

The Corporation of the
Township of Georgian Bluffs
Financial Information
For the year ended December 31, 2021

The Corporation of the Township of Georgian Bluffs
Financial Information
For the year ended December 31, 2021

Contents

The Corporation of the Township of Georgian Bluffs

The Corporation of the Township of Georgian Bluffs Trust Funds

The Corporation of the
Township of Georgian Bluffs
Financial Statements
For the year ended December 31, 2021

The Corporation of the Township of Georgian Bluffs
Financial Statements
For the year ended December 31, 2021

Contents

The Corporation of the Township of Georgian Bluffs

Independent Auditor's Report	2 - 4
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations and Accumulated Surplus	6
Consolidated Statements of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Summary of Significant Accounting Policies	9 - 12
Notes to Financial Statements	13 - 29
Schedule of Deferred Revenue	30



Tel: 519 376 6110
Fax: 519 376 4741
www.bdo.ca

BDO Canada LLP
1717 2nd Avenue E, Third Floor
PO Box 397
Owen Sound ON N4K 5P7 Canada

Independent Auditor's Report

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, 2021, 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, 2021, 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 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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
July 12, 2022

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

December 31	2021	2020
Financial assets		
Cash (Note 1)	\$ 22,529,576	\$ 15,961,997
Taxes receivable	765,483	822,890
Trade and other receivables	728,247	3,201,372
Long-term receivables (Note 2)	76,735	98,681
Inventories held for resale	7,580	5,948
	<u>24,107,621</u>	<u>20,090,888</u>
Liabilities		
Accounts payable and accrued liabilities	2,765,897	3,418,385
Solid waste landfill post-closure liabilities (Note 3)	179,521	176,943
Deferred revenue (Page 30)	553,265	499,842
Long-term liabilities (Note 5)	1,005,373	1,243,710
	<u>4,504,056</u>	<u>5,338,880</u>
Net financial assets	<u>19,603,565</u>	<u>14,752,008</u>
Non-financial assets		
Inventory of supplies	98,611	131,207
Prepaid expenses	19,022	20,834
Tangible capital assets (Note 6)	53,825,484	55,214,084
	<u>53,943,117</u>	<u>55,366,125</u>
Accumulated surplus (Note 7)	<u>\$ 73,546,682</u>	<u>\$ 70,118,133</u>

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

For the year ended December 31	2021 Budget (Note 9)	2021 Actual	2020 Actual
Revenue			
Taxation	\$ 10,525,354	\$10,686,558	\$ 10,123,031
Fees and user charges	944,250	2,504,910	2,427,028
Government transfers (Note 10)	2,306,100	2,056,037	4,525,515
Other income (Note 11)	763,500	1,070,761	821,023
Gain (loss) on disposal of capital assets	-	1,619,437	(266,921)
	<u>14,539,204</u>	<u>17,937,703</u>	<u>17,629,676</u>
Expenses			
General government	2,408,650	2,203,266	2,020,057
Protection services	2,977,400	3,001,783	2,961,057
Transportation services	3,743,000	4,914,686	4,536,944
Environmental services	983,600	2,779,392	2,230,128
Health services	75,500	73,228	78,044
Recreation and cultural services	1,189,450	1,306,846	1,245,150
Planning and development	280,500	229,953	246,377
	<u>11,658,100</u>	<u>14,509,154</u>	<u>13,317,757</u>
Annual surplus (Note 9)	2,881,104	3,428,549	4,311,919
Accumulated surplus, beginning of the year	<u>70,118,133</u>	<u>70,118,133</u>	<u>65,806,214</u>
Accumulated surplus, end of the year	<u>\$ 72,999,237</u>	<u>\$73,546,682</u>	<u>\$ 70,118,133</u>

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

For the year ended December 31	2021 Budget (Note 9)	2021 Actual	2020 Actual
Annual surplus (Page 6)	\$ 2,881,104	\$ 3,428,549	\$ 4,311,919
Acquisition of tangible capital assets	(2,580,424)	(2,167,400)	(5,446,253)
Amortization of tangible capital assets	-	2,552,536	2,385,739
(Gain) loss on disposal of capital assets	-	(1,619,437)	266,921
Proceeds on disposal of capital assets	-	2,622,901	1,500
	<u>(2,580,424)</u>	<u>1,388,600</u>	<u>(2,792,093)</u>
Change in prepaid expenses	-	1,812	(4,978)
Change in inventories of supplies	-	32,596	(8,077)
	<u>-</u>	<u>34,408</u>	<u>(13,055)</u>
Increase in net financial assets	300,680	4,851,557	1,506,771
Net financial assets, beginning of the year	<u>14,752,008</u>	<u>14,752,008</u>	<u>13,245,237</u>
Net financial assets, end of the year	<u>\$ 15,052,688</u>	<u>\$ 19,603,565</u>	<u>\$ 14,752,008</u>

