
**THE CORPORATION OF
THE TOWNSHIP OF RYERSON**
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

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, 2010 and the consolidated statements of operations, accumulated surplus, change in net debt 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, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Without modifying our report, we draw attention to the budget figures which are provided for comparative purposes only. They have not been subject to audit procedures. Accordingly, we do not express an opinion on the budget figures.

The consolidated financial statements of The Corporation of the Township of Ryerson for the year ended December 31, 2009 were audited by another auditor who expressed an unmodified opinion on those statements dated February 5, 2010.

Grant Thornton LLP

North Bay, Canada
August 16, 2011

Chartered Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010	2009
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 453,882	\$ 400,048
Taxes receivable	186,491	167,574
Accounts receivable	114,224	72,794
Long-term receivable	4,081	4,966
Inventories held for resale	1,486	9,700
	760,164	655,082
LIABILITIES		
Accounts payable and accrued liabilities	143,876	107,278
Deferred revenue-general	2,471	2,887
Deferred revenue-obligatory reserve funds (Note 4)	93,532	62,308
Municipal debt (Note 5)	386,132	510,477
Accrued interest on long-term debt	892	1,070
Tangible capital leases (Note 7)	38,201	48,656
Employee benefits payable (Note 8)	8,426	6,179
Landfill closure and post-closure liability (Note 9)	126,815	148,460
	800,345	887,315
NET DEBT	(40,181)	(232,233)
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 11)	4,340,216	4,851,853
Inventories of supplies	22,596	28,953
Prepaid expenses	43,655	6,425
	4,406,467	4,887,231
ACCUMULATED SURPLUS (Note 12)	\$ 4,366,286	\$ 4,654,998

Contingencies (Notes 2 and 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, 2010

	Budget 2010 <i>(Unaudited - see Note 14)</i>	Actual 2010	Actual 2009
REVENUE			
Property taxes	\$ 1,211,332	\$ 1,222,095	\$ 1,103,889
User charges	34,672	69,699	53,214
Government transfers	368,518	360,738	350,660
Other	109,887	128,235	101,613
TOTAL REVENUE	1,724,409	1,780,767	1,609,376
EXPENSES			
General government	384,143	361,071	354,017
Protection to persons and property	167,717	140,631	141,350
Transportation services	1,001,432	1,001,915	967,050
Environmental services	94,544	142,612	84,754
Health services	59,574	58,820	53,466
Social and family services	119,873	120,242	123,229
Recreation and cultural services	135,312	143,579	149,053
Planning and development	72,000	100,609	13,927
TOTAL EXPENSES	2,034,595	2,069,479	1,886,846
ANNUAL DEFICIT <i>(Note 12)</i>	(310,186)	(288,712)	(277,470)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,654,998	4,654,998	4,932,468
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,344,812	\$ 4,366,286	\$ 4,654,998

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget 2010 <i>(Unaudited - see Note 14)</i>	Actual 2010	Actual 2009
Annual deficit	\$ (310,186)	\$ (288,712)	\$ (277,470)
Acquisition of tangible capital assets	(244,139)	(173,446)	(315,266)
Contributed tangible capital assets	-	(3,812)	-
Amortization of tangible capital assets	582,000	616,885	580,780
Loss on disposal of tangible capital assets	-	70,190	-
Proceeds from disposal of tangible capital assets	-	1,820	-
Change in supplies inventories	-	6,357	1,729
Change in prepaid expenses	-	(37,230)	3,921
Decrease (increase) in net debt	27,675	192,052	(6,306)
Net debt, beginning of year	(232,233)	(232,233)	(225,927)
Net debt, end of year	\$ (204,558)	\$ (40,181)	\$ (232,233)

