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**THE CORPORATION OF  
THE TOWNSHIP OF RYERSON**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

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**THE CORPORATION OF THE TOWNSHIP OF RYERSON**  
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# Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Ryerson which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

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

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

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

#### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Ryerson as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

North Bay, Canada  
May 7, 2013

Chartered Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF RYERSON**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2012**

	2012	2011
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 624,117	\$ 522,252
Taxes receivable	191,182	215,572
Accounts receivable	127,043	89,711
Long-term receivable	1,633	2,857
Inventories held for resale	1,039	1,423
	<b>945,014</b>	<b>831,815</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	172,687	125,714
Deferred revenue-general	1,703	2,841
Deferred revenue-obligatory reserve funds (Note 4)	58,952	76,696
Municipal debt (Note 5)	103,592	201,031
Accrued interest on long-term debt	511	707
Tangible capital lease (Note 7)	15,929	27,299
Employee benefits payable (Note 8)	18,083	15,723
Landfill closure and post-closure liability (Note 9)	116,472	135,693
	<b>487,929</b>	<b>585,704</b>
<b>NET FINANCIAL ASSETS</b>	<b>457,085</b>	<b>246,111</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Note 12)	3,538,683	3,858,999
Inventories of supplies	32,713	23,050
Prepaid expenses	3,620	19,787
	<b>3,575,016</b>	<b>3,901,836</b>
<b>ACCUMULATED SURPLUS (Note 13)</b>	<b>\$ 4,032,101</b>	<b>\$ 4,147,947</b>

Contingencies (Notes 2 and 11)  
 Commitment (Note 10)

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Reeve

**THE CORPORATION OF THE TOWNSHIP OF RYERSON**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget 2012 <i>(see Note 15)</i>	Actual 2012	Actual 2011
<b>REVENUE</b>			
Property taxes	\$ 1,337,860	\$ 1,358,502	\$ 1,301,047
User charges	40,079	46,526	49,516
Government transfers	360,700	354,180	338,287
Other	110,867	104,402	90,708
<b>TOTAL REVENUE</b>	<b>1,849,506</b>	<b>1,863,610</b>	<b>1,779,558</b>
<b>EXPENSES</b>			
General government	418,617	417,932	374,036
Protection to persons and property	196,396	177,592	177,151
Transportation services	995,010	951,813	1,000,407
Environmental services	107,101	98,898	122,528
Health services	67,791	66,691	64,838
Social and family services	112,543	112,543	112,483
Recreation and cultural services	136,181	130,762	134,532
Planning and development	28,950	23,225	11,922
<b>TOTAL EXPENSES</b>	<b>2,062,589</b>	<b>1,979,456</b>	<b>1,997,897</b>
<b>ANNUAL DEFICIT</b> <i>(Note 13)</i>	<b>(213,083)</b>	<b>(115,846)</b>	<b>(218,339)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>4,147,947</b>	<b>4,147,947</b>	<b>4,366,286</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 3,934,864</b>	<b>\$ 4,032,101</b>	<b>\$ 4,147,947</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF RYERSON**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budget 2012 <i>(see Note 15)</i>	Actual 2012	Actual 2011
Annual deficit	\$ (213,083)	\$ (115,846)	\$ (218,339)
Acquisition of tangible capital assets	(470,627)	(241,898)	(158,784)
Amortization of tangible capital assets	501,400	501,332	564,581
Loss on disposal of tangible capital assets	-	59,692	72,389
Proceeds from disposal of tangible capital assets	-	1,190	3,031
Change in supplies inventories	-	(9,663)	(454)
Change in prepaid expenses	-	16,167	23,868
<b>Increase (decrease) in net financial assets</b>	<b>(182,310)</b>	<b>210,974</b>	<b>286,292</b>
<b>Net financial assets (debt), beginning of year</b>	<b>246,111</b>	<b>246,111</b>	<b>(40,181)</b>
<b>Net financial assets, end of year</b>	<b>\$ 63,801</b>	<b>\$ 457,085</b>	<b>\$ 246,111</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF RYERSON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012	2011
<b>Operating transactions</b>		
Annual deficit	\$ (115,846)	\$ (218,339)
Non-cash charges to operations:		
Amortization	501,332	564,581
Loss on disposal of tangible capital assets	59,692	72,389
Change in employee benefits payable	2,360	7,297
Change in landfill closure and post-closure liability	(19,221)	8,878
	428,317	434,806
Changes in non-cash items:		
Taxes receivable	24,390	(29,081)
Accounts receivable	(37,332)	24,513
Long-term receivable	1,224	1,224
Inventories held for resale	384	63
Accounts payable and accrued liabilities	46,973	(18,162)
Deferred revenue-general	(1,138)	370
Deferred revenue-obligatory reserve funds	(17,744)	(16,836)
Inventories of supplies	(9,663)	(454)
Prepaid expenses	16,167	23,868
	23,261	(14,495)
Cash provided by operating transactions	451,578	420,311
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(241,898)	(158,784)
Proceeds from disposal of tangible capital assets	1,190	3,031
Cash applied to capital transactions	(240,708)	(155,753)
<b>Financing transactions</b>		
Decrease in accrued interest on long-term debt	(196)	(185)
Debt principal repayments	(97,439)	(185,101)
Tangible capital lease repayment	(11,370)	(10,902)
Cash applied to financing transactions	(109,005)	(196,188)
<b>Net change in cash and cash equivalents</b>	<b>101,865</b>	<b>68,370</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>522,252</b>	<b>453,882</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 624,117</b>	<b>\$ 522,252</b>
<b>Cash flow supplementary information:</b>		
Cash paid for interest	\$ 6,606	\$ 12,464