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

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 3,428,549	\$ 4,311,919
Items not involving cash		
Solid waste landfill closure and post-closure liabilities	2,578	(76,106)
Amortization	2,552,536	2,385,739
Deferred revenue recognized	(774,997)	(460,016)
Change in prepaid expenses	1,812	(4,978)
Inventory of supplies	32,596	(8,077)
(Gain) loss on disposal of capital assets	(1,619,437)	266,921
	<u>3,623,637</u>	<u>6,415,402</u>
Changes in non-cash working capital balances		
Taxes receivable	57,407	112,917
Trade and other receivables	2,473,125	(2,484,607)
Inventory held for resale	(1,632)	(1,131)
Accounts payable and accrued liabilities	(652,488)	820,320
Deferred revenue received	828,420	467,007
	<u>2,704,832</u>	<u>(1,085,494)</u>
	<u>6,328,469</u>	<u>5,329,908</u>
Capital transactions		
Acquisition of capital assets	(2,167,400)	(5,446,253)
Proceeds on disposition of capital assets	2,622,901	1,500
	<u>455,501</u>	<u>(5,444,753)</u>
Investing activities		
Addition of long-term receivables	-	(18,675)
Decrease in long-term receivables	21,946	6,304
	<u>21,946</u>	<u>(12,371)</u>
Financing activities		
Repayment of long-term liabilities	(238,337)	(238,338)
Net change in cash	6,567,579	(365,554)
Cash, beginning of the year	<u>15,961,997</u>	<u>16,327,551</u>
Cash, end of the year	<u>\$22,529,576</u>	<u>\$ 15,961,997</u>

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

December 31, 2021

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.				

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

December 31, 2021

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 50 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.

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

December 31, 2021

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.

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

December 31, 2021

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.
-

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

December 31, 2021

1. Cash

	2021	2020
General funds	\$22,228,145	\$ 15,011,539
Obligatory reserve funds	301,431	179,075
Restricted developer deposits	-	771,383
	\$22,529,576	\$ 15,961,997

On December 31, 2021, the municipality had deposits of \$1,364,073 in a Canadian Chartered bank, earning interest at a rate of prime less 1.9% and \$20,582,409 in a separate Canadian Chartered bank, earning interest at a rate of prime less 1.7%. 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 \$4,000,000 for capital expenditure purposes. Interest is calculated at prime rate less 0.5%.

2. Long-Term Receivables

	2021	2020
Due from ratepayers - East Linton Water Capital Connections, 7%, due 2021	\$ -	\$ 475
Due from ratepayers - Other Water Capital Connections, no set terms of repayment	76,735	86,435
Due from ratepayers - Gateway Water Capital Connections, 7%, due 2023	-	11,771
	\$ 76,735	\$ 98,681

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

December 31, 2021

3. Solid Waste Landfill Post-Closure Liabilities

The landfill was closed June 2017. The liability for the landfill site is recorded at \$179,521 (2020 - \$176,943) 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 3.6%. 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 \$179,521 leaving an amount to be recognized of \$Nil. Post-closure care is estimated to continue for a period of 21 years.

4. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 46 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 2021 by the Township of Georgian Bluffs was \$205,744 (2020 - \$204,247). The contribution rate for 2021 was 9% to 15.8% depending on age and income level (2020 - 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, 2021. At that time the plan reported a \$3.1 billion actuarial deficit (2020 - \$3.2 billion actuarial deficit), based on actuarial liabilities of \$119.3 billion (2020 - \$111.8 billion), and actuarial assets of \$116.2 billion (2020 - \$108.6 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.

