

**THE CORPORATION OF THE
TOWNSHIP OF GEORGIAN BAY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
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THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

Management's Responsibility for the Consolidated Financial Statements

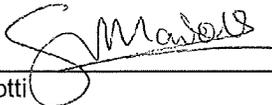
The management of the Corporation of the Township of Georgian Bay (the "Municipality") is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying financial statements.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements.

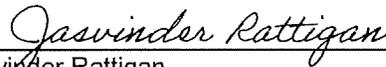
The Municipality's management maintains a system of internal controls designed to provide a reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the approval of the consolidated financial statements.

The consolidated financial statements have been audited by Pahapill and Associates Professional Corporation, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Greg Mariotti
Chief Administrative Officer



Jasvinder Rattigan
Director of Financial Services/Treasurer

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Georgian Bay, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, the consolidated statement of remeasurement gains and losses, the consolidated change in its net financial assets (debt) and its consolidated cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Georgian Bay as at December 31, 2023, and the results of its operations and its 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 Financial Statements section of our report. We are independent of the Municipality 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 in the financial statements, which describes the effects of Canadian public sector accounting standards adopted by the Municipality. Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial statements as at December 31, 2022 have been restated as disclosed in Note 2 to the financial statements.

Responsibilities of Management and Those Charged with Governance for the 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibility for the Audit of the 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 Municipality'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 Municipality'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 Municipality 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 Municipality 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.

Huntsville, Ontario

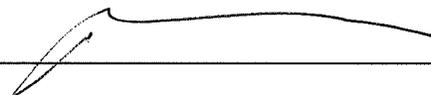
Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022 (Note 2)
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 6,867,600	\$ 11,507,757
Restricted cash (Note 6)	1,405,449	1,305,650
Taxes receivable, net of allowance of \$50,563 (2022 - \$50,563)	1,420,253	1,250,983
Other receivables, net of allowance of \$49,574 (2022 - \$101,681)	1,402,698	1,145,302
Portfolio investments (Note 7)	5,353,865	-
Land held for resale	51,390	51,390
	16,501,255	15,261,082
LIABILITIES		
Accounts payable and accrued liabilities	1,192,370	1,381,054
Tax revenue received in advance	187,485	333,111
Deferred revenue (Note 6)	1,779,292	1,796,652
Long-term liabilities (Note 8)	1,971,387	2,223,398
	5,130,534	5,734,215
NET FINANCIAL ASSETS	11,370,721	9,526,867
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 12, Schedule 1)	18,409,122	19,137,550
Inventories held for consumption (Note 10)	269,896	269,268
Prepaid expenses	395,389	329,760
	19,074,407	19,736,578
ACCUMULATED SURPLUS	\$ 30,445,128	\$ 29,263,445
ACCUMULATED SURPLUS IS COMPRISED OF:		
Accumulated surplus from operations	\$ 30,321,096	\$ 29,263,445
Accumulated rereasurement gains (losses)	124,032	-
ACCUMULATED SURPLUS (Schedule 2)	\$ 30,445,128	\$ 29,263,445

CONTINGENT LIABILITIES

APPROVED ON BEHALF OF COUNCIL:



Mayor

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023 (Note 15)	Actual 2023	Actual 2022 (Note 2)
REVENUE			
Property taxes	\$ 7,293,858	\$ 7,390,562	\$ 6,493,470
User fees	1,840,405	2,213,448	2,396,655
Government transfers - Federal	-	41,336	466,891
Government transfers - Ontario	1,309,251	1,553,458	1,623,478
Investment income	150,500	936,063	263,913
Miscellaneous income (Note 13)	351,684	606,537	1,943,279
TOTAL REVENUE	10,945,698	12,741,404	13,187,686
EXPENSES			
General government and administration	3,169,732	3,234,462	3,041,789
Fire services, emergency management and by-law services	1,385,016	1,353,357	1,207,429
Operations - roads, streetlights and environmental services	3,023,450	2,947,060	2,776,438
Building and septic inspection services	780,613	735,064	546,044
Operations - parks, recreation and culture	1,752,575	2,107,530	1,876,471
Planning and economic development	1,154,169	1,306,280	1,707,483
TOTAL EXPENSES	11,265,555	11,683,753	11,155,654
ANNUAL SURPLUS	(319,857)	1,057,651	2,032,032
ACCUMULATED SURPLUS, BEGINNING OF YEAR	29,263,445	29,263,445	27,231,413
ACCUMULATED SURPLUS, END OF YEAR	\$ 28,943,588	\$ 30,321,096	\$ 29,263,445

