
**THE CORPORATION OF
THE TOWNSHIP OF RYERSON**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

THE CORPORATION OF THE TOWNSHIP OF RYERSON

CONTENTS

	Page
Independent Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statements of Operations and Accumulated Surplus	4
Consolidated Statement of Change in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 22

Independent auditor's report

To the Members of Council, Inhabitants and Ratepayers of
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 December 31, 2020, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Ryerson as at December 31, 2020, and its results of operations, its changes in its 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 Consolidated Financial Statements* section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated financial statements.

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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

North Bay, Canada
September 7, 2021

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash (Note 4)	\$ 2,203,757	\$ 1,589,567
Investments (Note 5)	8,464	7,217
Taxes receivable (Note 6)	187,920	232,206
Accounts receivable	178,190	64,128
Inventories held for resale	833	1,200
	2,579,164	1,894,318
LIABILITIES		
Accounts payable and accrued liabilities	530,567	282,692
Accrued interest on long-term debt	710	787
Deferred revenue-general (Note 7)	15,345	15,000
Deferred revenue-obligatory reserve funds (Note 8)	341,049	307,260
Municipal debt (Note 9)	313,606	376,413
Tangible capital lease (Note 10)	76	523
Employee benefits payable (Note 11)	18,285	20,574
Landfill closure and post-closure liability (Note 12)	154,908	110,293
	1,374,546	1,113,542
NET FINANCIAL ASSETS	1,204,618	780,776
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 15)	4,920,796	4,917,999
Inventories of supplies	87,178	97,053
Prepaid expenses	10,802	19,804
	5,018,776	5,034,856
ACCUMULATED SURPLUS (Note 16)	\$ 6,223,394	\$ 5,815,632

Contingencies (Notes 2, 14)
Contractual Obligations (Note 13)

APPROVED ON BEHALF OF COUNCIL:

Original signed by Mayor _____ Mayor

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget 2020 <i>(see Note 19)</i>	Actual 2020	Actual 2019
REVENUE			
Property taxes	\$ 2,053,368	\$ 2,051,874	\$ 2,003,896
User charges	45,392	34,096	53,644
Government transfers	550,854	542,480	746,783
Other	134,635	257,512	121,189
TOTAL REVENUE	2,784,249	2,885,962	2,925,512
EXPENSES			
General government	665,255	557,419	535,139
Protection to persons and property	357,484	327,858	341,257
Transportation services	1,203,218	1,013,785	969,866
Environmental services	134,793	174,088	140,416
Health services	95,633	99,956	78,426
Social and family services	136,375	136,375	133,977
Recreation and cultural services	183,936	137,599	186,256
Planning and development <i>(Note 18)</i>	43,974	31,120	30,783
TOTAL EXPENSES	2,820,668	2,478,200	2,416,120
ANNUAL SURPLUS (DEFICIT) <i>(Note 16)</i>	(36,419)	407,762	509,392
ACCUMULATED SURPLUS, BEGINNING OF YEAR	5,815,632	5,815,632	5,306,240
ACCUMULATED SURPLUS, END OF YEAR	\$ 5,779,213	\$ 6,223,394	\$ 5,815,632

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, 2020

	Budget 2020 <i>(see Note 19)</i>	Actual 2020	Actual 2019
Annual surplus (deficit)	\$ (36,419)	\$ 407,762	\$ 509,392
Acquisition of tangible capital assets	(510,032)	(462,337)	(407,375)
Contributed tangible capital assets	-	-	(2,878)
Shared services tangible capital assets transfer - net	-	962	6,925
Amortization of tangible capital assets	328,172	327,691	317,662
Loss on disposal of tangible capital assets	-	12,354	35,065
Proceeds from disposal of tangible capital assets	-	118,533	17,759
Change in supplies inventories	-	9,875	14,038
Change in prepaid expenses	-	9,002	11,869
Increase (decrease) in net financial assets	(218,279)	423,842	502,457
Net financial assets, beginning of year	780,776	780,776	278,319
Net financial assets, end of year	\$ 562,497	\$ 1,204,618	\$ 780,776

