

The Corporation of the  
Township of Georgian Bluffs  
Financial Information  
For the year ended December 31, 2023

The Corporation of the Township of Georgian Bluffs  
Financial Information  
For the year ended December 31, 2023

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## Independent Auditor's Report

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To the Members of Council  
of the Corporation of the Township of Georgian Bluffs

### Qualified 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, 2023, 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, except for the possible effects of the matters discussed in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2023, 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 Qualified Opinion

Effective January 1, 2023, the Township was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2023. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.

As a result of PS 3280 not being adopted, the Township accounts for its landfill closure and post-closure liability in accordance with withdrawn PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, landfill closure and post-closure liability as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.



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 qualified 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
September 3, 2024

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

| December 31  | 2023                 | 2022                 |
|--|----------------------|----------------------|
| <b>Financial assets</b>                                |                      |                      |
| Cash (Note 2)  | \$ 24,911,633        | \$ 24,475,238        |
| Taxes receivable                                       | 1,756,100            | 1,099,518            |
| Trade and other receivables                            | 1,108,498            | 996,179              |
| Long-term receivables (Note 3)                         | 66,645               | 79,510               |
| Inventories held for resale                            | 12,777               | 17,785               |
|  | 27,855,653           | 26,668,230           |
| <b>Liabilities</b>                                     |                      |                      |
| Accounts payable and accrued liabilities               | 7,166,205            | 3,506,705            |
| Solid waste landfill post-closure liabilities (Note 4) | 135,488              | 135,488              |
| Deferred revenue (Page 31)                             | 557,836              | 747,733              |
| Long-term liabilities (Note 6)                         | 438,698              | 617,036              |
|  | 8,298,227            | 5,006,962            |
| <b>Net financial assets</b>                            | <b>19,557,426</b>    | <b>21,661,268</b>    |
| <b>Non-financial assets</b>                            |                      |                      |
| Inventory of supplies                                  | 212,409              | 102,984              |
| Prepaid expenses                                       | 63,485               | 45,607               |
| Tangible capital assets (Note 7)                       | 53,516,892           | 53,367,503           |
|  | 53,792,786           | 53,516,094           |
| <b>Accumulated surplus (Note 8)</b>                    | <b>\$ 73,350,212</b> | <b>\$ 75,177,362</b> |



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

| For the year ended December 31              | 2023<br>Budget<br>(Note 10) | 2023<br>Actual      | 2022<br>Actual       |
|---|-----------------------------|---------------------|----------------------|
| <b>Revenue</b>                              |                             |                     |                      |
| Taxation                                    | \$ 11,745,500               | \$11,868,142        | \$ 11,190,697        |
| Fees and user charges                       | 2,437,500                   | 2,606,590           | 2,561,172            |
| Government transfers (Note 11)              | 2,184,905                   | 2,389,128           | 2,261,778            |
| Other income (Note 12)                      | 1,101,500                   | 2,121,575           | 1,388,292            |
| Loss on disposal of capital assets          | -                           | (16,584)            | (4,057)              |
|   | <u>17,469,405</u>           | <u>18,968,851</u>   | <u>17,397,882</u>    |
| <b>Expenses</b>                             |                             |                     |                      |
| General government                          | 2,876,505                   | 3,127,842           | 2,497,566            |
| Protection services                         | 3,404,650                   | 3,512,025           | 3,218,557            |
| Transportation services                     | 7,476,600                   | 9,120,956           | 5,556,284            |
| Environmental services                      | 2,281,000                   | 2,876,398           | 2,724,274            |
| Health services                             | 107,300                     | 95,730              | 61,815               |
| Recreation and cultural services            | 1,426,800                   | 1,635,885           | 1,465,132            |
| Planning and development                    | 316,100                     | 427,165             | 243,574              |
|   | <u>17,888,955</u>           | <u>20,796,001</u>   | <u>15,767,202</u>    |
| Annual surplus (deficit) (Note 10)          | (419,550)                   | (1,827,150)         | 1,630,680            |
| Accumulated surplus, beginning of the year  | <u>75,177,362</u>           | <u>75,177,362</u>   | <u>73,546,682</u>    |
| <b>Accumulated surplus, end of the year</b> | <u>\$ 74,757,812</u>        | <u>\$73,350,212</u> | <u>\$ 75,177,362</u> |