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, 2012

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### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Reporting Entity

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

#### (i) Proportionally consolidated entities

The following joint boards and committees are proportionally consolidated:

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

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

#### (ii) Non-consolidated entities

The following joint boards are not consolidated:

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

#### (iii) Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

#### (iv) Trust funds

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

#### (b) Basis of Accounting

#### (i) Accrual basis of accounting

Revenues and expenditures are reported on the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### (ii) Cash and cash equivalents

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

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2012

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(iii) Non-financial assets

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

(a) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements - 20 years  
 Buildings - 40 years  
 Machinery, equipment and furniture - 5 to 25 years  
 Vehicles - 5 to 25 years  
 Roads - 8 to 75 years  
 Bridges - 60 years

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

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

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

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

(b) Inventories of supplies

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

(iv) Reserves and reserve funds

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

(v) Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2012

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- (vi) Deferred revenue - general  
The Municipality defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.
- (vii) Deferred revenue-obligatory reserve funds  
The Municipality receives gas tax revenue from the Federal Government and payments in lieu of parkland and building permit fees under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue.
- (viii) Taxation and related revenues  
Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). 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. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.
- (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 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 revenues and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2012

#### 2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2012	2011
District of Parry Sound Social Services Administration Board	\$ 79,177	\$ 78,586
North Bay Parry Sound District Health Unit	19,611	19,033
District of Parry Sound (East) Home for the Aged	33,366	32,340
	<b>\$ 132,154</b>	<b>\$ 129,959</b>

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

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

#### 3. TRANSACTIONS ON BEHALF OF OTHERS

(a) During the year, \$330,858 of taxation was collected on behalf of school boards (2011 \$318,515).

(b) Trust funds administered by the Municipality amounting to \$10,995 (2011 \$10,795) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

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

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

	2012	2011
Recreational land (the Planning Act)	\$ 51,347	\$ 65,345
Building Code Act	7,605	11,351
	<b>\$ 58,952</b>	<b>\$ 76,696</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2012

### 5. MUNICIPAL DEBT

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

	2012	2011
Royal Bank of Canada term loan, repaid during the year	\$ -	\$ 22,782
Royal Bank of Canada term loan, repaid during the year	-	28,764
Royal Bank of Canada term loan, due October 2014, repayable in monthly payments of \$2,120, including interest calculated at 3.49%	45,128	68,559
Ontario Strategic Infrastructure Financing Authority serial debenture, due February 2015, repayable in semi-annual payments of \$12,101 including interest calculated at 2.31%	58,464	80,926
	<b>\$ 103,592</b>	<b>\$ 201,031</b>

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

	Principal	Interest
2013	\$ 47,243	\$ 2,403
2014	44,386	1,020
2015	11,963	138
2016	-	-
	<b>\$ 103,592</b>	<b>\$ 3,561</b>

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

	2012	2011
Principal payments	\$ 97,439	\$ 185,101
Interest	5,470	10,870
	<b>\$ 102,909</b>	<b>\$ 195,971</b>

The annual principal and interest payments required to service the Municipality's debt are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2012

#### 6. CREDIT FACILITY AGREEMENT

The Municipality has an authorized operating loan with the Royal Bank of Canada of \$300,000 (2011 \$300,000) which was unused at the end of the year. As security, the Municipality has pledged its revenue.