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, 2010

	2010	2009
Operating transactions		
Annual deficit	\$ (288,712)	\$ (277,470)
Non-cash charges to operations:		
Amortization	616,885	580,780
Loss on disposal of tangible capital assets	70,190	-
Change in employee benefits payable	2,247	1,053
Change in landfill closure and post-closure liability	(21,645)	(4,940)
	<u>378,965</u>	<u>299,423</u>
Changes in non-cash items:		
Taxes receivable	(18,917)	7,468
Accounts receivable	(41,430)	(15,654)
Long-term receivable	885	(4,966)
Inventories held for resale	8,214	10,693
Accounts payable and accrued liabilities	36,598	30,468
Deferred revenue-general	(416)	-
Deferred revenue-obligatory reserve funds	31,224	(1,408)
Inventories of supplies	6,357	1,729
Prepaid expenses	(37,230)	3,921
	<u>(14,715)</u>	<u>32,251</u>
Cash provided by operating transactions	<u>364,250</u>	<u>331,674</u>
Capital transactions		
Acquisition of tangible capital assets	(173,446)	(315,266)
Contributed tangible capital assets	(3,812)	-
Proceeds from disposal of tangible capital assets	1,820	-
Cash applied to capital transactions	<u>(175,438)</u>	<u>(315,266)</u>
Financing transactions		
Decrease in accrued interest on long-term debt	(178)	(199)
Proceeds from municipal debt	-	116,586
Debt principal repayments	(124,345)	(107,335)
Increase (decrease) in tangible capital leases	(10,455)	48,656
Cash provided by (applied to) financing transactions	<u>(134,978)</u>	<u>57,708</u>
Net change in cash and cash equivalents	53,834	74,116
Cash and cash equivalents, beginning of year	400,048	325,932
Cash and cash equivalents, end of year	\$ 453,882	\$ 400,048
Cash flow supplementary information:		
Cash paid for interest	\$ 19,471	\$ 20,615

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, 2010

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 reserve and reserve fund balances 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, 2010

(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, 2010

- (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. Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the Municipality's employ.
- (x) Use of estimates
The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 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, 2010

2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2010	2009
District of Parry Sound Social Services Administration Board	\$ 87,558	\$ 99,732
North Bay Parry Sound District Health Unit	18,800	18,511
District of Parry Sound (East) Home for the Aged	29,513	20,259
	\$ 135,871	\$ 138,502

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, \$309,989 of taxation was collected on behalf of school boards (2009 \$299,460).

(b) Trust funds administered by the Municipality amounting to \$9,645 (2009 \$9,095) 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:

	2010	2009
Recreational land (the Planning Act)	\$ 81,932	\$ 62,308
Building Code Act	6,404	-
Federal Gas Tax	5,196	-
	\$ 93,532	\$ 62,308

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2010

5. MUNICIPAL DEBT

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

	2010	2009
Royal Bank of Canada demand instalment loan, 15 year amortization commencing October 2002, repayable in monthly payments of \$1,073 plus interest calculated at prime plus 1.10%	\$ 86,773	\$ 99,648
Royal Bank of Canada term loan, due February 2011, repayable in monthly payments of \$2,580 including interest calculated at 5.65%	5,165	34,919
Royal Bank of Canada term loan, due August 2012, repayable in monthly payments of \$2,905, including interest calculated at 5.66%	55,348	86,127
Royal Bank of Canada term loan, due December 2012, repayable in monthly payments of \$870, including interest calculated at 5.75%	44,776	52,410
Royal Bank of Canada term loan, due October 2014, repayable in monthly payments of \$2,120, including interest calculated at 3.49%	91,192	113,042
Ontario Strategic Infrastructure Financing Authority serial debenture, due February 2015, repayable in semi-annual payments of \$12,101 including interest calculated at 2.31%	102,878	124,331
	\$ 386,132	\$ 510,477

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

	Principal	Interest
2011	\$ 185,225	\$ 10,885
2012	97,375	5,581
2013	47,260	2,387
2014	44,309	1,012
2015	11,963	138
	\$ 386,132	\$ 20,003

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

	2010	2009
Principal payments	\$ 124,345	\$ 107,335
Interest	17,439	19,141
	\$ 141,784	\$ 126,476

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, 2010

6. CREDIT FACILITY AGREEMENT

The Municipality has an authorized operating loan with the Royal Bank of Canada of \$300,000 (2009 \$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, which 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:

	2010	2009
2010	\$ -	\$ 12,310
2011	12,310	12,310
2012	12,310	12,310
2013	12,310	12,310
2014	4,104	4,104
Total minimum lease payments	41,034	53,344
Less amount representing interest (4.829% per terms of contract)	(2,833)	(4,688)
Present value of future minimum capital lease payments	\$ 38,201	\$ 48,656

Interest of \$1,854 (2009 \$1,474) 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 liability for these accumulated days amounted to \$8,426 (2009 \$6,179) at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2010

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 Ryerson, the Village of Burk's Falls and the Township of Armour jointly operate a landfill site through the TRI R Committee. The site is currently operating under an Emergency Certificate of Approval and an application to expand the existing site is ongoing. In 2009, an application for expansion and an emergency extension were filed.