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

| For the year ended December 31              | 2023<br>Budget<br>(Note 10) | 2023<br>Actual | 2022<br>Actual |
|---|-----------------------------|----------------|----------------|
| Annual surplus (deficit) (Page 6)           | \$ (419,550)                | \$ (1,827,150) | \$ 1,630,680   |
| Acquisition of tangible capital assets      | (2,368,550)                 | (3,027,760)    | (2,222,530)    |
| Amortization of tangible capital assets     | -                           | 2,794,010      | 2,676,454      |
| Loss on disposal of capital assets          | -                           | 16,584         | 4,057          |
| Proceeds on disposal of capital assets      | -                           | 67,777         | -              |
|   | (2,368,550)                 | (149,389)      | 457,981        |
| Change in prepaid expenses                  | -                           | (17,878)       | (26,585)       |
| Change in inventories of supplies           | -                           | (109,425)      | (4,373)        |
|   | -                           | (127,303)      | (30,958)       |
| Increase (decrease) in net financial assets | (2,788,100)                 | (2,103,842)    | 2,057,703      |
| Net financial assets, beginning of the year | 21,661,268                  | 21,661,268     | 19,603,565     |
| Net financial assets, end of the year       | \$ 18,873,168               | \$ 19,557,426  | \$ 21,661,268  |

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

| For the year ended December 31                            | 2023                | 2022                 |
|---|---------------------|----------------------|
| Cash provided by (used in)                                |                     |                      |
| Operating activities                                      |                     |                      |
| Annual surplus (deficit)                                  | \$ (1,827,150)      | \$ 1,630,680         |
| Items not involving cash                                  |                     |                      |
| Solid waste landfill closure and post-closure liabilities | -                   | (44,033)             |
| Amortization  | 2,794,010           | 2,676,454            |
| Deferred revenue recognized                               | (587,864)           | (163,132)            |
| Change in prepaid expenses                                | (17,878)            | (26,585)             |
| Inventory of supplies                                     | (109,425)           | (4,373)              |
| Loss on disposal of capital assets                        | 16,584              | 4,057                |
|   | <u>268,277</u>      | <u>4,073,068</u>     |
| Changes in non-cash working capital balances              |                     |                      |
| Taxes receivable  | (656,582)           | (334,035)            |
| Trade and other receivables                               | (112,319)           | (377,687)            |
| Inventory held for resale                                 | 5,008               | (10,205)             |
| Accounts payable and accrued liabilities                  | 3,659,500           | 850,563              |
| Deferred revenue received                                 | 397,967             | 357,600              |
|   | <u>3,293,574</u>    | <u>486,236</u>       |
|   | <u>3,561,851</u>    | <u>4,559,304</u>     |
| Capital transactions                                      |                     |                      |
| Acquisition of capital assets                             | (3,027,760)         | (2,222,530)          |
| Proceeds on disposition of capital assets                 | 67,777              | -                    |
|   | <u>(2,959,983)</u>  | <u>(2,222,530)</u>   |
| Investing activities                                      |                     |                      |
| (Increase) decrease in long-term receivables              | 12,865              | (2,775)              |
| Financing activities                                      |                     |                      |
| Repayment of long-term liabilities                        | (178,338)           | (388,337)            |
| Net change in cash  | 436,395             | 1,945,662            |
| Cash, beginning of the year                               | <u>24,475,238</u>   | <u>22,529,576</u>    |
| Cash, end of the year                                     | <u>\$24,911,633</u> | <u>\$ 24,475,238</u> |

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

December 31, 2023

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

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

December 31, 2023

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|   |  |                   |                |           |                |           |              |                        |               |                               |                |                                |                |
|---|--|-------------------|----------------|-----------|----------------|-----------|--------------|------------------------|---------------|-------------------------------|----------------|--------------------------------|----------------|
| Inventory of Supplies                   | Inventory held for consumption is recorded at the lower of cost and replacement cost. Cost is determined on a first-in first out basis.  |                   |                |           |                |           |              |                        |               |                               |                |                                |                |
| Tangible Capital Assets                 | <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 50 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 80 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 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 |
| 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   |                   |                |           |                |           |              |                        |               |                               |                |                                |                |
| 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.  |                   |                |           |                |           |              |                        |               |                               |                |                                |                |
| 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. Management is not aware of any contaminated sites for which a liability needs to be recognized.   |                   |                |           |                |           |              |                        |               |                               |                |                                |                |

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

December 31, 2023

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|                             |  |
|-----------------------------|--|
| Asset Retirement Obligation | A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. Management intends to complete an assessment of the asset retirement obligation as part of the facilities review planned.   |
| 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. |
| Financial Instruments       | <p>Cash is measured at fair value. All other financial assets; taxes receivable, trade and other receivables, long-term receivables, accounts payable and accrued liabilities and long-term liabilities are measured at amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.</p> <p>For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.</p>  |

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

December 31, 2023

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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.  |
| Revenue Recognition | <p>Revenues are recognized as follows:</p> <ul style="list-style-type: none"><li>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.</li><li>b) Fines and donations are recognized when collected.</li><li>c) Fees, user charges and other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.</li><li>d) Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes, is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations and accumulated surplus in the year in which it is used for the specified purpose.</li><li>e) 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.</li></ul> |

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

December 31, 2023

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1. Change in Accounting Policy

On January 1, 2023 the County adopted PS 3450 Financial Instruments which establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. This standard is required to be adopted prospectively, therefore comparative figures have not been restated.

