

The Corporation of the  
Township of Georgian Bluffs  
Financial Information  
For the year ended December 31, 2019

The Corporation of the Township of Georgian Bluffs  
Financial Information  
For the year ended December 31, 2019

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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Georgian Bluffs

### Opinion

We have audited the consolidated financial statements of the Township of Georgian Bluffs (the Township), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of operations and accumulated surplus, the consolidated statement of changes in net financial assets and 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2019, and its consolidated results of operations, its consolidated changes in net financial assets, and its consolidated 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 the 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 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Township 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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
July 17, 2020

The Corporation of the Township of Georgian Bluffs  
Consolidated Statement of Financial Position

December 31	2019	2018
<b>Financial assets</b>		
Cash (Note 1)	\$ 15,556,168	\$ 13,031,794
Taxes receivable	935,807	844,226
Trade and other receivables	716,765	1,033,403
Long-term receivables (Note 2)	86,310	35,588
Inventories held for resale	4,817	3,937
	<u>17,299,867</u>	<u>14,948,948</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,826,657	1,893,655
Solid waste landfill post-closure liabilities (Note 3)	253,049	248,601
Deferred revenue (Page 30)	492,876	236,179
Long-term liabilities (Note 5)	1,482,048	1,720,385
	<u>4,054,630</u>	<u>4,098,820</u>
<b>Net financial assets</b>	<u>13,245,237</u>	<u>10,850,128</u>
<b>Non-financial assets</b>		
Inventory of supplies	123,130	119,901
Prepaid expenses	15,856	24,814
Tangible capital assets (Note 6)	52,421,991	52,520,319
	<u>52,560,977</u>	<u>52,665,034</u>
<b>Accumulated surplus (Note 7)</b>	<u>\$ 65,806,214</u>	<u>\$ 63,515,162</u>



**The Corporation of the Township of Georgian Bluffs**  
**Consolidated Statement of Operations and Accumulated Surplus**

For the year ended December 31	2019 Budget (Note 9)	2019 Actual	2018 Actual
<b>Revenue</b>			
Taxation	\$ 9,764,196	\$ 9,972,247	\$ 9,366,388
Fees and user charges	1,818,750	2,644,290	2,312,492
Government transfers (Note 10)	1,586,004	2,459,064	1,601,810
Other income (Note 11)	718,000	972,016	870,401
Contributed capital assets	-	-	2,274,158
Loss on disposal of capital assets	-	(71,783)	(62,915)
	<u>13,886,950</u>	<u>15,975,834</u>	<u>16,362,334</u>
<b>Expenses</b>			
General government	1,862,500	1,866,058	1,644,201
Protection services	2,926,800	2,866,141	2,761,206
Transportation services	2,789,200	5,091,571	3,789,320
Transportation - amortization adjustment	-	-	6,151,000
Environmental services	1,813,500	2,389,270	2,293,236
Health services	42,500	39,993	40,403
Recreation and cultural services	1,000,450	1,205,372	1,131,474
Planning and development	124,250	226,377	95,171
	<u>10,559,200</u>	<u>13,684,782</u>	<u>17,906,011</u>
Annual surplus (deficit) (Note 9)	3,327,750	2,291,052	(1,543,677)
Accumulated surplus, beginning of the year	<u>63,515,162</u>	<u>63,515,162</u>	<u>65,058,839</u>
<b>Accumulated surplus, end of the year</b>	<u>\$ 66,842,912</u>	<u>\$ 65,806,214</u>	<u>\$ 63,515,162</u>

The Corporation of the Township of Georgian Bluffs  
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31	2019 Budget (Note 9)	2019 Actual	2018 Actual
Annual surplus (deficit) (Page 6)	\$ 3,327,750	\$ 2,291,052	\$ (1,543,677)
Acquisition of tangible capital assets	(2,425,750)	(2,491,535)	(3,927,156)
Amortization of tangible capital assets	-	2,449,988	7,775,866
Loss on disposal of capital assets	-	71,783	62,915
Proceeds on disposal of capital assets	-	68,092	21,219
	<u>(2,425,750)</u>	<u>98,328</u>	<u>3,932,844</u>
Change in prepaid expenses	-	8,958	(8,593)
Change in inventories of supplies	-	(3,229)	530
	<u>-</u>	<u>5,729</u>	<u>(8,063)</u>
Increase in net financial assets	902,000	2,395,109	2,381,104
Net financial assets, beginning of the year	<u>10,850,128</u>	<u>10,850,128</u>	<u>8,469,024</u>
Net financial assets, end of the year	<u>\$ 11,752,128</u>	<u>\$ 13,245,237</u>	<u>\$ 10,850,128</u>