#### 7. TANGIBLE CAPITAL LEASES

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

	2012	2011
2012	\$ -	\$ 12,310
2013	12,310	12,310
2014	4,104	4,104
Total minimum lease payments	16,414	28,724
Less amount representing interest (4.829% per terms of contract)	(485)	(1,425)
<b>Present value of future minimum capital lease payments</b>	<b>\$ 15,929</b>	<b>\$ 27,299</b>

Interest of \$940 (2011 \$1,409) relating to capital lease obligations has been reported on the Consolidated Statement of Operations.

#### 8. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and employees may become entitled to a cash payment when they leave the Municipality's employment. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement, as well as any lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 3% per annum. The liability for these accumulated days amounted to \$18,083 (2011 \$15,723) at the end of the year.

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2012

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#### 9. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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

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

The liability for the landfill site is recorded at \$447,969 (2011 \$521,895) and represents the present value of closure and post-closure costs for 100% of the closed site area and 14% of the open site area, using an estimated long-term borrowing rate of 4.8% (2011 4.8%) and inflation rate of 1.8% (2011 2.1%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$577,386 (2011 \$719,897), leaving an amount to be recognized of \$129,417 (2011 \$198,002). The estimated remaining capacity of the site is approximately 8,600 cubic metres, estimated to be filled in 3.6 years. Post-closure care is estimated to be required for a period of 25 years.

The Municipality has recognized \$116,472 (2011 \$135,693) in the financial statements related to its proportionate share of this liability.

The Municipality has reserves of \$34,842 (2011 \$20,316) related to the landfill site that could be used to fund this liability.

#### 10. COMMITMENT

In 2012, the Municipality committed to purchase a cab and chassis and snow removal equipment from Near North Truck Centre at a cost of \$189,320 plus tax. The items are expected to be delivered in 2013.

#### 11. CONTINGENCIES

(a) The Municipality has entered into an agreement with the Association of Municipalities of Ontario with respect to the transfer of federal gas tax revenues. The agreement contains specific provisions for the utilization of the funds, including a provision for repayment of a proportionate amount of funds in the event that, any time within 10 years from the date of completion of the eligible project the Municipality sells, leases, encumbers or otherwise disposes of, directly or indirectly any asset constructed, rehabilitated or improved, in whole or in part, with the financial assistance received under the terms of the agreement. At December 31, 2012, the Municipality has received a total of \$229,074 for the years 2005 to 2012, and has expended \$230,267, including interest earned, for the years 2005 to 2012.

(b) Prior to 2005, the Municipality participated in group underwriting relating to its insurance claims and this group has ceased writing new policies of insurance. Each participant in the underwriting group may be required to fund a deficit in any policy year to ensure that sufficient funds are available to cover all outstanding liabilities. The Municipality's share of the group's deficit is not determinable at this time.

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2012

### 12. TANGIBLE CAPITAL ASSETS

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

<b>2012</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 266,366	\$ 1,084,833	\$ 696,306	\$ 565,608	\$ 8,737,402	\$ 27,582	\$ 11,378,097
Additions and betterments	13,353	4,741	15,254	24,649	174,036	9,865	241,898
Disposals and writedowns	(5,797)	(1,188)	(7,703)	(114,405)	(505,410)	-	(634,503)
Transfer between classes	27,582	-	-	-	-	(27,582)	-
<b>BALANCE, END OF YEAR</b>	<b>301,504</b>	<b>1,088,386</b>	<b>703,857</b>	<b>475,852</b>	<b>8,406,028</b>	<b>9,865</b>	<b>10,985,492</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	80,175	452,012	354,092	274,444	6,358,375	-	7,519,098
Annual amortization	11,584	27,039	42,820	32,229	387,660	-	501,332
Amortization disposals	(5,797)	(1,071)	(7,071)	(113,105)	(446,577)	-	(573,621)
<b>BALANCE, END OF YEAR</b>	<b>85,962</b>	<b>477,980</b>	<b>389,841</b>	<b>193,568</b>	<b>6,299,458</b>	<b>-</b>	<b>7,446,809</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 215,542</b>	<b>\$ 610,406</b>	<b>\$ 314,016</b>	<b>\$ 282,284</b>	<b>\$ 2,106,570</b>	<b>\$ 9,865</b>	<b>\$ 3,538,683</b>

