

**The Corporation of the  
Township of Georgian Bluffs  
Financial Information  
For the year ended December 31, 2016**

The Corporation of the Township of Georgian Bluffs  
Financial Information  
For the year ended December 31, 2016

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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

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Georgian Bluffs, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



## Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Georgian Bluffs as at December 31, 2016 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
July 5, 2017

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

December 31	2016	2015
<b>Financial assets</b>		
Cash (Note 1)	\$ 9,162,533	\$ 8,310,339
Taxes receivable	1,046,930	1,020,760
Trade and other receivables	1,201,026	980,656
Long-term receivables (Note 2)	69,058	89,676
Inventories held for resale	5,633	16,083
	<u>11,485,180</u>	<u>10,417,514</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,651,783	1,597,400
Solid waste landfill closure and post-closure liabilities (Note 3)	301,781	283,532
Deferred revenue (Page 30)	163,178	165,923
Long-term liabilities (Note 4)	2,197,060	2,455,863
	<u>4,313,802</u>	<u>4,502,718</u>
<b>Net financial assets</b>	<u>7,171,378</u>	<u>5,914,796</u>
<b>Non-financial assets</b>		
Inventory of supplies	153,116	149,748
Prepaid expenses	20,981	13,151
Tangible capital assets (Note 5)	57,370,824	57,450,057
	<u>57,544,921</u>	<u>57,612,956</u>
<b>Accumulated surplus (Note 6)</b>	<u>\$ 64,716,299</u>	<u>\$ 63,527,752</u>

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

For the year ended December 31	2016 Budget (Note 8)	2016 Actual	2015 Actual
<b>Revenue</b>			
Taxation	\$ 8,641,795	\$ 8,765,005	\$ 8,497,475
Fees and user charges	910,150	2,032,473	1,803,794
Government transfers (Note 10)	1,003,255	1,054,470	1,018,835
Other income (Note 9)	494,650	664,916	1,766,768
Obligatory reserve fund revenue recognized	300,000	318,826	300,500
Loss on disposal of capital assets	-	(901,237)	(86,294)
	11,349,850	11,934,453	13,301,078
<b>Expenses</b>			
General government	1,395,250	1,571,598	1,458,343
Protection services	2,518,650	2,600,945	2,474,701
Transportation services	2,536,650	3,214,252	2,956,806
Environmental services	1,004,600	2,185,336	2,261,103
Health services	30,250	60,709	67,157
Recreation and cultural services	968,850	1,003,524	995,482
Planning and development	277,600	109,542	104,397
	8,731,850	10,745,906	10,317,989
Annual surplus (Note 8)	2,618,000	1,188,547	2,983,089
Accumulated surplus, beginning of the year	63,527,752	63,527,752	60,544,663
Accumulated surplus, end of the year	\$ 66,145,752	\$ 64,716,299	\$ 63,527,752



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

For the year ended December 31	2016 Budget (Note 8)	2016 Actual	2015 Actual
Annual surplus (Page 5)	\$ 2,618,000	\$ 1,188,547	\$ 2,983,089
Acquisition of tangible capital assets	(2,841,700)	(2,330,033)	(3,473,657)
Amortization of tangible capital assets	-	1,421,476	1,499,701
Loss on disposal of capital assets	-	901,237	86,294
Proceeds on disposal of capital assets	-	86,553	35,640
	(2,841,700)	79,233	(1,852,022)
Change in prepaid expenses	-	(7,830)	(10,539)
Change in inventories of supplies	-	(3,368)	(33,579)
	-	(11,198)	(44,118)
Increase (decrease) in net financial assets	(223,700)	1,256,582	1,086,949
Net financial assets, beginning of the year	5,914,796	5,914,796	4,827,847
Net financial assets, end of the year	\$ 5,691,096	\$ 7,171,378	\$ 5,914,796

