

Consolidated Financial Statements of

**THE CORPORATION OF THE
TOWNSHIP OF RYERSON**

Year ended December 31, 2023

THE CORPORATION OF THE TOWNSHIP OF RYERSON

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Management’s Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Township of Ryerson (the “Township”) are the responsibility of the Township’s management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated 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.

The Township’s management maintains a system of internal controls 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. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Township. The accompanying Independent Auditor’s Report outlines their responsibilities, the scope of their examination and their opinion on the Township’s consolidated financial statements.

Original signed by Mayor _____

Mayor

Original signed by CAO/Treasurer _____

CAO / Treasurer

December 12, 2024



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Ryerson (the "Township"), which comprise:

- the consolidated statement of financial position as at end of December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended.
- the consolidated statement of changes in net financial assets for the year then ended.
- the consolidated statement of cash flows for the year then ended.
- and notes to the consolidated financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2023, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Emphasis of Matter – Comparative Information

We draw attention to Note 2 to the financial statements (“Note 2”), which explains that certain comparative information presented for the year ended December 31, 2022 has been restated as a result of the modified retroactive adoption of the asset retirement obligation standard. Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified with respect to this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022 as a result of a change in accounting policy. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Township’s ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

December 12, 2024

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 2)
Financial assets:		
Cash (note 5)	\$ 2,767,571	\$ 2,915,966
Investments (note 6)	34,666	32,682
Taxes receivable (note 7)	280,328	208,270
Accounts receivable	113,539	217,374
Inventories held for resale	2,646	2,696
	3,198,750	3,376,988
 Financial liabilities:		
Accounts payable and accrued liabilities	376,031	869,247
Deferred revenue (note 8)	97,318	107,706
Deferred revenue - obligatory reserve funds (note 9)	471,606	373,676
Municipal debt (note 10)	285,681	401,160
Asset retirement obligations (note 11)	167,332	138,318
	1,397,968	1,890,107
Net financial assets	1,800,782	1,486,881
 Non-financial assets:		
Tangible capital assets (note 14)	5,650,120	5,484,128
Inventory of supplies	176,704	200,877
Prepaid expenses	11,619	10,542
	5,838,443	5,695,547
Contingencies (notes 3, 13)		
Contractual obligations (note 12)		
Accumulated surplus (note 15)	\$ 7,639,225	\$ 7,182,428

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of Council:

Original signed by Mayor _____ Mayor

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 17)	Actual 2023	Actual 2022 (Restated - note 2)
Revenue:			
Property taxes	\$ 2,309,511	\$ 2,345,528	\$ 2,215,728
User charges	129,837	136,893	85,638
Government transfers	692,156	576,089	678,010
Restructuring net revenue	-	-	2,600
Other	169,631	269,638	241,787
Total revenue	3,301,135	3,328,148	3,223,763
Expenses:			
General government	700,904	605,741	708,773
Protection to persons and property	385,936	360,807	344,488
Transportation services	1,364,831	1,168,956	1,168,119
Environment services	180,195	197,611	180,857
Health services	106,341	107,083	101,156
Social and family services	151,195	151,195	145,937
Recreation and cultural services	219,655	228,946	207,242
Planning and development	45,514	51,012	33,892
Total expenses	3,154,571	2,871,351	2,890,464
Annual surplus	146,564	456,797	333,299
Accumulated surplus, beginning of year	7,182,428	7,182,428	6,814,991
Change in accounting policy (note 2)	-	-	34,138
	7,182,428	7,182,428	6,849,129
Accumulated surplus, end of year	\$ 7,328,992	\$ 7,639,225	\$ 7,182,428

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023 (note 17)	Actual 2023	Actual 2022 (Restated - note 2)
Annual surplus	\$ 146,564	\$ 456,797	\$ 333,299
Acquisition of tangible capital assets	(700,165)	(570,755)	(667,450)
Shared services tangible capital assets transfer-net	-	1,420	(5,194)
Revaluation of tangible capital assets - ARO	-	(6,839)	-
Amortization of tangible capital assets	393,202	393,202	362,391
(Gain) loss on disposal of tangible capital assets	-	7,345	(9,081)
Proceeds from disposal of tangible capital assets	9,200	9,635	19,991
Change in supplies inventories	-	24,173	(63,016)
Change in prepaid expenses	-	(1,077)	2,066
Change in net financial assets	(151,199)	313,901	(26,994)
Net financial assets, beginning of the year	1,486,881	1,486,881	1,499,713
Change in accounting policy (note 2)	-	-	14,162
	1,486,881	1,486,881	1,513,875
Net financial assets, end of the year	\$ 1,335,682	\$ 1,800,782	\$ 1,486,881