<b>2011</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 371,343	\$ 1,073,130	\$ 679,171	\$ 695,764	\$ 8,817,172	\$ -	\$ 11,636,580
Additions and betterments	5,593	16,073	19,998	-	89,538	27,582	158,784
Disposals and writedowns	(110,570)	(4,370)	(2,863)	(130,156)	(169,308)	-	(417,267)
<b>BALANCE, END OF YEAR</b>	<b>266,366</b>	<b>1,084,833</b>	<b>696,306</b>	<b>565,608</b>	<b>8,737,402</b>	<b>27,582</b>	<b>11,378,097</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	184,605	427,867	312,303	370,904	6,000,685	-	7,296,364
Annual amortization	6,140	26,793	44,653	33,696	453,299	-	564,581
Amortization disposals	(110,570)	(2,648)	(2,864)	(130,156)	(95,609)	-	(341,847)
<b>BALANCE, END OF YEAR</b>	<b>80,175</b>	<b>452,012</b>	<b>354,092</b>	<b>274,444</b>	<b>6,358,375</b>	<b>-</b>	<b>7,519,098</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 186,191</b>	<b>\$ 632,821</b>	<b>\$ 342,214</b>	<b>\$ 291,164</b>	<b>\$ 2,379,027</b>	<b>\$ 27,582</b>	<b>\$ 3,858,999</b>



# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2012

### 13. ACCUMULATED SURPLUS

The 2012 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
<b>RESERVES AND RESERVE FUNDS</b>			
Working funds	\$ 160,566	\$ 30,000	\$ 190,566
Tax sale proceeds	47,727	-	47,727
Election	2,500	2,500	5,000
Fire	28,313	(16,007)	12,306
Roads	205,000	-	205,000
Waste disposal	20,316	14,526	34,842
Recycling	41,846	7,035	48,881
Hazardous waste	7,103	560	7,663
Health Centre	32,500	(32,500)	-
Cemetery	5,179	185	5,364
Arena	9,867	8,369	18,236
	<b>560,917</b>	<b>14,668</b>	<b>575,585</b>
<b>OTHER</b>			
Consolidated tangible capital assets	3,858,999	(320,316)	3,538,683
General operating surplus -			
Municipality	105,609	62,518	168,127
Library	17	2,643	2,660
Unfunded amounts -			
Municipal debt	(201,031)	97,439	(103,592)
Accrued interest	(707)	196	(511)
Tangible capital leases	(24,441)	10,145	(14,296)
Employee benefits payable	(15,723)	(2,360)	(18,083)
Landfill closure and post-closure liability	(135,693)	19,221	(116,472)
	<b>\$ 4,147,947</b>	<b>\$ (115,846)</b>	<b>\$ 4,032,101</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2012

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### 14. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

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

#### General Government

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

#### Protection to Persons and Property

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

#### Transportation Services

Transportation services include roadway systems and winter control.

#### Environmental Services

This segment includes solid waste management.