The Corporation of the Township of Georgian Bluffs  
Consolidated Statement of Cash Flows

For the year ended December 31	2019	2018
Cash provided by (used in)		
Operating activities		
Annual surplus (deficit)	\$ 2,291,052	\$ (1,543,677)
Items not involving cash		
Solid waste landfill closure and post-closure liabilities	4,448	(7,498)
Amortization	2,449,988	7,775,866
Contributed capital assets	-	(2,274,158)
Deferred revenue recognized	(438,347)	(342,648)
Change in prepaid expenses	8,958	(8,593)
Inventory of supplies	(3,229)	530
Loss on disposal of capital assets	71,783	62,915
	<u>4,384,653</u>	<u>3,662,737</u>
Changes in non-cash working capital balances		
Taxes receivable	(91,581)	171,548
Trade and other receivables	316,638	1,471,627
Inventory held for resale	(880)	(530)
Accounts payable and accrued liabilities	(66,998)	(110,951)
Deferred revenue received	695,044	383,247
	<u>852,223</u>	<u>1,914,941</u>
	<u>5,236,876</u>	<u>5,577,678</u>
Capital transactions		
Acquisition of capital assets	(2,491,535)	(1,652,998)
Proceeds on disposition of capital assets	68,092	21,219
	<u>(2,423,443)</u>	<u>(1,631,779)</u>
Investing activities		
Long-term receivables	(50,722)	8,014
Financing activities		
Repayment of long-term liabilities	(238,337)	(238,337)
Net change in cash	2,524,374	3,715,576
Cash, beginning of the year	<u>13,031,794</u>	<u>9,316,218</u>
Cash, end of the year	<u>\$15,556,168</u>	<u>\$ 13,031,794</u>

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## The Corporation of the Township of Georgian Bluffs Summary of Significant Accounting Policies

December 31, 2019

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Management Responsibility	The management of the Corporation of the Township of Georgian Bluffs has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these consolidated financial statements. The Council reviews and approves the consolidated financial statements.				
Basis of Accounting	<p>The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available 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.</p>				
Basis of Consolidation	<p>The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.</p> <p>A government partnership exists where the municipality has shared control over the board or entity. The Township's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The Township's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:</p> <table><tr><td>Inter-Township Fire Department</td><td>75%</td></tr><tr><td>Georgian Bluffs Chatsworth Biodigester</td><td>50%</td></tr></table>	Inter-Township Fire Department	75%	Georgian Bluffs Chatsworth Biodigester	50%
Inter-Township Fire Department	75%				
Georgian Bluffs Chatsworth Biodigester	50%				
Inventory Held for Resale	Inventory of goods held for resale is recorded at the lower of cost and net realizable value. Cost is determined on the first- in first-out basis.				

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The Corporation of the Township of Georgian Bluffs  
Summary of Significant Accounting Policies

December 31, 2019

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Inventory of Supplies                      Inventory held for consumption is recorded at the lower of cost and replacement cost. Cost is determined on a first-in first out basis.

Tangible Capital Assets                      Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by management. The following rates are used:

Land improvements	10 to 50 years
Buildings	15 to 80 years
Equipment	5 to 8 years
Vehicles and machinery	5 to 20 years
Transportation infrastructure	15 to 80 years
Water and sewer infrastructure	20 to 80 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Post-Employment Benefits                      The contributions to the Ontario Municipal Employee's Retirement System ("OMERS"), a multi-employer defined benefit plan, are expensed when contributions are due.

Solid Waste Landfill Post-Closure Costs                      Site closure and post-closure care costs were recognized over the operating life of the landfill based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the township. The landfill is now in the post-closure phase.

