

**The Corporation of the
Township of Georgian Bluffs
Financial Information
For the year ended December 31, 2022**

**The Corporation of the Township of Georgian Bluffs
Financial Information
For the year ended December 31, 2022**

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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, 2022, 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, 2022, 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
September 11, 2023

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

December 31	2022	2021
Financial assets		
Cash (Note 1)	\$ 24,475,238	\$ 22,529,576
Taxes receivable	1,099,518	765,483
Trade and other receivables	996,179	728,247
Long-term receivables (Note 2)	79,510	76,735
Inventories held for resale	17,785	7,580
	<u>26,668,230</u>	<u>24,107,621</u>
Liabilities		
Accounts payable and accrued liabilities	3,506,705	2,765,897
Solid waste landfill post-closure liabilities (Note 3)	135,488	179,521
Deferred revenue (Page 29)	747,733	553,265
Long-term liabilities (Note 5)	617,036	1,005,373
	<u>5,006,962</u>	<u>4,504,056</u>
Net financial assets	<u>21,661,268</u>	<u>19,603,565</u>
Non-financial assets		
Inventory of supplies	102,984	98,611
Prepaid expenses	45,607	19,022
Tangible capital assets (Note 6)	53,367,503	53,825,484
	<u>53,516,094</u>	<u>53,943,117</u>
Accumulated surplus (Note 7)	<u>\$ 75,177,362</u>	<u>\$ 73,546,682</u>

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

For the year ended December 31	2022 Budget (Note 9)	2022 Actual	2021 Actual
Revenue			
Taxation	\$ 11,019,800	\$11,190,697	\$ 10,686,558
Fees and user charges	2,237,425	2,561,172	2,504,910
Government transfers (Note 10)	3,402,375	2,261,778	2,056,037
Other income (Note 11)	703,000	1,388,292	1,070,761
Gain (loss) on disposal of capital assets	-	(4,057)	1,619,437
	<u>17,362,600</u>	<u>17,397,882</u>	<u>17,937,703</u>
Expenses			
General government	2,727,200	2,497,566	2,201,482
Protection services	3,192,975	3,218,557	3,001,783
Transportation services	4,239,750	5,556,284	4,914,686
Environmental services	1,940,450	2,724,274	2,779,392
Health services	91,250	61,815	75,012
Recreation and cultural services	1,180,500	1,465,132	1,306,846
Planning and development	386,600	243,574	229,953
	<u>13,758,725</u>	<u>15,767,202</u>	<u>14,509,154</u>
Annual surplus (Note 9)	3,603,875	1,630,680	3,428,549
Accumulated surplus, beginning of the year	<u>73,546,682</u>	<u>73,546,682</u>	<u>70,118,133</u>
Accumulated surplus, end of the year	<u>\$ 77,150,557</u>	<u>\$75,177,362</u>	<u>\$ 73,546,682</u>

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

For the year ended December 31	2022	2022	2021
	Budget (Note 9)	Actual	Actual
Annual surplus (Page 6)	\$ 3,603,875	\$ 1,630,680	\$ 3,428,549
Acquisition of tangible capital assets	(7,147,000)	(2,222,530)	(2,167,400)
Amortization of tangible capital assets	-	2,676,454	2,552,536
(Gain) loss on disposal of capital assets	-	4,057	(1,619,437)
Proceeds on disposal of capital assets	-	-	2,622,901
	(7,147,000)	457,981	1,388,600
Change in prepaid expenses	-	(26,585)	1,812
Change in inventories of supplies	-	(4,373)	32,596
	-	(30,958)	34,408
Increase in net financial assets	(3,543,125)	2,057,703	4,851,557
Net financial assets, beginning of the year	19,603,565	19,603,565	14,752,008
Net financial assets, end of the year	\$ 16,060,440	\$ 21,661,268	\$ 19,603,565

