

Consolidated Financial Statements of

**THE CORPORATION OF THE  
TOWNSHIP OF RYERSON**

Year ended December 31, 2022

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

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Year ended December 31, 2022

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### **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of The Corporation of the Township of Ryerson (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

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

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

Original signed by Mayor

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Mayor



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## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Opinion***

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

- the consolidated statement of financial position as at end of December 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2022, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

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

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

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



### ***Other Matter – Comparative Information***

The financial statements as at and for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 18, 2022.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

December 12, 2023

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets:</b>		
Cash (note 4)	\$ 2,915,966	\$ 2,393,420
Investments (note 5)	32,682	39,059
Taxes receivable (note 6)	208,270	199,153
Accounts receivable	217,374	304,424
Inventories held for resale	2,696	1,181
	<u>3,376,988</u>	<u>2,937,237</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	841,335	414,829
Accrued interest on long-term debt	1,128	1,349
Deferred revenue (note 7)	107,706	20,000
Deferred revenue -obligatory reserve funds (note 8)	373,676	320,606
Municipal debt (note 9)	401,160	515,628
Employee benefits payable (note 10)	26,784	25,474
Landfill closure and post-closure liability (note 11)	112,766	139,638
	<u>1,864,555</u>	<u>1,437,524</u>
<b>Net financial assets</b>	<b>1,512,433</b>	<b>1,499,713</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 14)	5,464,370	5,164,809
Inventory of supplies	200,877	137,861
Prepaid expenses	10,542	12,608
	<u>5,675,789</u>	<u>5,315,278</u>
Contingencies (notes 2, 13)		
Contractual obligations (note 12)		
<b>Accumulated surplus (note 15)</b>	<b>\$ 7,188,222</b>	<b>\$ 6,814,991</b>

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

On behalf of Council:

Original signed by Mayor \_\_\_\_\_ Mayor

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 18)	Actual 2022	Actual 2021
<b>Revenue:</b>			
Property taxes	\$ 2,177,136	\$ 2,215,728	\$ 2,132,137
User charges	55,048	85,638	67,608
Government transfers	729,023	678,010	783,355
Restructuring net revenue (note 17)	-	2,600	-
Other	177,716	274,816	234,633
<b>Total revenue</b>	<b>3,138,923</b>	<b>3,256,792</b>	<b>3,217,733</b>
<b>Expenses:</b>			
General government	776,052	708,773	636,645
Protection to persons and property	349,301	344,488	350,502
Transportation services	1,260,164	1,168,119	1,072,619
Environment services	157,386	173,954	144,034
Health services	96,050	101,156	90,745
Social and family services	145,937	145,937	147,108
Recreation and cultural services	199,984	207,242	153,659
Planning and development	50,008	33,892	30,824
<b>Total expenses</b>	<b>3,034,882</b>	<b>2,883,561</b>	<b>2,626,136</b>
<b>Annual surplus</b>	<b>104,041</b>	<b>373,231</b>	<b>591,597</b>
<b>Accumulated surplus, beginning of year</b>	<b>6,814,991</b>	<b>6,814,991</b>	<b>6,223,394</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 6,919,032</b>	<b>\$ 7,188,222</b>	<b>\$ 6,814,991</b>

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



# THE CORPORATION OF THE TOWNSHIP OF RYERSON

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	Budget 2022	Actual 2022	Actual 2021
	(note 18)		
Annual surplus	\$ 104,041	\$ 373,231	\$ 591,597
Acquisition of tangible capital assets	(736,536)	(667,450)	(668,371)
Contributed tangible capital assets	-	-	(8,355)
Shared services tangible capital assets transfer-net	-	(4,313)	(3,438)
Amortization of tangible capital assets	360,726	361,292	328,499
Loss (gain) on disposal of tangible capital assets	-	(9,081)	80,394
Proceeds from disposal of tangible capital assets	11,780	19,991	27,258
Change in supplies inventories	-	(63,016)	(50,683)
Change in prepaid expenses	-	2,066	(1,806)
<b>Change in net financial assets</b>	<b>(259,989)</b>	<b>12,720</b>	<b>295,095</b>
Net financial assets, beginning of the year	1,499,713	1,499,713	1,204,618
<b>Net financial assets, end of the year</b>	<b>\$ 1,239,724</b>	<b>\$ 1,512,433</b>	<b>\$ 1,499,713</b>