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
		(Restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 456,797	\$ 333,299
Items not involving cash:		
Amortization of tangible capital assets	393,202	362,391
Accretion expense on ARO liability	6,328	5,804
Revaluation of tangible capital assets - ARO	(6,839)	-
Change in ARO liability excluding accretion and settlements	-	7,038
Shared services tangible capital assets transfer - net	1,420	(5,194)
(Gain) loss on disposal of tangible capital assets	7,345	(9,081)
	858,253	694,257
Change in non-cash assets and liabilities:		
Taxes receivable	(72,058)	(9,117)
Accounts receivable	103,835	87,050
Inventories held for resale	50	(1,515)
Accounts payable and accrued liabilities	(493,216)	427,595
Deferred revenue-general	(10,388)	87,706
Deferred revenue-obligatory reserve funds	97,930	53,070
Inventories of supplies	24,173	(63,016)
Prepaid expenses	(1,077)	2,066
Net change in cash from operating activities	507,502	1,278,096
Capital activities:		
Acquisition of tangible capital assets	(548,069)	(667,450)
Proceeds from disposal of tangible capital assets	9,635	19,991
Net change in cash from capital activities	(538,434)	(647,459)
Investing activities:		
Change in investments	(1,984)	6,377
Net change in cash from investing activities	(1,984)	6,377
Financing activities:		
Debt principal repayments	(115,479)	(114,468)
Net change in cash from financing activities	(115,479)	(114,468)
Net change in cash	(148,395)	522,546
Cash, beginning of year	2,915,966	2,393,420
Cash, end of year	\$ 2,767,571	\$ 2,915,966
Cash flow supplementary information:		
Interest paid	\$ 7,016	\$ 9,208

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2023

The Corporation of the Township of Ryerson (the "Township") is a single-tier municipal corporation located in Northern Ontario. It is subject to provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

The consolidated financial statements of The Corporation of the Township of Ryerson (the "Township") 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:

The consolidated financial statements of the Township are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Township 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) Proportionately consolidated entities:

The following joint boards and committees are proportionately consolidated:

- Fire
- Waste Management
- Arena and Community Centre
- Library
- Building Committee
- Economic Development

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

(ii) Non-consolidated entities:

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

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(a) Reporting entity (continued):

(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.

(iii) Trust funds:

Trust funds administered by the Township 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:

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) Cash:

Cash includes cash on hand and balances held at financial institutions.

(iii) Investments:

Investments are recorded at cost plus accrued interest.

(iv) 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.

(c) Inventories of supplies:

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

(d) 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 Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(e) 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:

Asset	Estimated Useful Life
Land improvements	20 years
Buildings	10-40 years
Leasehold improvements	20 years
Machinery, equipment and furniture	5-20 years
Vehicles	5-20 years
Roads	8-75 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.

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

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

(f) 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 and Accumulated Surplus as the stipulation liabilities are settled.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(g) 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 and Accumulated Surplus in the year in which it is used for the specified purpose.

(h) Taxation and related revenue:

Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Township 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 Township is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

(i) Pensions and employee benefits:

The Township 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 and retirement gratuities under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.

(j) 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 Township 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 asset retirement obligations and supplementary taxes. Actual results could differ from these estimates.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(k) Financial instruments:

Financial instruments are classified as either fair value, amortized cost or cost.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. Unrealized gains and losses on financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Consolidated Statement of Operations. A Consolidated Statement of Remeasurement Gains and Losses has not been included as there are no matters to report therein.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. The effective interest rate method allocates interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Consolidated Statement of Operations.

Financial liabilities (or part of a financial liability) are removed from the Statement of Financial Position when, and only when, they are discharged, cancelled or expire.