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2. Cash

|                          | <u>2023</u>         | <u>2022</u>          |
|--------------------------|---------------------|----------------------|
| General funds            | \$24,216,726        | \$ 24,167,400        |
| Obligatory reserve funds | 694,907             | 307,838              |
|                          | <u>\$24,911,633</u> | <u>\$ 24,475,238</u> |

The Township's deposits of \$706,383 are in a Canadian Chartered bank, earning interest at a rate of prime less 1.9% and \$23,002,549 in a separate Canadian Chartered bank, earning interest at a rate of prime less 1.7%

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%.

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3. Long-Term Receivables

|  | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Due from ratepayers - Other Water Capital Connections, no set terms of repayment | \$ 66,645   | \$ 79,510   |

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

December 31, 2023

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4. Solid Waste Landfill Post-Closure Liabilities

The landfill was closed June 2017. The liability for the landfill site is recorded at \$135,488 (2022 - \$135,488) 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.

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5. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 65 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 2023 by the Township of Georgian Bluffs was \$286,267 (2022 - \$262,023). The contribution rate for 2023 was 9% to 15.8% depending on age and income level (2022 - 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, 2023. At that time the plan reported a \$4.20 billion actuarial deficit (2022 - \$6.68 billion), based on actuarial liabilities of \$134.57 billion (2022 - \$128.79 billion), and actuarial assets of \$130.37 billion (2022 - \$122.11 billion). Ongoing adequacy of the current contribution rates will need to be monitored as fluctuations in the financial markets may lead to increased future funding requirements.

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

December 31, 2023

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6. Long-Term Liabilities

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

|  | <u>2023</u>       | <u>2022</u>       |
|--|-------------------|-------------------|
| Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$6,667 plus interest | \$ 159,948        | \$ 239,952        |
| Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$3,611 plus interest | 173,333           | 216,667           |
| Demand loan, Canadian Imperial Bank of Commerce, interest at prime minus 0.50%, payable in monthly principal payments of \$4,583 plus interest | <u>105,417</u>    | <u>160,417</u>    |
|  | <u>\$ 438,698</u> | <u>\$ 617,036</u> |

The interest, relating to the above long-term debt, expensed and paid during the year was \$34,325.

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

|      |                   |
|------|-------------------|
| 2024 | \$ 178,337        |
| 2025 | 173,695           |
| 2026 | 43,333            |
| 2027 | <u>43,333</u>     |
|      | <u>\$ 438,698</u> |

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

December 31

7. Tangible Capital Assets

|  |              |                      |              |            |                           |                                  |                                      | 2023          |
|--|--------------|----------------------|--------------|------------|---------------------------|----------------------------------|--------------------------------------|---------------|
|  | Land         | Land<br>Improvements | Buildings    | Equipment  | Vehicles and<br>Machinery | Transportation<br>Infrastructure | Water and<br>Sewer<br>Infrastructure | Total         |
| Cost,<br>beginning of<br>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 |
| Additions  | 1,094,724    | 216,137              | 35,249       | 65,160     | 608,851                   | 996,030                          | 11,609                               | 3,027,760     |
| Disposals  | -            | -                    | (4,194)      | (37,716)   | (605,563)                 | (64,125)                         | -                                    | (711,598)     |
| Cost, end of<br>the year                                 | 4,833,858    | 1,609,968            | 8,665,582    | 651,067    | 8,177,928                 | 53,907,068                       | 20,362,879                           | 98,208,350    |
| Accumulated<br>amortization,<br>beginning of<br>the year | -            | 430,035              | 4,430,966    | 415,918    | 3,736,935                 | 23,591,918                       | 9,918,913                            | 42,524,685    |
| Amortization   | -            | 60,451               | 177,550      | 31,159     | 461,619                   | 1,681,218                        | 382,013                              | 2,794,010     |
| Disposals  | -            | -                    | (3,914)      | (37,716)   | (536,435)                 | (49,172)                         | -                                    | (627,237)     |
| Accumulated<br>amortization,<br>end of the<br>year       | -            | 490,486              | 4,604,602    | 409,361    | 3,662,119                 | 25,223,964                       | 10,300,926                           | 44,691,458    |
| Net carrying<br>amount, end<br>of the year               | \$ 4,833,858 | \$ 1,119,482         | \$ 4,060,980 | \$ 241,706 | \$ 4,515,809              | \$28,683,104                     | \$ 10,061,953                        | \$ 53,516,892 |