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

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 373,231	\$ 591,597
Items not involving cash:		
Amortization of tangible capital assets	361,292	328,499
Loss (gain) on disposal of tangible capital assets	(9,081)	80,394
Contributed tangible capital assets	-	(8,355)
Change in employee benefits payable	1,310	7,189
Change in landfill closure and post-closure liability	(26,872)	(15,270)
	699,880	984,054
Change in non-cash assets and liabilities:		
Taxes receivable	(9,117)	(11,233)
Accounts receivable	87,050	(126,234)
Inventories held for resale	(1,515)	(348)
Accounts payable and accrued liabilities	426,506	(115,738)
Deferred revenue-general	87,706	4,655
Deferred revenue-obligatory reserve funds	53,070	(20,443)
Inventories of supplies	(63,016)	(50,683)
Prepaid expenses	2,066	(1,806)
Net change in cash from operating activities	1,282,630	662,224
Capital activities:		
Acquisition of tangible capital assets	(667,450)	(668,371)
Shared services tangible capital assets transfer - net	(4,313)	(3,438)
Proceeds from disposal of tangible capital assets	19,991	27,258
Net change in cash from capital activities	(651,772)	(644,551)
Investing activities:		
Change in investments	6,377	(30,595)
Net change in cash from investing activities	6,377	(30,595)
Financing activities:		
Increase (decrease) in accrued interest on long-term debt	(221)	639
Proceeds from municipal debt	-	265,000
Debt principal repayments	(114,468)	(62,978)
Tangible capital lease repayments	-	(76)
Net change in cash from financing activities	(114,689)	202,585
Net change in cash	522,546	189,663
Cash, beginning of year	2,393,420	2,203,757
Cash, end of year	\$ 2,915,966	\$ 2,393,420

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

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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The consolidated financial statements of The Corporation of the Township of Ryerson (the "Township") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

## 1. Significant accounting policies:

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

### (a) Reporting entity:

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

### (i) Proportionately consolidated entities:

The following joint boards and committees are proportionately consolidated:

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

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

### (ii) Non-consolidated entities:

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

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### (a) Reporting entity (continued):

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

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

#### (iii) Trust funds:

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

### (b) Basis of accounting:

#### (i) Accrual basis of accounting:

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

#### (ii) Cash:

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

#### (iii) Investments:

Investments are recorded at cost plus accrued interest.

#### (iv) Non-financial assets:

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

### (c) Inventories of supplies:

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

### (d) Reserves and reserve funds:

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

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### (e) Tangible capital assets:

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

Asset	Estimated Useful Life
Land improvements	20 years
Buildings	10-40 years
Leasehold improvements	20 years
Machinery, equipment and furniture	5-20 years
Vehicles	5-20 years
Roads	8-75 years
Bridges	60 years

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

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 Township are not included in the tangible capital assets of the Township. The Township owns a number of historical artifacts housed in the Township's museum.

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

### (f) Government transfers:

Government transfers are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus as the stipulation liabilities are settled.

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### (g) Deferred revenue:

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

### (h) Taxation and related revenue:

Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Township based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Township is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

### (i) Pensions and employee benefits:

The Township accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Obligations for sick leave benefits and retirement gratuities under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.

### (j) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Township may undertake in the future. Significant accounting estimates include valuation allowances for taxes and accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable, solid waste landfill closure and post-closure liabilities and supplementary taxes. Actual results could differ from these estimates.

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 2. Contribution of Unconsolidated Joint Boards:

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

	2022	2021
District of Parry Sound Social Services Administration Board	\$ 82,023	\$ 81,439
North Bay Parry Sound District Health Unit	20,405	19,756
District of Parry Sound (East) Home for the Aged	63,914	65,669
	<u>\$ 166,342</u>	<u>\$ 166,864</u>

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

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

## 3. Transactions on behalf of others:

- (a) During the year, \$293,289 of taxation was collected on behalf of school boards (2021 - \$291,215).
- (b) The Township administers care and maintenance trust funds totalling \$16,135 (2021 - \$15,845) which are funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at the Township's cemetery. The trust funds are not included in these consolidated financial statements, as they are being held in trust for the benefit of others.