#### Health Services

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

#### Social and Family Services

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

#### Recreation and Culture

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

#### Planning and Development

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

#### Unallocated Amounts

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

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2012

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

FOR THE YEAR ENDED DECEMBER 31, 2012

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,358,502	\$ 1,358,502
User charges	2,491	354	-	14,601	-	-	25,437	3,643	-	46,526
Government transfers -										
Canada	-	-	42,086	-	-	-	3,668	-	-	45,754
Ontario	6,291	10,013	24,218	11,109	-	-	5,929	-	235,900	293,460
Other municipalities	-	11,160	-	-	-	-	2,955	851	-	14,966
Gain (loss) on disposal of capital assets	-	(659)	(58,833)	(161)	-	-	(39)	-	-	(59,692)
Other	1,145	19,250	510	26,933	185	-	31,528	-	84,543	164,094
<b>TOTAL REVENUE</b>	<b>9,927</b>	<b>40,118</b>	<b>7,981</b>	<b>52,482</b>	<b>185</b>	<b>-</b>	<b>69,478</b>	<b>4,494</b>	<b>1,678,945</b>	<b>1,863,610</b>
<b>EXPENSES</b>										
Salaries, wages and benefits	241,439	59,298	243,472	56,182	43	-	65,073	-	-	665,507
Long-term debt charges (interest)	-	-	4,046	940	-	-	1,424	-	-	6,410
Materials	84,773	31,167	238,654	20,313	270	-	35,929	3,529	-	414,635
Contracted services	69,847	73,682	30,605	7,359	46,767	-	5,540	19,696	-	253,496
Rents and financial expenses	3,088	702	-	705	-	-	1,427	-	-	5,922
External transfers	-	-	-	-	19,611	112,543	-	-	-	132,154
Amortization	18,785	12,743	435,036	13,399	-	-	21,369	-	-	501,332
<b>TOTAL EXPENSES</b>	<b>417,932</b>	<b>177,592</b>	<b>951,813</b>	<b>98,898</b>	<b>66,691</b>	<b>112,543</b>	<b>130,762</b>	<b>23,225</b>	<b>-</b>	<b>1,979,456</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (408,005)</b>	<b>\$ (137,474)</b>	<b>\$ (943,832)</b>	<b>\$ (46,416)</b>	<b>\$ (66,506)</b>	<b>\$ (112,543)</b>	<b>\$ (61,284)</b>	<b>\$ (18,731)</b>	<b>\$ 1,678,945</b>	<b>\$ (115,846)</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2012

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

#### FOR THE YEAR ENDED DECEMBER 31, 2011

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,301,047	\$ 1,301,047
User charges	1,697	46	-	21,267	-	-	26,506	-	-	49,516
Government transfers -										
Canada	-	-	47,285	-	-	-	925	-	-	48,210
Ontario	6,291	3,782	8,440	9,919	-	-	7,398	-	232,000	267,830
Other municipalities	-	21,574	-	-	-	-	673	-	-	22,247
Gain (loss) on disposal of capital assets	(1,114)	-	(70,694)	(420)	-	-	(161)	-	-	(72,389)
Other	929	26,675	300	11,569	504	-	31,564	-	91,556	163,097
<b>TOTAL REVENUE</b>	<b>7,803</b>	<b>52,077</b>	<b>(14,669)</b>	<b>42,335</b>	<b>504</b>	<b>-</b>	<b>66,905</b>	<b>-</b>	<b>1,624,603</b>	<b>1,779,558</b>
<b>EXPENSES</b>										
Salaries, wages and benefits	220,684	62,959	217,867	54,940	283	-	61,470	-	-	618,203
Long-term debt charges (interest)	-	-	7,211	1,409	-	1,557	2,102	-	-	12,279
Materials	74,429	33,407	255,885	36,324	98	-	40,963	-	-	441,106
Contracted services	59,925	68,115	13,540	21,581	44,230	-	7,590	11,922	-	226,903
Rents and financial expenses	877	845	-	394	-	-	1,556	-	-	3,672
External transfers	-	-	-	-	20,227	110,926	-	-	-	131,153
Amortization	18,121	11,825	505,904	7,880	-	-	20,851	-	-	564,581
<b>TOTAL EXPENSES</b>	<b>374,036</b>	<b>177,151</b>	<b>1,000,407</b>	<b>122,528</b>	<b>64,838</b>	<b>112,483</b>	<b>134,532</b>	<b>11,922</b>	<b>-</b>	<b>1,997,897</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (366,233)</b>	<b>\$ (125,074)</b>	<b>\$ (1,015,076)</b>	<b>\$ (80,193)</b>	<b>\$ (64,334)</b>	<b>\$ (112,483)</b>	<b>\$ (67,627)</b>	<b>\$ (11,922)</b>	<b>\$ 1,624,603</b>	<b>\$ (218,339)</b>

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2012

#### 15. BUDGET FIGURES

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

	Budget
<b>ADOPTED BUDGET:</b>	
Decrease in general municipal operating surplus	\$ (105,609)
Decrease in municipal reserves and reserve funds	(53,830)
Decrease in board and joint board general operating surplus	(17)
<b>ADJUSTMENTS:</b>	
Acquisition of tangible capital assets	470,627
Amortization of tangible capital assets	(501,400)
Net debt proceeds	(33,007)
Tangible capital lease repayments	10,153
<b>ANNUAL DEFICIT</b>	<b>\$ (213,083)</b>

#### 16. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2012 was \$34,653 (2011 \$27,996) for current service and is included as an expense on the Consolidated Statement of Operations.