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

December 31, 2021

5. Long-Term Liabilities

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

	2021	2020
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, annual interest payments only	\$ 319,956	\$ 399,960
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, annual interest payments only	260,000	303,333
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$5,000 plus interest	210,000	270,000
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$4,583 plus interest	215,417	270,417
	\$ 1,005,373	\$ 1,243,710

The interest, relating to the above long-term debt, expensed and paid during the year was \$22,107.

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

2022	\$	238,337
2023		238,337
2024		238,337
2025		203,694
2026		43,333
Thereafter		43,335
		\$ 1,005,373

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

December 31

6. Tangible Capital Assets

								2021
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$ 3,984,375	\$ 1,340,871	\$ 9,072,400	\$ 627,433	\$ 6,943,031	\$ 51,730,751	\$ 19,821,847	\$ 93,520,708
Additions	-	174,523	206,552	25,065	477,267	704,341	579,652	2,167,400
Disposals	(245,241)	(142,790)	(644,425)	(18,128)	(362,938)	(395,422)	-	(1,808,944)
Cost, end of the year	3,739,134	1,372,604	8,634,527	634,370	7,057,360	52,039,670	20,401,499	93,879,164
Accumulated amortization, beginning of the year	-	428,781	4,230,076	387,520	3,242,772	20,740,222	9,277,253	38,306,624
Amortization	-	54,541	186,787	27,656	374,503	1,524,138	384,911	2,552,536
Disposals	-	(111,111)	(164,800)	(15,017)	(231,184)	(283,368)	-	(805,480)
Accumulated amortization, end of the year	-	372,211	4,252,063	400,159	3,386,091	21,980,992	9,662,164	40,053,680
Net carrying amount, end of the year	\$ 3,739,134	\$ 1,000,393	\$ 4,382,464	\$ 234,211	\$ 3,671,269	\$ 30,058,678	\$ 10,739,335	\$ 53,825,484

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

December 31

6. Tangible Capital Assets - (continued)

								2020
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning 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
Additions	-	189,455	21,831	41,879	253,920	4,859,404	79,764	5,446,253
Disposals	-	(52,440)	(8,638)	-	(94,809)	(674,515)	-	(830,402)
Cost, end of the year	3,984,375	1,340,871	9,072,400	627,433	6,943,031	51,730,751	19,821,847	93,520,708
Accumulated amortization, beginning of the year	-	383,898	4,044,470	361,486	2,927,052	19,862,098	8,903,862	36,482,866
Amortization	-	47,942	191,703	26,034	363,562	1,383,107	373,391	2,385,739
Disposals	-	(3,059)	(6,097)	-	(47,842)	(504,983)	-	(561,981)
Accumulated amortization, end of the year	-	428,781	4,230,076	387,520	3,242,772	20,740,222	9,277,253	38,306,624
Net carrying amount, end of the year	\$ 3,984,375	\$ 912,090	\$ 4,842,324	\$ 239,913	\$ 3,700,259	\$30,990,529	\$10,544,594	\$ 55,214,084

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

December 31, 2021

6. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$423,567 (2020 - \$4,340,613).

No contributed assets were recognized in the financial statements during the year.

7. Accumulated Surplus

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

	2021	2020
Invested in tangible capital assets		
Tangible capital assets	\$ 53,825,484	\$ 55,214,084
Capital assets financed by long-term liabilities and to be funded in future years	(745,373)	(940,377)
Total invested in capital assets	53,080,111	54,273,707
Unfunded contribution	(260,000)	(303,333)
Unfunded solid waste closure and post-closure costs	(179,521)	(176,943)
Fire	(131,429)	(108,088)
Biodigester	3,904	(93,834)
Water	(474,212)	(474,212)
	52,038,853	53,117,297
Reserves and reserve funds (Note 8)	21,507,829	17,000,836
Accumulated surplus	\$ 73,546,682	\$ 70,118,133

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

December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Reserves		
Working funds	\$ 4,049,117	\$ 1,428,990
Current purposes	670,829	362,907
Capital purposes	<u>12,240,632</u>	<u>11,005,524</u>
	<u>16,960,578</u>	<u>12,797,421</u>
Reserve funds		
Other	-	-
Current purposes	364,372	1,459,389
Capital purposes	<u>4,182,879</u>	<u>2,744,026</u>
	<u>4,547,251</u>	<u>4,203,415</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$21,507,829</u>	<u>\$ 17,000,836</u>

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

December 31, 2021

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 2021 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.