## 4. Cash:

Cash is comprised of:

	2022	2021
Unrestricted cash	\$ 2,542,290	\$ 2,072,814
Restricted cash	373,676	320,606
	<u>\$ 2,915,966</u>	<u>\$ 2,393,420</u>

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 Consolidated Financial Statements

Year ended December 31, 2022

## 5. Investments:

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

## 6. Taxes receivable:

Taxes receivable are comprised of the following:

	2022	2021
Taxes receivable	\$ 210,270	\$ 201,153
Valuation allowance	(2,000)	(2,000)
	<b>\$ 208,270</b>	<b>\$ 199,153</b>

## 7. Deferred revenue:

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

	2022	2021
Balance, beginning of year:		
Ontario Cannabis Legalization Implementation Fund	\$ 20,000	\$ 15,000
Other deferred revenue	–	345
	<b>20,000</b>	<b>15,345</b>
Received during the year:		
Ontario Cannabis Legalization Implementation Fund	–	5,000
Northern Ontario Resource Development Support (NORDS)	145,393	–
Other funding	34,430	–
Interest earned	783	–
	<b>180,606</b>	<b>5,000</b>
Recognized in revenue during the year	(92,900)	(345)
Balance, end of year	<b>\$ 107,706</b>	<b>\$ 20,000</b>
Ontario Cannabis Legalization Implementation Fund	\$ 20,000	\$ 20,000
Northern Ontario Resource Development Support (NORDS)	54,487	–
Other deferred revenue	33,219	–
	<b>\$ 107,706</b>	<b>\$ 20,000</b>



# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 8. Deferred revenue – obligatory reserve funds:

The Township receives payments in lieu of parkland under the Planning Act, building permit revenue under the Building Code Act, Canada Community-Building (previously Gas Tax) funding and provincial Main Street revitalization funding under agreements with the Association of Municipalities of Ontario, and Ontario Community Infrastructure Fund funding under an agreement with the Ministry of Infrastructure. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

In the case of payments in lieu of parkland, revenue recognition occurs when the Township has approved eligible expenditures for park and other public recreation purposes. Building permit revenue is recognized when applicable building expenditures are incurred. Canada Community-Building, Main Street revitalization and Ontario Community Infrastructure Fund revenue recognition occurs when the Township has approved the expenditures for eligible operating expenditures and capital works.

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

	2022	2021
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 149,319	\$ 135,988
Building Code Act	88,597	43,055
Canada Community-Building Fund	30,330	47
Ontario Community Infrastructure Fund	52,360	161,959
	320,606	341,049
Received during the year:		
Recreational land (the Planning Act)	37,850	20,475
Building Code Act	24,717	45,542
Canada Community-Building Fund	41,103	80,616
Ontario Community Infrastructure Fund	100,000	50,000
Interest earned	10,826	5,218
	214,496	201,851
Recognized in revenue during the year	(161,426)	(222,294)
Balance, end of year	\$ 373,676	\$ 320,606
Recreational land (the Planning Act)	\$ 181,984	\$ 149,319
Building Code Act	113,314	88,597
Canada Community-Building Fund	6,328	30,330
Ontario Community Infrastructure Fund	72,050	52,360
	\$ 373,676	\$ 320,606

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 9. Municipal debt:

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

	2022	2021
Ontario Infrastructure and Lands Corporation serial debenture, due February 2025, repayable in monthly payments of \$3,296 plus interest calculated at 1.98%. As security the Township has pledged future Provincial funding.	\$ 85,692	\$ 125,242
Ontario Infrastructure and Lands Corporation serial debenture, due June 2026, repayable in semi-annual payments of \$8,770 plus interest calculated at 2.27%. As security, the Township has pledged future Provincial funding.	61,390	78,930
Ontario Infrastructure and Lands Corporation amortizing debenture due November 2026, repayable in semi-annual payments of \$27,687 including interest calculated at 1.61%. As security the Township has pledged future Provincial funding.	213,686	265,000
Proportionate share of Fire Department Ontario Infrastructure and Lands Corporation amortizing debenture, due July 2028, repayable in semi-annual payments of \$15,703 including interest calculated at 2.97%. Secured by future Provincial funding.	40,392	46,456
	<b>\$ 401,160</b>	<b>\$ 515,628</b>

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

Year	Principal	Interest
2023	\$ 115,479	\$ 6,875
2024	116,509	4,665
2025	84,600	2,675
2026	70,306	1,188
2027	7,028	372
2028 onwards	7,238	162
	<b>\$ 401,160</b>	<b>\$ 15,937</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 9. Municipal debt (continued):

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

	2022	2021
Principal payments	\$ 114,468	\$ 62,978
Interest	8,987	7,144
	<u>\$ 123,455</u>	<u>\$ 70,122</u>

## 10. 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 Township'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 \$24,326 (2021 - \$22,515) 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 \$2,458 (2021 - \$2,959) at the end of the year.