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

December 31

7. Tangible Capital Assets - (continued)

|  |              |                      |              |            |                           |                                  |                                      | 2022          |
|--|--------------|----------------------|--------------|------------|---------------------------|----------------------------------|--------------------------------------|---------------|
|  | Land         | Land<br>Improvements | Buildings    | Equipment  | Vehicles and<br>Machinery | Transportation<br>Infrastructure | Water and<br>Sewer<br>Infrastructure | Total         |
| Cost,<br>beginning of<br>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<br>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<br>amortization,<br>beginning of<br>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<br>amortization,<br>end of the<br>year       | -            | 430,035              | 4,430,966    | 415,918    | 3,736,935                 | 23,591,918                       | 9,918,913                            | 42,524,685    |
| Net carrying<br>amount, end<br>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, 2023

7. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$916,581 (2022 - \$785,244).

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

8. Accumulated Surplus

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

|  | 2023          | 2022          |
|--|---------------|---------------|
| Invested in tangible capital assets  |               |               |
| Tangible capital assets  | \$ 53,516,892 | \$ 53,367,503 |
| Capital assets financed by long-term liabilities<br>and to be funded in future years | (265,365)     | (400,369)     |
|  | 53,251,527    | 52,967,134    |
| Total invested in capital assets   |               |               |
| Unfunded contribution  | (173,333)     | (216,667)     |
| Unfunded solid waste closure and post-closure costs                                  | (135,488)     | (135,488)     |
| Fire   | (205,934)     | (191,923)     |
| Biodigester  | (8,559)       | (20,099)      |
| Water  | (590,998)     | (474,212)     |
|  | 52,137,215    | 51,928,745    |
| Reserves and reserve funds (Note 9)  | 21,212,997    | 23,248,617    |
| Accumulated surplus  | \$ 73,350,212 | \$ 75,177,362 |

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

December 31, 2023

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

|   | <u>2023</u>         | <u>2022</u>          |
|---|---------------------|----------------------|
| Reserves  |                     |                      |
| Working funds   | \$ 5,275,120        | \$ 5,485,220         |
| Current purposes  | 951,086             | 881,605              |
| Capital purposes  | <u>9,592,219</u>    | <u>11,903,508</u>    |
|   | <u>15,818,425</u>   | <u>18,270,333</u>    |
| Reserve funds   |                     |                      |
| Current purposes  | 391,805             | 372,117              |
| Capital purposes  | <u>5,002,767</u>    | <u>4,606,167</u>     |
|   | <u>5,394,572</u>    | <u>4,978,284</u>     |
| Reserves and reserve funds<br>set aside for specific purpose by Council | <u>\$21,212,997</u> | <u>\$ 23,248,617</u> |

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

December 31, 2023

10. 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 2023 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.

|   | 2023<br>Budget | 2023<br>Actual | 2022<br>Actual |
|---|----------------|----------------|----------------|
| Annual surplus (deficit) (Page 6)                 | \$ (419,550)   | \$ (1,827,150) | \$ 1,630,680   |
| Amortization                                      | -              | 2,794,010      | 2,676,454      |
| Change in unfunded liabilities                    | -              | -              | (44,033)       |
| Change in other surpluses                         | -              | 119,257        | 84,497         |
|   | (419,550)      | 1,086,117      | 4,347,598      |
| Net transfers from (to) reserves                  | 2,966,600      | 2,960,280      | (142,953)      |
| Capital acquisitions, disposals<br>and write-down | (2,368,550)    | (2,943,399)    | (2,218,473)    |
| Debt principal repayments                         | (178,500)      | (178,338)      | (388,337)      |
| Surplus before transfers to reserves              | -              | 924,660        | 1,597,835      |
| Surplus transfers to reserve per resolution       | -              | (924,660)      | (1,597,835)    |
|   | \$ -           | \$ -           | \$ -           |