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, 2020

	2020	2019
Operating transactions		
Annual surplus	\$ 407,762	\$ 509,392
Non-cash charges to operations:		
Amortization	327,691	317,662
Loss on disposal of tangible capital assets	12,354	35,065
Contributed tangible capital assets	-	(2,878)
Change in employee benefits payable	(2,289)	1,743
Change in landfill closure and post-closure liability	44,615	27,329
	790,133	888,313
Changes in non-cash items:		
Taxes receivable	44,286	(35,397)
Accounts receivable	(114,062)	59,128
Inventories held for resale	367	(36)
Accounts payable and accrued liabilities	247,875	89,063
Deferred revenue-general	345	14,856
Deferred revenue-obligatory reserve funds	33,789	82,034
Inventories of supplies	9,875	14,038
Prepaid expenses	9,002	11,869
	231,477	235,555
Cash provided by operating transactions	1,021,610	1,123,868
Capital transactions		
Acquisition of tangible capital assets	(462,337)	(407,375)
Shared services tangible capital assets transfer - net	962	6,925
Proceeds from disposal of tangible capital assets	118,533	17,759
Cash applied to capital transactions	(342,842)	(382,691)
Investing transactions		
Change in investments	(1,247)	7,923
Cash provided by (applied to) investing transactions	(1,247)	7,923
Financing transactions		
Decrease in accrued interest on long-term debt	(77)	(75)
Debt principal repayments	(62,807)	(62,641)
Tangible capital lease repayments	(447)	(436)
Cash applied to financing transactions	(63,331)	(63,152)
Net change in cash	614,190	685,948
Cash, beginning of year	1,589,567	903,619
Cash, end of year	\$ 2,203,757	\$ 1,589,567
Cash flow supplementary information:		
Cash paid for interest	\$ 7,883	\$ 9,224

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, 2020

MANAGEMENT RESPONSIBILITY

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
- 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

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, 2020

(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.

(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
 Leasehold improvements - 20 years
 Machinery, equipment and furniture - 5 to 20 years
 Vehicles - 5 to 20 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.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2020

- (v) 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.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) 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 and retirement gratuities under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.
- (x) 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.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2020	2019
District of Parry Sound Social Services Administration Board	\$ 81,407	\$ 80,504
North Bay Parry Sound District Health Unit	19,756	20,463
District of Parry Sound (East) Home for the Aged	54,968	53,473
	\$ 156,131	\$ 154,440

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.

3. TRANSACTIONS ON BEHALF OF OTHERS

(a) During the year, \$286,471 of taxation was collected on behalf of school boards (2019 \$291,018).

(b) The Municipality administers care and maintenance trust funds totalling \$15,745 (2019 \$15,245) 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.

4. CASH

Cash is comprised of:

	2020	2019
Unrestricted cash	\$ 1,862,708	\$ 1,282,307
Restricted cash	341,049	307,260
	\$ 2,203,757	\$ 1,589,567

Federal and Provincial legislation restricts how restricted cash related to obligatory reserve funds, reported in Note 8, may be used.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

5. INVESTMENTS

Investments are comprised of redeemable investment certificates bearing interest at 0.9% and maturing October 15, 2021.

6. TAXES RECEIVABLE

Taxes receivable are comprised of the following:

	2020	2019
Taxes receivable	\$ 190,420	\$ 234,206
Valuation allowance	(2,500)	(2,000)
	\$ 187,920	\$ 232,206

7. DEFERRED REVENUE-GENERAL

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

	2020	2019
Balance, beginning of year:		
Ontario Cannabis Legalization Implementation Fund	\$ 15,000	\$ -
Other deferred revenue	-	144
	15,000	144
Received during the year:		
Ontario Cannabis Legalization Implementation Fund	-	15,000
Other funding	826	-
Recognized in revenue during the year	(481)	(144)
Balance, end of year	\$ 15,345	\$ 15,000
Ontario Cannabis Legalization Implementation Fund	\$ 15,000	\$ 15,000
Other deferred revenue	345	-
Balance, end of year	\$ 15,345	\$ 15,000