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## **11. Landfill close and post-closure liability:**

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

The Township of Armour, the Village of Burk's Falls and the Township of Ryerson jointly operate a landfill site through the TRI R Committee. In 2017, an application to expand the site capacity from 58,800 cubic metres by an additional 27,700 cubic metres was approved.

The liability for the landfill site is recorded at \$343,191 (2021 - \$443,711) and represents the present value of closure and post-closure costs for 100% of the original approved site area and 47% of the 27,700 cubic metre area, using an estimated long-term borrowing rate of 4.38% (2021 - 2.28%) and inflation rate of 2.4% (2021 - 1.8%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$420,957 (2021 - \$550,096), leaving an amount to be recognized of \$77,766 (2021 - \$106,385). The estimated remaining capacity of the approved site is 14,734 cubic metres (2021 - 15,554), estimated to be filled in 12 years. Post-closure care is estimated to be required for a period of 25 years.

As a result of changes to assumptions made in 2022 relating to the borrowing rate and the inflation rate underlying the estimated liability, the estimated liability has been reduced by approximately \$132,000.

The Township has recognized \$112,766 (2021 - \$139,638) in the financial statements related to its proportionate share of this liability.

The Township has reserves of \$142,728 (2021 - \$121,006) related to the TRI R operations that could be used to fund this liability.

## **12. Contractual obligations:**

In 2022, the Township contracted Freightliner North Bay to provide a tandem axle snowplow truck at a cost of \$346,947, inclusive of 13% HST. The truck is expected to be delivered in 2023.

## **13. Contingencies:**

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

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 14. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions and betterments	Contributed assets	Shared services assets - redistribution	Disposals and writedown	Balance at December 31, 2022
Land and land improvements	\$ 571,304	\$ 5,825	\$ -	\$ 6,841	\$ (4,811)	\$ 579,159
Building and leasehold improvements	1,544,371	14,694	-	538	(2,495)	1,557,108
Machinery and equipment	474,143	47,482	-	4,519	(25,621)	500,523
Vehicles	1,521,706	345,948	-	-	(115,757)	1,751,897
Roads and bridges	8,325,325	253,050	-	-	(240,890)	8,337,485
Construction in progress	52,746	451	-	-	-	53,197
<b>Total</b>	<b>\$ 12,489,595</b>	<b>667,450</b>	<b>-</b>	<b>11,898</b>	<b>\$ (389,574)</b>	<b>\$ 12,779,369</b>

Accumulated Amortization	Balance at December 31, 2021	Annual amortization	Shared services accumulated amortization redistribution	Amortization disposals	Balance at December 31, 2022
Land and land improvements	\$ 169,929	\$ 6,932	\$ 5,447	\$ (4,811)	\$ 177,497
Building and leasehold improvements	603,037	38,976	104	(2,495)	639,622
Machinery and equipment	279,784	30,255	2,034	(25,560)	286,513
Vehicles	759,318	89,524	-	(115,757)	733,085
Roads and bridges	5,512,718	195,605	-	(230,041)	5,478,282
Construction in progress	-	-	-	-	-
<b>Total</b>	<b>\$ 7,324,786</b>	<b>\$ 361,292</b>	<b>\$ 7,585</b>	<b>\$ (378,664)</b>	<b>\$ 7,314,999</b>

	Net book value, December 31, 2021	Net book value, December 31, 2022
Land and land improvements	\$ 401,375	\$ 401,662
Building and leasehold improvements	941,334	917,486
Machinery and equipment	194,359	214,010
Vehicles	762,388	1,018,812
Roads and bridges	2,812,607	2,859,203
Construction in progress	52,746	53,197
<b>Total</b>	<b>\$ 5,164,809</b>	<b>\$ 5,464,370</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 14. Tangible capital assets (continued):

