
**THE CORPORATION OF
THE TOWNSHIP OF RYERSON**
CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021, 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, 2021, 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.

Grant Thornton LLP

North Bay, Canada
October 18, 2022

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash (Note 4)	\$ 2,393,420	\$ 2,203,757
Investments (Note 5)	39,059	8,464
Taxes receivable (Note 6)	199,153	187,920
Accounts receivable	304,424	178,190
Inventories held for resale	1,181	833
	2,937,237	2,579,164
LIABILITIES		
Accounts payable and accrued liabilities	414,829	530,567
Accrued interest on long-term debt	1,349	710
Deferred revenue-general (Note 7)	20,000	15,345
Deferred revenue-obligatory reserve funds (Note 8)	320,606	341,049
Municipal debt (Note 9)	515,628	313,606
Tangible capital lease (Note 10)	-	76
Employee benefits payable (Note 11)	25,474	18,285
Landfill closure and post-closure liability (Note 12)	139,638	154,908
	1,437,524	1,374,546
NET FINANCIAL ASSETS	1,499,713	1,204,618
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 15)	5,164,809	4,920,796
Inventories of supplies	137,861	87,178
Prepaid expenses	12,608	10,802
	5,315,278	5,018,776
ACCUMULATED SURPLUS (Note 16)	\$ 6,814,991	\$ 6,223,394

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

APPROVED ON BEHALF OF COUNCIL:

 Mayor

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF RYERSON
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget 2021 <i>(see Note 18)</i>	Actual 2021	Actual 2020
REVENUE			
Property taxes	\$ 2,115,954	\$ 2,132,137	\$ 2,051,874
User charges	37,102	67,608	34,096
Government transfers	637,453	783,355	542,480
Other	145,207	234,633	257,512
TOTAL REVENUE	2,935,716	3,217,733	2,885,962
EXPENSES			
General government	722,442	636,645	557,419
Protection to persons and property	362,258	350,502	327,858
Transportation services	1,184,928	1,072,619	1,013,785
Environmental services	135,908	144,034	174,088
Health services	95,261	90,745	99,956
Social and family services	147,108	147,108	136,375
Recreation and cultural services	177,033	153,659	137,599
Planning and development	39,928	30,824	31,120
TOTAL EXPENSES	2,864,866	2,626,136	2,478,200
ANNUAL SURPLUS <i>(Note 16)</i>	70,850	591,597	407,762
ACCUMULATED SURPLUS, BEGINNING OF YEAR	6,223,394	6,223,394	5,815,632
ACCUMULATED SURPLUS, END OF YEAR	\$ 6,294,244	\$ 6,814,991	\$ 6,223,394

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, 2021

	Budget 2021 <i>(see Note 18)</i>	Actual 2021	Actual 2020
Annual surplus	\$ 70,850	\$ 591,597	\$ 407,762
Acquisition of tangible capital assets	(840,499)	(668,371)	(462,337)
Contributed tangible capital assets	-	(8,355)	-
Shared services tangible capital assets transfer - net	-	(3,438)	962
Amortization of tangible capital assets	328,557	328,499	327,691
Loss on disposal of tangible capital assets	-	80,394	12,354
Proceeds from disposal of tangible capital assets	-	27,258	118,533
Change in supplies inventories	-	(50,683)	9,875
Change in prepaid expenses	-	(1,806)	9,002
Increase (decrease) in net financial assets	(441,092)	295,095	423,842
Net financial assets, beginning of year	1,204,618	1,204,618	780,776
Net financial assets, end of year	\$ 763,526	\$ 1,499,713	\$ 1,204,618