The liability for the landfill site is recorded at \$487,749 (2009 \$571,000) and represents the present value of closure and post-closure costs for 100% of the approved site area, using an estimated long-term borrowing rate of 4.8% (2009 2.0%) and inflation rate of 2.1% (2009 2.0%). Post-closure care is estimated to be required for a period of 25 years.

The Municipality has recognized \$126,815 (2009 \$148,460) in the financial statements related to its proportionate share of this liability.

As a result of changes to assumptions made in 2010 relating to the borrowing rate and the inflation rate underlying the estimated liability, the estimated liability recorded by the Municipality has been reduced by approximately \$29,120.

The Municipality has reserves and reserve funds of \$60,551 (2009 \$29,316) related to the landfill site that could be used to fund this liability.

10. 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, 2010, the Municipality has received a total of \$144,902 for the years 2005 to 2010, and has expended \$140,896 for the years 2005 to 2010.

(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. At December 31, 2010, the Municipality's share of the group's deficit was \$5,781.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2010

11. TANGIBLE CAPITAL ASSETS

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

2010							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	TOTAL	
COST							
Balance, beginning of year	\$ 345,954	\$ 1,051,727	\$ 660,150	\$ 700,135	\$ 8,921,898	\$ 11,679,864	
Additions and betterments	51,329	37,503	27,179	20,413	37,022	173,446	
Contributed assets	-	900	-	2,912	-	3,812	
Disposals and writedowns	(25,940)	(17,000)	(8,158)	(27,696)	(141,748)	(220,542)	
BALANCE, END OF YEAR	371,343	1,073,130	679,171	695,764	8,817,172	11,636,580	
ACCUMULATED AMORTIZATION							
Balance, beginning of year	165,283	410,450	270,534	354,118	5,627,626	6,828,011	
Annual amortization	43,544	26,342	46,388	36,896	463,715	616,885	
Amortization disposals	(24,222)	(8,925)	(4,619)	(20,110)	(90,656)	(148,532)	
BALANCE, END OF YEAR	184,605	427,867	312,303	370,904	6,000,685	7,296,364	
TANGIBLE CAPITAL ASSETS-NET	\$ 186,738	\$ 645,263	\$ 366,868	\$ 324,860	\$ 2,816,487	\$ 4,340,216	
2009							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	TOTAL	
COST							
Balance, beginning of year	\$ 350,894	\$ 1,051,727	\$ 479,040	\$ 660,298	\$ 9,018,431	\$ 11,560,390	
Additions and betterments	-	-	206,816	43,737	64,713	315,266	
Disposals and writedowns	(4,940)	-	(25,706)	(3,900)	(161,246)	(195,792)	
BALANCE, END OF YEAR	345,954	1,051,727	660,150	700,135	8,921,898	11,679,864	
ACCUMULATED AMORTIZATION							
Balance, beginning of year	168,747	384,361	255,504	319,319	5,315,092	6,443,023	
Annual amortization	1,476	26,089	40,736	38,699	473,780	580,780	
Amortization disposals	(4,940)	-	(25,706)	(3,900)	(161,246)	(195,792)	
BALANCE, END OF YEAR	165,283	410,450	270,534	354,118	5,627,626	6,828,011	
TANGIBLE CAPITAL ASSETS-NET	\$ 180,671	\$ 641,277	\$ 389,616	\$ 346,017	\$ 3,294,272	\$ 4,851,853	

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

12. ACCUMULATED SURPLUS

The 2010 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	\$ 99,405	\$ 30,000	\$ 129,405
Fire	17,451	(4,835)	12,616
Roads	120,000	15,000	135,000
Waste disposal	13,949	28,579	42,528
Recycling	22,412	7,428	29,840
TRI R	15,367	2,656	18,023
Hazardous waste	5,983	560	6,543
Cemetery	4,512	162	4,674
Arena	-	6,223	6,223
Library	-	579	579
Planning and development	527	(80)	447
	299,606	86,272	385,878
OTHER			
Consolidated tangible capital assets	4,851,853	(511,637)	4,340,216
General operating surplus -			
Municipality	203,329	(8,456)	194,873
Joint Building Committee	(47)	47	-
Library	(1,527)	1,744	217
Arena	-	1,486	1,486
TRI R dedicated capital funding	11,660	(11,660)	-
Unfunded amounts -			
Municipal debt	(510,477)	124,345	(386,132)
Accrued interest	(1,070)	178	(892)
Tangible capital leases	(43,690)	9,571	(34,119)
Employee benefits payable	(6,179)	(2,247)	(8,426)
Landfill closure and post-closure liability	(148,460)	21,645	(126,815)
	\$ 4,654,998	\$ (288,712)	\$ 4,366,286