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF GRAVENHURST
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Actual 2023 (Note 3)	Actual 2022
Accumulated remeasurement gains (losses) beginning of year	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	124,032	-
Net remeasurement gains (losses) for the year	124,032	-
Accumulated remeasurement gains (losses), beginning of year	-	-
Accumulated remeasurement gains (losses), end of year	\$ 124,032	\$ -

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023 (Note 15)	Actual 2023	Actual 2022 (Note 2)
Annual surplus	\$ (319,857)	\$ 1,057,651	\$ 2,032,032
Acquisition of tangible capital assets	(1,155,395)	(1,155,395)	(1,373,876)
Amortization of tangible capital assets	1,869,561	1,869,561	1,964,942
Loss (gain) on sale of tangible capital assets	-	14,262	(840,381)
Proceeds on sale of tangible capital assets	-	-	858,758
Consumption (acquisition) of inventories held for consumption	-	(628)	(46,889)
Acquisition of prepaid expenses	-	(65,629)	(35,150)
Increase in net financial assets, before net remeasurement gains (losses)	394,309	1,719,822	2,559,436
Net remeasurement gains (losses)	-	124,032	-
Increase (decrease) in net financial assets	394,309	1,843,854	2,559,436
Net financial assets, beginning of year	9,526,867	9,526,867	6,967,431
Net financial assets, end of year	\$ 9,921,176	\$ 11,370,721	\$ 9,526,867

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022 (Note 2)
Operating transactions		
Annual surplus (deficit)	\$ 1,057,651	\$ 2,032,032
Non-cash charges to operations:		
Amortization	1,869,561	1,964,942
Loss (gain) on sale of tangible capital assets	14,262	(840,381)
	<u>2,941,474</u>	<u>3,156,593</u>
Changes in non-cash assets and liabilities:		
Taxes receivable	(169,270)	(113,310)
Other receivables	(257,396)	512,090
Accounts payable and accrued liabilities	(188,684)	67,867
Tax revenue received in advance	(145,626)	130,281
Deferred revenue	(117,159)	316,731
Inventories held for consumption	(628)	(46,889)
Prepaid expenses	(65,629)	(35,150)
	<u>(944,392)</u>	<u>831,620</u>
Cash provided by operating transactions	<u>1,997,082</u>	<u>3,988,213</u>
Capital transactions		
Acquisition of tangible capital assets	(1,155,395)	(1,373,876)
Proceeds on disposal of tangible capital asset	-	858,758
Cash applied to capital transactions	<u>(1,155,395)</u>	<u>(515,118)</u>
Investing transactions		
Purchase of portfolio investments	(5,000,000)	-
Realized gain on portfolio investments	(229,833)	-
Cash provided by investing transactions	<u>(5,229,833)</u>	<u>-</u>
Financing transactions		
Debt principal repayments	(252,011)	(240,385)
Cash applied to financing transactions	<u>(252,011)</u>	<u>(240,385)</u>
Net change in cash and cash equivalents	<u>(4,640,157)</u>	<u>3,232,710</u>
Cash and cash equivalents, beginning of year	<u>11,507,757</u>	<u>8,275,047</u>
Cash and cash equivalents, end of year	<u>\$ 6,867,600</u>	<u>\$ 11,507,757</u>
Cash flow supplementary information:		
Taxation and investment interest income received	\$ 1,135,100	\$ 443,494
Interest paid	103,702	118,229
Net interest received	<u>\$ 1,031,398</u>	<u>\$ 325,265</u>

The accompanying notes and schedules are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

The Corporation of the Township of Georgian Bay is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Planning Act, Building Code Act and other related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Georgian Bay (the "Municipality") are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards for local governments as recommended in the Public Sector Accounting Board "PSAB" of the Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

The reporting entity includes the Municipality and all entities that are controlled by the Municipality.

All controlled entities are consolidated in the Municipality's consolidated financial statements according to the Municipality's percentage ownership except for entities that meet the definition of a government business enterprise or a government business partnership, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated entities

The following local boards are consolidated:

Georgian Bay Library Board - 100%

(ii) Accounting for school board and the District Municipality of Muskoka transactions

The Municipality collects taxation revenue on behalf of the School Boards and the District Municipality of Muskoka. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the District Municipality of Muskoka are not reflected in these consolidated financial statements.

(iii) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

(b) Basis of Accounting**(i) Accrual basis of accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. This method recognizes revenues as they become available and measurable; expenditures 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.

(ii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of Municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

(a) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts directly attributable to acquisition, construction, development or betterment of the asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives, commencing once the asset is available for productive use as follows:

Site improvements - 10 to 25 years

Buildings - 20 to 40 years

Transportation infrastructure - 3 to 25 years

Vehicles - 7 to 20 years

Machinery, equipment and furniture - 4 to 25 years

Assets under construction are not amortized until the asset is available for productive use.

