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**THE CORPORATION OF  
THE TOWNSHIP OF RYERSON**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

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**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, 2015 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, 2015, 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 17, 2016

Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF RYERSON**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2015**

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash	\$ 471,455	\$ 332,508
Investments (Note 5)	293,153	282,947
Taxes receivable	267,825	264,253
Accounts receivable	115,318	67,209
Inventories held for resale	1,162	1,597
	<b>1,148,913</b>	<b>948,514</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	198,617	237,677
Deferred revenue-general (Note 6)	1,156	194,864
Deferred revenue-obligatory reserve funds (Note 7)	144,806	116,444
Municipal debt (Note 8)	410,763	111,825
Accrued interest on long-term debt	-	104
Tangible capital lease (Note 10)	1,649	-
Employee benefits payable (Note 11)	26,972	25,783
Landfill closure and post-closure liability (Note 12)	169,943	175,539
	<b>953,906</b>	<b>862,236</b>
<b>NET FINANCIAL ASSETS</b>	<b>195,007</b>	<b>86,278</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Note 14)	4,247,928	3,909,105
Inventories of supplies	68,654	90,398
Prepaid expenses	66,604	69,509
	<b>4,383,186</b>	<b>4,069,012</b>
<b>ACCUMULATED SURPLUS (Note 15)</b>	<b>\$ 4,578,193</b>	<b>\$ 4,155,290</b>

Contingencies (Note 3)  
Contractual obligations (Note 13)

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, 2015**

	Budget 2015 <i>(see Note 17)</i>	Actual 2015	Actual 2014
<b>REVENUE</b>			
Property taxes	\$ 1,617,661	\$ 1,623,816	\$ 1,532,294
User charges	40,094	37,318	49,370
Government transfers	775,982	736,868	353,161
Other	80,022	54,809	166,588
<b>TOTAL REVENUE</b>	<b>2,513,759</b>	<b>2,452,811</b>	<b>2,101,413</b>
<b>EXPENSES</b>			
General government	471,089	438,255	472,584
Protection to persons and property	237,256	215,143	213,368
Transportation services	940,673	843,037	844,689
Environmental services	112,373	119,105	145,721
Health services	72,889	73,222	70,833
Social and family services	127,834	127,834	116,905
Recreation and cultural services	146,287	152,338	136,329
Planning and development	101,380	60,974	33,801
<b>TOTAL EXPENSES</b>	<b>2,209,781</b>	<b>2,029,908</b>	<b>2,034,230</b>
<b>ANNUAL SURPLUS</b> <i>(Note 15)</i>	<b>303,978</b>	<b>422,903</b>	<b>67,183</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>4,155,290</b>	<b>4,155,290</b>	<b>4,088,107</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 4,459,268</b>	<b>\$ 4,578,193</b>	<b>\$ 4,155,290</b>

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, 2015**

	Budget 2015 <i>(see Note 17)</i>	Actual 2015	Actual 2014
Annual surplus	\$ 303,978	\$ 422,903	\$ 67,183
Acquisition of tangible capital assets	(969,049)	(679,223)	(660,581)
Contributed tangible capital assets	-	(594)	(30,818)
Accumulated amortization - contributed tangible capital assets	-	33	-
Amortization of tangible capital assets	274,327	274,719	251,453
Loss (gain) on disposal of tangible capital assets	-	66,242	(16,648)
Proceeds from disposal of tangible capital assets	-	-	30,756
Change in supplies inventories	-	21,744	(32,433)
Change in prepaid expenses	-	2,905	(66,085)
<b>Increase (decrease) in net financial assets</b>	<b>(390,744)</b>	<b>108,729</b>	<b>(457,173)</b>
<b>Net financial assets, beginning of year</b>	<b>86,278</b>	<b>86,278</b>	<b>543,451</b>
<b>Net financial assets (debt), end of year</b>	<b>\$ (304,466)</b>	<b>\$ 195,007</b>	<b>\$ 86,278</b>