	2021	2021	2020
	Budget	Actual	Actual
Annual surplus (Page 6)	\$ 2,881,104	\$ 3,428,549	\$ 4,311,919
Amortization	-	2,552,536	2,385,739
Change in unfunded liabilities	-	2,578	(76,106)
Change in other surpluses	-	(74,397)	178,230
	2,881,104	5,909,266	6,799,782
Net transfers to reserves	(62,180)	(1,884,092)	(1,383,612)
Transfer of airport proceeds to reserve	-	(2,622,901)	-
Capital acquisitions, disposals and write-down	(2,580,424)	(1,163,936)	(5,177,832)
Debt principal repayments	(238,500)	(238,337)	(238,338)
	\$ -	\$ -	\$ -

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

December 31, 2021

10. Government Transfers

	2021 Budget	2021 Actual	2020 Actual
Operating			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 858,600	\$ 858,600	\$ 858,400
Conditional - Roads	50,000	77,638	71,734
- Other	330,200	343,587	398,965
	1,238,800	1,279,825	1,329,099
Government of Canada - Other	-	11,594	50,000
Other Municipal - Other	-	22,265	23,053
Total operating transfers	1,238,800	1,313,684	1,402,152
Capital			
Province of Ontario			
Conditional - Roads	224,363	224,363	1,200,801
- Sewer and water	-	-	6,004
- Other	100,000	-	(1)
	324,363	224,363	1,206,804
Government of Canada			
Federal Gas Tax	742,937	565,932	403,482
Conditional - Roads	-	(47,942)	1,464,803
- Other	-	-	48,274
	742,937	517,990	1,916,559
Total capital transfers	1,067,300	742,353	3,123,363
Total government transfers	\$ 2,306,100	\$ 2,056,037	\$ 4,525,515

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

December 31, 2021

11. Other Income

	2021	2021	2020
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 142,000	\$ 174,963	\$ 142,736
Other fines and penalties	36,000	55,891	45,920
Investment income	177,500	141,643	186,846
Licenses, permits and rents	398,000	668,924	392,501
Donations	10,000	29,187	23,311
Prepaid special charges	-	153	29,709
	<u>\$ 763,500</u>	<u>\$ 1,070,761</u>	<u>\$ 821,023</u>

12. 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 County of Bruce, 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.
 - c) A notice of motion relating to property development has been filed against the Township of Georgian Bluffs. The outcome of this action is undeterminable at the present time.
-

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

December 31, 2021

13. 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:

	2021	2020
School boards	3,585,745	3,886,525
County of Grey	6,679,412	6,425,605
	\$10,265,157	\$ 10,312,130

14. 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:

	2021	2020
Financial assets	\$ 1,515,908	\$ 1,547,110
Liabilities	205,666	258,875
Net financial assets	1,310,242	1,288,235
Non-financial assets	1,294,744	1,316,126
Accumulated surplus	\$ 2,604,986	\$ 2,604,361
Revenues	\$ 977,280	\$ 819,208
Expenses	976,655	1,010,491
Annual surplus (deficit)	\$ 625	\$ (191,283)

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

December 31, 2021

14. 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:

	2021	2020
Financial assets	\$ 891,917	\$ 705,181
Liabilities	404,940	414,872
Net financial assets	486,977	290,309
Non-financial assets	2,640,211	2,762,417
Accumulated surplus	<u>\$ 3,127,188</u>	<u>\$ 3,052,726</u>
Revenues	\$ 595,455	\$ 237,675
Expenses	520,993	484,883
Annual deficit	<u>\$ 74,462</u>	<u>\$ (247,208)</u>

15. Trust Funds

The trust funds administered by the Township amounting to \$498,873 (2020 - \$487,401) 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, 2021, the trusts fund balances are as follows:

	2021	2020
Cemetery Care and Maintenance Funds	\$ 485,113	\$ 473,859
Shallow Lake Village Improvement Fund	6,204	6,204
Hillis Beautification Project	7,556	7,338
	<u>\$ 498,873</u>	<u>\$ 487,401</u>

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

December 31, 2021

16. Uncertainty due to COVID-19

The impact of COVID-19 in Canada and on the global economy continues to increase. As the impacts of COVID-19 continue, there could be further impact on the Township, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Township's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Township is not known. Given the dynamic nature of these circumstances and the duration of disruption, the related financial impact cannot be reasonably estimated at this time. The Township's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Township will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

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

December 31, 2021

17. 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.