The Municipality's financial instruments are measured according to the following methods:

<u>Financial instrument</u>	<u>Measurement method</u>
Cash	Amortized cost
Investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

(l) Asset retirement obligations:

A liability for an asset retirement obligation is recognized when, at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(l) Asset retirement obligations (continued):

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a capital asset at the financial statement date. The liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. When an asset retirement obligation is initially recognized, a corresponding asset retirement cost is added to the carrying value of the related capital asset when it is still in productive use. This cost is amortized over the useful life of the capital asset. If the related capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

2. Change In Accounting Policy - Adoption of New Accounting Standards:

The Municipality adopted the following standards concurrently beginning January 1, 2022 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*.

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses. PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

2. Change In Accounting Policy - Adoption of New Accounting Standards (continued):

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date.

Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. There was no impact from the adoption of this standard.

PS 3280 Asset Retirement Obligations:

On January 1, 2022, the Municipality adopted Public Accounting Standard *PS 3280 Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section *PS 3270 Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Municipality removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS 3280 on January 1, 2022, using the modified retrospective method. The liability represents the required closure and post-closure care for the landfill site owned by the Municipality. The liability is measured as of the date of purchase of the site, when the liability was assumed. As of the date of adoption of the standard, the relevant discount rate is 3% per annum.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

2. Change In Accounting Policy - Adoption of New Accounting Standards (continued):

PS 3280 *Asset Retirement Obligations* (continued):

On January 1, 2022, the Municipality recognized an additional asset retirement obligation relating to a buildings owned by the Municipality that may contain asbestos. The buildings were originally purchased at various dates from 1968 to 2005, and the liability was measured as of the date of purchase of the buildings when the liability was assumed. The buildings have an expected useful life of between 10 and 50 years, and the estimate has not been changed since purchase.

In accordance with the provisions of this new standard, the Municipality reflected the following adjustments at January 1, 2022:5

	As Previously Reported	Adjustments	As Restated
Consolidated Statement of Financial Position			
Tangible capital assets - net	\$ 5,464,370	\$ 19,758	\$ 5,484,128
Asset retirement obligations liability	112,766	25,552	138,318
Accumulated surplus	7,188,222	(5,794)	7,182,428
Consolidated Statements of Operations and Accumulated Surplus			
Total revenue	3,256,792	(33,029)	3,223,763
Total expenses	2,883,561	6,903	2,890,464
Annual surplus	373,231	(39,932)	333,299
Accumulated surplus, beginning of year	6,814,991	34,138	6,849,129
Consolidated Statement of Change in Net Financial Assets			
Annual surplus	373,231	(39,932)	333,299
Shared services tangible capital asset transfer - net	(4,313)	(881)	(5,194)
Amortization of tangible capital assets	361,292	1,099	362,391
Increase (decrease) in net financial assets	12,720	(6,685)	6,035
Net financial assets, beginning of year	1,499,713	(18,867)	1,480,846
Consolidated Statement of Cash Flows			
Annual surplus	373,231	(39,932)	333,299
Amortization of tangible capital assets	361,292	1,099	362,391
Accretion expense on ARO liability	-	5,804	5,804
Change in ARO liability excluding accretion and settlements	(26,872)	33,910	7,038
Shared services tangible capital asset transfer - net	(4,313)	(881)	(5,194)

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

3. Contribution of Unconsolidated Joint Boards:

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

	2023	2022
District of Parry Sound Social Services Administration Board	\$ 84,941	\$ 82,023
North Bay Parry Sound District Health Unit	20,687	20,405
District of Parry Sound (East) Home for the Aged	66,254	63,914
	<u>\$ 171,882</u>	<u>\$ 166,342</u>

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

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

4. Transactions on behalf of others:

- (a) During the year, \$296,902 of taxation was collected on behalf of school boards (2022 - \$293,289).
- (b) The Township administers care and maintenance trust funds totalling \$18,165 (2022 - 16,135) 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 Township'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.

5. Cash:

Cash is comprised of:

	2023	2022
Unrestricted cash	\$ 2,295,965	\$ 2,542,290
Restricted cash	471,606	373,676
	<u>\$ 2,767,571</u>	<u>\$ 2,915,966</u>

Federal and Provincial legislation restricts how restricted cash related to obligatory reserve funds, reported in Note 9, may be used.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

6. Investments:

Investments are comprised of guaranteed investment certificates bearing interest at 1.6% and maturing between May 15, 2024, and June 30, 2024.

