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**THE CORPORATION OF  
THE TOWNSHIP OF RYERSON**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

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**THE CORPORATION OF THE TOWNSHIP OF RYERSON**  
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# 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, 2019, 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, 2019, 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  
May 19, 2020

Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF RYERSON**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash (Note 4)	\$ 1,589,567	\$ 903,619
Investments (Note 5)	7,217	15,140
Taxes receivable (Note 6)	232,206	196,809
Accounts receivable	64,128	123,256
Inventories held for resale	1,200	1,164
	<b>1,894,318</b>	<b>1,239,988</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	282,692	193,629
Accrued interest on long-term debt	787	862
Deferred revenue-general (Note 7)	15,000	144
Deferred revenue-obligatory reserve funds (Note 8)	307,260	225,226
Municipal debt (Note 9)	376,413	439,054
Tangible capital lease (Note 10)	523	959
Employee benefits payable (Note 11)	20,574	18,831
Landfill closure and post-closure liability (Note 12)	110,293	82,964
	<b>1,113,542</b>	<b>961,669</b>
<b>NET FINANCIAL ASSETS</b>	<b>780,776</b>	<b>278,319</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Note 14)	4,917,999	4,885,157
Inventories of supplies	97,053	111,091
Prepaid expenses	19,804	31,673
	<b>5,034,856</b>	<b>5,027,921</b>
<b>ACCUMULATED SURPLUS (Note 15)</b>	<b>\$ 5,815,632</b>	<b>\$ 5,306,240</b>

Contingencies (Notes 2, 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, 2019**

	Budget 2019 <i>(see Note 18)</i>	Actual 2019	Actual 2018
<b>REVENUE</b>			
Property taxes	\$ 1,991,349	\$ 2,003,896	\$ 1,892,351
User charges	78,920	53,644	61,004
Government transfers	811,849	746,783	537,636
Other	132,374	121,189	209,899
<b>TOTAL REVENUE</b>	<b>3,014,492</b>	<b>2,925,512</b>	<b>2,700,890</b>
<b>EXPENSES</b>			
General government	561,983	535,139	497,050
Protection to persons and property	360,298	341,257	338,166
Transportation services	1,140,306	969,866	1,037,411
Environmental services	153,341	140,416	115,602
Health services	80,035	78,426	78,322
Social and family services	133,977	133,977	132,354
Recreation and cultural services	177,745	186,256	185,434
Planning and development <i>(Note 17)</i>	49,045	30,783	44,698
<b>TOTAL EXPENSES</b>	<b>2,656,730</b>	<b>2,416,120</b>	<b>2,429,037</b>
<b>ANNUAL SURPLUS</b> <i>(Note 15)</i>	<b>357,762</b>	<b>509,392</b>	<b>271,853</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>5,306,240</b>	<b>5,306,240</b>	<b>5,034,387</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 5,664,002</b>	<b>\$ 5,815,632</b>	<b>\$ 5,306,240</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, 2019**

	Budget 2019 <i>(see Note 18)</i>	Actual 2019	Actual 2018
Annual surplus	\$ 357,762	\$ 509,392	\$ 271,853
Acquisition of tangible capital assets	(666,659)	(407,375)	(462,212)
Contributed tangible capital assets	-	(2,878)	(5,000)
Shared services tangible capital assets transfer - net	-	6,925	(119,244)
Amortization of tangible capital assets	317,876	317,662	304,767
Loss on disposal of tangible capital assets	-	35,065	27,422
Proceeds from disposal of tangible capital assets	-	17,759	-
Change in supplies inventories	-	14,038	15,582
Change in prepaid expenses	-	11,869	33,065
<b>Increase in net financial assets</b>	<b>8,979</b>	<b>502,457</b>	<b>66,233</b>
<b>Net financial assets, beginning of year</b>	<b>278,319</b>	<b>278,319</b>	<b>212,086</b>
<b>Net financial assets, end of year</b>	<b>\$ 287,298</b>	<b>\$ 780,776</b>	<b>\$ 278,319</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, 2019**