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

December 31, 2021

17. 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

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	2021 Total
Revenue								
Taxation	\$ 1,709,849	\$ 2,564,774	\$ 4,702,086	\$ 427,462	\$ -	\$ 1,282,387	\$ -	\$ 10,686,558
Fees and user charges	39,137	40,414	230,051	1,891,019	75,646	128,818	99,825	2,504,910
Specific grants	232,053	13,843	819,991	98,215	-	18,873	14,462	1,197,437
OMPF grant	137,376	206,064	377,784	34,344	-	103,032	-	858,600
Other revenue	2,955,029	79,299	(889,420)	17,480	-	16,960	510,850	2,690,198
	<u>5,073,444</u>	<u>2,904,394</u>	<u>5,240,492</u>	<u>2,468,520</u>	<u>75,646</u>	<u>1,550,070</u>	<u>625,137</u>	<u>17,937,703</u>
Expenses								
Salaries and benefits	1,358,863	667,105	1,268,595	26,357	-	372,573	158,403	3,851,896
Interest on debt	-	-	15,033	7,079	-	5,525	-	27,637
Materials and supplies	782,847	260,880	1,729,594	525,746	13,704	311,598	71,550	3,695,919
Contracted services	3,459	1,683,620	123,366	1,448,001	59,210	378,926	-	3,696,582
Other transfers	-	296,426	-	313,983	(607)	74,781	-	684,583
Amortization	58,097	93,752	1,778,098	458,226	921	163,443	-	2,552,537
	<u>2,203,266</u>	<u>3,001,783</u>	<u>4,914,686</u>	<u>2,779,392</u>	<u>73,228</u>	<u>1,306,846</u>	<u>229,953</u>	<u>14,509,154</u>
Annual surplus (deficit)	\$ 2,870,178	\$ (97,389)	\$ 325,806	\$ (310,872)	\$ 2,418	\$ 243,224	\$ 395,184	\$ 3,428,549

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	2020 Total
Revenue								
Taxation	\$ 1,720,915	\$ 2,530,758	\$ 4,352,903	\$ 404,921	\$ -	\$ 1,214,764	\$ (101,230)	\$ 10,123,031
Fees and user charges	16,510	50,717	190,656	1,886,303	60,910	142,705	79,227	2,427,028
Specific grants	322,773	6,430	3,140,820	148,239	6,004	18,873	23,976	3,667,115
OMPF grant	145,928	214,600	369,112	34,336	-	103,008	(8,584)	858,400
Other revenue	335,539	64,810	(134,954)	12,327	1,500	10,627	264,253	554,102
	<u>2,541,665</u>	<u>2,867,315</u>	<u>7,918,537</u>	<u>2,486,126</u>	<u>68,414</u>	<u>1,489,977</u>	<u>257,642</u>	<u>17,629,676</u>
Expenses								
Salaries and benefits	1,050,317	714,671	1,223,260	11,655	98	325,479	194,878	3,520,358
Interest on debt	-	-	18,359	10,152	-	7,466	-	35,977
Materials and supplies	904,341	236,741	1,546,960	326,205	8,624	326,443	51,499	3,400,813
Contracted services	11,191	1,643,306	117,289	1,164,804	68,372	364,842	-	3,369,804
Other transfers	-	275,204	-	268,364	51	61,447	-	605,066
Amortization	54,208	91,135	1,631,076	448,948	899	159,473	-	2,385,739
	<u>2,020,057</u>	<u>2,961,057</u>	<u>4,536,944</u>	<u>2,230,128</u>	<u>78,044</u>	<u>1,245,150</u>	<u>246,377</u>	<u>13,317,757</u>
Annual surplus	\$ 521,608	\$ (93,742)	\$ 3,381,593	\$ 255,998	\$ (9,630)	\$ 244,827	\$ 11,265	\$ 4,311,919

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

For the year ended December 31, 2021

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Recreational land	\$ 89,667	\$ 69,280	\$ 905	\$ -	\$ 159,852
Cash in lieu of parking	1,121	-	-	-	1,121
Federal gas tax funding	209,143	651,834	1,852	(565,931)	296,898
	299,931	721,114	2,757	(565,931)	457,871
Other					
Government transfers	70,684	8,835	-	(8,608)	70,911
COVID Safe Restart	129,227	95,714	-	(200,458)	24,483
	\$ 499,842	\$ 825,663	\$ 2,757	\$ (774,997)	\$ 553,265