7. Taxes receivable:

Taxes receivables are comprised of the following:

	2023	2022
Taxes receivable	\$ 282,328	\$ 210,270
Valuation allowance	(2,000)	(2,000)
	\$ 280,328	\$ 208,270

8. Deferred revenue:

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

	2023	2022
Balance, beginning of year:		
Ontario Cannabis Legalization Implementation Fund	\$ 20,000	\$ 20,000
Northern Ontario Resource Development Support (NORDS)	54,487	–
Other deferred revenue	33,219	–
	107,706	20,000
Received during the year:		
Northern Ontario Resource Development Support (NORDS)	71,938	145,393
Other funding	–	34,430
Interest earned	2,408	783
	74,346	180,606
Recognized in revenue during the year	(61,885)	(92,900)
Refunded in the year	(22,849)	–
Balance, end of year	\$ 97,318	\$ 107,706
Ontario Cannabis Legalization Implementation Fund	\$ 20,000	\$ 20,000
Northern Ontario Resource Development Support (NORDS)	72,475	54,487
Other deferred revenue	4,843	33,219
	\$ 97,318	\$ 107,706

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

9. Deferred revenue – obligatory reserve funds:

The Township receives payments in lieu of parkland under the Planning Act, building permit revenue under the Building Code Act, Canada Community-Building (previously Gas Tax) funding and provincial Main Street revitalization funding under agreements with the Association of Municipalities of Ontario, and Ontario Community Infrastructure Fund funding under an agreement with the Ministry of Infrastructure. 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 Township has approved eligible expenditures for park and other public recreation purposes. Building permit revenue is recognized when applicable building expenditures are incurred. Canada Community-Building, Main Street revitalization and Ontario Community Infrastructure Fund revenue recognition occurs when the Township has approved the expenditures for eligible operating expenditures and capital works.

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

	2023	2022
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 181,984	\$ 149,319
Building Code Act	113,314	88,597
Canada Community-Building Fund	6,328	30,330
Ontario Community Infrastructure Fund	72,050	52,360
	<u>373,676</u>	<u>320,606</u>
Received during the year:		
Recreational land (the Planning Act)	30,870	37,850
Building Code Act	26,793	24,717
Canada Community-Building Fund	42,890	41,103
Ontario Community Infrastructure Fund	100,000	100,000
Interest earned	23,109	10,826
	<u>223,662</u>	<u>214,496</u>
Recognized in revenue during the year	(125,732)	(161,426)
Balance, end of year	<u>\$ 471,606</u>	<u>\$ 373,676</u>
Recreational land (the Planning Act)	\$ 202,945	\$ 181,984
Building Code Act	140,107	113,314
Canada Community-Building Fund	51,178	6,328
Ontario Community Infrastructure Fund	77,376	72,050
	<u>\$ 471,606</u>	<u>\$ 373,676</u>

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

10. Municipal debt:

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

	2023	2022
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 Township has pledged future Provincial funding.	\$ 46,142	\$ 85,692
Ontario Infrastructure and Lands Corporation serial debenture, due June 2026, repayable in semi-annual payments of \$8,770 plus interest calculated at 2.27%. As security, the Township has pledged future Provincial funding.	43,850	61,390
Ontario Infrastructure and Lands Corporation amortizing debenture due November 2026, repayable in semi-annual payments of \$27,687 including interest calculated at 1.61%. As security the Township has pledged future Provincial funding.	161,543	213,686
Proportionate share of Fire Department Ontario Infrastructure and Lands Corporation amortizing debenture, due July 2028, repayable in semi-annual payments of \$15,703 including interest calculated at 2.97%. Secured by future Provincial funding.	34,146	40,392
	\$ 285,681	\$ 401,160

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

Year	Principal	Interest
2024	\$ 116,510	\$ 4,810
2025	84,600	2,820
2026	70,306	1,337
2027	7,027	372
2028	7,238	162
	\$ 285,681	\$ 9,501

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

	2023	2022
Principal payments	\$ 115,497	\$ 114,468
Interest	6,970	8,987
	\$ 122,467	\$ 123,455

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

11. Asset retirement obligations:

The Municipality has recorded asset retirement obligations with respect to its landfill closure and post-closure care requirements, which 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.