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

8. 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, federal 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 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, Main Street revitalization and Ontario Community Infrastructure Fund revenue recognition occurs when the Municipality 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:

	2020	2019
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 115,513	\$ 114,249
Building Code Act	51,043	11,615
Federal Gas Tax	-	4,105
Ontario Community Infrastructure Fund	109,188	56,992
Main Street Revitalization	31,516	38,265
	<u>307,260</u>	<u>225,226</u>
Received during the year:		
Recreational land (the Planning Act)	23,202	6,323
Building Code Act	-	39,428
Federal Gas Tax	39,316	80,455
Ontario Community Infrastructure Fund	50,000	50,000
Interest earned	5,900	6,292
	<u>118,418</u>	<u>182,498</u>
Recognized in revenue during the year	<u>(84,629)</u>	<u>(100,464)</u>
Balance, end of year	\$ 341,049	\$ 307,260
Recreational land (the Planning Act)	\$ 135,988	\$ 115,513
Building Code Act	43,055	51,043
Federal Gas Tax	47	-
Ontario Community Infrastructure Fund	161,959	109,188
Main Street Revitalization	-	31,516
Balance, end of year	\$ 341,049	\$ 307,260

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

9. MUNICIPAL DEBT

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

	2020	2019
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	\$ 164,792	\$ 204,341
Ontario Infrastructure and Lands Corporation serial debenture, due June 2026, repayable in monthly payments of \$8,770 plus interest calculated at 2.27%. As security the Municipality has pledged future Provincial funding	96,470	114,010
Proportionate share of Fire Department Ontario Infrastructure and Lands Corporation amortizing debenture, due July 2028, repayable in monthly payments of \$15,703 including interest calculated at 2.97%. Secured by future Provincial funding	52,344	58,062
	\$ 313,606	\$ 376,413

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

	Principal	Interest
2021	\$ 62,978	\$ 6,505
2022	63,154	5,147
2023	63,336	3,785
2024	63,523	2,422
2025	30,757	1,288
2026 onwards	29,858	1,209
	\$ 313,606	\$ 20,356

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

	2020	2019
Principal payments	\$ 62,807	\$ 62,641
Interest	7,798	9,129
	\$ 70,605	\$ 71,770

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

10. TANGIBLE CAPITAL LEASE

The Municipality leases equipment in conjunction with the other contributing municipalities of the Armour, Ryerson and Burk's Falls Memorial Arena and Karl Crozier 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:

	2020	2019
2020	\$ -	\$ 456
2021	77	76
Total minimum lease payments	77	532
Less amount representing interest	(1)	(9)
Present value of future minimum capital lease payments	\$ 76	\$ 523

Interest of \$8 (2019 \$20) relating to capital lease obligations has been reported on the Consolidated Statement of Operations.

11. EMPLOYEE BENEFITS PAYABLE

- (a) 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 \$17,051 (2019 \$19,435) at the end of the year.
- (b) Under the retirement gratuity policy of the Joint Building Committee, qualifying employees are entitled to a payout, upon retirement, based on length of service and rate of pay. The retirement gratuity liability estimates the 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 the retirement gratuity is estimated at \$1,234 (2019 \$1,139) at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

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. In 2017 an application to expand the site capacity from 58,800 cubic metres by an additional 27,700 cubic metres was approved.

The liability for the landfill site is recorded at \$489,916 (2019 \$345,708) and represents the present value of closure and post-closure costs for 100% of the original approved site area and 39% of the 27,700 cubic metre area, using an estimated long-term borrowing rate of 1.32% (2019 2.69%) and inflation rate of 1.6% (2019 1.7%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$619,904 (2019 \$532,141), leaving an amount to be recognized of \$129,988 (2019 \$185,433). The estimated remaining capacity of the approved site is 16,954 cubic metres (2019 22,436), estimated to be filled in 12 years. Post-closure care is estimated to be required for a period of 25 years.

