centre
- Library
- Building Committee

Inter-organizational transactions and balances between these organizations are eliminated.

(ii) Non-consolidated entities

The following joint boards are not consolidated:

- North Bay Parry Sound District Health Unit
- Parry Sound District Social Services Administration Board
- District of Parry Sound (East) Home for the Aged

(iii) 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.

(iv) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

(b) Basis of Accounting

(i) Accrual basis of accounting

Revenues and expenditures are reported on the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenditures 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.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with financial institutions and short-term deposits with original maturities of three months or less.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2013

(iii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(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. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. 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 - 40 years
 Machinery, equipment and furniture - 5 to 25 years
 Vehicles - 5 to 25 years
 Roads - 8 to 75 years
 Bridges - 60 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Estimated closure and post-closure expenses for active landfill sites as well as the land occupied by the sites and related land improvements are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.

Works of art and historical treasures owned by the Municipality are not included in the tangible capital assets of the Municipality. The Municipality owns a number of historical artifacts housed in the Municipality's museum.

Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.

(b) Inventories of supplies

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(iv) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.

(v) Government transfers

Government transfers are recognized in the financial statements as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2013

- (vi) Taxation and related revenues
Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenues are initially recorded at the time assessment information is received from MPAC and are subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.
- (vii) Pensions and employee benefits
The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Obligations for sick leave benefits under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.
- (viii) 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 period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for taxes and accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable, solid waste landfill closure and post-closure liabilities and supplementary taxes. Actual results could differ from these estimates.

2. CHANGE IN ACCOUNTING POLICY

On January 1, 2013 the Municipality adopted Public Sector Accounting Standards section 3410 "Government Transfers". This new standard replaces the existing Section 3410 of the same name and establishes guidance on the recognition, presentation and disclosure of government transfers from the perspective of both transferring governments and recipient governments. The Municipality has adopted this new standard prospectively.

On January 1, 2013 the Municipality adopted Public Sector Accounting Standards section 3510 "Tax Revenue". This is a new standard and this Section establishes standards for the recognition, measurement and disclosure of tax revenue in government financial statements. The Municipality's adoption of this new standard has not resulted in any significant change in how property tax revenue has been recognized.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2013

3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to Note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	2013	2012
District of Parry Sound Social Services Administration Board	\$ 78,483	\$ 79,177
North Bay Parry Sound District Health Unit	20,618	19,611
District of Parry Sound (East) Home for the Aged	34,735	33,366
	\$ 133,836	\$ 132,154

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

4. TRANSACTIONS ON BEHALF OF OTHERS

(a) During the year, \$331,470 of taxation was collected on behalf of school boards (2012 \$330,858).

(b) Trust funds administered by the Municipality amounting to \$11,745 (2012 \$10,995) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

5. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The balance of deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position is made up of the following:

	2013	2012
Recreational land (the Planning Act)	\$ 77,262	\$ 51,347
Building Code Act	6,375	7,605
	\$ 83,637	\$ 58,952

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2013

6. MUNICIPAL DEBT

(a) The balance of the municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2013	2012
Royal Bank of Canada term loan, due November 2016, repayable in monthly payments of \$4,163, including interest calculated at 3.06%. As security, the Municipality has pledged the equipment to which the loan relates (carrying value \$190,316).	\$ 139,221	\$ -
Proportionate share of Fire Department Royal Bank of Canada term loan, due November 2016, repayable in monthly payments of \$1,162, including interest calculated at 2.96%. As security, the Fire Department has pledged the equipment to which the loan relates (proportionate share of carrying value \$10,082).	10,495	-
Royal Bank of Canada term loan, due October 2014, repayable in monthly payments of \$2,120, including interest calculated at 3.49%	20,880	45,128
Ontario Strategic Infrastructure Financing Authority serial debenture, due February 2015, repayable in semi-annual payments of \$12,101 including interest calculated at 2.31%	35,481	58,464
	\$ 206,077	\$ 103,592

(b) Future estimated principal and interest payments on the municipal debt are as follows:

	Principal	Interest
2014	\$ 94,232	\$ 4,891
2015	63,343	2,474
2016	48,502	738
	\$ 206,077	\$ 8,103

(c) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2013	2012
Principal payments	\$ 51,315	\$ 97,439
Interest	2,607	5,470
	\$ 53,922	\$ 102,909

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2013

7. CREDIT FACILITY AGREEMENT

The Municipality has an authorized operating loan with the Royal Bank of Canada of \$300,000 (2012 \$300,000) which was unused at the end of the year. As security, the Municipality has pledged its revenue.