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

For the year ended December 31	2016	2015
Cash provided by (used in)		
<b>Operating activities</b>		
Annual surplus	\$ 1,188,547	\$ 2,983,089
Items not involving cash		
Solid waste landfill closure and post-closure liabilities	18,249	46,138
Amortization	1,421,476	1,499,701
Deferred revenue recognized	(319,832)	(300,500)
Change in prepaid expenses	(7,830)	(10,539)
Inventory of supplies	(3,368)	(33,579)
Loss on disposal of capital assets	901,237	86,294
	<u>3,198,479</u>	<u>4,270,604</u>
Changes in non-cash working capital balances		
Taxes receivable	(26,170)	30,045
Trade and other receivables	(220,370)	(162,997)
Inventory held for resale	10,450	10,338
Accounts payable and accrued liabilities	54,383	(227,774)
Deferred revenue received	317,087	312,255
	<u>135,380</u>	<u>(38,133)</u>
	<u>3,333,859</u>	<u>4,232,471</u>
<b>Capital transactions</b>		
Acquisition of capital assets	(2,330,033)	(3,473,657)
Proceeds on disposition of capital assets	86,553	35,640
	<u>(2,243,480)</u>	<u>(3,438,017)</u>
<b>Investing activities</b>		
Long-term receivables	20,618	37,301
<b>Financing activities</b>		
Additions to long-term liabilities	-	1,150,000
Repayment of long-term liabilities	(258,803)	(178,387)
	<u>(258,803)</u>	<u>971,613</u>
Net change in cash	852,194	1,803,368
Cash, beginning of the year	<u>8,310,339</u>	<u>6,506,971</u>
Cash, end of the year	<u>\$ 9,162,533</u>	<u>\$ 8,310,339</u>

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

December 31, 2016

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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** The consolidated financial statements of the Corporation of the Township of Georgian Bluffs are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ontario Ministry of Municipal Affairs and Housing.

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** 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.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

Kemble Recreation Committee	100%
Oxenden Cemetery Board	100%
Boyd Cemetery Board	100%
Airport Advisory Committee	100%

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:

Inter-Township Fire Department	75%
Georgian Bluffs Chatsworth Biodigester	50%

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

December 31, 2016

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Long-Term Receivables	Long-term receivables are recorded at cost.												
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.												
Non-Financial Assets	Tangible capital assets and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.												
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	<p>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:</p> <table><tr><td>Land improvements</td><td>10 to 50 years</td></tr><tr><td>Buildings</td><td>15 to 80 years</td></tr><tr><td>Equipment</td><td>5 to 8 years</td></tr><tr><td>Vehicles and machinery</td><td>5 to 20 years</td></tr><tr><td>Transportation infrastructure</td><td>15 to 100 years</td></tr><tr><td>Water and sewer infrastructure</td><td>20 to 80 years</td></tr></table> <p>Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.</p>	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 100 years	Water and sewer infrastructure	20 to 80 years
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 100 years												
Water and sewer infrastructure	20 to 80 years												
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.												

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

December 31, 2016

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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, 2016

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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. 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, 2016

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1. Cash

	2016	2015
General funds	\$ 8,984,145	\$ 8,134,469
Obligatory reserve funds	97,976	96,099
Restricted developer deposits	80,412	79,771
	\$ 9,162,533	\$ 8,310,339

On December 31, 2016, the municipality had deposits of \$7,745,974 in a Canadian Chartered bank, earning interest at a rate of prime less 1.9% and \$999,848 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 credit of \$500,000 for operating purposes. Interest is calculated at Bank of Montreal Canadian Prime lending rate less 0.75%.

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2. Long-Term Receivables

	2016	2015
Due from ratepayers - Shallow Lake Water Capital Connections, 8.36%, due 2017	\$ 12,169	\$ 22,427
Due from ratepayers - East Linton Water Capital Connections, 7%, due 2020	13,802	16,551
Due from ratepayers - Other Water Capital Connections, no set terms of repayment	16,415	16,415
Due from ratepayers - Gateway Water Capital Connections, 7%, due 2023	24,172	26,783
Due from Keady Community Centre, non-interest bearing, no set terms of repayment	2,500	7,500
	\$ 69,058	\$ 89,676

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, 2016

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

Solid waste landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The liability for the landfill site is recorded at \$301,781 and represents the present value of closure and post-closure costs for 94% of the current site's opened cells, using the Government of Canada's average long-term borrowing rate of 2.5%. The liability is recorded based on the capacity of the landfill used to date. The total estimated future expenses for closure and post-closure care are \$308,720 leaving an amount to be recognized of \$6,939. The estimated remaining capacity of the site's opened cells is approximately 9,568 cubic metres. The landfill site will stop accepting waste effective June 1, 2017. Post-closure care is estimated to continue for a period of 25 years.