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, 2021

	2021	2020
Operating transactions		
Annual surplus	\$ 591,597	\$ 407,762
Non-cash charges to operations:		
Amortization	328,499	327,691
Loss on disposal of tangible capital assets	80,394	12,354
Contributed tangible capital assets	(8,355)	-
Change in employee benefits payable	7,189	(2,289)
Change in landfill closure and post-closure liability	(15,270)	44,615
	984,054	790,133
Changes in non-cash items:		
Taxes receivable	(11,233)	44,286
Accounts receivable	(126,234)	(114,062)
Inventories held for resale	(348)	367
Accounts payable and accrued liabilities	(115,738)	247,875
Deferred revenue-general	4,655	345
Deferred revenue-obligatory reserve funds	(20,443)	33,789
Inventories of supplies	(50,683)	9,875
Prepaid expenses	(1,806)	9,002
	(321,830)	231,477
Cash provided by operating transactions	662,224	1,021,610
Capital transactions		
Acquisition of tangible capital assets	(668,371)	(462,337)
Shared services tangible capital assets transfer - net	(3,438)	962
Proceeds from disposal of tangible capital assets	27,258	118,533
Cash applied to capital transactions	(644,551)	(342,842)
Investing transactions		
Change in investments	(30,595)	(1,247)
Cash applied to investing transactions	(30,595)	(1,247)
Financing transactions		
Increase (decrease) in accrued interest on long-term debt	639	(77)
Proceeds from municipal debt	265,000	-
Debt principal repayments	(62,978)	(62,807)
Tangible capital lease repayments	(76)	(447)
Cash provided by (applied to) financing transactions	202,585	(63,331)
Net change in cash	189,663	614,190
Cash, beginning of year	2,203,757	1,589,567
Cash, end of year	\$ 2,393,420	\$ 2,203,757
Cash flow supplementary information:		
Cash paid for interest	\$ 6,506	\$ 7,883

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, 2021

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, 2021

(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, 2021

- (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, 2021

2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2021	2020
District of Parry Sound Social Services Administration Board	\$ 81,439	\$ 81,407
North Bay Parry Sound District Health Unit	19,756	19,756
District of Parry Sound (East) Home for the Aged	65,669	54,968
	\$ 166,864	\$ 156,131

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, \$291,215 of taxation was collected on behalf of school boards (2020 \$286,471).
- (b) The Municipality administers care and maintenance trust funds totalling \$15,845 (2020 \$15,745) 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:

	2021	2020
Unrestricted cash	\$ 2,072,814	\$ 1,862,708
Restricted cash	320,606	341,049
	\$ 2,393,420	\$ 2,203,757

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, 2021

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:

	2021		2020	
Taxes receivable	\$	201,153	\$	190,420
Valuation allowance		(2,000)		(2,500)
	\$	199,153	\$	187,920

7. DEFERRED REVENUE-GENERAL

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

	2021		2020	
Balance, beginning of year:				
Ontario Cannabis Legalization Implementation Fund	\$	15,000	\$	15,000
Other deferred revenue		345		-
		15,345		15,000
Received during the year:				
Ontario Cannabis Legalization Implementation Fund		5,000		-
Other funding		-		826
		5,000		826
Recognized in revenue during the year		(345)		(481)
Balance, end of year	\$	20,000	\$	15,345
Ontario Cannabis Legalization Implementation Fund	\$	20,000	\$	15,000
Other deferred revenue		-		345
Balance, end of year	\$	20,000	\$	15,345

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2021

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, 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 Municipality 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 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:

	2021	2020
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 135,988	\$ 115,513
Building Code Act	43,055	51,043
Canada Community-Building Fund	47	-
Ontario Community Infrastructure Fund	161,959	109,188
Main Street Revitalization	-	31,516
	<u>341,049</u>	<u>307,260</u>
Received during the year:		
Recreational land (the Planning Act)	20,475	23,202
Building Code Act	45,542	-
Canada Community-Building Fund	80,616	39,316
Ontario Community Infrastructure Fund	50,000	50,000
Interest earned	5,218	5,900
	<u>201,851</u>	<u>118,418</u>
Recognized in revenue during the year	<u>(222,294)</u>	<u>(84,629)</u>
Balance, end of year	\$ 320,606	\$ 341,049
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
Balance, end of year	\$ 320,606	\$ 341,049

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

9. MUNICIPAL DEBT

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

	2021	2020
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	\$ 125,242	\$ 164,792
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 Municipality has pledged future Provincial funding	78,930	96,470
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 Municipality has pledged future Provincial funding.	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	46,456	52,344
	\$ 515,628	\$ 313,606

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

	Principal	Interest
2022	\$ 114,468	\$ 9,208
2023	115,479	7,016
2024	116,509	4,810
2025	84,600	2,820
2026	70,306	1,337
2027 onwards	14,266	533
	\$ 515,628	\$ 25,724