	2019	2018
<b>Operating transactions</b>		
Annual surplus	\$ 509,392	\$ 271,853
Non-cash charges to operations:		
Amortization	317,662	304,767
Loss on disposal of tangible capital assets	35,065	27,422
Change in employee benefits payable	1,743	(4,912)
Change in landfill closure and post-closure liability	27,329	16,495
	891,191	615,625
Changes in non-cash items:		
Taxes receivable	(35,397)	11,512
Accounts receivable	59,128	(9,507)
Inventories held for resale	(36)	(295)
Accounts payable and accrued liabilities	89,063	(14,655)
Deferred revenue-general	14,856	(2,855)
Deferred revenue-obligatory reserve funds	82,034	7,576
Inventories of supplies	14,038	15,582
Prepaid expenses	11,869	33,065
	235,555	40,423
Cash provided by operating transactions	1,126,746	656,048
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(407,375)	(462,212)
Contributed tangible capital assets	(2,878)	(5,000)
Shared services tangible capital assets - net	6,925	(119,244)
Proceeds from disposal of tangible capital assets	17,759	-
Cash applied to capital transactions	(385,569)	(586,456)
<b>Investing transactions</b>		
Change in investments	7,923	516,538
Cash provided by investing transactions	7,923	516,538
<b>Financing transactions</b>		
Increase (decrease) in accrued interest on long-term debt	(75)	862
Proceeds from municipal debt	-	63,612
Debt principal repayments	(62,641)	(57,090)
Tangible capital lease repayments	(436)	(79)
Cash provided by (applied to) financing transactions	(63,152)	7,305
<b>Net change in cash</b>	<b>685,948</b>	<b>593,435</b>
<b>Cash, beginning of year</b>	<b>903,619</b>	<b>310,184</b>
<b>Cash, end of year</b>	<b>\$ 1,589,567</b>	<b>\$ 903,619</b>
<b>Cash flow supplementary information:</b>		
Cash paid for interest	\$ 9,224	\$ 8,569

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, 2019

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### 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, 2019

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(b) Basis of Accounting

(i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) 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, 2019

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- (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, 2019

#### 2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2019	2018
District of Parry Sound Social Services Administration Board	\$ 80,504	\$ 80,012
North Bay Parry Sound District Health Unit	20,463	21,107
District of Parry Sound (East) Home for the Aged	53,473	52,342
	<b>\$ 154,440</b>	<b>\$ 153,461</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, \$291,018 of taxation was collected on behalf of school boards (2018 \$298,539).

(b) The Municipality administers care and maintenance trust funds totalling \$15,245 (2018 \$14,795) 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:

	2019	2018
Unrestricted cash	\$ 1,282,307	\$ 678,393
Restricted cash	307,260	225,226
	<b>\$ 1,589,567</b>	<b>\$ 903,619</b>

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, 2019

#### 5. INVESTMENTS

Investments are comprised of redeemable investment certificates bearing interest at rates ranging from 1.0% to 1.1% and maturing between September 19, 2020 and October 25, 2020.

#### 6. TAXES RECEIVABLE

Taxes receivable are comprised of the following:

	2019	2018
Taxes receivable	\$ 234,206	\$ 198,809
Valuation allowance	(2,000)	(2,000)
	<b>\$ 232,206</b>	<b>\$ 196,809</b>

#### 7. DEFERRED REVENUE-GENERAL

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

	2019	2018
Balance, beginning of year:		
Other deferred revenue	\$ 144	\$ 2,999
Received during the year:		
Ontario Cannabis Legalization Implementation Fund	15,000	-
Other funding	-	144
	15,000	144
Recognized in revenue during the year	(144)	(2,999)
<b>Balance, end of year</b>	<b>\$ 15,000</b>	<b>\$ 144</b>
Ontario Cannabis Legalization Implementation Fund	\$ 15,000	\$ -
Other deferred revenue	-	144
<b>Balance, end of year</b>	<b>\$ 15,000</b>	<b>\$ 144</b>

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2019

#### 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:

	2019	2018
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 114,249	\$ 106,905
Building Code Act	11,615	10,375
Federal Gas Tax	4,105	49,984
Ontario Community Infrastructure Fund	56,992	50,386
Main Street Revitalization	38,265	-
	<u>225,226</u>	<u>217,650</u>
Received during the year:		
Recreational land (the Planning Act)	6,323	4,894
Building Code Act	39,428	1,240
Federal Gas Tax	80,455	40,387
Ontario Community Infrastructure Fund	50,000	50,000
Main Street Revitalization	-	38,219
Interest earned	6,292	5,682
	<u>182,498</u>	<u>140,422</u>
Recognized in revenue during the year	<u>(100,464)</u>	<u>(132,846)</u>
<b>Balance, end of year</b>	<b>\$ 307,260</b>	<b>\$ 225,226</b>
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
<b>Balance, end of year</b>	<b>\$ 307,260</b>	<b>\$ 225,226</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2019