The liability will be funded through a reserve for landfill which has a current balance of \$249,217.

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

December 31, 2016

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**4. Long-Term Liabilities**

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

	2016	2015
Demand loan, Bank of Montreal, interest at prime, annual interest payments only	\$ 719,976	\$ 799,980
Demand loan, Bank of Montreal, interest at prime, annual interest payments only	476,667	520,000
Demand loan, Bank of Montreal, interest at prime, payable in blended monthly instalments of \$1,706	-	20,466
Demand loan, Bank of Montreal, interest at prime, payable in monthly principal payments of \$5,000 plus interest	510,000	570,000
Demand loan, Bank of Montreal, interest at prime, payable in monthly principal payments of \$4,583 plus interest	490,417	545,417
	<b>\$ 2,197,060</b>	<b>\$ 2,455,863</b>

The interest, relating to the above long-term debt, expensed and paid during the year was \$46,791.

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

2017	\$	115,000
2018		115,000
2019		115,000
2020		115,000
2021		115,000
Thereafter		1,622,060
	\$	<b>2,197,060</b>

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

December 31

5. Tangible Capital Assets

								2016
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$ 3,989,031	\$ 668,798	\$15,787,347	\$ 1,990,632	\$ 4,054,144	\$45,054,848	\$ 12,512,155	\$ 84,056,955
Additions	-	31,296	865,407	-	392,993	946,641	93,696	2,330,033
Disposals	-	-	(1,701)	-	(823,153)	(1,377,029)	-	(2,201,883)
Cost, end of the year	3,989,031	700,094	16,651,053	1,990,632	3,623,984	44,624,460	12,605,851	84,185,105
Accumulated amortization, beginning of the year	-	231,244	6,275,761	425,572	2,476,419	12,511,118	4,686,784	26,606,898
Amortization	-	38,070	336,196	4,280	317,730	460,591	264,609	1,421,476
Disposals	-	-	(405)	-	(798,047)	(415,641)	-	(1,214,093)
Accumulated amortization, end of the year	-	269,314	6,611,552	429,852	1,996,102	12,556,068	4,951,393	26,814,281
Net carrying amount, end of the year	\$ 3,989,031	\$ 430,780	\$10,039,501	\$ 1,560,780	\$ 1,627,882	\$32,068,392	\$ 7,654,458	\$ 57,370,824

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

December 31

5. Tangible Capital Assets - (continued)

								2015
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$ 3,732,833	\$ 562,354	\$15,452,789	\$ 1,647,984	\$ 3,817,488	\$43,115,246	\$12,561,252	\$ 80,889,946
Additions	256,198	106,444	334,558	354,620	364,335	1,939,602	117,900	3,473,657
Disposals	-	-	-	(11,972)	(127,679)	-	(166,997)	(306,648)
Cost, end of the year	3,989,031	668,798	15,787,347	1,990,632	4,054,144	45,054,848	12,512,155	84,056,955
Accumulated amortization, beginning of the year	-	194,463	6,078,323	382,526	2,272,893	12,045,194	4,318,512	25,291,911
Amortization	-	36,781	197,438	55,018	289,948	465,924	454,592	1,499,701
Disposals	-	-	-	(11,972)	(86,422)	-	(86,320)	(184,714)
Accumulated amortization, end of the year	-	231,244	6,275,761	425,572	2,476,419	12,511,118	4,686,784	26,606,898
Net carrying amount, end of the year	\$ 3,989,031	\$ 437,554	\$ 9,511,586	\$ 1,565,060	\$ 1,577,725	\$32,543,730	\$ 7,825,371	\$ 57,450,057

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

December 31, 2016

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5. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$49,722 (2015 - \$153,096).