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

For the year ended December 31	2022	2021
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 1,630,680	\$ 3,428,549
Items not involving cash		
Solid waste landfill closure and post-closure liabilities	(44,033)	2,578
Amortization	2,676,454	2,552,536
Deferred revenue recognized	(163,132)	(774,997)
Change in prepaid expenses	(26,585)	1,812
Inventory of supplies	(4,373)	32,596
(Gain) loss on disposal of capital assets	4,057	(1,619,437)
	<u>4,073,068</u>	<u>3,623,637</u>
Changes in non-cash working capital balances		
Taxes receivable	(334,035)	57,407
Trade and other receivables	(377,687)	2,473,125
Inventory held for resale	(10,205)	(1,632)
Accounts payable and accrued liabilities	850,563	(652,488)
Deferred revenue received	357,600	828,420
	<u>486,236</u>	<u>2,704,832</u>
	<u>4,559,304</u>	<u>6,328,469</u>
Capital transactions		
Acquisition of capital assets	(2,222,530)	(2,167,400)
Proceeds on disposition of capital assets	-	2,622,901
	<u>(2,222,530)</u>	<u>455,501</u>
Investing activities		
(Increase) decrease in long-term receivables	<u>(2,775)</u>	<u>21,946</u>
Financing activities		
Repayment of long-term liabilities	<u>(388,337)</u>	<u>(238,337)</u>
Net change in cash	1,945,662	6,567,579
Cash, beginning of the year	<u>22,529,576</u>	<u>15,961,997</u>
Cash, end of the year	<u>\$24,475,238</u>	<u>\$ 22,529,576</u>

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

December 31, 2022

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 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.

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.

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%

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, 2022

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, 2022

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, 2022

Revenue Recognition

Revenues are recognized as follows:

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

December 31, 2022

1. Cash

	<u>2022</u>	<u>2021</u>
General funds	\$ 24,167,400	\$ 22,228,145
Obligatory reserve funds	<u>307,838</u>	<u>301,431</u>
	<u>\$ 24,475,238</u>	<u>\$ 22,529,576</u>

On December 31, 2022, the municipality had deposits of \$1,770,341 in a Canadian Chartered bank, earning interest at a rate of prime less 1.9% and \$21,997,207 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

	<u>2022</u>	<u>2021</u>
Due from ratepayers - Other Water Capital Connections, no set terms of repayment	<u>\$ 79,510</u>	<u>\$ 76,735</u>

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

December 31, 2022

3. Solid Waste Landfill Post-Closure Liabilities

The landfill was closed June 2017. The liability for the landfill site is recorded at \$135,488 (2021 - \$179,521) 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 3.8%. 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 \$135,488 leaving an amount to be recognized of \$Nil. Post-closure care is estimated to continue for a period of 20 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 56 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 2022 by the Township of Georgian Bluffs was \$262,023 (2021 - \$205,744). The contribution rate for 2022 was 9% to 15.8% depending on age and income level (2021 - 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, 2022. At that time the plan reported a \$6.68 billion actuarial deficit (2021 - \$3.1 billion), based on actuarial liabilities of \$128.79 billion (2021 - \$119.3 billion), and actuarial assets of \$122.11 billion (2021 - \$116.2 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, 2022

5. Long-Term Liabilities

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

	2022	2021
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$6,667 plus interest	\$ 239,952	\$ 319,956
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$3,611 plus interest	216,667	260,000
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
Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$4,583 plus interest	160,417	215,417
	\$ 617,036	\$ 1,005,373

The interest, relating to the above long-term debt, expensed and paid during the year was \$25,830.