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

	2021	2020
Principal payments	\$ 62,978	\$ 62,807
Interest	7,144	7,798
	\$ 70,122	\$ 70,605

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

10. TANGIBLE CAPITAL LEASE

In conjunction with the other contributing municipalities of the Armour, Ryerson and Burk's Falls Memorial Arena and Karl Crozier Community Centre, the Municipality leased telephone equipment for a 66 month term ending February 2021. 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:

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

Interest of \$1 (2020 \$8) 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 \$22,515 (2020 \$17,051) 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 \$2,959 (2020 \$1,234) at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

12. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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

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

The liability for the landfill site is recorded at \$443,711 (2020 \$489,916) and represents the present value of closure and post-closure costs for 100% of the original approved site area and 44% of the 27,700 cubic metre area, using an estimated long-term borrowing rate of 2.28% (2020 1.32%) and inflation rate of 1.8% (2020 1.6%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$550,096 (2020 \$619,904), leaving an amount to be recognized of \$106,385 (2020 \$129,988). The estimated remaining capacity of the approved site is 15,554 cubic metres (2020 16,954), estimated to be filled in 11 years. Post-closure care is estimated to be required for a period of 25 years.

The Municipality has recognized \$139,638 (2020 \$154,908) in the financial statements related to its proportionate share of this liability.

The Municipality has reserves of \$121,006 (2020 \$116,712) related to the TRI R operations that could be used to fund this liability.

13. CONTRACTUAL OBLIGATIONS

In June of 2021, the Municipality issued an RFP for a tandem axle snowplow truck. The winning tender quoted a price of \$298,030, inclusive of 13% HST, for this equipment. As of December 31, 2021, this snowplow had yet to be delivered. The estimated delivery date is April of 2022.

14. CONTINGENCIES

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

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2021

15. TANGIBLE CAPITAL ASSETS

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

2021							
	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
COST							
Balance, beginning of year	\$ 568,315	\$ 1,268,398	\$ 447,865	\$ 1,547,710	\$ 8,190,116	\$ 74,534	\$ 12,096,938
Additions and betterments	3,585	279,521	24,261	-	356,683	4,321	668,371
Contributed assets	-	-	-	-	8,355	-	8,355
Shared services assets - redistribution	(596)	(13)	7,347	-	-	-	6,738
Disposals and writedowns	-	(3,535)	(5,330)	(26,004)	(229,829)	(26,109)	(290,807)
BALANCE, END OF YEAR	571,304	1,544,371	474,143	1,521,706	8,325,325	52,746	12,489,595
ACCUMULATED AMORTIZATION							
Balance, beginning of year	163,580	567,748	254,050	700,463	5,490,301	-	7,176,142
Annual amortization	6,908	35,739	26,948	84,858	174,046	-	328,499
Shared services accumulated amortization - redistribution	(559)	(7)	3,866	-	-	-	3,300
Amortization disposals	-	(443)	(5,080)	(26,003)	(151,629)	-	(183,155)
BALANCE, END OF YEAR	169,929	603,037	279,784	759,318	5,512,718	-	7,324,786
TANGIBLE CAPITAL ASSETS-NET	\$ 401,375	\$ 941,334	\$ 194,359	\$ 762,388	\$ 2,812,607	\$ 52,746	\$ 5,164,809
2020							
	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Construction in Progress	TOTAL
COST							
Balance, beginning of year	\$ 520,373	\$ 1,308,666	\$ 446,420	\$ 1,543,680	\$ 8,273,985	\$ 52,844	\$ 12,145,968
Additions and betterments	51,427	213,055	10,923	7,284	150,899	28,749	462,337
Shared services assets - redistribution	(1,107)	(112)	(1,165)	-	-	-	(2,384)
Disposals and writedowns	(2,378)	(260,270)	(8,313)	(3,254)	(234,768)	-	(508,983)
Transfer between classes	-	7,059	-	-	-	(7,059)	-
BALANCE, END OF YEAR	568,315	1,268,398	447,865	1,547,710	8,190,116	74,534	12,096,938
ACCUMULATED AMORTIZATION							
Balance, beginning of year	148,707	729,773	236,740	615,152	5,497,597	-	7,227,969
Annual amortization	18,234	32,916	25,081	87,752	163,708	-	327,691
Shared services accumulated amortization - redistribution	(982)	(15)	(425)	-	-	-	(1,422)
Amortization disposals	(2,379)	(194,926)	(7,346)	(2,441)	(171,004)	-	(378,096)
BALANCE, END OF YEAR	163,580	567,748	254,050	700,463	5,490,301	-	7,176,142
TANGIBLE CAPITAL ASSETS-NET	\$ 404,735	\$ 700,650	\$ 193,815	\$ 847,247	\$ 2,699,815	\$ 74,534	\$ 4,920,796