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, 2015**

	2015	2014
<b>Operating transactions</b>		
Annual surplus	\$ 422,903	\$ 67,183
Non-cash charges to operations:		
Amortization	274,719	251,453
Loss (gain) on disposal of tangible capital assets	66,242	(16,648)
Change in employee benefits payable	1,189	4,773
Change in landfill closure and post-closure liability	(5,596)	47,115
	<b>759,457</b>	<b>353,876</b>
Changes in non-cash items:		
Taxes receivable	(3,572)	(25,788)
Accounts receivable	(48,109)	174,499
Inventories held for resale	435	(371)
Accounts payable and accrued liabilities	(39,060)	48,164
Deferred revenue-general	(193,708)	194,803
Deferred revenue-obligatory reserve funds	28,362	32,807
Inventories of supplies	21,744	(32,433)
Prepaid expenses	2,905	(66,085)
	<b>(231,003)</b>	<b>325,596</b>
Cash provided by operating transactions	<b>528,454</b>	<b>679,472</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(679,223)	(660,581)
Contributed tangible capital assets	(594)	(30,818)
Accumulated amortization - contributed tangible capital assets	33	-
Proceeds from disposal of tangible capital assets	-	30,756
Cash applied to capital transactions	<b>(679,784)</b>	<b>(660,643)</b>
<b>Investing transactions</b>		
Change in investments	(10,206)	127,024
Cash (applied to) provided by investing transactions	<b>(10,206)</b>	<b>127,024</b>
<b>Financing transactions</b>		
Decrease in accrued interest on long-term debt	(104)	(206)
Proceeds from municipal debt	395,500	-
Debt principal repayments	(96,562)	(94,252)
Increase (decrease) in tangible capital lease	1,649	(4,224)
Cash provided by (applied to) financing transactions	<b>300,483</b>	<b>(98,682)</b>
<b>Net change in cash</b>	<b>138,947</b>	<b>47,171</b>
<b>Cash, beginning of year</b>	<b>332,508</b>	<b>285,337</b>
<b>Cash, end of year</b>	<b>\$ 471,455</b>	<b>\$ 332,508</b>
<b>Cash flow supplementary information:</b>		
Cash paid for interest	\$ 8,724	\$ 4,877

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, 2015

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The consolidated financial statements of the Corporation of the Township of Ryerson (the "Municipality") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

### 1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### (a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenue, 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
- Economic development

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 revenue, 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.

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

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(b) Basis of Accounting

(i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and 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.

(ii) Investments

Investments are recorded at cost plus accrued interest.

(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 - 10 to 40 years  
 Machinery, equipment and furniture - 3 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.

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

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- (v) Government transfers  
Government transfers are recognized in the financial statements as revenue 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.
- (vi) Deferred revenue  
Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specified purpose.
- (vii) Taxation and related revenue  
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 revenue is initially recorded at the time assessment information is received from MPAC and is 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. This revenue is recorded in the period the interest and penalties are levied.
- (viii) 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.

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

(ix) 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 revenue 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, 2015 the Municipality adopted Public Sector Accounting Standards section 3260 "Liability for contaminated sites". This new standard establishes the recognition, measurement and disclosure requirements for reporting liabilities associated with remediation of contaminated sites. The Municipality's adoption of this new standard has not resulted in any significant changes in liability recognition.

3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2015	2014
District of Parry Sound Social Services Administration Board	\$ 78,826	\$ 78,857
North Bay Parry Sound District Health Unit	20,693	21,042
District of Parry Sound (East) Home for the Aged	49,008	38,048
	<b>\$ 148,527</b>	<b>\$ 137,947</b>

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, \$325,024 of taxation was collected on behalf of school boards (2014 \$328,991).

(b) The Municipality administers care and maintenance trust funds totaling \$13,745 (2014 \$12,245) which are funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at the Municipality's cemetery. The trust funds are not included in these consolidated financial statements, as they are being held in trust for the benefit of others.

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

5. INVESTMENTS

Investments are comprised of mutual funds held with RBC Dominion Securities Inc. and guaranteed investment certificates bearing interest at 1.5% and maturing October 13, 2016.