### 9. MUNICIPAL DEBT

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

	2019	2018
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	\$ 204,341	\$ 243,892
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	114,010	131,550
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	58,062	63,612
	<b>\$ 376,413</b>	<b>\$ 439,054</b>

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

	Principal	Interest
2020	\$ 62,807	\$ 7,875
2021	62,978	6,505
2022	63,154	5,147
2023	63,336	3,785
2024	63,523	2,422
2025 onwards	60,615	2,496
	<b>\$ 376,413</b>	<b>\$ 28,230</b>

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

	2019	2018
Principal payments	\$ 62,641	\$ 57,090
Interest	9,129	9,399
	<b>\$ 71,770</b>	<b>\$ 66,489</b>

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2019

#### 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:

	2019	2018
2019	\$ -	\$ 456
2020	456	456
2021	76	76
Total minimum lease payments	532	988
Less amount representing interest	(9)	(29)
<b>Present value of future minimum capital lease payments</b>	<b>\$ 523</b>	<b>\$ 959</b>

Interest of \$20 (2018 \$32) 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 \$19,435 (2018 \$17,978) 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 \$1,139 (2018 \$853) at the end of the year.



## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2019

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

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

The Township of Armour, the Village of Burk's Falls and the Township of Ryerson jointly operate a landfill site through the TRI R Committee. In 2017 an application to expand the site capacity by an additional 27,700 cubic metres was approved.

The liability for the landfill site is recorded at \$345,708 (2018 \$271,969) and represents the present value of closure and post-closure costs for 100% of the original approved site area and 19% of the 27,700 cubic metre area, using an estimated long-term borrowing rate of 2.69% (2018 3.29%) and inflation rate of 1.7% (2018 1.6%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$532,141 (2018 \$439,275), leaving an amount to be recognized of \$186,433 (2018 \$167,306). The estimated remaining capacity of the approved site is 22,436 cubic metres (2018 23,976), estimated to be filled in 15 years. Post-closure care is estimated to be required for a period of 25 years.

The Municipality has recognized \$110,293 (2018 \$82,964) in the financial statements related to its proportionate share of this liability.

The Municipality has reserves of \$114,345 (2018 \$109,066) related to the TRI R operations that could be used to fund this liability.

#### 13. 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, 2019

### 14. TANGIBLE CAPITAL ASSETS

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

<b>2019</b>							
	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
<b>COST</b>							
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)
<b>BALANCE, END OF YEAR</b>	<b>520,373</b>	<b>1,308,666</b>	<b>446,420</b>	<b>1,543,680</b>	<b>8,273,985</b>	<b>52,844</b>	<b>12,145,968</b>
<b>ACCUMULATED AMORTIZATION</b>							
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)
<b>BALANCE, END OF YEAR</b>	<b>148,707</b>	<b>729,773</b>	<b>236,740</b>	<b>615,152</b>	<b>5,497,597</b>	<b>-</b>	<b>7,227,969</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 371,666</b>	<b>\$ 578,893</b>	<b>\$ 209,680</b>	<b>\$ 928,528</b>	<b>\$ 2,776,388</b>	<b>\$ 52,844</b>	<b>\$ 4,917,999</b>
<b>2018</b>							
	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 364,781	\$ 1,125,778	\$ 422,284	\$ 1,501,458	\$ 8,462,835	\$ 5,760	\$ 11,882,896
Additions and betterments	83,145	13,788	14,083	113,469	191,943	45,784	462,212
Contributed assets	5,000	-	-	-	-	-	5,000
Shared services assets - redistribution	31,088	164,153	33,553	(8,512)	-	(221)	220,061
Disposals and writedowns	(152)	(791)	(2,978)	(21,205)	(224,651)	-	(249,777)
Transfer between classes	1,920	-	-	-	-	(1,920)	-
<b>BALANCE, END OF YEAR</b>	<b>485,782</b>	<b>1,302,928</b>	<b>466,942</b>	<b>1,585,210</b>	<b>8,430,127</b>	<b>49,403</b>	<b>12,320,392</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	108,749	592,714	205,991	679,034	5,665,518	-	7,252,006
Annual amortization	6,719	33,050	29,293	76,310	159,395	-	304,767
Shared services accumulated amortization - redistribution	18,550	73,089	15,263	(6,085)	-	-	100,817
Amortization disposals	(98)	(791)	(2,978)	(16,964)	(201,524)	-	(222,355)
<b>BALANCE, END OF YEAR</b>	<b>133,920</b>	<b>698,062</b>	<b>247,569</b>	<b>732,295</b>	<b>5,623,389</b>	<b>-</b>	<b>7,435,235</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 351,862</b>	<b>\$ 604,866</b>	<b>\$ 219,373</b>	<b>\$ 852,915</b>	<b>\$ 2,806,738</b>	<b>\$ 49,403</b>	<b>\$ 4,885,157</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2019