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

December 31, 2023

11. Government Transfers

|  | 2023<br>Budget      | 2023<br>Actual      | 2022<br>Actual      |
|--|---------------------|---------------------|---------------------|
| Province of Ontario                          |                     |                     |                     |
| Ontario Municipal Partnership<br>Fund (OMPF) | \$ 878,700          | \$ 878,700          | \$ 910,216          |
| Roads  | 487,455             | 505,391             | 1,048,063           |
| Recreation                                   | 20,000              | 16,286              | -                   |
| Other  | 235,500             | 317,735             | 164,849             |
|  | <u>1,621,655</u>    | <u>1,718,112</u>    | <u>2,123,128</u>    |
| Government of Canada                         |                     |                     |                     |
| Canada Community-Building Fund               | 427,000             | 560,287             | 138,650             |
| Other  | 136,250             | 105,946             | -                   |
|  | <u>563,250</u>      | <u>666,233</u>      | <u>138,650</u>      |
| Other Municipal - Other                      | -                   | 4,783               | -                   |
| Total government transfers                   | <u>\$ 2,184,905</u> | <u>\$ 2,389,128</u> | <u>\$ 2,261,778</u> |



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

December 31, 2023

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12. Other Income

|                                    | 2023                | 2023                | 2022                |
|------------------------------------|---------------------|---------------------|---------------------|
|                                    | Budget              | Actual              | Actual              |
| Penalties and interest on taxation | \$ 160,000          | \$ 217,197          | \$ 158,435          |
| Other fines and penalties          | 65,500              | 75,845              | 103,428             |
| Investment income                  | 400,000             | 1,373,987           | 541,268             |
| Licenses, permits and rents        | 465,000             | 439,452             | 570,505             |
| Donations                          | 10,000              | 10,608              | 11,100              |
| Prepaid special charges            | 1,000               | 4,486               | 3,556               |
|                                    | <b>\$ 1,101,500</b> | <b>\$ 2,121,575</b> | <b>\$ 1,388,292</b> |

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13. Commitments

As of December 31, 2023, the Township of Georgian Bluffs has entered into an agreement to purchase a snow plow at \$460,108 plus HST.

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14. 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.
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The Corporation of the Township of Georgian Bluffs  
Notes to Financial Statements

December 31, 2023

15. 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:

|                | 2023         | 2022          |
|----------------|--------------|---------------|
| School boards  | \$ 3,703,473 | \$ 3,627,982  |
| County of Grey | 7,183,711    | 6,928,933     |
|                | \$10,887,184 | \$ 10,556,915 |

16. 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:

|                      | 2023         | 2022         |
|----------------------|--------------|--------------|
| Financial assets     | \$ 912,716   | \$ 1,304,269 |
| Liabilities          | 265,135      | 685,600      |
| Net financial assets | 647,581      | 618,669      |
| Non-financial assets | 1,838,232    | 1,917,266    |
| Accumulated surplus  | \$ 2,485,813 | \$ 2,535,935 |
| Revenues             | \$ 1,268,257 | \$ 1,027,716 |
| Expenses             | 1,349,002    | 1,096,767    |
| Annual deficit       | \$ (80,745)  | \$ (69,051)  |

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

December 31, 2023

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16. 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:

|                      | 2023                | 2022                |
|----------------------|---------------------|---------------------|
| Financial assets     | \$ 970,291          | \$ 854,444          |
| Liabilities          | 509,432             | 483,518             |
| Net financial assets | 460,859             | 370,926             |
| Non-financial assets | 2,370,819           | 2,515,819           |
| Accumulated surplus  | <u>\$ 2,831,678</u> | <u>\$ 2,886,745</u> |
| Revenues             | \$ 310,125          | \$ 308,699          |
| Expenses             | 365,192             | 547,950             |
| Annual deficit       | <u>\$ (55,067)</u>  | <u>\$ (239,251)</u> |

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

December 31, 2023

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17. Trust Funds

The trust funds administered by the Township amounting to \$522,122 (2022 - \$511,383) 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, 2023, the trusts fund balances are as follows:

|                                       | 2023              | 2022              |
|---------------------------------------|-------------------|-------------------|
| Cemetery Care and Maintenance Funds   | \$ 514,294        | \$ 497,488        |
| Shallow Lake Village Improvement Fund | -                 | 6,204             |
| Hillis Beautification Project         | 7,828             | 7,691             |
|                                       | <u>\$ 522,122</u> | <u>\$ 511,383</u> |

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18. Financial Instruments

Financial Instrument Risk Management

The Township is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Township's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Township is exposed to interest rate risk arising from the changes in interest rates on its variable rate bank account.