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## The Corporation of the Township of Georgian Bluffs Summary of Significant Accounting Policies

December 31, 2019

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Trust Funds	Funds held in trust by the Township, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.
Liability for Contaminated Sites	A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. Management is not aware of any contaminated sites for which a liability needs to be recognized.
County and School Board	The Township collects taxation revenue on behalf of the school boards and the County of Grey. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Grey are not reflected in these financial statements.
Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued grant receivables, useful lives of capital assets, accrued liabilities, solid waste landfill closure and post-closure costs and taxation revenue. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

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## The Corporation of the Township of Georgian Bluffs Summary of Significant Accounting Policies

December 31, 2019

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### Revenue Recognition

Revenues are recognized as follows:

- a) Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.
  - b) Fines and donations are recognized when collected.
  - c) Fees, user charges and other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
  - d) Government transfers are recognized as revenue in the financial statements 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 statement of operations as the stipulation liabilities are settled.
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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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1. Cash

	2019	2018
General funds	\$15,379,215	\$ 12,906,042
Obligatory reserve funds	176,953	125,752
	\$15,556,168	\$ 13,031,794

On December 31, 2019, the municipality had deposits of \$5,647,712 in a Canadian Chartered bank, earning interest at a rate of prime less 1.9% and \$9,222,427 in a separate Canadian Chartered bank, earning interest at a rate of prime less 0.5% The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor.

The Township has undrawn operating credit of \$500,000 for operating purposes and \$2,000,000 for capital expenditure purposes. Interest is calculated at prime rate less 0.5%.

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2. Long-Term Receivables

	2019	2018
Due from ratepayers - East Linton Water Capital Connections, 7%, due 2020	\$ 3,357	\$ 6,063
Due from ratepayers - Other Water Capital Connections, no set terms of repayment	67,760	11,135
Due from ratepayers - Gateway Water Capital Connections, 7%, due 2023	15,193	18,390
	\$ 86,310	\$ 35,588

Long-term receivables are recorded at cost.

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## The Corporation of the Township of Georgian Bluffs Notes to Financial Statements

December 31, 2019

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### 3. Solid Waste Landfill Post-Closure Liabilities

The landfill was closed June 2017. The liability for the landfill site is recorded at \$253,049 (2018 - \$248,601) and represents the present value of post-closure costs for the closed site, using the Government of Canada's average long-term borrowing rate of 2.5%. Post closure costs include removal of ground water and leachates and ongoing environmental monitoring, site inspection and maintenance. The total estimated future expenditures for post-closure care are \$253,049 leaving an amount to be recognized of \$Nil. Post-closure care is estimated to continue for a period of 23 years.

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### 4. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 41 members of its staff and councilors. This plan is a defined benefit plan which specifies the amount of the retirement entitlement to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS for 2019 by the Township of Georgian Bluffs was \$220,498 (2018 - \$201,811). The contribution rate for 2019 was 9% to 15.8% depending on age and income level (2018 - 9% to 15.8%).

OMERS is a multi-employer plan, therefore, any pension 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 OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2019. At that time the plan reported a \$3.40 billion actuarial deficit (2018 - \$4.19 billion actuarial deficit), based on actuarial liabilities of \$106.44 billion (2018 - \$99.06 billion), and actuarial assets of \$103.04 billion (2018 - \$94.87 billion). Ongoing adequacy of the current contribution rates will need to be monitored as fluctuations in the financial markets may lead to increased future funding requirements.

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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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5. Long-Term Liabilities

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2019	2018
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, annual interest payments only	\$ 479,964	\$ 559,968
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, annual interest payments only	346,667	390,000
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$5,000 plus interest	330,000	390,000
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$4,583 plus interest	325,417	380,417
	\$ 1,482,048	\$ 1,720,385

The interest, relating to the above long-term debt, expensed and paid during the year was \$55,559.