During the year, \$Nil (2015 - \$698,264) in contributed land, equipment and transportation infrastructure was recognized in the financial statements.

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6. Accumulated Surplus

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

	2016	2015
Invested in tangible capital assets		
Tangible capital assets	\$ 57,370,824	\$ 57,450,057
Capital assets financed by long-term liabilities and to be funded in future years	(1,720,393)	(1,935,863)
Total invested in capital assets	55,650,431	55,514,194
Unfunded contribution	(476,667)	(520,000)
Unfunded solid waste closure and post-closure costs	(301,781)	(283,532)
Street lights	(31,373)	(16,568)
Cemeteries	16,756	10,082
Recreation, community centres and arenas	18,043	18,043
Fire	-	3,661
Biodigester	(15,839)	(50,862)
Water	(173,332)	(151,037)
	54,686,238	54,523,981
Reserves and reserve funds (Note 7)	10,030,061	9,003,771
Accumulated surplus	\$ 64,716,299	\$ 63,527,752

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

December 31, 2016

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

	<u>2016</u>	<u>2015</u>
Reserves		
Working funds	\$ 1,834,295	\$ 1,833,734
Current purposes	257,132	257,132
Capital purposes	<u>5,686,209</u>	<u>5,003,114</u>
	<u>7,777,636</u>	<u>7,093,980</u>
Reserve funds		
Other	1,054	1,046
Current purposes	506,861	393,221
Capital purposes	<u>1,744,510</u>	<u>1,515,524</u>
	<u>2,252,425</u>	<u>1,909,791</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$10,030,061</u>	<u>\$ 9,003,771</u>

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

December 31, 2016

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**8. 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 2016 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 following is a reconciliation of the budget approved by Council.

	<u>2016</u> Budget	<u>2016</u> Actual	<u>2015</u> Actual
Annual surplus (Page 5)	\$ 2,618,000	\$ 1,188,547	\$ 2,983,089
Net transfers from (to) reserves	403,700	(1,026,290)	(2,207,928)
Capital acquisitions, disposals and write-down	(2,841,700)	(1,342,243)	(3,351,723)
Amortization	-	1,421,476	1,499,701
Proceeds from long-term debt	-	-	1,150,000
Debt principal repayments	(180,000)	(258,803)	(178,387)
Change in unfunded liabilities	-	18,249	46,138
Change in other surpluses	-	(936)	104,934
	-	-	45,824
Prior year capital projects funded	-	-	(45,824)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

December 31, 2016

9. Other Income

	2016 Budget	2016 Actual	2015 Actual
Penalties and interest on taxation	\$ 210,000	\$ 222,130	\$ 229,636
Other fines and penalties	500	42,753	42,131
Investment income	36,750	85,264	77,624
Licenses, permits and rents	245,000	264,243	220,063
Donations	-	44,946	11,924
Donation of contributed assets	-	-	698,264
Prepaid special charges	-	(62,795)	165,389
Contribution from County	-	-	311,829
Other	2,400	68,375	9,908
	<u>\$ 494,650</u>	<u>\$ 664,916</u>	<u>\$ 1,766,768</u>

10. Government Transfers

	2015 Budget	2016 Actual	2015 Actual
<b>Operating</b>			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 828,300	\$ 822,800	\$ 804,400
Conditional - Roads	71,955	77,598	23,445
- Other	102,000	140,634	142,026
	<u>1,002,255</u>	<u>1,041,032</u>	<u>969,871</u>
Government of Canada - Other	1,000	11,389	-
Other Municipal - Other	-	2,049	2,009
	<u>1,003,255</u>	<u>1,054,470</u>	<u>971,880</u>
<b>Capital</b>			
Province of Ontario			
Conditional - Roads	-	-	46,955
	<u>1,003,255</u>	<u>\$ 1,054,470</u>	<u>\$ 1,018,835</u>