8. TANGIBLE CAPITAL LEASES

In conjunction with the other members of the TRI R committee, the Municipality leases landfill equipment, for which the liability is accounted for on the Consolidated Statement of Financial Position at the present value of future minimum lease payments. Future minimum lease payments are as follows:

	2013	2012
2013	\$ -	\$ 12,310
2014	4,261	4,104
Total minimum lease payments	4,261	16,414
Less amount representing interest (4.829% per terms of contract)	(37)	(485)
Present value of future minimum capital lease payments	\$ 4,224	\$ 15,929

Interest of \$466 (2012 \$940) relating to capital lease obligations has been reported on the Consolidated Statement of Operations.

9. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and employees may become entitled to a cash payment when they leave the Municipality's employment. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement, as well as any lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 3% per annum. The liability for these accumulated days amounted to \$21,010 (2012 \$18,083) at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2013

10. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final cover and landscaping of the landfill site, management of groundwater and leachates, and ongoing environmental monitoring and site inspection. Estimated expenditures related to the closure and subsequent maintenance of this site are recognized in the financial statements over the operating life of the site, in proportion to its utilized capacity.

The Township of Armour, the Village of Burk's Falls and the Township of Ryerson jointly operate a landfill site through the TRI R Committee. The site is currently operating under an Emergency Certificate of Approval and in 2011 an application to expand the existing site to accept an additional 4,800 cubic metres of waste was approved. In 2011 an estimated 48,800 cubic metres of the original design capacity was closed, and an estimated 10,000 cubic metre area remains open.

The liability for the landfill site is recorded at \$475,644 (2012 \$447,969) and represents the present value of closure and post-closure costs for 100% of the closed site area and 38% of the open site area, using an estimated long-term borrowing rate of 4.8% (2012 4.8%) and inflation rate of 1.7% (2012 1.8%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$572,108 (2012 \$577,386), leaving an amount to be recognized of \$96,464 (2012 \$129,417). The estimated remaining capacity of the site is approximately 6,200 cubic metres, estimated to be filled in 2.6 years. Post-closure care is estimated to be required for a period of 25 years.

The Municipality has recognized \$128,424 (2012 \$116,472) in the financial statements related to its proportionate share of this liability.

The Municipality has reserves of \$105,344 (2012 \$83,723) related to the TRI R operations that could be used to fund this liability.

11. CONTINGENCIES

- (a) The Municipality has entered into an agreement with the Association of Municipalities of Ontario with respect to the transfer of federal gas tax revenues. The agreement contains specific provisions for the utilization of the funds, including a provision for repayment of a proportionate amount of funds in the event that, any time within 10 years from the date of completion of the eligible project the Municipality sells, leases, encumbers or otherwise disposes of, directly or indirectly any asset constructed, rehabilitated or improved, in whole or in part, with the financial assistance received under the terms of the agreement. At December 31, 2013, the Municipality has received a total of \$271,160 for the years 2005 to 2013, and has expended \$272,354, including interest earned, for the years 2005 to 2013.
- (b) Prior to 2005, the Municipality participated in group underwriting relating to its insurance claims and this group has ceased writing new policies of insurance. Each participant in the underwriting group may be required to fund a deficit in any policy year to ensure that sufficient funds are available to cover all outstanding liabilities. The Municipality's share of the group's deficit is not determinable at this time.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2013

12. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Municipality by major asset class are outlined below.

2013							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
COST							
Balance, beginning of year	\$ 301,504	\$ 1,083,946	\$ 708,297	\$ 475,852	\$ 8,406,028	\$ 9,865	\$ 10,985,492
Additions and betterments	12,716	-	15,341	202,099	161,433	-	391,589
Contributed assets	7,003	19,806	7,287	6,652			40,748
Disposals and writedowns	-	-	(124,669)	-	(249,704)	(9,865)	(384,238)
BALANCE, END OF YEAR	321,223	1,103,752	606,256	684,603	8,317,757	-	11,033,591
ACCUMULATED AMORTIZATION							
Balance, beginning of year	85,962	477,980	389,841	193,568	6,299,458	-	7,446,809
Annual amortization	20,003	27,588	33,815	39,873	211,995	-	333,274
Accumulated amortization - contributed shared services assets	2,691	6,843	2,721	2,806	-	-	15,061
Amortization disposals	-	-	(29,176)	-	(215,644)	-	(244,820)
BALANCE, END OF YEAR	108,656	512,411	397,201	236,247	6,295,809	-	7,550,324
TANGIBLE CAPITAL ASSETS-NET	\$ 212,567	\$ 591,341	\$ 209,055	\$ 448,356	\$ 2,021,948	\$ -	\$ 3,483,267