In the absence of demand for repayment, anticipated principal payments for the next 5 fiscal years and thereafter are as follows:

2020	\$	238,337
2021		238,337
2022		238,337
2023		238,337
2024		238,337
Thereafter		290,363
		\$ 1,482,048

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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31

6. Tangible Capital Assets

								2019
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$ 3,984,375	\$ 1,004,717	\$ 8,964,141	\$ 585,554	\$ 6,184,865	\$ 47,118,346	\$ 19,614,828	\$ 87,456,826
Additions	-	226,601	111,205	-	870,585	1,155,889	127,255	2,491,535
Disposals	-	(27,462)	(16,139)	-	(271,530)	(728,373)	-	(1,043,504)
Cost, end of the year	3,984,375	1,203,856	9,059,207	585,554	6,783,920	47,545,862	19,742,083	88,904,857
Accumulated amortization, beginning of the year	-	372,625	3,872,625	334,153	2,800,571	19,021,059	8,535,474	34,936,507
Amortization	-	38,735	185,644	27,333	347,984	1,481,904	368,388	2,449,988
Disposals	-	(27,462)	(13,799)	-	(221,503)	(640,865)	-	(903,629)
Accumulated amortization, end of the year	-	383,898	4,044,470	361,486	2,927,052	19,862,098	8,903,862	36,482,866
Net carrying amount, end of the year	\$ 3,984,375	\$ 819,958	\$ 5,014,737	\$ 224,068	\$ 3,856,868	\$ 27,683,764	\$ 10,838,221	\$ 52,421,991

The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31

6. Tangible Capital Assets - (continued)

								2018
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$ 3,989,031	\$ 986,748	\$ 8,759,733	\$ 585,554	\$ 6,133,545	\$44,348,990	\$19,332,560	\$ 84,136,161
Additions	-	17,969	204,408	-	164,224	3,258,287	282,268	3,927,156
Disposals	(4,656)	-	-	-	(112,904)	(488,931)	-	(606,491)
Cost, end of the year	3,984,375	1,004,717	8,964,141	585,554	6,184,865	47,118,346	19,614,828	87,456,826
Accumulated amortization, beginning of the year	-	337,084	3,691,221	297,661	2,582,753	12,603,273	8,171,006	27,682,998
Amortization	-	35,541	181,404	36,492	324,247	6,833,714	364,468	7,775,866
Disposals	-	-	-	-	(106,429)	(415,928)	-	(522,357)
Accumulated amortization, end of the year	-	372,625	3,872,625	334,153	2,800,571	19,021,059	8,535,474	34,936,507
Net carrying amount, end of the year	\$ 3,984,375	\$ 632,092	\$ 5,091,516	\$ 251,401	\$ 3,384,294	\$28,097,287	\$11,079,354	\$ 52,520,319

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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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6. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$602,167 (2018 - \$324,316).

During the year, \$Nil (2018 - \$2,274,158) in contributed land, equipment and transportation infrastructure was recognized in the financial statements.

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7. Accumulated Surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2019	2018
Invested in tangible capital assets		
Tangible capital assets	\$ 52,421,991	\$ 52,520,319
Capital assets financed by long-term liabilities and to be funded in future years	(1,135,381)	(1,330,385)
Total invested in capital assets	51,286,610	51,189,934
Unfunded contribution	(346,667)	(390,000)
Unfunded solid waste closure and post-closure costs	(253,049)	(248,601)
Street lights	-	(17,979)
Biodigester	(48,605)	8,481
Water	(449,299)	(472,395)
	50,188,990	50,069,440
Reserves and reserve funds (Note 8)	15,617,224	13,445,722
Accumulated surplus	\$ 65,806,214	\$ 63,515,162

The operating surplus of \$54,334 was transferred to working capital reserve per Council resolution.

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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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8. Reserves and Reserve Funds Set Aside for Specific Purpose by Council

	<u>2019</u>	<u>2018</u>
Reserves		
Working funds	\$ 1,408,990	\$ 2,725,216
Current purposes	304,207	232,339
Capital purposes	<u>10,246,212</u>	<u>7,152,157</u>
	<u>11,959,409</u>	<u>10,109,712</u>
Reserve funds		
Other	1,108	1,084
Current purposes	1,287,213	998,591
Capital purposes	<u>2,369,494</u>	<u>2,336,335</u>
	<u>3,657,815</u>	<u>3,336,010</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$15,617,224</u>	<u>\$ 13,445,722</u>

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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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9. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. The 2019 budget amounts for the Corporation of the Township of Georgian Bluffs approved by Council have been restated to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in net financial assets. The budgets for the Inter-Township Fire Department and Georgian Bluffs Chatsworth Biodigester have not been consolidated. The following is a reconciliation of the Township of Georgian Bluffs budget approved by Council.