Cost	Balance at December 31, 2020	Additions and betterments	Contributed assets	Shared services assets - redistribution	Disposals and writedown	Balance at December 31, 2021
Land and land improvements	\$ 568,315	\$ 3,585	\$ -	\$ (596)	\$ -	\$ 571,304
Building and leasehold improvements	1,268,398	279,521	-	(13)	(3,535)	1,544,371
Machinery and equipment	447,865	24,261	-	7,347	(5,330)	474,143
Vehicles	1,547,710	-	-	-	(26,004)	1,521,706
Roads and bridges	8,190,116	356,683	8,355	-	(229,829)	8,325,325
Construction in progress	74,534	4,321	-	-	(26,109)	52,746
<b>Total</b>	<b>\$ 12,096,938</b>	<b>668,371</b>	<b>8,355</b>	<b>6,738</b>	<b>\$ (290,807)</b>	<b>\$ 12,489,595</b>

Accumulated Amortization	Balance at December 31, 2020	Annual amortization	Shared services accumulated amortization redistribution	Amortization disposals	Balance at December 31, 2021
Land and land improvements	\$ 163,580	\$ 6,908	\$ (559)	\$ -	\$ 169,929
Building and leasehold improvements	567,748	35,739	(7)	(443)	603,037
Machinery and equipment	254,050	26,948	3,866	(5,080)	279,784
Vehicles	700,463	84,858	-	(26,003)	759,318
Roads and bridges	5,490,301	174,046	-	(151,629)	5,512,718
Construction in progress	-	-	-	-	-
<b>Total</b>	<b>\$ 7,176,142</b>	<b>\$ 328,499</b>	<b>\$ 3,300</b>	<b>\$ (183,155)</b>	<b>\$ 7,324,786</b>

	Net book value, December 31, 2020	Net book value, December 31, 2021
Land and land improvements	\$ 404,735	\$ 401,375
Building and leasehold improvements	700,650	941,334
Machinery and equipment	701,915	194,359
Vehicles	847,247	762,388
Roads and bridges	2,699,815	2,812,607
Construction in progress	74,534	52,746
<b>Total</b>	<b>\$ 5,428,896</b>	<b>\$ 5,164,809</b>

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 15. Accumulated surplus:

The 2022 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	\$ 175,996	\$ 421,562
Capital funds	562,898	–	562,898
Election	7,401	(7,401)	–
Fire	135,732	(28,707)	107,025
Roads	454,386	92,500	546,886
Waste disposal and recycling	121,006	21,722	142,728
JBC	6,145	4,236	10,381
COVID-19	38,976	(30,239)	8,737
Hospital	20,000	20,000	40,000
Cemetery	5,676	(500)	5,176
Arena	38,884	10,073	48,957
Library	15,453	490	15,943
Fire department	723	–	723
	1,652,846	258,170	1,911,016
<b>Other:</b>			
Consolidated tangible capital assets	5,164,809	299,561	5,464,370
<b>General operating surplus:</b>			
Township	671,113	(328,039)	343,074
Library	2,271	(1,191)	1,080
ACED	4,692	4,700	9,392
<b>Unfunded amounts:</b>			
Municipal debt	(515,628)	114,468	(401,160)
Employee benefits payable	(25,474)	(1,310)	(26,784)
Landfill closure and post-closure liability	(139,638)	26,872	(112,766)
	\$ 6,814,991	\$ 373,231	\$ 7,188,222

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 16. Segment disclosures and expenses by object:

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

### General Government

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

### Protection to Persons and Property

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

### Transportation Services

Transportation services include roadway systems and winter control.

### Environmental Services

This segment includes solid waste management.

### Health Services

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

### Social and Family Services

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

### Recreation and Culture

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

### Planning and Development

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

### Unallocated Amounts

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

In the preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of administrative time to specific segments.



# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	2022
<b>Revenues:</b>										
Property taxes	\$ -	-	-	-	-	-	-	-	2,215,728	\$ 2,215,728
User charges	7,680	4,110	-	27,951	-	-	31,247	14,650	-	85,638
<b>Government grants:</b>										
Canada	2,345	-	66,532	-	-	-	99	19,749	-	88,725
Ontario	28,001	1,738	176,142	21,785	-	-	3,850	4,090	350,600	586,206
Other municipalities	-	2,501	-	-	-	-	578	-	-	3,079
Restructuring net revenue	-	-	-	-	-	-	-	2,600	-	2,600
Shared services opening surplus redistribution	-	-	-	(1,869)	-	-	(1,086)	-	-	(2,955)
Gain on disposal of capital assets	-	5,083	3,027	-	-	-	971	-	-	9,081
Other	7,962	42,673	12,042	51,376	558	-	17,754	-	136,325	268,690
	45,988	56,105	257,743	99,243	558	-	53,413	41,089	2,702,653	3,256,792
<b>Expenses:</b>										
Salaries, wages and benefits	470,144	108,735	377,065	88,639	7,429	-	91,800	23,556	-	1,167,368
Long-term debt charges	-	1,253	7,734	-	-	-	-	-	-	8,987
Materials	80,747	39,985	466,693	40,862	3,673	-	71,528	3,644	-	707,132
Contracted services	142,956	174,966	12,443	28,655	65,695	-	15,200	6,517	-	446,432
Rents and financial expenses	1,728	1,913	2,806	7,869	-	-	3,748	8	-	18,072
External transfers	4,184	-	-	-	24,157	145,937	-	-	-	174,278
Interfunctional adjustments	(2,000)	2,000	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	11,014	15,636	301,378	7,929	202	-	24,966	167	-	361,292
	708,773	344,488	1,168,119	173,954	101,156	145,937	207,242	33,892	-	2,883,561
Annual surplus (deficit)	\$ (662,785)	(288,383)	(910,376)	(74,711)	(100,598)	(145,937)	(153,829)	7,197	2,702,653	\$ 373,231

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	2021
Revenues:										
Property taxes	\$ -	-	-	-	-	-	-	-	2,132,137	\$ 2,132,137
User charges	12,961	977	-	25,120	-	-	19,850	8,700	-	67,608
Government grants:										
Canada	-	-	66,429	-	-	-	2,283	14,672	58,837	142,221
Ontario	39,178	3,179	161,958	14,581	-	-	3,555	6,188	408,942	637,581
Other municipalities	-	2,957	-	-	-	-	596	-	-	3,553
Shared services opening surplus redistribution	-	-	-	249	-	-	6,997	-	-	7,246
Gain (loss) on disposal of capital assets	(3,094)	398	(77,698)	-	-	-	-	-	-	(80,394)
Other	75,931	49,731	56,654	28,540	253	-	11,927	1,262	83,483	307,781
	124,976	57,242	207,343	68,490	253	-	45,208	30,822	2,683,399	3,217,733
Expenses:										
Salaries, wages and benefits	408,954	112,659	416,913	83,151	3,788	-	65,559	20,495	-	1,111,519
Long-term debt charges	-	1,431	5,713	-	-	-	1	-	-	7,145
Materials	110,356	38,319	346,593	18,498	671	-	47,745	4,503	-	566,685
Contracted services	105,069	181,147	24,128	30,324	62,528	-	12,467	5,640	-	421,303
Rents and financial expenses	3,629	2,333	4,099	4,303	-	-	2,618	-	-	16,982
External transfers	3,298	12	-	-	23,556	147,108	-	29	-	174,003
Interfunctional adjustments	(2,000)	2,000	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	7,339	12,601	275,173	7,758	202	-	25,269	157	-	328,499
	636,645	350,502	1,072,619	144,034	90,745	147,108	153,659	30,824	-	2,626,136
Annual surplus (deficit)	(511,669)	(293,260)	(865,276)	(75,544)	(90,492)	(147,108)	(108,451)	(2)	2,683,399	\$ 591,597

# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 17. Restructuring net revenue:

In 2019, the Township entered into a joint services agreement for Almaguin Community Economic Development ("ACED"). The agreement included 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.

The Corporation of the Municipality of Magnetawan withdrew from the agreement effective June 9, 2022 and the Corporation of the Municipality of Powassan withdrew effective December 31, 2022. The assets, liabilities and surplus at the time of withdrawal were retained by ACED.

In 2022 the Township recorded net revenue of \$2,600 as a result of this restructuring. The value of the tangible assets received is recorded as a shared services assets redistribution in Note 14.

## 18. Budget information:

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

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	Budget
Adopted budget:	
Decrease in general municipal operating surplus	\$ (645,004)
Increase in reserves and reserve funds	271,385
Decrease in joint board general operating surplus	(838)
Adjustments:	
Acquisition of tangible capital assets	736,536
Amortization of tangible capital assets	(360,726)
Proceeds from disposal of tangible and capital assets	(11,780)
Debt principal repayments	114,468
Annual surplus	\$ 104,041

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# THE CORPORATION OF THE TOWNSHIP OF RYERSON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## **19. Pension agreements:**

The Township makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million with respect to benefits accrued for service with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2022 was \$77,615 (2021 - \$71,481) for current service and is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.