The Municipality has recognized \$154,908 (2019 \$110,293) in the financial statements related to its proportionate share of this liability.

The Municipality has reserves of \$116,712 (2019 \$114,345) related to the TRI R operations that could be used to fund this liability.

13. CONTRACTUAL OBLIGATIONS

In October of 2020, the Municipality tendered for renovations to the office interior. The winning tender quoted a price of \$129,957, inclusive of 13% HST, for the completion of this work. As of December 31, 2020, this project has not commenced. The work is expected to be completed in 2021.

14. CONTINGENCIES

The Municipality is involved from time to time in litigation, which arises in the normal course of business. With respect to outstanding claims, the Municipality 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 THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2020

15. TANGIBLE CAPITAL ASSETS

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

2020							
	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
COST							
Balance, beginning of year	\$ 520,373	\$ 1,308,666	\$ 446,420	\$ 1,543,680	\$ 8,273,985	\$ 52,844	\$ 12,145,968
Additions and betterments	51,427	213,055	10,923	7,284	150,899	28,749	462,337
Shared services assets - redistribution	(1,107)	(112)	(1,165)	-	-	-	(2,384)
Disposals and writedowns	(2,378)	(260,270)	(8,313)	(3,254)	(234,768)	-	(508,983)
Transfer between classes	-	7,059	-	-	-	(7,059)	-
BALANCE, END OF YEAR	568,315	1,268,398	447,865	1,547,710	8,190,116	74,534	12,096,938
ACCUMULATED AMORTIZATION							
Balance, beginning of year	148,707	729,773	236,740	615,152	5,497,597	-	7,227,969
Annual amortization	18,234	32,916	25,081	87,752	163,708	-	327,691
Shared services accumulated amortization - redistribution	(982)	(15)	(425)	-	-	-	(1,422)
Amortization disposals	(2,379)	(194,926)	(7,346)	(2,441)	(171,004)	-	(378,096)
BALANCE, END OF YEAR	163,580	567,748	254,050	700,463	5,490,301	-	7,176,142
TANGIBLE CAPITAL ASSETS-NET	\$ 404,735	\$ 700,650	\$ 193,815	\$ 847,247	\$ 2,699,815	\$ 74,534	\$ 4,920,796
2019							
	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
COST							
Balance, beginning of year	\$ 485,782	\$ 1,302,928	\$ 466,942	\$ 1,585,210	\$ 8,430,127	\$ 49,403	\$ 12,320,392
Additions and betterments	37,329	6,837	30,293	159,789	166,067	7,060	407,375
Contributed assets	-	-	-	-	2,878	-	2,878
Shared services assets - redistribution	(2,738)	549	(2,324)	-	-	-	(4,513)
Disposals and writedowns	-	(1,648)	(48,491)	(201,319)	(325,087)	(3,619)	(580,164)
BALANCE, END OF YEAR	520,373	1,308,666	446,420	1,543,680	8,273,985	52,844	12,145,968
ACCUMULATED AMORTIZATION							
Balance, beginning of year	133,920	698,062	247,569	732,295	5,623,389	-	7,435,235
Annual amortization	10,603	33,294	27,184	84,176	162,405	-	317,662
Shared services accumulated amortization - redistribution	4,184	65	(1,837)	-	-	-	2,412
Amortization disposals	-	(1,648)	(36,176)	(201,319)	(288,197)	-	(527,340)
BALANCE, END OF YEAR	148,707	729,773	236,740	615,152	5,497,597	-	7,227,969
TANGIBLE CAPITAL ASSETS-NET	\$ 371,666	\$ 578,893	\$ 209,680	\$ 928,528	\$ 2,776,388	\$ 52,844	\$ 4,917,999

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2020

15. TANGIBLE CAPITAL ASSETS (continued)

Included in tangible capital assets are leased tangible capital assets with a cost of \$2,083 (2019 \$2,083) and accumulated amortization of \$1,146 (2019 \$937).