6. DEFERRED REVENUE-GENERAL

In 2014 the Municipality entered into an agreement with the Ministry of Rural Affairs to obtain funding for the replacement of the Midlothian cement bridge under the Small, Rural and Northern Municipal Infrastructure Fund - Capital Program. The terms of the agreement contain certain transfer stipulations, based on eligible costs and milestones. The maximum funding eligible under this agreement is \$393,811. The project was completed in 2015.

Details of the deferred revenue reported on the Consolidated Statement of Financial Position are as follows:

	2015	2014
Balance, beginning of year:		
Midlothian cement bridge	\$ 194,594	\$ -
Other deferred revenue	270	61
	194,864	61
Received during the year:		
Midlothian cement bridge	154,892	216,596
Other funding	1,129	270
Interest earned	-	413
	156,021	217,279
Recognized in revenue during the year	(349,729)	(22,476)
<b>Balance, end of year</b>	<b>\$ 1,156</b>	<b>\$ 194,864</b>
Midlothian cement bridge	\$ -	\$ 194,594
Other deferred revenue	1,156	270
<b>Balance, end of year</b>	<b>\$ 1,156</b>	<b>\$ 194,864</b>

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

#### 7. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The Municipality receives payments in lieu of parkland under the Planning Act, building permit revenue under the Building Code Act and federal gas tax funding under an agreement with the Association of Municipalities of Ontario. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

In the case of payments in lieu of parkland, revenue recognition occurs when the Municipality has approved eligible expenditures for park and other public recreation purposes. Building permit revenue is recognized when applicable building expenditures are incurred. Gas tax revenue recognition occurs when the Municipality has approved the expenditures for eligible capital works. Historically, the Municipality has applied its gas tax funding to local road and bridge improvements.

Details of the deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position are as follows:

	2015	2014
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 74,927	\$ 77,262
Building Code Act	3,648	6,375
Federal Gas Tax	37,869	-
	<u>116,444</u>	<u>83,637</u>
Received during the year:		
Recreational land (the Planning Act)	27,373	-
Federal Gas Tax	36,716	37,840
Interest earned	714	255
	<u>64,803</u>	<u>38,095</u>
Recognized in revenue during the year	<u>(36,441)</u>	<u>(5,288)</u>
<b>Balance, end of year</b>	<b>\$ 144,806</b>	<b>\$ 116,444</b>
Recreational land (the Planning Act)	\$ 102,996	\$ 74,927
Building Code Act	1,957	3,648
Federal Gas Tax	39,853	37,869
<b>Balance, end of year</b>	<b>\$ 144,806</b>	<b>\$ 116,444</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

### 8. MUNICIPAL DEBT

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

	2015	2014
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 \$164,066)	\$ 45,086	\$ 92,868
Ontario Infrastructure and Lands Corporation serial debenture, due February 2025, repayable in monthly payments of \$3,296 plus interest calculated at 1.98%. As security the Municipality has pledged future Provincial funding	362,541	-
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 \$7,371)	3,136	6,994
Ontario Strategic Infrastructure Financing Authority serial debenture, repaid in 2015	-	11,963
	<b>\$ 410,763</b>	<b>\$ 111,825</b>

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

	Principal	Interest
2016	\$ 87,772	\$ 7,600
2017	39,550	6,036
2018	39,550	5,253
2019	39,550	4,470
2020	39,550	3,697
2021 onwards	164,791	6,934
	<b>\$ 410,763</b>	<b>\$ 33,990</b>

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

	2015	2014
Principal payments	\$ 96,562	\$ 94,252
Interest	8,605	4,633
	<b>\$ 105,167</b>	<b>\$ 98,885</b>

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

#### 9. CREDIT FACILITY AGREEMENT

The Municipality has an authorized operating loan with the Royal Bank of Canada of \$300,000 (2014 \$300,000) which was unused at the end of the year. As security, the Municipality has pledged its revenue.