(b) Inventories held for consumption

Inventories of supplies held for consumption are recorded at the lower of average cost and net realizable value.

(iii) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, temporary borrowings and temporary investments in money market instruments with maturities of three months or less.

(iv) Portfolio investments

Portfolio investments consists of equity instruments with no maturity. Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

(v) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.

(vi) Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. 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.

(vii) Deferred revenue

The Municipality receives Canada Community-Building fund (formerly gas tax) revenue from the Federal Government and payments in lieu of parkland under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended. The Municipality also defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the services are performed.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified.

(viii) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

(ix) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Revenue related to fees or services received in advance of the fee being earned or when the service is performed is deferred and recognized when the fee is earned or the service is performed.

(x) Post retirement benefits

The Municipality is an employer member of the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Municipality has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

The Municipality also provides certain extended health benefits to qualifying employees through an insurance provider which invoices the Municipality for the cost of the plan. The cost is recognized based on management's best estimate of the future premiums associated with these benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023(xi) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include valuation allowances for taxes, trade and other receivables, the estimated useful life of tangible capital assets, accrued liabilities and taxation revenue related to supplementary taxes. Actual results could differ from management's best estimates as additional information becomes available in the future. The estimates are reviewed periodically and any resulting adjustments are reported in earnings in the year in which they become known.

2. RESTATEMENT

During the year management conducted an internal review of its internal ledgers and discovered errors in the accounts receivable balance that overstated grant revenues and overstated accounts receivable. The Township has restated its financial statements to account for this error in accounts receivables and grant revenue.

The effects of this restatement are as follows:

Year ended December 31, 2022

ACCUMULATED SURPLUS	
Accumulated surplus, as previously reported	\$ 29,581,726
Accounts receivable revised	(318,281)
ACCUMULATED SURPLUS, AS RESTATED	\$ 29,263,445
ANNUAL SURPLUS	
Annual surplus (deficit) as previously reported	2,350,313
Adjustment to grant revenue	(318,281)
ANNUAL SURPLUS (DEFICIT), AS RESTATED	\$ 2,032,032

3. CHANGE IN ACCOUNTING POLICIES

On January 1, 2023 the Municipality adopted Public Accounting Standards PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3280 Asset Retirement Obligations, and PS 3450 Financial Instruments. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. Other than PS 3450 Financial Instruments changes below, these standards have no significant impact on the presentation of the financial statements.

PS 3450 Financial Instruments

Under PS 3450, all financial instruments, including derivatives are included on the Statement of Financial Position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choice. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses. The standard also requires disclosure of the hierarchy of inputs used in the determination of fair value for instruments reported according to the following levels:

- Level 1: Fair value is based on quoted prices in an active market.
- Level 2: Fair value is based on model-based valuation methods for which all significant assumptions are observable in the market or quoted prices for similar but not identical assets.
- Level 3: Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation.

In accordance with the provisions of this new standard, as at January 1, 2023, the carrying values of financial instruments included in portfolio investments are measured at fair value to correspond with how they are evaluated and measured. Prior to January 1, 2023, the Municipality had no portfolio investments.

4. OPERATIONS OF SCHOOL BOARDS AND THE DISTRICT MUNICIPALITY OF MUSKOKA

Further to Note 1(a)(ii), the Municipality is required to collect property taxes and payments-in-lieu of taxes on the behalf of the school boards and the District Municipality of Muskoka. The amounts collected, remitted and outstanding are as follows:

	2023 School Boards	2023 District	2023 Total	2022 Total
Payable at the beginning of the year	\$ (558)	\$ 55,476	\$ 54,918	\$ 21,664
Taxation and payments-in-lieu, net of adjustments	4,713,351	11,823,370	16,536,721	15,815,801
Remitted during the year	(4,711,545)	(11,765,019)	(16,476,564)	(15,782,547)
Payable (receivable) at the end of the year	\$ 1,248	\$ 113,827	\$ 115,075	\$ 54,918

5. TRUST FUNDS

Trust funds administered by the Township amounting to \$484,206 (2022 \$457,569) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

6. RESTRICTED CASH AND DEFERRED REVENUE

Deferred revenue arises when revenues received are conditional upon eligible expenses being incurred and where amounts received in advance have not been fully expended on eligible expenses.