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2010

13. 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, 2010

13. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2010

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,222,095	\$ 1,222,095
User charges	-	151	500	39,986	-	-	27,210	1,852	-	69,699
Government transfers -										
Canada	-	-	37,022	10,375	-	-	952	-	-	48,349
Ontario	7,214	9,235	9,973	24,665	-	-	9,534	-	232,400	293,021
Other municipalities	10	18,685	-	-	-	-	673	-	-	19,368
Loss on disposal of capital assets	(2,422)	(7,456)	(56,745)	(1,518)	-	-	(2,049)	-	-	(70,190)
Other	6,520	16,923	75,255	31,777	162	-	33,960	-	33,828	198,425
TOTAL REVENUE	11,322	37,538	66,005	105,285	162	-	70,280	1,852	1,488,323	1,780,767
EXPENSES										
Salaries, wages and benefits	205,097	42,865	190,204	51,010	-	-	62,479	-	-	551,655
Long-term debt charges (interest)	-	-	11,460	1,855	-	3,171	2,807	-	-	19,293
Materials	62,630	24,639	266,914	28,728	86	-	49,896	433	-	433,326
Contracted services	74,184	59,298	13,081	15,639	39,934	-	6,322	100,176	-	308,634
Rents and financial expenses	1,749	383	-	13	-	-	1,670	-	-	3,815
External transfers	-	-	-	-	18,800	117,071	-	-	-	135,871
Amortization	17,411	13,446	520,256	45,367	-	-	20,405	-	-	616,885
TOTAL EXPENSES	361,071	140,631	1,001,915	142,612	58,820	120,242	143,579	100,609	-	2,069,479
ANNUAL SURPLUS (DEFICIT)	\$ (349,749)	\$ (103,093)	\$ (935,910)	\$ (37,327)	\$ (58,658)	\$ (120,242)	\$ (73,299)	\$ (98,757)	\$ 1,488,323	\$ (288,712)

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

13. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2009

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,103,889	\$ 1,103,889
User charges	-	658	401	24,277	-	-	27,353	525	-	53,214
Government transfers -										
Canada	-	-	45,753	2,625	-	-	5,732	-	-	54,110
Ontario	7,956	4,344	5,923	13,018	-	-	10,055	-	239,200	280,496
Other municipalities	10	15,371	-	-	-	-	673	-	-	16,054
Other	-	24,209	-	6,073	147	-	24,492	-	46,692	101,613
TOTAL REVENUE	7,966	44,582	52,077	45,993	147	-	68,305	525	1,389,781	1,609,376
EXPENSES										
Salaries, wages and benefits	181,868	45,444	185,386	42,375	-	-	64,042	-	-	519,115
Long-term debt charges (interest)	-	-	12,350	1,474	-	3,238	3,553	-	-	20,615
Materials	62,145	25,080	225,348	15,879	281	-	55,993	1,168	-	385,894
Contracted services	90,759	58,843	13,924	22,867	4,100	-	3,682	12,759	-	206,934
Rents and financial expenses	1,877	312	-	-	-	-	2,243	-	-	4,432
External transfers	-	-	-	-	49,085	119,991	-	-	-	169,076
Amortization	17,368	11,671	530,042	2,159	-	-	19,540	-	-	580,780
TOTAL EXPENSES	354,017	141,350	967,050	84,754	53,466	123,229	149,053	13,927	-	1,886,846
ANNUAL SURPLUS (DEFICIT)	\$ (346,051)	\$ (96,768)	\$ (914,973)	\$ (38,761)	\$ (53,319)	\$ (123,229)	\$ (80,748)	\$ (13,402)	\$ 1,389,781	\$ (277,470)

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2010

14. 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	\$ (203,328)
Increase in municipal reserves and reserve funds	98,776
Decrease in board and joint board general operating surplus, dedicated capital funding and reserves and reserve funds	(6,273)
ADJUSTMENTS:	
Budgeted acquisition of tangible capital assets	244,139
Amortization of tangible capital assets	(582,000)
Budgeted decrease in municipal debt	128,880
Budgeted decrease in tangible capital leases	9,620
ANNUAL DEFICIT	\$ (310,186)

15. 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 2010 was \$19,695 (2009 \$17,190) for current service and is included as an expense on the Consolidated Statement of Operations.

16. COMPARATIVE FIGURES

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