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

December 31, 2016

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**11. 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:

	<u>2016</u>	<u>2015</u>
Financial assets	\$ 1,157,901	\$ 998,167
Liabilities	<u>144,951</u>	<u>98,981</u>
Net financial assets	1,012,950	899,186
Non-financial assets	<u>1,324,410</u>	<u>1,249,924</u>
Accumulated surplus	<u>\$ 2,337,360</u>	<u>\$ 2,149,110</u>
Revenues	\$ 999,537	\$ 982,150
Expenses	<u>811,287</u>	<u>846,842</u>
Annual surplus	<u>\$ 188,250</u>	<u>\$ 135,308</u>



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

December 31, 2016

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11. 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:

	2016	2015
Financial assets	\$ 946,498	\$ 631,481
Liabilities	500,200	255,229
Net financial assets	446,298	376,252
Non-financial assets	3,321,886	3,443,443
Accumulated surplus	<u>\$ 3,768,184</u>	<u>\$ 3,819,695</u>
Revenues	\$ 584,865	\$ 494,181
Expenses	636,376	526,184
Annual deficit	<u>\$ (51,511)</u>	<u>\$ (32,003)</u>

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

December 31, 2016

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### 12. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 42 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 2016 by the Township of Georgian Bluffs was \$163,056 (2015 - \$162,539). The contribution rate for 2016 was 9% to 15.8% depending on age and income level (2015 - 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, 2016. At that time the plan reported a \$5.7 billion actuarial deficit (2015 - \$7.0 billion actuarial deficit), based on actuarial liabilities of \$87.0 billion (2015 - \$81.9 billion), and actuarial assets of \$81.2 billion (2015 - \$74.9 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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### 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:

	2016	2015
School boards	\$ 4,298,324	\$ 4,256,793
County of Grey	5,947,595	5,778,042
	<u>\$10,245,919</u>	<u>\$ 10,034,835</u>

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

December 31, 2016

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**14. Trust Funds**

The trust funds administered by the Township amounting to \$428,415 (2015 - \$397,292) 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, 2016, the trusts fund balances are as follows:

	<u>2016</u>	<u>2015</u>
Cemetery Care and Maintenance Funds	\$ 411,597	\$ 390,730
Shallow Lake Village Improvement Fund	10,048	-
Hillis Beautification Project	6,770	6,562
	<u>\$ 428,415</u>	<u>\$ 397,292</u>

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**15. Contractual Commitments**

a) The Corporation of the Township of Georgian Bluffs has entered into agreements with various contractors for garbage, fire, and operation and maintenance of its water systems for the following amounts excluding GST/HST:

2017	\$ 1,231,901
2018	\$ 1,241,923
2019	\$ 1,253,714
2020	\$ 1,156,370

b) The Corporation of the Township of Georgian Bluffs has committed to purchase a new single axle plow truck for a cost of \$250,020 excluding taxes. The purchase will be completed in 2017.

c) The Intertownship Fire Department has committed to purchase a new fire truck for a total cost of \$400,000 excluding taxes. As of December 31, 2016, they have purchased parts for the fire truck worth a value of \$169,180. The municipalities 75% share of the remaining \$230,820 is \$173,115 and is expected to be completed in 2017.

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

December 31, 2016

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### 16. 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, for damages alleged to total \$92,000,000,000. Also joined as defendants in the action are the Counties of Bruce and Grey, the Province of Ontario and the Dominion of Canada. No breakdown as to each municipality's relative share of the \$92,000,000,000 has been provided. 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) The Township of Georgian Bluffs has been name in a claim totalling \$3,800,000 with regard to alleged negligence and alleged breach of duty of care to maintain condition of roads resulting in a trip and fall causing severe injuries. The total claim amount exceeds the Township's insurance limit. The likelihood of the success of this action is undeterminable at this time
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## The Corporation of the Township of Georgian Bluffs Notes to Financial Statements

December 31, 2016

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### 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.