*Credit Risk*

The Township is exposed to credit risk arising from its cash, taxes receivable, trade and other receivables and long-term receivables. On December 31, 2023, the Township had deposits of \$706,383 in a Canadian Chartered bank and \$23,002,549 in a separate Canadian Chartered bank. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor. There is the possibility of non-collection of taxes receivable, trade and other receivables and long-term receivables. The majority of the Township's receivables are from ratepayers and government entities. For receivables, the Township measures impairment of each receivable type based on how long the amounts have been outstanding. The amounts outstanding at year end, which is the Township's maximum exposure to credit risk related to receivables, were as follows:

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

December 31, 2023

18. Financial Instruments - (continued)

|                             | 0 - 30 days          | 31 - 90 days      | 91 - 365 days     | 1 to 2 years      | 3 to 10 years   |
|-----------------------------|----------------------|-------------------|-------------------|-------------------|-----------------|
| Cash                        | \$ 24,911,633        | \$ -              | \$ -              | \$ -              | -               |
| Taxes receivable            | 478,027              | 222,571           | 779,666           | 125,836           | 150,000         |
| Trade and other receivables | 982,659              | 117,520           | 9,450             | 231,526           | (232,657)       |
| Long-term receivables       | -                    | -                 | -                 | -                 | 66,645          |
| <b>Total</b>                | <b>\$ 26,372,319</b> | <b>\$ 340,091</b> | <b>\$ 789,116</b> | <b>\$ 357,362</b> | <b>(16,012)</b> |

*Liquidity Risk*

Liquidity risk is the risk that the Township encounters difficulty in meeting its obligations as they fall due. The Township has a planning and budgeting process in place to help determine the funds required to support the Township's normal operating requirements on an ongoing basis. The Township is exposed to liquidity risk through its accounts payable and accrued liabilities and long-term liabilities. The Township ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. Further, the Township seeks to maintain an available line of credit balance as approved by the appropriate borrowing by-law to meet, at a minimum, expected requirements for a period of at least 90 days. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

|  | Within 6 months     | 6 months to 1 year | 1 - 5 years       | Over 5 years |
|--|---------------------|--------------------|-------------------|--------------|
| Accounts payable and accrued liabilities | \$ 7,028,845        | \$ 14,704          | \$ 122,656        | -            |
| Long-term debt                           | 110,835             | 67,502             | 260,361           | -            |
| <b>Total financial liabilities</b>       | <b>\$ 7,139,680</b> | <b>\$ 82,206</b>   | <b>\$ 383,017</b> | <b>-</b>     |

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

December 31, 2023

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### 19. 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 Warton 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, 2023

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19. 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<br>December 31 | General<br>Government | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health Services    | Recreation and<br>Cultural Services | Planning and<br>Development | 2023<br>Total         |
|-----------------------------------|-----------------------|------------------------|----------------------------|---------------------------|--------------------|-------------------------------------|-----------------------------|-----------------------|
| <b>Revenue</b>                    |                       |                        |                            |                           |                    |                                     |                             |                       |
| Taxation                          | \$ 2,017,584          | \$ 2,729,673           | \$ 5,103,301               | \$ 474,726                | \$ -               | \$ 1,305,496                        | \$ 118,681                  | \$ 11,868,142         |
| Fees and user charges             | 90,873                | 63,237                 | 53,323                     | 2,024,722                 | 83,466             | 225,355                             | 65,614                      | 2,606,590             |
| Specific grants                   | -                     | 22,762                 | 1,065,678                  | 287,092                   | -                  | 122,232                             | 12,664                      | 1,510,428             |
| OMPF grant                        | 149,379               | 202,101                | 377,841                    | 35,148                    | -                  | 96,657                              | 8,787                       | 878,700               |
| Other revenue                     | 1,383,937             | 456,953                | (7,151)                    | 210,357                   | -                  | 10,420                              | 50,475                      | 2,104,991             |
|                                   | <u>3,641,773</u>      | <u>3,474,726</u>       | <u>6,592,992</u>           | <u>3,032,045</u>          | <u>83,466</u>      | <u>1,760,160</u>                    | <u>256,221</u>              | <u>18,968,851</u>     |
| <b>Expenses</b>                   |                       |                        |                            |                           |                    |                                     |                             |                       |
| Salaries and benefits             | 1,710,554             | 839,935                | 1,264,401                  | -                         | -                  | 536,424                             | 174,205                     | 4,525,519             |
| Interest on debt                  | -                     | -                      | 9,154                      | 13,024                    | -                  | 12,640                              | -                           | 34,818                |
| Materials and supplies            | 1,348,030             | 504,533                | 5,723,076                  | 501,801                   | 36,931             | 403,709                             | 252,960                     | 8,771,040             |
| Contracted services               | 15,175                | 1,690,859              | 139,366                    | 1,581,522                 | 59,061             | 406,088                             | -                           | 3,892,071             |
| Other transfers                   | -                     | 345,299                | -                          | 327,557                   | (1,293)            | 106,980                             | -                           | 778,543               |
| Amortization                      | 54,083                | 131,399                | 1,984,959                  | 452,494                   | 1,031              | 170,044                             | -                           | 2,794,010             |
|                                   | <u>3,127,842</u>      | <u>3,512,025</u>       | <u>9,120,956</u>           | <u>2,876,398</u>          | <u>95,730</u>      | <u>1,635,885</u>                    | <u>427,165</u>              | <u>20,796,001</u>     |
| <b>Annual surplus (deficit)</b>   | <b>\$ 513,931</b>     | <b>\$ (37,299)</b>     | <b>\$ (2,527,964)</b>      | <b>\$ 155,647</b>         | <b>\$ (12,264)</b> | <b>\$ 124,275</b>                   | <b>\$ (170,944)</b>         | <b>\$ (1,827,150)</b> |