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

2023	\$	178,337
2024		178,337
2025		173,696
2026		43,333
2027		43,333
	\$	617,036

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

December 31

6. Tangible Capital Assets

								2022
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning 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
Additions	-	21,227	-	-	1,163,717	955,786	81,800	2,222,530
Disposals	-	-	-	(10,747)	(46,437)	(20,293)	(132,029)	(209,506)
Cost, end of the year	3,739,134	1,393,831	8,634,527	623,623	8,174,640	52,975,163	20,351,270	95,892,188
Accumulated amortization, beginning of the year	-	372,211	4,252,063	400,159	3,386,091	21,980,992	9,662,164	40,053,680
Amortization	-	57,824	178,903	26,506	393,224	1,631,219	388,778	2,676,454
Disposals	-	-	-	(10,747)	(42,380)	(20,293)	(132,029)	(205,449)
Accumulated amortization, end of the year	-	430,035	4,430,966	415,918	3,736,935	23,591,918	9,918,913	42,524,685
Net carrying amount, end of the year	\$ 3,739,134	\$ 963,796	\$ 4,203,561	\$ 207,705	\$ 4,437,705	\$ 29,383,245	\$ 10,432,357	\$ 53,367,503

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

December 31

6. Tangible Capital Assets - (continued)

								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, 2022

6. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$785,244 (2021 - \$423,567).

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:

	2022	2021
Invested in tangible capital assets		
Tangible capital assets	\$ 53,367,503	\$ 53,825,484
Capital assets financed by long-term liabilities and to be funded in future years	(400,369)	(745,373)
Total invested in capital assets	52,967,134	53,080,111
Unfunded contribution	(216,667)	(260,000)
Unfunded solid waste closure and post-closure costs	(135,488)	(179,521)
Fire	(191,923)	(131,429)
Biodigester	(20,099)	3,904
Water	(474,212)	(474,212)
	51,928,745	52,038,853
Reserves and reserve funds (Note 8)	23,248,617	21,507,829
Accumulated surplus	\$ 75,177,362	\$ 73,546,682

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

December 31, 2022

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

	<u>2022</u>	<u>2021</u>
Reserves		
Working funds	\$ 5,485,220	\$ 4,049,117
Current purposes	881,605	670,829
Capital purposes	<u>11,903,508</u>	<u>12,240,632</u>
	<u>18,270,333</u>	<u>16,960,578</u>
Reserve funds		
Current purposes	372,117	364,372
Capital purposes	<u>4,606,167</u>	<u>4,182,879</u>
	<u>4,978,284</u>	<u>4,547,251</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$23,248,617</u>	<u>\$ 21,507,829</u>

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

December 31, 2022

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 2022 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.

	2022 Budget	2022 Actual	2021 Actual
Annual surplus (Page 6)	\$ 3,603,875	\$ 1,630,680	\$ 3,428,549
Amortization	-	2,676,454	2,552,536
Change in unfunded liabilities	-	(44,033)	2,578
Change in other surpluses	-	84,497	(74,397)
	3,603,875	4,347,598	5,909,266
Net transfers to reserves	3,721,625	(142,953)	(345,625)
Transfer of airport proceeds to reserve	-	-	(2,622,901)
Capital acquisitions, disposals and write-down	(7,147,000)	(2,218,473)	(1,163,936)
Debt principal repayments	(178,500)	(388,337)	(238,337)
	-	1,597,835	1,538,467
Surplus before transfers to reserves	-	1,597,835	1,538,467
Surplus transfers to reserve per resolution	-	(1,597,835)	(1,538,467)
	\$ -	\$ -	\$ -

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

December 31, 2022

10. Government Transfers

	2022	2022	2021
	Budget	Actual	Actual
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 861,600	\$ 910,216	\$ 858,600
Roads	541,125	1,048,063	302,001
Recreation	1,242,950	-	-
Other	395,700	164,849	343,587
	<u>3,041,375</u>	<u>2,123,128</u>	<u>1,504,188</u>
Canada Community-Building Fund	346,000	138,650	517,990
Other	15,000	-	11,594
	<u>361,000</u>	<u>138,650</u>	<u>529,584</u>
Other Municipal - Other	-	-	22,265
	<u>-</u>	<u>-</u>	<u>22,265</u>
Total government transfers	<u>3,402,375</u>	<u>2,261,778</u>	<u>2,056,037</u>

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

December 31, 2022

11. Other Income

	2022 Budget	2022 Actual	2021 Actual
Penalties and interest on taxation	\$ 150,000	\$ 158,435	\$ 174,963
Other fines and penalties	50,500	103,428	55,891
Investment income	140,000	541,268	141,643
Licenses, permits and rents	350,500	570,505	668,924
Donations	10,000	11,100	29,187
Prepaid special charges	2,000	3,556	153
	\$ 703,000	\$ 1,388,292	\$ 1,070,761

12. Commitments

As of December 31, 2022, the Township of Georgian Bluffs has entered into an agreement to purchase an excavator for \$607,088.