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

December 31, 2016

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### 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

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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	2016 Total
<b>Revenue</b>								
Taxation	\$ 1,753,002	\$ 2,191,251	\$ 3,243,052	\$ 613,550	\$ -	\$ 876,500	\$ 87,650	\$ 8,765,005
Fees and user charges	14,977	20,750	133,952	1,582,174	52,669	187,481	40,470	2,032,473
Specific grants	-	25,156	77,598	106,035	-	18,873	4,008	231,670
OMPF grant	164,560	205,700	304,436	57,596	-	82,280	8,228	822,800
Other revenue	354,121	44,114	(801,606)	(855)	5,295	11,468	151,142	(236,321)
Transfers from obligatory reserve	-	-	318,826	-	-	-	-	318,826
	<u>2,286,660</u>	<u>2,486,971</u>	<u>3,276,258</u>	<u>2,358,500</u>	<u>57,964</u>	<u>1,176,602</u>	<u>291,498</u>	<u>11,934,453</u>
<b>Expenses</b>								
Salaries and benefits	875,697	563,758	978,333	122,745	2,317	246,015	76,954	2,865,819
Interest on debt	-	-	31,188	20,855	-	13,498	-	65,541
Materials and supplies	632,185	248,436	1,434,012	575,529	44,409	302,639	32,588	3,269,798
Contracted services	8,778	1,548,473	87,372	856,059	9,869	307,756	-	2,818,307
Other transfers	-	156,861	-	135,194	-	12,910	-	304,965
Amortization	54,938	83,417	683,347	474,954	4,114	120,706	-	1,421,476
	<u>1,571,598</u>	<u>2,600,945</u>	<u>3,214,252</u>	<u>2,185,336</u>	<u>60,709</u>	<u>1,003,524</u>	<u>109,542</u>	<u>10,745,906</u>
<b>Annual surplus (deficit)</b>	<b>\$ 715,062</b>	<b>\$ (113,974)</b>	<b>\$ 62,006</b>	<b>\$ 173,164</b>	<b>\$ (2,745)</b>	<b>\$ 173,078</b>	<b>\$ 181,956</b>	<b>\$ 1,188,547</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	2015 Total
<b>Revenue</b>								
Taxation	\$ 1,699,495	\$ 2,124,369	\$ 3,144,066	\$ 594,823	\$ -	\$ 849,747	\$ 84,975	\$ 8,497,475
Fees and user charges	14,831	17,455	130,198	1,346,616	60,652	197,617	36,425	1,803,794
Specific grants	-	35,332	70,400	87,582	-	18,873	2,248	214,435
OMPF grant	160,880	201,100	297,628	56,308	-	80,440	8,044	804,400
Other revenue	1,348,544	178,970	197,471	(67,384)	12,374	5,699	4,800	1,680,474
Transfers from obligatory reserve	-	-	300,500	-	-	-	-	300,500
	<u>3,223,750</u>	<u>2,557,226</u>	<u>4,140,263</u>	<u>2,017,945</u>	<u>73,026</u>	<u>1,152,376</u>	<u>136,492</u>	<u>13,301,078</u>
<b>Expenses</b>								
Salaries and benefits	813,422	649,877	948,925	100,986	546	246,971	78,780	2,839,507
Interest on debt	-	-	10,634	24,385	-	15,175	-	50,194
Materials and supplies	595,686	217,728	1,171,056	631,957	55,064	312,331	25,617	3,009,439
Contracted services	8,812	1,337,257	109,152	820,067	10,603	305,088	-	2,590,979
Other transfers	-	186,689	-	133,658	(3,159)	10,981	-	328,169
Amortization	40,423	83,150	717,039	550,050	4,103	104,936	-	1,499,701
	<u>1,458,343</u>	<u>2,474,701</u>	<u>2,956,806</u>	<u>2,261,103</u>	<u>67,157</u>	<u>995,482</u>	<u>104,397</u>	<u>10,317,989</u>
<b>Annual surplus (deficit)</b>	<b>\$ 1,765,407</b>	<b>\$ 82,525</b>	<b>\$ 1,183,457</b>	<b>\$ (243,158)</b>	<b>\$ 5,869</b>	<b>\$ 156,894</b>	<b>\$ 32,095</b>	<b>\$ 2,983,089</b>