2012							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
COST							
Balance, beginning of year	\$ 266,366	\$ 1,080,393	\$ 700,746	\$ 565,608	\$ 8,737,402	\$ 27,582	\$ 11,378,097
Additions and betterments	13,353	4,741	15,254	24,649	174,036	9,865	241,898
Disposals and writedowns	(5,797)	(1,188)	(7,703)	(114,405)	(505,410)	-	(634,503)
Transfer between classes	27,582	-	-	-	-	(27,582)	-
BALANCE, END OF YEAR	301,504	1,083,946	708,297	475,852	8,406,028	9,865	10,985,492
ACCUMULATED AMORTIZATION							
Balance, beginning of year	80,175	452,012	354,092	274,444	6,358,375	-	7,519,098
Annual amortization	11,584	27,039	42,820	32,229	387,660	-	501,332
Amortization disposals	(5,797)	(1,071)	(7,071)	(113,105)	(446,577)	-	(573,621)
BALANCE, END OF YEAR	85,962	477,980	389,841	193,568	6,299,458	-	7,446,809
TANGIBLE CAPITAL ASSETS-NET	\$ 215,542	\$ 605,966	\$ 318,456	\$ 282,284	\$ 2,106,570	\$ 9,865	\$ 3,538,683

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2013

13. ACCUMULATED SURPLUS

The 2013 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
RESERVES AND RESERVE FUNDS			
Working funds	\$ 190,566	\$ 30,000	\$ 220,566
Tax sale proceeds	47,727	(47,727)	-
Election	5,000	2,500	7,500
Fire	12,306	19,996	32,302
Roads	205,000	47,727	252,727
Waste disposal and recycling	83,723	21,621	105,344
Hazardous waste	7,663	560	8,223
Cemetery	5,364	453	5,817
Arena	18,236	7,245	25,481
Library	-	54	54
Fire Department	-	54	54
	575,585	82,483	658,068
OTHER			
Consolidated tangible capital assets	3,538,683	(55,416)	3,483,267
General operating surplus -			
Municipality	168,127	131,960	300,087
Library	2,660	3,646	6,306
Unfunded amounts -			
Municipal debt	(103,592)	(102,485)	(206,077)
Accrued interest	(511)	201	(310)
Tangible capital leases	(14,296)	10,496	(3,800)
Employee benefits payable	(18,083)	(2,927)	(21,010)
Landfill closure and post-closure liability	(116,472)	(11,952)	(128,424)
	\$ 4,032,101	\$ 56,006	\$ 4,088,107

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2013

14. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

Protection to Persons and Property

This segment includes fire, police, building inspection, and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

Transportation Services

Transportation services include roadway systems and winter control.

Environmental Services

This segment includes solid waste management.

Health Services

This segment includes cemeteries, ambulance services as well as payments to the district health unit.

Social and Family Services

This segment consists primarily of payments made to the district social services administration board and home for the aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

Recreation and Culture

This segment includes parks, recreation programs, recreation facilities, library services and cultural services such as museums.

Planning and Development

This segment includes activities related to planning, zoning and economic development.

Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and the municipality's annual Ontario Municipal Partnership Fund unconditional grant.