16. ACCUMULATED SURPLUS

The 2020 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
RESERVES AND RESERVE FUNDS			
Working funds	\$ 245,566	\$ -	\$ 245,566
Capital funds	184,348	163,693	348,041
Election	2,601	2,400	5,001
Fire	105,259	6,680	111,939
Roads	217,646	37,032	254,678
Waste disposal and recycling	114,345	2,367	116,712
COVID-19	-	40,127	40,127
Cemetery	6,676	(500)	6,176
Arena	26,219	771	26,990
Library	8,293	2,200	10,493
Fire Department	2,491	(1,768)	723
	913,444	253,002	1,166,446
OTHER			
Consolidated tangible capital assets	4,917,999	2,797	4,920,796
General operating surplus -			
Municipality	490,931	128,961	619,892
Library	1,061	877	1,938
ACED	-	1,197	1,197
Unfunded amounts -			
Municipal debt	(376,413)	62,807	(313,606)
Tangible capital leases	(523)	447	(76)
Employee benefits payable	(20,574)	2,289	(18,285)
Landfill closure and post-closure liability	(110,293)	(44,615)	(154,908)
	\$ 5,815,632	\$ 407,762	\$ 6,223,394

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

17. 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 unconditional grants such as the Municipality'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 THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

17. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2020

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,051,874	\$ 2,051,874
User charges	8,411	48	-	16,381	-	-	7,656	1,600	-	34,096
Government transfers -										
Canada	-	-	45,923	-	-	-	1,178	12,349	-	59,450
Ontario	3,187	2,127	28,683	15,753	-	-	2,839	8,689	420,300	481,578
Other municipalities	-	614	-	-	-	-	838	-	-	1,452
Shared services opening surplus redistribution	-	-	-	22	-	-	-	-	-	22
Gain (loss) on disposal of capital assets	48,499	(566)	(60,287)	-	-	-	-	-	-	(12,354)
Other	70,463	50,828	49,398	3,428	510	-	9,189	-	86,028	269,844
TOTAL REVENUE	130,560	53,051	63,717	35,584	510	-	21,700	22,638	2,558,202	2,885,962
EXPENSES										
Salaries, wages and benefits	346,444	89,097	356,774	70,552	3,008	-	59,973	19,402	-	945,250
Long-term debt charges (interest)	-	1,605	6,193	-	-	-	8	-	-	7,806
Materials	56,832	32,757	322,612	20,565	2,995	-	38,453	3,033	-	477,247
Contracted services	145,584	187,331	59,668	61,287	67,350	-	11,520	6,004	-	538,744
Rents and financial expenses	4,118	2,098	1,968	1,808	-	-	3,111	-	-	13,103
External transfers	3,036	23	-	-	26,401	136,375	-	2,524	-	168,359
Interfunctional adjustments	(2,000)	2,000	-	-	-	-	-	-	-	-
Amortization	3,405	12,947	266,570	19,876	202	-	24,534	157	-	327,691
TOTAL EXPENSES	557,419	327,858	1,013,785	174,088	99,956	136,375	137,599	31,120	-	2,478,200
ANNUAL SURPLUS (DEFICIT)	\$ (426,859)	\$ (274,807)	\$ (950,068)	\$ (138,504)	\$ (99,446)	\$ (136,375)	\$ (115,899)	\$ (8,482)	\$ 2,558,202	\$ 407,762