14. TANGIBLE CAPITAL ASSETS (continued)

Included in tangible capital assets are leased tangible capital assets with a cost of \$2,083 (2018 \$2,083) and accumulated amortization of \$937 (2018 \$729).

15. ACCUMULATED SURPLUS

The 2019 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
<b>RESERVES AND RESERVE FUNDS</b>			
Working funds	\$ 245,566	\$ -	\$ 245,566
Capital funds	102,984	81,364	184,348
Election	201	2,400	2,601
Fire	93,278	11,981	105,259
Roads	186,835	30,811	217,646
Waste disposal and recycling	109,066	5,279	114,345
Cemetery	7,176	(500)	6,676
Arena	25,548	671	26,219
Library	10,634	(2,341)	8,293
Fire Department	7,561	(5,070)	2,491
	<b>788,849</b>	<b>124,595</b>	<b>913,444</b>
<b>OTHER</b>			
Consolidated tangible capital assets	4,885,157	32,842	4,917,999
General operating surplus -			
Municipality	172,630	318,301	490,931
Library	1,177	(116)	1,061
Unfunded amounts -			
Municipal debt	(439,054)	62,641	(376,413)
Tangible capital leases	(959)	436	(523)
Employee benefits payable	(18,596)	(1,978)	(20,574)
Landfill closure and post-closure liability	(82,964)	(27,329)	(110,293)
	<b>\$ 5,306,240</b>	<b>\$ 509,392</b>	<b>\$ 5,815,632</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2019

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### 16. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

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

#### General Government

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

#### Protection to Persons and Property

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

#### Transportation Services

Transportation services include roadway systems and winter control.

#### Environmental Services

This segment includes solid waste management.

#### Health Services

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

#### Social and Family Services

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

#### Recreation and Culture

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

#### Planning and Development

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

#### Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and 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, 2019

#### 16. 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
<b>REVENUE</b>										
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
<b>TOTAL REVENUE (LOSS)</b>	<b>8,712</b>	<b>47,021</b>	<b>77,432</b>	<b>37,610</b>	<b>512</b>	<b>-</b>	<b>53,200</b>	<b>11,517</b>	<b>2,689,508</b>	<b>2,925,512</b>
<b>EXPENSES</b>										
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
<b>TOTAL EXPENSES</b>	<b>535,139</b>	<b>341,257</b>	<b>969,866</b>	<b>140,416</b>	<b>78,426</b>	<b>133,977</b>	<b>186,256</b>	<b>30,783</b>	<b>-</b>	<b>2,416,120</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (526,427)</b>	<b>\$ (294,236)</b>	<b>\$ (892,434)</b>	<b>\$ (102,806)</b>	<b>\$ (77,914)</b>	<b>\$ (133,977)</b>	<b>\$ (133,056)</b>	<b>\$ (19,266)</b>	<b>\$ 2,689,508</b>	<b>\$ 509,392</b>