13. Contingencies

- a) Several lower tier municipalities on the Bruce Peninsula, including the Township of Georgian Bluffs, have been named as defendants in a land claim action filed by the Chippewas of Saugeen and Nawash. Also joined as defendants in the action are the 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 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 has been named as a co-defendant in a claim relating to property development. The outcome of this action is undeterminable at the present time.

 - d) A motion against the Township relating to a forced road was successful in the Ontario Superior Court of Justice. The Court has not yet delivered a judgement relating to the motion. The financial implications are undeterminable at this time and will be recognized when the judgement is rendered.
-

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

December 31, 2022

14. Operations of School Boards and the County of Grey

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

	2022	2021
School boards	3,627,982	3,585,745
County of Grey	6,928,933	6,679,412
	\$ 10,556,915	\$ 10,265,157

15. Government Partnership

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

Inter-Township Fire Department

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

	2022	2021
Financial assets	\$ 1,304,269	\$ 1,515,908
Liabilities	685,600	205,666
Net financial assets	618,669	1,310,242
Non-financial assets	1,917,266	1,294,744
Accumulated surplus	\$ 2,535,935	\$ 2,604,986
Revenues	\$ 1,027,716	\$ 977,280
Expenses	1,096,767	976,655
Annual surplus (deficit)	\$ (69,051)	\$ 625

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

December 31, 2022

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:

	2022	2021
Financial assets	\$ 854,444	\$ 891,917
Liabilities	416,665	404,940
Net financial assets	437,779	486,977
Non-financial assets	2,515,819	2,640,211
Accumulated surplus	\$ 2,953,598	\$ 3,127,188
Revenues	\$ 308,699	\$ 595,455
Expenses	481,097	520,993
Annual surplus (deficit)	\$ (172,398)	\$ 74,462

16. Trust Funds

The trust funds administered by the Township amounting to \$511,383 (2021 - \$498,873) 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, 2022, the trusts fund balances are as follows:

	2022	2021
Cemetery Care and Maintenance Funds	\$ 497,488	\$ 485,113
Shallow Lake Village Improvement Fund	6,204	6,204
Hillis Beautification Project	7,691	7,556
	\$ 511,383	\$ 498,873

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

December 31, 2022

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, 2022

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	2022 Total
Revenue								
Taxation	\$ 1,790,512	\$ 2,685,767	\$ 4,364,372	\$ 559,535	\$ -	\$ 1,454,791	\$ 223,814	\$ 11,190,697
Fees and user charges	58,231	51,500	52,300	1,988,178	80,544	182,856	128,779	2,542,388
Specific grants	24,483	9,483	1,186,713	130,883	-	-	-	1,351,562
OMPF grant	145,635	218,452	354,984	45,511	-	118,328	18,204	910,216
Other revenue	713,824	507,044	23,646	76,246	-	9,150	54,325	1,384,235
	2,732,685	3,472,246	5,982,015	2,800,353	80,544	1,765,125	425,122	17,379,098
Expenses								
Salaries and benefits	1,416,103	756,269	1,395,653	-	-	418,689	133,172	4,119,886
Interest on debt	-	-	8,098	9,988	-	8,563	-	26,649
Materials and supplies	1,005,250	348,812	2,081,181	484,288	17,755	398,122	110,402	4,445,810
Contracted services	21,107	1,706,522	178,692	1,461,503	41,156	373,682	-	3,782,662
Other transfers	-	281,353	-	313,655	1,873	100,076	-	696,957
Amortization	55,106	106,817	1,892,660	454,840	1,031	166,000	-	2,676,454
	2,497,566	3,199,773	5,556,284	2,724,274	61,815	1,465,132	243,574	15,748,418
Annual surplus (deficit)	\$ 235,119	\$ 272,473	\$ 425,731	\$ 76,079	\$ 18,729	\$ 299,993	\$ 181,548	\$ 1,630,680