#### 10. TANGIBLE CAPITAL LEASE

The Municipality leases equipment in conjunction with the other contributing municipalities of the the Armour, Ryerson and Burk's Falls Memorial Arena and Community Centre. This liability is accounted for on the Consolidated Statement of Financial Position at the present value of future minimum lease payments, using a discount rate of 2.66%. Future minimum lease payments are as follows:

	2015	2014
2016	\$ 342	\$ -
2017	342	-
2018	342	-
2019	342	-
2020	342	-
2021 onwards	57	-
Total minimum lease payments	1,767	-
Less amount representing interest	(118)	-
<b>Present value of future minimum capital lease payments</b>	<b>\$ 1,649</b>	<b>\$ -</b>

Interest of \$15 (2014 \$38) relating to capital lease obligations has been reported on the Consolidated Statement of Operations.

#### 11. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and qualifying 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 2% per annum. The liability for these accumulated days amounted to \$26,972 (2014 \$25,783) at the end of the year.



## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

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#### 12. 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 \$679,771 (2014 \$650,145) and represents the present value of closure and post-closure costs for 100% of the closed site area and 80% of the open site area, using an estimated long-term borrowing rate of 1.64% (2014 1.41%) and inflation rate of 1.6% (2014 1.7%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$721,224 (2014 \$755,300), leaving an amount to be recognized of \$41,453 (2014 \$105,155). The estimated remaining capacity of the site is approximately 2,000 cubic metres, estimated to be filled in 2016. Post-closure care is estimated to be required for a period of 25 years.

The Municipality has recognized \$169,943 (2014 \$175,539) in the financial statements related to its proportionate share of this liability.

The Municipality has reserves of \$120,219 (2014 \$107,204) related to the TRI R operations that could be used to fund this liability.

#### 13. CONTRACTUAL OBLIGATIONS

In 2014, the Municipality agreed to purchase an excavator from Strongco at a cost of \$250,750 plus tax. The vehicle was delivered in satisfactory condition in 2016, and benefits accruing to the Municipality under the penalty clause are being negotiated. Since the amount owing to the Municipality is not yet determinable, no benefit has been recorded in the accompanying financial statements.

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

### 14. TANGIBLE CAPITAL ASSETS

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

<b>2015</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 382,474	\$ 1,104,072	\$ 1,012,263	\$ 691,715	\$ 8,079,911	\$ 24,477	\$ 11,294,912
Additions and betterments	24,211	38,527	36,280	-	571,282	8,923	679,223
Contributed assets	-	-	330	264	-	-	594
Disposals and writedowns	(12,238)	(58,513)	(19,665)	(14,257)	(142,963)	-	(247,636)
Transfer between classes	-	-	-	-	24,477	(24,477)	-
<b>BALANCE, END OF YEAR</b>	<b>394,447</b>	<b>1,084,086</b>	<b>1,029,208</b>	<b>677,722</b>	<b>8,532,707</b>	<b>8,923</b>	<b>11,727,093</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	127,243	539,639	423,280	279,905	6,015,740	-	7,385,807
Annual amortization	29,206	27,014	42,428	46,994	129,077	-	274,719
Accumulated amortization - contributed assets	-	-	-	33	-	-	33
Amortization disposals	(7,983)	(28,524)	(10,302)	(7,380)	(127,205)	-	(181,394)
<b>BALANCE, END OF YEAR</b>	<b>148,466</b>	<b>538,129</b>	<b>455,406</b>	<b>319,552</b>	<b>6,017,612</b>	<b>-</b>	<b>7,479,165</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 245,981</b>	<b>\$ 545,957</b>	<b>\$ 573,802</b>	<b>\$ 358,170</b>	<b>\$ 2,515,095</b>	<b>\$ 8,923</b>	<b>\$ 4,247,928</b>
<b>2014</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 321,223	\$ 1,103,752	\$ 606,256	\$ 684,603	\$ 8,317,757	\$ -	\$ 11,033,591
Additions and betterments	30,433	1,181	420,430	10,672	173,388	24,477	660,581
Contributed assets	30,818	-	-	-	-	-	30,818
Disposals and writedowns	-	(861)	(14,423)	(3,560)	(411,234)	-	(430,078)
<b>BALANCE, END OF YEAR</b>	<b>382,474</b>	<b>1,104,072</b>	<b>1,012,263</b>	<b>691,715</b>	<b>8,079,911</b>	<b>24,477</b>	<b>11,294,912</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	108,656	512,411	397,201	236,247	6,295,809	-	7,550,324
Annual amortization	18,587	27,594	32,408	47,218	125,646	-	251,453
Amortization disposals	-	(366)	(6,329)	(3,560)	(405,715)	-	(415,970)
<b>BALANCE, END OF YEAR</b>	<b>127,243</b>	<b>539,639</b>	<b>423,280</b>	<b>279,905</b>	<b>6,015,740</b>	<b>-</b>	<b>7,385,807</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 255,231</b>	<b>\$ 564,433</b>	<b>\$ 588,983</b>	<b>\$ 411,810</b>	<b>\$ 2,064,171</b>	<b>\$ 24,477</b>	<b>\$ 3,909,105</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