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

For the year ended December 31, 2016

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
<b>Obligatory Reserve Funds</b>					
Recreational land	\$ 47,786	\$ -	\$ 375	\$ -	\$ 48,161
Federal gas tax funding	49,418	316,315	397	(318,826)	47,304
	97,204	316,315	772	(318,826)	95,465
<b>Other</b>					
Provincial grant	68,719	-	-	(1,006)	67,713
	\$ 165,923	\$ 316,315	\$ 772	\$ (319,832)	\$ 163,178

The Corporation of the  
Township of Georgian Bluffs  
Trust Funds  
Financial Information  
For the year ended December 31, 2016

The Corporation of the Township of Georgian Bluffs  
Financial Information  
For the year ended December 31, 2016

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The Corporation of the Township of Georgian Bluffs Trust Funds

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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

We have audited the accompanying financial information for the trust funds of the Township of Georgian Bluffs, which comprise the statement of financial position as at December 31, 2016, the statement of continuity for the year then ended, and a summary of significant accounting policies.

### Management's Responsibility 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on this financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

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



## Opinion

In our opinion, the financial information presents fairly, in all material respects, the financial position of the trust funds of the Township of Georgian Bluffs as at December 31, 2016 and the statement of continuity for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
July 5, 2017

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

December 31, 2016

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	\$ 50,076	\$ 10,048	\$ 83	\$ 4,550	\$ 4,073	\$ 31,322
Investments, at cost	320,066	-	6,687	61,326	79,749	172,304
Due from general account	58,273	-	-	475	768	57,030
	<b>\$ 428,415</b>	<b>\$ 10,048</b>	<b>\$ 6,770</b>	<b>\$ 66,351</b>	<b>\$ 84,590</b>	<b>\$ 260,656</b>
<b>Liabilities</b>						
Due to general account	\$ -	-	\$ -	\$ -	\$ -	\$ -
Fund balance	428,415	10,048	6,770	66,351	84,590	260,656
	<b>\$ 428,415</b>	<b>10,048</b>	<b>\$ 6,770</b>	<b>\$ 66,351</b>	<b>\$ 84,590</b>	<b>\$ 260,656</b>

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

For the year ended December 31, 2016

	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	\$ 397,292	\$ -	\$ 6,562	\$ 61,677	\$ 82,262	\$ 246,791
<b>Receipts</b>						
Interest	7,714	-	208	747	2,425	4,334
Donations	10,092	10,092	-	-	-	-
Plot sales	20,255	-	-	4,674	1,716	13,865
	<b>38,061</b>	<b>10,092</b>	<b>208</b>	<b>5,421</b>	<b>4,141</b>	<b>18,199</b>
<b>Expenditures</b>						
Bank service charge and supplies	44	44	-	-	-	-
Transfer to local board	1,813	-	-	-	1,813	-
Transfer to municipality	5,081	-	-	747	-	4,334
	<b>6,938</b>	<b>44</b>	<b>-</b>	<b>747</b>	<b>1,813</b>	<b>4,334</b>
Balance, end of the year	\$ 428,415	\$ 10,048	\$ 6,770	\$ 66,351	\$ 84,590	\$ 260,656

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

December 31, 2016

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**1. Summary of Significant Accounting Policies**

<b>Management Responsibility</b>	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 presented in these financial statements. The Council reviews and approves the financial information.
<b>Basis of Accounting</b>	<p>The financial information of the Corporation of the Township of Georgian Bluffs trust funds are the representation of management. They have been prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ontario 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>
<b>Basis of Consolidation</b>	These trust funds have not been consolidated with the financial statements of the Township of Georgian Bluffs.
<b>Use of Estimates</b>	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.

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**2. Investments**

The investments of \$320,066 reported on the balance sheet at cost have a market value of \$320,066 at the end of the year.

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