The Corporation of the
Township of Georgian Bluffs
Trust Funds
Financial Information
For the year ended December 31, 2021

The Corporation of the Township of Georgian Bluffs
Financial Information
For the year ended December 31, 2021

Contents

The Corporation of the Township of Georgian Bluffs Trust Funds

Independent Auditor's Report	2 - 3
Trust Funds	4 - 5
Notes to Financial Information	6



Tel: 519 376 6110
Fax: 519 376 4741
www.bdo.ca

BDO Canada LLP
1717 2nd Avenue E, Third Floor
PO Box 397
Owen Sound ON N4K 5P7 Canada

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial information for the Corporation of the Township of Georgian Bluffs Trust Funds (Trust Funds), which comprise the balance sheet as at December 31, 2021, the statement of continuity for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial information presents fairly, in all material respects, the balance sheet for the Trust Funds as at December 31, 2021 and the statement of continuity 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 Information* section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial information 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 Financial Information

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

In preparing the financial information, management is responsible for assessing the Trust Funds 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 Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information 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 this financial information.

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 information, 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 Trust Funds 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 Trust Funds 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 information 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 Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represents the underlying transactions and events in a manner that achieves fair presentation.

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 12, 2022

The Corporation of the Township of Georgian Bluffs
Statement of Financial Position
Trust Funds

December 31, 2021

Assets	Total	Shallow Lake Village Improvement Fund	Hillis Bequest Beautification Project	Oxenden Cemetery Perpetual Care	Boyd Cemetery Perpetual Care	Mount Pleasant Cemetery Perpetual Care
Cash	\$ 101,366	\$ 6,204	\$ 83	\$ 4,964	\$ 25,329	\$ 64,786
Investments, at cost	417,847	-	7,474	66,837	86,084	257,452
Due from general account	2,327	-	-	2,327	-	-
	<u>\$ 521,540</u>	<u>\$ 6,204</u>	<u>\$ 7,557</u>	<u>\$ 74,128</u>	<u>\$ 111,413</u>	<u>\$ 322,238</u>
Liabilities						
Due to general account	\$ 22,665	\$ -	\$ -	\$ -	\$ 20,105	\$ 2,560
Fund balance	498,875	6,204	7,557	74,128	91,308	319,678
	<u>\$ 521,540</u>	<u>\$ 6,204</u>	<u>\$ 7,557</u>	<u>\$ 74,128</u>	<u>\$ 111,413</u>	<u>\$ 322,238</u>

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

The Corporation of the Township of Georgian Bluffs
Statement of Continuity
Trust Funds

For the year ended December 31, 2021

	Total	Shallow Lake Village Improvement Fund	Hillis Bequest Beautification Project	Oxenden Cemetery Perpetual Care	Boyd Cemetery Perpetual Care	Mount Pleasant Cemetery Perpetual Care
Balance, beginning of the year	\$ 487,401	\$ 6,204	\$ 7,338	\$ 72,451	\$ 89,908	\$ 311,500
Receipts						
Interest	12,081	-	219	1,390	2,524	7,948
Plot sales	11,255	-	-	1,677	1,400	8,178
	23,336	-	219	3,067	3,924	16,126
Expenditures						
Transfer to local board	2,524	-	-	-	2,524	-
Transfer to municipality	9,338	-	-	1,390	-	7,948
	11,862	-	-	1,390	2,524	7,948
Balance, end of the year	\$ 498,875	\$ 6,204	\$ 7,557	\$ 74,128	\$ 91,308	\$ 319,678

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

The Corporation of the Township of Georgian Bluffs
Trust Funds
Notes to Financial Information

December 31, 2021

1. Summary of Significant Accounting Policies

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 this financial information. The Council reviews and approves the financial information.

Basis of Accounting The financial information has been prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

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.

Basis of Consolidation These trust funds have not been consolidated with the financial statements of the Corporation of the Township of Georgian Bluffs.

Use of Estimates The preparation of financial information 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 information, and the reported amounts of revenues and expenses during the reporting period. 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.

2. Investments

The investments of \$417,847 reported on the balance sheet at cost have a market value of \$417,847 at the end of the year.