In the past, the Municipality reported its obligations related to landfill closure and post-closure care requirements in accordance with PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. Under this standard, estimated expenditures related to the closure and subsequent maintenance of a landfill site were recognized in the financial statements over the operating life of the site.

New standard PS 3280 Asset Retirement Obligations (ARO) requires the recognition of the liability in full when the legal obligation arose. The liability is initially recorded at the estimated present value of future cash flows for closure and post-closure costs, and subsequently adjusted as the result of revisions to the estimated cost of the obligation (arising from a change in cost, timing, inflation, discount rate, or change in the legal obligation), for accretion of the discounted liability and for activities that occurred to settle all or part of the obligation. When initially recording this obligation, the estimated present value of future cash flows for closure and post-closure costs for active sites are capitalized to the carrying amount of the associated assets, and amortized over the operating life of the site, on the same basis of the amortization for the land improvements included in note 1 e).

Subsequent revisions to the estimated cost are also capitalized and amortized as part of the asset. When a site becomes inactive, the related assets are derecognized. For both active and inactive sites, accretion of the discounted liability due to the passage of time is recorded as an in-year expense.

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 comprised of the original, inactive, site area with a capacity of 58,000 cubic metres, and an additional 27,700 capacity area, approved in March 2017, that is currently active. The liability for both the inactive and active areas represents the total discounted future cash flows for closure and post-closure care using an estimated long-term borrowing rate of 4.14% (2022 - 4.38%) and inflation rate of 2.6% (2022 - 2.4%). The estimated remaining capacity of the site is approximately 13,509 (2022 - 14,734) cubic metres, estimated to be filled in 11 years (2022 - 12 years). Post-closure care is estimated to be required for a period of 25 years.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

11. Asset retirement obligations (continued):

In 2023, the Municipality adopted the new standard on a modified retroactive basis and has restated the amounts previously recorded for the asset retirement obligation associated with the landfill. The continuity of the asset retirement obligation for the site is shown below:

	2023	2022
Balance, beginning of year – as previously reported	\$ 112,766	\$ 139,638
Adjustment due to change in accounting policy	25,552	19,748
Increase (decrease) in liability reflecting changes in the estimated cash flows, inflation and discount rate	20,746	(33,029)
Increase in liability due to accretion (the passage of time)	6,328	5,804
Increase in liability due to change in Municipality's proportionate share	1,940	6,157
Balance, end of year	\$ 167,332	\$ 138,318

The Municipality has reserves of \$150,681 (2022 - \$142,728) related to the TRI R operations that could be used to fund this obligation.

12. Contractual obligations:

In conjunction with the Municipal Corporation of the Township of Armour and the Corporation of the Municipality of the Village of Burk's Falls, in 2022 the Municipality contracted Carrier Emergency Vehicles to provide a pumper truck for the Burk's Falls and District Fire Department at a cost of \$711,850, inclusive of 13% HST. The truck was delivered in January 2024.

13. Contingencies:

The Township is involved from time to time in litigation, which arises in the normal course of business. With respect to outstanding claims, the Township believes that insurance coverage is adequate, and that no material exposure exists on the eventual settlement of such litigation. Therefore, no provision has been made in the accompanying financial statements.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2023

14. Tangible capital assets:

Cost	Balance at December 31, 2022	Additions and betterments	Shared services assets - redistribution	Disposals and writedown	Balance at December 31, 2023
	(Restated - note 2)				
Land and land improvements	\$ 593,817	\$ 6,839	\$ (1,718)	\$ -	\$ 598,938
Building and leasehold improvements	1,557,108	-	182	(4,760)	1,552,530
Machinery and equipment	500,523	54,811	2,143	(16,123)	541,354
Vehicles	1,751,897	306,271	(469)	(181,335)	1,876,364
Roads and bridges	8,337,485	209,673	-	(73,617)	8,473,541
Construction in progress	53,197	-	-	-	53,197
Total	\$ 12,794,027	577,594	138	\$ (275,835)	\$ 13,095,924