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

| For the year ended<br>December 31 | General<br>Government | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health Services  | Recreation and<br>Cultural Services | Planning and<br>Development | 2022<br>Total       |
|-----------------------------------|-----------------------|------------------------|----------------------------|---------------------------|------------------|-------------------------------------|-----------------------------|---------------------|
| <b>Revenue</b>                    |                       |                        |                            |                           |                  |                                     |                             |                     |
| Taxation                          | \$ 1,902,418          | \$ 2,685,767           | \$ 4,364,372               | \$ 559,535                | \$ -             | \$ 1,454,791                        | \$ 223,814                  | \$ 11,190,697       |
| Fees and user charges             | 58,231                | 70,284                 | 52,300                     | 1,988,178                 | 80,544           | 182,856                             | 128,779                     | 2,561,172           |
| Specific grants                   | 24,483                | 9,483                  | 1,186,713                  | 130,883                   | -                | -                                   | -                           | 1,351,562           |
| OMPF grant                        | 154,737               | 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           |
|                                   | <u>2,853,693</u>      | <u>3,491,030</u>       | <u>5,982,015</u>           | <u>2,800,353</u>          | <u>80,544</u>    | <u>1,765,125</u>                    | <u>425,122</u>              | <u>17,397,882</u>   |
| <b>Expenses</b>                   |                       |                        |                            |                           |                  |                                     |                             |                     |
| Salaries and benefits             | 1,416,103             | 756,269                | 1,395,654                  | -                         | -                | 418,690                             | 133,172                     | 4,119,888           |
| Interest on debt                  | -                     | -                      | 8,098                      | 9,988                     | -                | 8,563                               | -                           | 26,649              |
| Materials and supplies            | 1,005,250             | 348,812                | 2,081,180                  | 484,288                   | 17,755           | 398,121                             | 110,402                     | 4,445,808           |
| Contracted services               | 21,107                | 1,706,522              | 178,692                    | 1,461,503                 | 41,156           | 373,682                             | -                           | 3,782,662           |
| Other transfers                   | -                     | 300,137                | -                          | 313,655                   | 1,873            | 100,076                             | -                           | 715,741             |
| Amortization                      | 55,106                | 106,817                | 1,892,660                  | 454,840                   | 1,031            | 166,000                             | -                           | 2,676,454           |
|                                   | <u>2,497,566</u>      | <u>3,218,557</u>       | <u>5,556,284</u>           | <u>2,724,274</u>          | <u>61,815</u>    | <u>1,465,132</u>                    | <u>243,574</u>              | <u>15,767,202</u>   |
| <i>Annual surplus</i>             | <u>\$ 356,127</u>     | <u>\$ 272,473</u>      | <u>\$ 425,731</u>          | <u>\$ 76,079</u>          | <u>\$ 18,729</u> | <u>\$ 299,993</u>                   | <u>\$ 181,548</u>           | <u>\$ 1,630,680</u> |

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

For the year ended December 31, 2023

|                                    | Opening    | Contributions<br>Received | Investment<br>Income | Revenue<br>Recognized | Ending     |
|------------------------------------|------------|---------------------------|----------------------|-----------------------|------------|
| <b>Obligatory Reserve Funds</b>    |            |                           |                      |                       |            |
| Recreational land                  | \$ 162,913 | \$ 2,571                  | \$ 8,853             | \$ -                  | \$ 174,337 |
| Cash in lieu of parking            | 1,145      | -                         | 80                   | -                     | 1,225      |
| Canada Community-<br>Building fund | 497,264    | 346,793                   | 24,652               | (560,287)             | 308,422    |
|                                    | 661,322    | 349,364                   | 33,585               | (560,287)             | 483,984    |
| <b>Other</b>                       |            |                           |                      |                       |            |
| Government transfers               | 70,911     | 15,018                    | -                    | (13,727)              | 72,202     |
| Water connection fees              | 15,500     | -                         | -                    | (13,850)              | 1,650      |
|                                    | \$ 747,733 | \$ 364,382                | \$ 33,585            | \$ (587,864)          | \$ 557,836 |