	2019	2019	2018
	Budget	Actual	Actual
Annual surplus (deficit) (Page 6)	\$ 3,327,750	\$ 2,291,052	\$ (1,543,677)
Amortization	-	2,449,988	7,775,866
Change in unfunded liabilities	-	4,448	(7,498)
Change in other surpluses	-	33,990	219,359
	<hr/>		
	3,327,750	4,779,478	6,444,050
Net transfers to reserves	(663,500)	(2,171,502)	(2,362,691)
Capital acquisitions, disposals and write-down	(2,425,750)	(2,351,660)	(3,843,022)
Debt principal repayments	(238,500)	(238,337)	(238,337)
Change in other surpluses	-	(17,979)	-
	<hr/>		
	\$ -	\$ -	\$ -
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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

10. Government Transfers

	2019 Budget	2019 Actual	2018 Actual
Operating			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 843,900	\$ 843,900	\$ 834,500
Conditional - Roads	25,000	68,398	29,526
- Other	178,373	790,187	191,258
	1,047,273	1,702,485	1,055,284
Government of Canada - Other	-	18,804	-
Other Municipal - Other	-	2,881	7,553
Total operating transfers	1,047,273	1,724,170	1,062,837
Capital			
Province of Ontario			
Conditional - Roads	220,837	220,837	138,511
- Sewer and water	-	79,596	34,585
	220,837	300,433	173,096
Government of Canada			
Conditional - Roads	317,894	434,461	331,377
- Other	-	-	34,500
	317,894	434,461	365,877
Total capital transfers	538,731	734,894	538,973
Total government transfers	\$ 1,586,004	\$ 2,459,064	\$ 1,601,810



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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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11. Other Income

	2019	2019	2018
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 200,000	\$ 166,299	\$ 196,994
Other fines and penalties	51,000	54,458	80,332
Investment income	116,500	348,382	210,968
Licenses, permits and rents	340,500	363,374	357,302
Donations	10,000	35,607	17,377
Prepaid special charges	-	3,896	259
Other	-	-	7,169
	<u>\$ 718,000</u>	<u>\$ 972,016</u>	<u>\$ 870,401</u>

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12. Contractual Commitments

The Township has committed to a capital project for Inglis Falls road reconstruction at a cost of \$4,278,118 excluding taxes. As at December 31, 2019, no costs have yet been incurred. Management is uncertain when the project will be completed as due to current pandemic circumstances there might be delays experienced. Per the initial contract the project has a completion deadline of October 31, 2020.

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13. Contingencies

- a) Several lower tier municipalities on the Bruce Peninsula, including the Township of Georgian Bluffs, have been named as defendants in a land claim action filed by the Chippewas of Saugeen and Nawash. Also joined as defendants in the action are the Counties of Bruce and Grey, the Province of Ontario and the Dominion of Canada. There is no specific damage claim against the Township of Georgian Bluffs or any of the other municipal defendants, although there is a general and unquantified claim against all defendants. The likelihood of the success of this action is undeterminable at the present time.
  - b) The Township of Georgian Bluffs has been named in a number of claims that are in proceedings through their insurance company. The Township's liability with respect to these claims is not determinable at this time. Management is of the opinion that the Township maintains adequate and appropriate liability and errors and omissions insurance to protect the municipality against such claims.
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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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14. Operations of School Boards and the County of Grey

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Grey:

	2019	2018
School boards	3,956,550	4,000,817
County of Grey	6,307,345	6,075,961
	\$10,263,895	\$ 10,076,778

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15. Government Partnership

The following summarizes the financial position and operations of the government partnerships which have been reported in these financial statements using proportionate consolidation:

Inter-Township Fire Department

The Inter-Township Fire Department is a government partnership of which the Corporation of the Township of Georgian Bluffs has a 75% interest. The condensed supplementary financial information is as follows:

	2019	2018
Financial assets	\$ 1,585,525	\$ 1,359,194
Liabilities	142,246	140,451
Net financial assets	1,443,279	1,218,743
Non-financial assets	1,352,365	1,439,714
Accumulated surplus	\$ 2,795,644	\$ 2,658,457
Revenues	\$ 1,000,560	\$ 1,035,275
Expenses	863,373	827,406
Annual surplus	\$ 137,187	\$ 207,869

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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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15. Government Partnership - (continued)

Georgian Bluffs Chatsworth Biodigester

The Georgian Bluffs Chatsworth Biodigester is a government partnership of which the Corporation of the Township of Georgian Bluffs has a 50% interest. The condensed supplementary financial information is as follows:

	2019	2018
Financial assets	\$ 787,574	\$ 901,628
Liabilities	406,807	406,691
Net financial assets	380,767	494,937
Non-financial assets	2,919,167	3,034,788
Accumulated surplus	\$ 3,299,934	\$ 3,529,725
Revenues	\$ 309,742	\$ 397,866
Expenses	539,533	476,366
Annual deficit	\$ (229,791)	\$ (78,500)

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16. Trust Funds

The trust funds administered by the Township amounting to \$475,565 (2018 - \$457,571) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2019, the trusts fund balances are as follows:

	2019	2018
Cemetery Care and Maintenance Funds	\$ 462,074	\$ 446,229
Shallow Lake Village Improvement Fund	6,395	4,413
Hillis Beautification Project	7,096	6,929
	\$ 475,565	\$ 457,571

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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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17. Subsequent Events

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on Township of Georgian Bluffs (The Township) that could impact the timing and amounts realized on the Township's assets and future ability to deliver its services. At this time, the full potential impact of COVID-19 on the The Township is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Township will continue to focus on its operations in order to maintain its ability to provide essential services.

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## The Corporation of the Township of Georgian Bluffs Notes to Financial Statements

December 31, 2019

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### 18. Segmented Information

The Township of Georgian Bluffs is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste collection, disposal and recycling, recreational, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

#### General Government

General Government consists of the revenues and expenses that relate to the governance and operations of the Township itself and cannot be directly attributed to a specific segment.

#### Protection Services

Protection services is comprised of police services, fire protection, conservation authority, emergency measures, animal control and building and structural inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers. The building department provides a number of services including maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

#### Transportation Services

Transportation services is responsible for construction and maintenance of the Township's roadways, bridges, parking areas and streetlighting. Transportation also includes the provision of air transportation through the Wiarton Keppel International Airport.

#### Environmental Services

Environmental services consists of providing waste collection, disposal and recycling to its citizens. It also consists of sewer and water service that provides the Township's drinking water. They process and clean sewage and ensure the Township's water system meets all Provincial standards.

#### Health Services

Health services includes the operations of three local cemeteries, Boyd, Oxenden and Mount Pleasant.

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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2019

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18. Segmented Information - (continued)

Recreational and Cultural Services

Recreational and cultural services provide services meant to improve the health and development of the Township's citizens. The Township operates and maintains parks, arenas, and community centres. The Township also provides library services and a variety of recreational programs.

Planning and Development

Planning and development is responsible for planning and zoning including the Official plan.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation, payments-in-lieu	Allocated to those segments that are funded by these amounts based on the budget for the year
OMPF Grants	Allocated to segments based on the budget for the year