**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	1,357,079	667,105	1,268,595	26,357	-	372,573	158,403	3,850,112
Interest on debt	-	-	15,033	7,079	-	5,525	-	27,637
Materials and supplies	782,847	260,880	1,729,595	525,746	15,488	311,598	71,550	3,697,704
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	1,778,097	458,226	921	163,443	-	2,552,536
	<u>2,201,482</u>	<u>3,001,783</u>	<u>4,914,686</u>	<u>2,779,392</u>	<u>75,012</u>	<u>1,306,846</u>	<u>229,953</u>	<u>14,509,154</u>
Annual surplus	\$ 2,871,962	\$ (97,389)	\$ 325,806	\$ (310,872)	\$ 634	\$ 243,224	\$ 395,184	\$ 3,428,549

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

For the year ended December 31, 2022

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Recreational land	\$ 159,852	\$ (626)	\$ 3,687	\$ -	\$ 162,913
Cash in lieu of parking	1,121	-	24	-	1,145
Canada Community- Building fund	296,898	332,343	6,672	(138,649)	497,264
	457,871	331,717	10,383	(138,649)	661,322
Other					
Government transfers	70,911	-	-	-	70,911
Water connection fees	-	15,500	-	-	15,500
COVID Safe Restart	24,483	-	-	(24,483)	-
	\$ 553,265	\$ 347,217	\$ 10,383	\$ (163,132)	\$ 747,733

The Corporation of the
Township of Georgian Bluffs
Trust Funds
Financial Information
For the year ended December 31, 2022

The Corporation of the Township of Georgian Bluffs
Financial Information
For the year ended December 31, 2022

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The Corporation of the Township of Georgian Bluffs Trust Funds

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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, 2022, 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, 2022 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
September 11, 2023

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

December 31, 2022

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	\$ 103,388	\$ 6,204	\$ 83	\$ 5,070	\$ 25,868	\$ 66,163
Investments, at cost	426,462	-	7,608	68,217	87,685	262,952
Due from general account	2,654	-	-	1,331	-	1,323
	<u>\$ 532,504</u>	<u>\$ 6,204</u>	<u>\$ 7,691</u>	<u>\$ 74,618</u>	<u>\$ 113,553</u>	<u>\$ 330,438</u>
Liabilities						
Due to general account	\$ 21,120	\$ -	\$ -	\$ -	\$ 21,120	\$ -
Fund balance	<u>511,384</u>	<u>6,204</u>	<u>7,691</u>	<u>74,618</u>	<u>92,433</u>	<u>330,438</u>
	<u>\$ 532,504</u>	<u>\$ 6,204</u>	<u>\$ 7,691</u>	<u>\$ 74,618</u>	<u>\$ 113,553</u>	<u>\$ 330,438</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, 2022

	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	\$ 498,875	\$ 6,204	\$ 7,557	\$ 74,128	\$ 91,308	\$ 319,678
Receipts						
Interest	10,635	-	134	1,485	2,140	6,876
Plot sales	12,375	-	-	490	1,125	10,760
	23,010	-	134	1,975	3,265	17,636
Expenditures						
Transfer to local board	2,140	-	-	-	2,140	-
Transfer to municipality	8,361	-	-	1,485	-	6,876
	10,501	-	-	1,485	2,140	6,876
Balance, end of the year	\$ 511,384	\$ 6,204	\$ 7,691	\$ 74,618	\$ 92,433	\$ 330,438

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, 2022

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	<p>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.</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	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 \$426,462 reported on the balance sheet at cost have a market value of \$426,462 at the end of the year.