Accumulated Amortization	Balance at December 31, 2022	Annual amortization	Shared services accumulated amortization redistribution	Amortization disposals	Balance at December 31, 2023
	(Restated - note 2)				
Land and land improvements	\$ 172,397	\$ 8,786	\$ 557	\$ (4,760)	\$ 176,980
Building and leasehold improvements	639,622	38,878	40	(10,031)	668,509
Machinery and equipment	286,513	33,884	1,107	(181,334)	140,170
Vehicles	733,085	105,868	(146)	(62,730)	776,077
Roads and bridges	5,478,282	205,786	-	-	5,684,068
Construction in progress	-	-	-	-	-
Total	\$ 7,309,899	\$ 393,202	\$ 1,558	\$ (258,855)	\$ 7,445,804

	Net book value, December 31, 2022	Net book value, December 31, 2023
	(Restated - note 2)	
Land and land improvements	\$ 421,420	\$ 421,958
Building and leasehold improvements	917,486	884,021
Machinery and equipment	214,010	401,184
Vehicles	1,018,812	1,100,287
Roads and bridges	2,859,203	2,789,473
Construction in progress	53,197	53,197
Total	\$ 5,484,128	\$ 5,650,120

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2023

14. Tangible capital assets (continued):

Cost	Balance at December 31, 2021	Additions and betterments	Shared services assets - redistribution	Disposals and writedown	Balance at December 31, 2022
					(Restated - note 2)
Land and land improvements	\$ 580,735	\$ 5,825	\$ 7,257	\$ -	\$ 593,817
Building and leasehold improvements	1,544,371	14,694	538	(2,495)	1,557,108
Machinery and equipment	474,143	47,482	4,519	(25,621)	500,523
Vehicles	1,521,706	345,948	-	(115,757)	1,751,897
Roads and bridges	8,325,325	253,050	-	(240,890)	8,337,485
Construction in progress	52,746	451	-	-	53,197
Total	\$ 12,499,026	667,450	12,314	\$ (384,763)	\$ 12,794,027

Accumulated Amortization	Balance at December 31, 2021	Annual amortization	Shared services accumulated amortization redistribution	Amortization disposals	Balance at December 31, 2022
					(Restated - note 2)
Land and land improvements	\$ 159,384	\$ 8,031	\$ 4,982	\$ -	\$ 172,397
Building and leasehold improvements	603,037	38,976	104	(2,495)	639,622
Machinery and equipment	279,784	30,255	2,034	(25,560)	286,513
Vehicles	759,318	89,524	-	(115,757)	733,085
Roads and bridges	5,512,718	195,605	-	(230,041)	5,478,282
Construction in progress	-	-	-	-	-
Total	\$ 7,314,241	\$ 362,391	\$ 7,120	\$ (373,853)	\$ 7,309,899

	Net book value, December 31, 2021	Net book value, December 31, 2022
		(Restated - note 2)
Land and land improvements	\$ 421,351	\$ 421,420
Building and leasehold improvements	941,334	917,486
Machinery and equipment	194,359	214,010
Vehicles	762,388	1,018,812
Roads and bridges	2,812,607	2,859,203
Construction in progress	52,746	53,197
Total	\$ 5,184,785	\$ 5,484,128

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Accumulated surplus:

The 2023 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
	(Restated - Note 2)		
RESERVES AND RESERVE FUNDS:			
Working funds	\$ 421,562	\$ 241,558	\$ 663,120
Capital funds	562,898	–	562,898
Election	–	3,500	3,500
Fire	107,025	37,443	144,468
Roads	546,886	97,800	644,686
Waste disposal and recycling	142,728	7,953	150,681
JBC	10,381	4,800	15,181
COVID-19	8,737	(8,737)	–
Hospital	40,000	20,000	60,000
Cemetery	5,176	(500)	4,676
Arena	48,957	(4,417)	44,540
Library	15,943	3,537	19,480
Fire Department	723	–	723
	1,911,016	402,937	2,313,953
OTHER:			
Consolidated tangible capital assets	5,484,128	165,992	5,650,120
General operating surplus -			
Municipality	343,074	(196,651)	146,423
Library	1,080	706	1,786
ACED	9,392	(9,392)	–
Unfunded amounts -			
Long-term debt	(401,160)	115,479	(285,681)
Employee benefits payable	(26,784)	6,740	(20,044)
Asset retirement obligations	(138,318)	(29,014)	(167,332)
	\$ 7,182,428	\$ 456,797	\$ 7,639,225