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

15. TANGIBLE CAPITAL ASSETS (continued)

Included in tangible capital assets are leased tangible capital assets with a cost of NIL (2020 \$2,083) and accumulated amortization of NIL (2020 \$1,146).

16. ACCUMULATED SURPLUS

The 2021 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
RESERVES AND RESERVE FUNDS			
Working funds	\$ 245,566	\$ -	\$ 245,566
Capital funds	348,041	214,857	562,898
Election	5,001	2,400	7,401
Fire	111,939	23,793	135,732
Roads	254,678	199,708	454,386
Waste disposal and recycling	116,712	4,294	121,006
JBC	-	6,145	6,145
COVID-19	40,127	(1,151)	38,976
Hospital	-	20,000	20,000
Cemetery	6,176	(500)	5,676
Arena	26,990	11,894	38,884
Library	10,493	4,960	15,453
Fire Department	723	-	723
	1,166,446	486,400	1,652,846
OTHER			
Consolidated tangible capital assets	4,920,796	244,013	5,164,809
General operating surplus -			
Municipality	619,892	51,221	671,113
Library	1,938	333	2,271
ACED	1,197	3,495	4,692
Unfunded amounts -			
Municipal debt	(313,606)	(202,022)	(515,628)
Tangible capital leases	(76)	76	-
Employee benefits payable	(18,285)	(7,189)	(25,474)
Landfill closure and post-closure liability	(154,908)	15,270	(139,638)
	\$ 6,223,394	\$ 591,597	\$ 6,814,991

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

17. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

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

General Government

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

Protection to Persons and Property

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

Transportation Services

Transportation services include roadway systems and winter control.

Environmental Services

This segment includes solid waste management.

Health Services

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

Social and Family Services

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

Recreation and Culture

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

Planning and Development

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

Unallocated Amounts

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

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

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

17. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,132,137	\$ 2,132,137
User charges	12,961	977	-	25,120	-	-	19,850	8,700	-	67,608
Government transfers -										
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
TOTAL REVENUE	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 (interest)	-	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	7,339	12,601	275,173	7,758	202	-	25,269	157	-	328,499
TOTAL EXPENSES	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 THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

17. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2020

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

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2021

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
ADOPTED BUDGET:	
Decrease in general municipal operating surplus	\$ (619,892)
Increase in reserves and reserve funds	381,059
Decrease in joint board general operating surplus	(695)
ADJUSTMENTS:	
Acquisition of tangible capital assets	840,499
Amortization of tangible capital assets	(328,557)
Increase in long-term debt	(202,022)
Tangible capital lease repayment	458
ANNUAL SURPLUS	\$ 70,850

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, 2021. The results of this valuation disclosed total actuarial liabilities of \$120,796 million with respect to benefits accrued for service with actuarial assets at that date of \$117,665 million indicating an actuarial deficit of \$3,131 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 2021 was \$71,481 (2020 \$66,556) for current service and is included as an expense on the Consolidated Statement of Operations.

THE CORPORATION OF THE TOWNSHIP OF RYERSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2021

20. IMPACTS OF COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted local economies around the globe. In many countries, including Canada, businesses were 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. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In 2021, the Municipality received COVID-19 operating funding in the amount of \$48,733 and applied \$1,151 of its Safe Restart funding reserve to cover pandemic-related operating pressures in the year. 2021 costs of \$49,884 have been identified, relating to employee wages and benefits, the purchase of COVID-19 supplies, and supplemental levies. At the end of the year, the Municipality has a reserve balance of \$38,976 of unspent COVID-19 operating funding to be used to cover related costs in future years.

The Municipality also received \$73,546 in funding under the Investing in Canada Infrastructure Program- COVID-19 Resilience Infrastructure Stream that was applied to health and safety retrofits to the Municipal office.

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.