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2020

17. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2019

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,003,896	\$ 2,003,896
User charges	1,410	131	-	16,649	-	-	33,854	1,600	-	53,644
Government transfers -										
Canada	-	-	85,334	-	-	-	932	2,404	-	88,670
Ontario	6,937	4,261	-	25,588	-	-	2,757	2,900	608,200	650,643
Other municipalities	-	2,140	-	-	-	-	786	4,544	-	7,470
Shared services opening surplus redistribution	-	-	-	733	-	-	-	-	-	733
Loss on disposal of capital assets	-	(3,619)	(23,197)	(8,249)	-	-	-	-	-	(35,065)
Other	365	44,108	15,295	2,889	512	-	14,871	69	77,412	155,521
TOTAL REVENUE	8,712	47,021	77,432	37,610	512	-	53,200	11,517	2,689,508	2,925,512
EXPENSES										
Salaries, wages and benefits	365,231	101,628	352,171	65,737	-	-	82,069	16,465	-	983,301
Long-term debt charges (interest)	-	1,773	7,356	-	-	-	20	-	-	9,149
Materials	66,311	34,490	322,709	20,374	-	-	60,101	4,254	-	508,239
Contracted services	93,827	185,405	27,587	38,377	57,261	-	17,360	2,123	-	421,940
Rents and financial expenses	1,357	2,327	-	2,589	-	-	1,922	157	-	8,352
External transfers	4,769	24	-	-	20,963	133,977	231	-	-	159,964
Interfunctional adjustments	(2,000)	2,000	-	-	-	-	-	-	-	-
Restructuring net expense	-	-	-	-	-	-	-	7,513	-	7,513
Amortization	5,644	13,610	260,043	13,339	202	-	24,553	271	-	317,662
TOTAL EXPENSES	535,139	341,257	969,866	140,416	78,426	133,977	186,256	30,783	-	2,416,120
ANNUAL SURPLUS (DEFICIT)	\$ (526,427)	\$ (294,236)	\$ (892,434)	\$ (102,806)	\$ (77,914)	\$ (133,977)	\$ (133,056)	\$ (19,266)	\$ 2,689,508	\$ 509,392

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

18. RESTRUCTURING NET EXPENSE

In 2019 the Municipality entered into a joint services agreement for Almaguin Community Economic Development ("ACED"). Effective October 2019, ACED assumed the operating responsibilities of the Central Almaguin Economic Development Association and of the Burk's Falls and Area Community Economic Development. In addition, the tangible capital assets of the Burk's Falls and Area Community Economic Development were transferred to ACED at no cost.

In 2019 The Municipality recorded net expense of \$7,513 as a result of this restructuring. This net expense is included in planning and development on the Consolidated Statement of Operations. The related 2019 reduction of the Municipality's tangible assets is included in the shared services asset and accumulated amortization redistribution in Note 15.

19. BUDGET FIGURES

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

	Budget
ADOPTED BUDGET:	
Decrease in general municipal operating surplus	\$ (490,930)
Increase in reserves and reserve funds	210,457
Decrease in joint board general operating surplus	(1,061)
ADJUSTMENTS:	
Acquisition of tangible capital assets	510,032
Amortization of tangible capital assets	(328,172)
Decrease in long-term debt	62,807
Tangible capital lease repayment	448
ANNUAL DEFICIT	\$ (36,419)

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2020

20. 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, 2020. The results of this valuation disclosed total actuarial liabilities of \$113,055 million with respect to benefits accrued for service with actuarial assets at that date of \$109,844 million indicating an actuarial deficit of \$3,211 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 2020 was \$66,556 (2019 \$60,928) for current service and is included as an expense on the Consolidated Statement of Operations.

21. IMPACTS OF COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Municipality has received Safe Restart funding in the amount of \$76,100 to address pandemic-related operating pressures and has identified \$35,973 in related costs in 2020. These costs include \$12,400 in wages and benefits for COVID-19 related work, \$5,781 related to landfill bags from an influx of seasonal residents, and \$17,792 in additional expenses relating to the purchase of COVID-19 supplies and supplemental levies. Unspent Safe Restart funding in the amount of \$40,127 has been transferred to reserves to be used to cover related costs in future years.

While governments and central banks have reacted with monetary and fiscal interventions designed to stabilize economic conditions, the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Municipality for future periods.

22. COMPARATIVE FIGURES

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