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2019

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

FOR THE YEAR ENDED DECEMBER 31, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,892,351	\$ 1,892,351
User charges	255	100	1,100	20,817	-	-	34,332	4,400	-	61,004
Government transfers -										
Canada	-	-	87,563	-	-	-	1,501	30,762	-	119,826
Ontario	1,952	1,045	45,283	25,650	-	-	5,164	-	319,600	398,694
Other municipalities	-	11,023	-	-	-	-	593	7,500	-	19,116
Shared services opening surplus redistribution	-	(4,396)	-	2,655	-	-	103,698	842	-	102,799
Loss on disposal of capital assets	-	(4,241)	(23,127)	-	-	-	(54)	-	-	(27,422)
Other	2,092	49,195	7,349	6,360	346	-	7,920	1,500	59,760	134,522
<b>TOTAL REVENUE (LOSS)</b>	<b>4,299</b>	<b>52,726</b>	<b>118,168</b>	<b>55,482</b>	<b>346</b>	<b>-</b>	<b>153,154</b>	<b>45,004</b>	<b>2,271,711</b>	<b>2,700,890</b>
<b>EXPENSES</b>										
Salaries, wages and benefits	329,038	105,468	399,454	62,430	-	-	81,100	25,052	-	1,002,542
Long-term debt charges (interest)	-	862	8,537	-	-	-	32	-	-	9,431
Materials	56,173	29,841	368,868	18,167	-	-	64,598	14,125	-	551,772
Contracted services	98,988	186,800	9,965	24,080	56,513	-	11,962	4,123	-	392,431
Rents and financial expenses	1,465	2,494	210	1,292	-	-	1,754	428	-	7,643
External transfers	6,490	-	-	-	21,607	132,354	-	-	-	160,451
Interfunctional adjustments	(667)	-	-	-	-	-	-	667	-	-
Amortization	5,563	12,701	250,377	9,633	202	-	25,988	303	-	304,767
<b>TOTAL EXPENSES</b>	<b>497,050</b>	<b>338,166</b>	<b>1,037,411</b>	<b>115,602</b>	<b>78,322</b>	<b>132,354</b>	<b>185,434</b>	<b>44,698</b>	<b>-</b>	<b>2,429,037</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (492,751)</b>	<b>\$ (285,440)</b>	<b>\$ (919,243)</b>	<b>\$ (60,120)</b>	<b>\$ (77,976)</b>	<b>\$ (132,354)</b>	<b>\$ (32,280)</b>	<b>\$ 306</b>	<b>\$ 2,271,711</b>	<b>\$ 271,853</b>

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2019

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#### 17. RESTRUCTURING NET EXPENSE

In 2019 the Municipality entered into a joint services agreement for Almaguin Community Economic Development ("ACED"). The agreement took effect in October 2019, and includes the following independent organizations:

- The Corporation of the Township of Perry;
- The Municipal Corporation of the Township of Armour;
- The Corporation of the Township of Ryerson;
- The Corporation of the Village of Sundridge;
- The Almaguin Highlands Chamber of Commerce;
- The Corporation of the Municipality of Magnetawan;
- The Corporation of the Municipality of the Village of Burk's Falls;
- The Corporation of the Township of Strong;
- The Corporation of the Village of South River;
- The Corporation of the Municipality of Powassan;
- The Corporation of the Township of Joly.

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.

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 reduction of the Municipality's tangible assets is included in the shared services asset and accumulated amortization redistribution in Note 14.

#### 18. 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
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<b>ADOPTED BUDGET:</b>	
Decrease in general municipal operating surplus	\$ (172,630)
Increase in reserves and reserve funds	119,280
Decrease in joint board general operating surplus	(748)
<b>ADJUSTMENTS:</b>	
Acquisition of tangible capital assets	666,659
Amortization of tangible capital assets	(317,876)
Decrease in long-term debt	62,641
Tangible capital lease repayment	436
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<b>ANNUAL SURPLUS</b>	<b>\$ 357,762</b>

## THE CORPORATION OF THE TOWNSHIP OF RYERSON

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2019

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#### 19. 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, 2019. The results of this valuation disclosed total actuarial liabilities of \$107,687 million with respect to benefits accrued for service with actuarial assets at that date of \$104,290 million indicating an actuarial deficit of \$3,397 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 2019 was \$60,928 (2018 \$61,221) for current service and is included as an expense on the Consolidated Statement of Operations.

#### 20. SUBSEQUENT EVENTS

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 determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. 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.

Between March 13 and March 14, 2020, the Municipality's library and other recreational facilities were closed until further notice and the workforce at these facilities has been temporarily reduced. The Municipality expects the reduction in positions to reduce salaries and benefits expense in 2020 by a net amount of approximately \$2,100 per month. Should the closures continue into peak operating months, the Municipality expects a reduction in user fees of approximately \$8,400 per month.

#### 21. COMPARATIVE FIGURES

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