The Corporation of the  
Township of Georgian Bluffs  
Trust Funds  
Financial Information  
For the year ended December 31, 2023

The Corporation of the Township of Georgian Bluffs  
Financial Information  
For the year ended December 31, 2023

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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

### 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, 2023, 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, 2023 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
September 3, 2024

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

December 31, 2023

| Assets                | Total             | Shallow Lake<br>Village<br>Improvement<br>Fund | Hillis<br>Bequest<br>Beautification<br>Project | Oxenden<br>Cemetery<br>Perpetual<br>Care | Boyd<br>Cemetery<br>Perpetual<br>Care | Mount<br>Pleasant<br>Cemetery<br>Perpetual<br>Care |
|-----------------------|-------------------|--|--|--|---------------------------------------|--|
| Cash                  | \$ 102,321        | \$ -   | \$ 83  | \$ 5,338                                 | \$ 27,236                             | \$ 69,664  |
| Investments, at cost  | 439,560           | -  | 7,745  | 70,862                                   | 89,648                                | 271,305  |
| Due from the Township | 237               | -  | -  | 1,728                                    | -                                     | (1,491)  |
|                       | <u>\$ 542,118</u> | <u>\$ -</u>                                    | <u>\$ 7,828</u>                                | <u>\$ 77,928</u>                         | <u>\$ 116,884</u>                     | <u>\$ 339,478</u>                                  |
| <b>Liabilities</b>    |                   |  |  |  |                                       |  |
| Due to the Township   | \$ 19,996         | \$ -   | \$ -   | \$ -                                     | \$ 19,996                             | \$ -   |
| Fund balance          | <u>522,122</u>    | <u>-</u>                                       | <u>7,828</u>                                   | <u>77,928</u>                            | <u>96,888</u>                         | <u>339,478</u>                                     |
|                       | <u>\$ 542,118</u> | <u>\$ -</u>                                    | <u>\$ 7,828</u>                                | <u>\$ 77,928</u>                         | <u>\$ 116,884</u>                     | <u>\$ 339,478</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, 2023

|                                | Total      | Shallow Lake<br>Village<br>Improvement<br>Fund | Hillis<br>Bequest<br>Beautification<br>Project | Oxenden<br>Cemetery<br>Perpetual<br>Care | Boyd<br>Cemetery<br>Perpetual<br>Care | Mount<br>Pleasant<br>Cemetery<br>Perpetual<br>Care |
|--------------------------------|------------|--|--|--|---------------------------------------|--|
| Balance, beginning of the year | \$ 511,384 | \$ 6,204                                       | \$ 7,691                                       | \$ 74,618                                | \$ 92,433                             | \$ 330,438   |
| Receipts                       |            |  |  |  |                                       |  |
| Interest                       | 18,234     | -  | 137  | 2,912                                    | 3,331                                 | 11,854   |
| Plot sales                     | 16,805     | -  | -  | 3,310                                    | 4,455                                 | 9,040  |
|                                | 35,039     | -  | 137  | 6,222                                    | 7,786                                 | 20,894   |
| Expenditures                   |            |  |  |  |                                       |  |
| Transfer to local board        | 9,535      | 6,204  | -  | -  | 3,331                                 | -  |
| Transfer to municipality       | 14,766     | -  | -  | 2,912                                    | -                                     | 11,854   |
|                                | 24,301     | 6,204  | -  | 2,912                                    | 3,331                                 | 11,854   |
| Balance, end of the year       | \$ 522,122 | \$ -   | \$ 7,828                                       | \$ 77,928                                | \$ 96,888                             | \$ 339,478   |

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



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

December 31, 2023

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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.  |
| Financial Instrument      | Cash is measured at fair value. All other financial instruments are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the balance sheet. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of continuity. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. |

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

December 31, 2023

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2. Investments

The investments of \$439,560 reported on the balance sheet at cost have a market value of \$439,560 at the end of the year.

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3. Financial Instruments

The Trust is exposed to risks that arise from its use of financial instruments. The trust's financial instruments consist of cash, investments, interest receivable, due from the Township and due to the Township. It is management's opinion that the Trust is not exposed to significant currency risk arising from these financial instruments. The Trust is exposed to interest rate risk arising from its bank accounts and investments. The investments consist of multiple guaranteed investment certificates with interest from 1.8% to 5.59% due February 3, 2024 to September 15, 2025. The trust is exposed to credit risk relating to its cash, investments and interest receivable. The cash and investments are held in Canadian Chartered banks. Amounts due to the Township are due within 30 days and is a liquidity risk to the Trust.

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