### 15. ACCUMULATED SURPLUS

The 2015 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
<b>RESERVES AND RESERVE FUNDS</b>			
Working funds	\$ 245,566	\$ -	\$ 245,566
Election	-	3,000	3,000
Fire	40,777	19,991	60,768
Roads	217,727	(60,300)	157,427
Waste disposal and recycling	107,204	13,015	120,219
Hazardous waste	8,783	560	9,343
Cemetery	6,210	659	6,869
Arena	27,161	3,591	30,752
Library	9,837	(1,489)	8,348
Fire Department	54	80	134
Planning and development	951	(951)	-
	<b>664,270</b>	<b>(21,844)</b>	<b>642,426</b>
<b>OTHER</b>			
Consolidated tangible capital assets	3,909,105	338,823	4,247,928
General operating surplus (deficit) -			
Municipality	(104,834)	402,384	297,550
Library	-	(384)	(384)
Unfunded amounts -			
Municipal debt	(111,825)	(298,938)	(410,763)
Accrued interest	(104)	104	-
Tangible capital leases	-	(1,649)	(1,649)
Employee benefits payable	(25,783)	(1,189)	(26,972)
Landfill closure and post-closure liability	(175,539)	5,596	(169,943)
	<b>\$ 4,155,290</b>	<b>\$ 422,903</b>	<b>\$ 4,578,193</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

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### 16. 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, 2015

### 16. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

#### FOR THE YEAR ENDED DECEMBER 31, 2015

	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
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,623,816	\$ 1,623,816
User charges	3,201	766	-	6,363	-	-	24,935	2,053	-	37,318
Government transfers -										
Canada	-	-	34,750	-	-	-	8,589	8,788	-	52,127
Ontario	-	1,925	374,486	15,211	-	-	15,636	1,110	259,300	667,668
Other municipalities	1,875	14,516	-	-	-	-	679	3	-	17,073
Loss on disposal of capital assets	(1,545)	(7,922)	(19,361)	(7,022)	-	-	(30,392)	-	-	(66,242)
Other	1,160	9,234	25,299	19,989	659	-	12,382	404	51,924	121,051
<b>TOTAL REVENUE</b>	<b>4,691</b>	<b>18,519</b>	<b>415,174</b>	<b>34,541</b>	<b>659</b>	<b>-</b>	<b>31,829</b>	<b>12,358</b>	<b>1,935,040</b>	<b>2,452,811</b>
<b>EXPENSES</b>										
Salaries, wages and benefits	309,614	72,253	343,296	64,638	-	-	76,984	13,775	-	880,560
Long-term debt charges (interest)	-	147	8,458	-	-	-	15	-	-	8,620
Materials	53,503	30,962	279,130	19,682	98	-	41,217	4,107	-	428,699
Contracted services	67,615	95,420	9,769	3,047	52,229	-	8,946	42,822	-	279,848
Rents and financial expenses	1,365	956	-	883	-	-	1,501	270	-	4,975
External transfers	1,435	50	-	-	20,693	127,834	2,475	-	-	152,487
Interfunctional adjustments	(125)	125	-	-	-	-	-	-	-	-
Amortization	4,848	15,230	202,384	30,855	202	-	21,200	-	-	274,719
<b>TOTAL EXPENSES</b>	<b>438,255</b>	<b>215,143</b>	<b>843,037</b>	<b>119,105</b>	<b>73,222</b>	<b>127,834</b>	<b>152,338</b>	<b>60,974</b>	<b>-</b>	<b>2,029,908</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (433,564)</b>	<b>\$ (196,624)</b>	<b>\$ (427,863)</b>	<b>\$ (84,564)</b>	<b>\$ (72,563)</b>	<b>\$ (127,834)</b>	<b>\$ (120,509)</b>	<b>\$ (48,616)</b>	<b>\$ 1,935,040</b>	<b>\$ 422,903</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