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

16. Segment disclosures and expenses by object:

The Township 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 Township'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 unconditional grants such as the Township's annual Ontario Municipal Partnership Fund 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 Consolidated Financial Statements

Year ended December 31, 2023

16. Segment disclosures and expenses by object (continued):

	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	2023
Revenues:										
Property taxes	\$ -	-	-	-	-	-	-	-	2,345,528	\$ 2,345,528
User charges	4,195	52,166	-	27,183	-	-	49,199	4,150	-	136,893
Government grants:										
Canada	327	-	-	-	-	-	899	12,620	-	13,846
Ontario	11,571	5,178	159,779	23,646	-	-	3,481	6,750	348,600	559,005
Other municipalities	-	2,414	-	-	-	-	824	-	-	3,238
Shared services opening surplus redistribution	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of capital assets	(3,050)	-	(1,652)	(650)	-	-	(1,993)	-	-	(7,345)
Other	-	7,704	16,917	3,899	1,657	-	34,089	-	212,717	276,983
	13,043	67,462	175,044	54,078	1,657	-	86,499	23,520	2,906,845	3,328,148
Expenses:										
Salaries, wages and benefits	423,048	129,182	429,492	110,565	985	-	110,413	26,886	-	1,230,571
Long-term debt charges	-	1,069	5,721	-	-	-	-	-	-	6,790
Materials	84,548	34,911	391,970	21,772	81	-	74,561	3,905	-	611,748
Contracted services	83,580	174,494	13,464	45,909	68,829	-	14,916	12,689	-	413,881
Rents and financial expenses	1,565	1,998	-	3,070	-	-	2,915	-	-	9,548
Restructuring net revenue	-	-	-	-	-	-	-	7,355	-	7,355
External transfers	3,747	-	-	-	36,986	151,195	-	-	-	191,928
Interfunctional adjustments	(2,000)	2,000	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	11,253	17,153	328,309	9,967	202	-	26,141	177	-	393,202
Accretion of ARO liability	-	-	-	6,328	-	-	-	-	-	6,328
	605,741	360,807	1,168,956	197,611	107,083	151,195	228,946	51,012	-	2,871,351
Annual surplus (deficit)	\$ (592,698)	(293,345)	(993,912)	(143,533)	(105,426)	(151,195)	(142,447)	(27,492)	2,906,845	\$ 456,797

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2023

16. Segment disclosures and expenses by object (continued):

	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	2022 (Restated - note 2)
Revenues:										
Property taxes	\$ -	-	-	-	-	-	-	-	2,215,728	\$ 2,215,728
User charges	7,680	43,671	-	27,951	-	-	31,247	14,650	-	125,199
Government grants:										
Canada	2,345	-	66,532	-	-	-	99	19,749	-	88,725
Ontario	28,001	1,738	176,142	21,785	-	-	3,850	4,090	350,600	586,206
Other municipalities	-	2,501	-	-	-	-	578	-	-	3,079
Restructuring net revenue	-	-	-	-	-	-	-	2,600	-	2,600
Shared services opening surplus redistribution	-	-	-	-	-	-	-	-	-	-
Gain on disposal of capital assets	-	5,083	3,027	-	-	-	971	-	-	9,081
Other	7,962	3,112	12,042	16,478	558	-	16,668	-	136,325	193,145
	45,988	56,105	257,743	66,214	558	-	53,413	41,089	2,702,653	3,223,763
Expenses:										
Salaries, wages and benefits	470,144	108,735	377,065	88,639	7,429	-	91,800	23,556	-	1,167,368
Long-term debt charges	-	1,253	7,734	-	-	-	-	-	-	8,987
Materials	80,747	39,985	466,693	40,862	3,673	-	71,528	3,644	-	707,132
Contracted services	142,956	174,966	12,443	28,655	65,695	-	15,200	6,517	-	446,432
Rents and financial expenses	1,728	1,913	2,806	7,869	-	-	3,748	8	-	18,072
External transfers	4,184	-	-	-	24,157	145,937	-	-	-	174,278
Interfunctional adjustments	(2,000)	2,000	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	11,014	15,636	301,378	9,028	202	-	24,966	167	-	362,391
Accretion of ARO liability	-	-	-	5,804	-	-	-	-	-	5,804
	708,773	344,488	1,168,119	180,857	101,156	145,937	207,242	33,892	-	2,890,464
Annual surplus (deficit)	\$ (662,785)	(288,383)	(910,376)	(114,643)	(100,598)	(145,937)	(153,829)	7,197	2,702,653	\$ 333,299