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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2019 Total
<b>Revenue</b>								
Taxation	\$ 1,795,004	\$ 2,592,784	\$ 4,188,344	\$ 398,890	\$ -	\$ 997,225	\$ -	\$ 9,972,247
Fees and user charges	42,716	45,779	304,612	1,819,966	49,622	280,167	101,428	2,644,290
Specific grants	642,347	6,340	723,696	101,068	79,596	37,676	24,441	1,615,164
OMPF grant	151,902	219,414	354,438	33,756	-	84,390	-	843,900
Other revenue	505,544	66,137	15,313	55,420	-	31,698	226,121	900,233
	<u>3,137,513</u>	<u>2,930,454</u>	<u>5,586,403</u>	<u>2,409,100</u>	<u>129,218</u>	<u>1,431,156</u>	<u>351,990</u>	<u>15,975,834</u>
<b>Expenses</b>								
Salaries and benefits	1,089,498	631,502	1,411,363	17,586	194	307,693	129,868	3,587,704
Interest on debt	-	-	30,219	18,045	-	12,765	-	61,029
Materials and supplies	721,284	254,634	1,929,934	462,080	32,714	355,543	96,509	3,852,698
Contracted services	13,196	1,613,376	-	1,072,268	24,012	355,576	-	3,078,428
Other transfers	-	276,456	-	371,496	(17,826)	24,808	-	654,934
Amortization	42,080	90,173	1,720,054	447,795	899	148,987	-	2,449,988
	<u>1,866,058</u>	<u>2,866,141</u>	<u>5,091,570</u>	<u>2,389,270</u>	<u>39,993</u>	<u>1,205,372</u>	<u>226,377</u>	<u>13,684,781</u>
<b>Annual surplus (deficit)</b>	<b>\$ 1,271,455</b>	<b>\$ 64,313</b>	<b>\$ 494,833</b>	<b>\$ 19,830</b>	<b>\$ 89,225</b>	<b>\$ 225,784</b>	<b>\$ 125,613</b>	<b>\$ 2,291,053</b>

The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2018 Total
<b>Revenue</b>								
Taxation	\$ 1,404,957	\$ 2,622,589	\$ 4,027,547	\$ 374,656	\$ -	\$ 936,639	\$ -	\$ 9,366,388
Fees and user charges	15,422	28,044	217,536	1,695,435	50,053	208,067	97,935	2,312,492
Specific grants	-	23,937	538,914	127,630	34,585	18,873	23,371	767,310
OMPF grant	125,175	233,660	358,835	33,380	-	83,450	-	834,500
Other revenue	468,906	66,771	2,262,749	42,934	-	9,520	230,764	3,081,644
	<u>2,014,460</u>	<u>2,975,001</u>	<u>7,405,581</u>	<u>2,274,035</u>	<u>84,638</u>	<u>1,256,549</u>	<u>352,070</u>	<u>16,362,334</u>
<b>Expenses</b>								
Salaries and benefits	906,121	617,840	1,291,037	17,410	236	284,053	93,492	3,210,189
Interest on debt	-	-	29,886	18,671	-	12,803	-	61,360
Materials and supplies	678,611	208,475	1,563,585	393,955	31,295	337,351	1,679	3,214,951
Contracted services	11,107	1,596,420	-	1,053,665	14,767	339,713	-	3,015,672
Other transfers	-	248,020	-	368,297	(6,315)	17,971	-	627,973
Amortization	48,362	90,451	7,055,812	441,238	420	139,583	-	7,775,866
	<u>1,644,201</u>	<u>2,761,206</u>	<u>9,940,320</u>	<u>2,293,236</u>	<u>40,403</u>	<u>1,131,474</u>	<u>95,171</u>	<u>17,906,011</u>
<b>Annual surplus (deficit)</b>	<b>\$ 370,259</b>	<b>\$ 213,795</b>	<b>\$ (2,534,739)</b>	<b>\$ (19,201)</b>	<b>\$ 44,235</b>	<b>\$ 125,075</b>	<b>\$ 256,899</b>	<b>\$ (1,543,677)</b>



The Corporation of the Township of Georgian Bluffs  
Schedule of Deferred Revenue

For the year ended December 31, 2019

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
<b>Obligatory Reserve Funds</b>					
Recreational land	\$ 57,047	\$ 24,075	\$ 1,245	\$ -	\$ 82,367
Federal gas tax funding	69,704	655,442	1,535	(434,461)	292,220
Main street revitalization	46,916	282	505	-	47,703
	173,667	679,799	3,285	(434,461)	422,290
<b>Other</b>					
Government transfers	60,684	11,960	-	(2,083)	70,561
Other	1,828	-	-	(1,803)	25
	62,512	11,960	-	(3,886)	70,586
	\$ 236,179	\$ 691,759	\$ 3,285	\$ (438,347)	\$ 492,876