### 16. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

#### FOR THE YEAR ENDED DECEMBER 31, 2014

	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
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,532,294	\$ 1,532,294
User charges	3,106	350	431	12,566	-	-	27,909	800	4,208	49,370
Government transfers -										
Canada	-	-	-	-	-	-	34	-	1,000	1,034
Ontario	-	6,217	42,718	15,891	-	-	5,837	13,596	252,100	336,359
Other municipalities	-	14,955	-	-	-	-	813	-	-	15,768
Gain (loss) on disposal of capital assets	-	64	19,103	(2,347)	-	-	(172)	-	-	16,648
Other	1,577	24,661	23,208	7,598	31,211	-	12,309	675	48,701	149,940
<b>TOTAL REVENUE</b>	<b>4,683</b>	<b>46,247</b>	<b>85,460</b>	<b>33,708</b>	<b>31,211</b>	<b>-</b>	<b>46,730</b>	<b>15,071</b>	<b>1,838,303</b>	<b>2,101,413</b>
<b>EXPENSES</b>										
Salaries, wages and benefits	315,407	76,322	322,295	60,797	-	-	63,725	9,652	-	848,198
Long-term debt charges (interest)	-	263	4,370	38	-	-	-	-	-	4,671
Materials	77,558	39,364	324,333	16,668	54	-	42,444	4,669	-	505,090
Contracted services	70,796	80,170	5,105	47,304	49,535	-	6,244	19,156	-	278,310
Rents and financial expenses	1,515	1,508	100	389	-	-	1,607	324	-	5,443
External transfers	3,098	20	-	-	21,042	116,905	-	-	-	141,065
Interfunctional adjustments	(135)	135	-	-	-	-	-	-	-	-
Amortization	4,345	15,586	188,486	20,525	202	-	22,309	-	-	251,453
<b>TOTAL EXPENSES</b>	<b>472,584</b>	<b>213,368</b>	<b>844,689</b>	<b>145,721</b>	<b>70,833</b>	<b>116,905</b>	<b>136,329</b>	<b>33,801</b>	<b>-</b>	<b>2,034,230</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (467,901)</b>	<b>\$ (167,121)</b>	<b>\$ (759,229)</b>	<b>\$ (112,013)</b>	<b>\$ (39,622)</b>	<b>\$ (116,905)</b>	<b>\$ (89,599)</b>	<b>\$ (18,730)</b>	<b>\$ 1,838,303</b>	<b>\$ 67,183</b>

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2015

#### 17. 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
<b>ADOPTED BUDGET:</b>	
Increase in general municipal operating surplus	\$ 104,835
Decrease in reserves and reserve funds	(20,651)
<b>ADJUSTMENTS:</b>	
Acquisition of tangible capital assets	969,049
Amortization of tangible capital assets	(274,327)
Net debt proceeds	(474,928)
<b>ANNUAL SURPLUS</b>	<b>\$ 303,978</b>

#### 18. 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. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2015. The results of this valuation disclosed total actuarial liabilities of \$81,924 million with respect to benefits accrued for service with actuarial assets at that date of \$74,947 million indicating an actuarial deficit of \$6,977 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2015 was \$51,045 (2014 \$48,458) for current service and is included as an expense on the Consolidated Statement of Operations.

#### 19. RELATED PARTY TRANSACTIONS

During the normal course of operations, the Municipality purchased services in the amount of \$6,801 (2014 \$9,145) 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.