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

17. Budget information:

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	\$ (343,075)
Increase in reserves and reserves funds	90,149
Decrease in joint board general operating surplus	(7,424)
Adjustments:	
Acquisition of tangible capital assets	700,165
Amortization of tangible capital assets	(393,202)
Accretion of asset retirement obligations	(6,328)
Proceeds from disposal of tangible and capital assets	(9,200)
Debt principal repayments	115,479
Annual surplus	\$ 146,564

18. Pension agreements:

The Township 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 pensions benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total going concern actuarial liabilities of \$136,185 million (2022 - \$130,306 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$131,983 million (2022 - \$123,628 million) indicating a going concern actuarial deficit of \$4,202 million (2022 - \$6,678 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 Township does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2023 was \$79,686 (2022 - \$77,615) for current service and is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

19. Financial Instruments:

(a) Risks arising from financial instruments and risk management:

The Municipality is exposed to various risks through its financial instruments.

(b) Credit risk:

Credit risk is the risk of financial loss to the Municipality if a debtor fails to honour its contractual obligations. The Municipality is exposed to this risk as a result of its cash, investments and accounts receivable. The carrying amounts of these financial assets on the Consolidated Statement of Financial Position represent the maximum credit risk of the Municipality as at the reporting date.

The Municipality holds its cash and investments with a federally regulated chartered bank and a provincially regulated credit union who are insured, respectively, by the Canadian Deposit Insurance Corporation ("CDIC") and the Financial Services Regulatory Authority of Ontario ("FSRA"). The CDIC insurance is up to \$100,000 per deposit account and the FSRA insurance is up to \$250,000 in aggregate.

Accounts receivable are primarily due from other levels of government. Credit risk is mitigated by the financial solvency of the governments. The amounts outstanding at year-end were as follows:

2023	Current	Past Due	Indeterminate Due Date	Total
Federal	\$ 62,630	\$ –	\$ –	\$ 62,630
Provincial	6,587	–	–	6,587
Other municipalities	15,436	–	7,605	23,041
Other	11,370	9,122	789	21,281
Net receivable	\$ 96,023	\$ 9,122	\$ 8,394	\$ 113,539

2022	Current	Past Due	Indeterminate Due Date	Total
Federal	\$ 122,051	\$ –	\$ –	\$ 122,051
Provincial	27,891	–	–	27,891
Other municipalities	9,279	–	13,817	23,096
Other	38,305	5,084	947	44,336
Net receivable	\$ 197,526	\$ 5,084	\$ 14,764	\$ 217,374

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

19. Financial instruments (continued):

There have been no significant changes from the previous year in exposure to credit risk or policies, procedures and methods used to measure the risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they become due. The Municipality is exposed to this risk with respect to its accounts payable and accrued liabilities and long-term debt. The Municipality maintains sufficient cash balances to meet its obligations, and does not believe it is subject to significant liquidity risk.

The table below sets out the payable dates of the Municipality's accounts payable and accrued liabilities. This includes planning-related accounts which have an indeterminate payable date as they are settled when the related planning application has been finalized. The long-term debt repayment schedule is disclosed in Note 10.

2023						
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL	
Accounts payable and accrued liabilities	\$ 127,121	\$ 141,114	\$ -	\$ 87,752	\$	355,987
Long term debts	58,125	58,384	169,172	-		285,681
2022						
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL	
Accounts payable and accrued liabilities	\$ 684,633	\$ 81,893	\$ -	\$ 75,937	\$	842,463
Long term debts	57,612	57,867	278,443	7,238		401,160

There have been no significant changes from the previous year in exposure to liquidity risk or policies, procedures and methods used to measure the risk.

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. The Municipality is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments. It is primarily exposed to interest rate risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk on its interest-bearing investments and long-term debt. Fixed-rate instruments subject the Municipality to a fair value risk.

There have been no significant changes from the prior year in exposure to market risk or the policies, procedures and methods used to measure the risk.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

20. Comparative information:

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