In the preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of administrative time to specific segments.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2013

14. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2013

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,442,120	\$ 1,442,120
User charges	1,726	1,001	-	9,391	-	-	27,980	4,619	1,190	45,907
Government transfers -										
Canada	-	-	42,086	-	-	-	-	-	1,000	43,086
Ontario	10,656	3,399	20,282	17,229	-	-	8,168	6,236	233,400	299,370
Other municipalities	-	16,235	-	-	-	-	4,549	-	-	20,784
Change in proportionment of shared services	-	4,171	-	(1,293)	-	-	16,071	-	-	18,949
Gain (loss) on disposal of capital assets	-	(1,217)	28,204	-	-	-	-	-	-	26,987
Other	58	15,474	14,735	7,506	3,415	-	11,259	-	43,026	95,473
TOTAL REVENUE	12,440	39,063	105,307	32,833	3,415	-	68,027	10,855	1,720,736	1,992,676
EXPENSES										
Salaries, wages and benefits	273,712	67,664	276,836	57,240	287	-	70,286	7,934	-	753,959
Long-term debt charges (interest)	-	9	2,598	466	-	-	-	-	-	3,073
Materials	53,431	40,663	313,554	16,507	178	-	42,032	4,078	-	470,443
Contracted services	64,454	70,249	25,365	12,336	47,735	-	6,846	6,896	-	233,881
Rents and financial expenses	1,214	1,009	1,116	389	-	-	1,521	189	-	5,438
External transfers	2,766	-	-	-	20,618	113,218	-	-	-	136,602
Interfunctional adjustments	(150)	150	-	-	-	-	-	-	-	-
Amortization	11,510	14,391	262,989	21,893	101	-	22,390	-	-	333,274
TOTAL EXPENSES	406,937	194,135	882,458	108,831	68,919	113,218	143,075	19,097	-	1,936,670
ANNUAL SURPLUS (DEFICIT)	\$ (394,497)	\$ (155,072)	\$ (777,151)	\$ (75,998)	\$ (65,504)	\$ (113,218)	\$ (75,048)	\$ (8,242)	\$ 1,720,736	\$ 56,006

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2013

14. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2012

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,358,502	\$ 1,358,502
User charges	2,491	354	-	14,601	-	-	25,437	3,643	-	46,526
Government transfers -										
Canada	-	-	42,086	-	-	-	3,668	-	-	45,754
Ontario	6,291	10,013	24,218	11,109	-	-	5,929	-	235,900	293,460
Other municipalities	-	11,160	-	-	-	-	2,955	851	-	14,966
Gain (loss) on disposal of capital assets	-	(659)	(58,833)	(161)	-	-	(39)	-	-	(59,692)
Other	1,145	19,250	510	26,933	185	-	31,528	-	84,543	164,094
TOTAL REVENUE	9,927	40,118	7,981	52,482	185	-	69,478	4,494	1,678,945	1,863,610
EXPENSES										
Salaries, wages and benefits	241,439	59,298	243,472	56,182	43	-	65,073	-	-	665,507
Long-term debt charges (interest)	-	-	4,046	940	-	-	1,424	-	-	6,410
Materials	84,773	31,167	238,654	20,313	270	-	35,929	3,529	-	414,635
Contracted services	69,847	73,682	30,605	7,359	46,767	-	5,540	19,696	-	253,496
Rents and financial expenses	-	702	-	705	-	-	1,427	-	-	2,834
External transfers	3,088	-	-	-	19,611	112,543	-	-	-	135,242
Amortization	18,785	12,743	435,036	13,399	-	-	21,369	-	-	501,332
TOTAL EXPENSES	417,932	177,592	951,813	98,898	66,691	112,543	130,762	23,225	-	1,979,456
ANNUAL SURPLUS (DEFICIT)	\$ (408,005)	\$ (137,474)	\$ (943,832)	\$ (46,416)	\$ (66,506)	\$ (112,543)	\$ (61,284)	\$ (18,731)	\$ 1,678,945	\$ (115,846)

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2013

15. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Decrease in general municipal operating surplus	\$ (168,126)
Decrease in municipal reserves and reserve funds	81,881
ADJUSTMENTS:	
Acquisition of tangible capital assets	393,331
Amortization of tangible capital assets	(333,005)
Net debt proceeds	(94,555)
Tangible capital lease repayments	11,048
ANNUAL DEFICIT	\$ (109,426)

16. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee 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 the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2013 was \$42,199 (2012 \$34,653) for current service and is included as an expense on the Consolidated Statement of Operations.

17. RELATED PARTY TRANSACTIONS

During the normal course of operations, the Municipality purchased services in the amount of \$13,071 (2012 \$11,263) from a company owned by the son of a Councillor. All related party transactions are recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

18. COMPARATIVE FIGURES

Certain prior year figures presented for comparative purposes have been reclassified to conform to the presentation adopted for the current year.