The 2023 continuity of transactions within the obligatory reserve funds and other deferred revenue are described below:

	Balance beginning of year	Contributions received	Interest earned	Amounts taken into revenue	Balance end of year
Cash in Lieu of Parkland	\$ 209,450	\$ 10,050	\$ 10,848	\$ -	\$ 230,348
Development charges	979,834	132,388	68,184	(209,569)	970,837
Canada Community- Building Fund	116,366	82,702	5,196	-	204,264
Other deferred revenue	491,002	124,770	-	(241,929)	373,843
	\$ 1,796,652	\$ 349,910	\$ 84,228	\$ (451,498)	\$ 1,779,292

Obligatory reserve funds supported by:	2023	2022
Restricted cash	\$ 1,405,449	\$ 1,305,650

The interest earned is included as investment income on the consolidated statement of operations. The Development Charges Act, Cash in Lieu of Parkland and (formerly Federal Gas Tax funds) used during the year of \$209,569 and \$nil are included in miscellaneous revenues and \$nil of Canada Community-Building Funds (formerly Federal Gas Tax) is included in government transfers - Federal on the consolidated statement of operations.

The above funds held as deferred revenue are restricted in their use by their respective legislation. Funds held under the Development Charges Act are recorded by the following components: Community Services, Fire Protection, Public Works - Building and Fleet, Public Works - Roads and Related and General Government.

7. PORTFOLIO INVESTMENTS

Portfolio investments as of December 31, 2023 consist of the following:

	Fair value hierarchy level	2023	2022
One Investment Program - Canadian Equity Fund	level 1	\$ 5,353,865	\$ -
		\$ 5,353,865	\$ -

Investments have a market value of \$5,353,865 (2022 - \$nil) and a cost value of \$5,229,835 (2022 - \$nil) at the end of the year. The One Investment Program is held for the purposes of meeting long-term capital obligations.

The fair value measurements are those derived from:

- Level 1: Quoted prices in active markets for identical assets.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (ie as prices) or indirectly (ie derived

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

- from prices).
- Level 3: Fair value measurements are those derived from valuation methods where inputs are based on non-observable market data.

8. LONG-TERM LIABILITIES

(a) The balance of the long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	2023	2022
Debenture payable District of Muskoka, repayable in semi-annual instalments of \$40,985 including interest at 5.34% per annum, due July 2026.	\$ 224,473	\$ 291,750
Debenture payable District of Muskoka, repayable in semi-annual instalments of \$37,321 including interest at 4.83% per annum, due April 2027.	237,708	298,638
Debenture payable District of Muskoka, repayable in semi-annual instalments of \$40,621 including interest at 5.23% per annum, due December 2027.	289,822	353,394
Debenture payable District of Muskoka, repayable in semi-annual instalments of \$53,070 including interest at 3.63% per annum, due November 2038.	1,219,384	1,279,616
	\$ 1,971,387	\$ 2,223,398

(b) Future estimated principal and interest payments on the municipal debt are as follows:

	Principal	Interest
2024	\$ 264,209	\$ 79,786
2025	277,009	66,986
2026	290,443	53,552
2027	184,156	40,548
2028	72,102	34,039
2029 onwards	883,468	177,936
	\$ 1,971,387	\$ 452,847

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

(c) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2023	2022
Principal payments	\$ 252,011	\$ 240,385
Interest	89,218	100,977
	\$ 341,229	\$ 341,362

These debentures relate to financing portions of the Administration facility, Public Works/Fire Hall facility, Port Severn bridge sidewalk and MacTier storm sewer project.

The annual principal and interest payments required to service the Municipality's debt were within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

9. CREDIT FACILITY AGREEMENT

The Municipality has an operating facility agreement with TD Canada Trust. The amount available under the facility is \$8,000,000 from January 1 to September 30 of each year and \$4,000,000 from October 1 to December 31 of each year to finance general operating requirements. The interest rate on this facility is TD Bank prime less 0.75%. At December 31, 2023, the Municipality had drawn \$nil (2022 - \$nil) on the credit capacity under this facility.

10. INVENTORIES HELD FOR CONSUMPTION

	2023	2022
Recycled asphalt product	\$ 84,076	\$ 94,509
Sand and salt	147,895	130,992
Other	37,925	43,767
	\$ 269,896	\$ 269,268

11. CONTINGENT LIABILITIES

In the normal course of business, the municipality is named to lawsuits related to its operations. Management is of the view that these lawsuits are without merit and any settlement would not be material to the financial position of the municipality. Settlements in excess of insurance, if any, will be reflected in the period in which settlement occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

12. TANGIBLE CAPITAL ASSETS

Schedule 1 provides information on the tangible capital assets of the Municipality by major asset class. Additional information relating to these assets is provided below.

(a) Works of art and historical artifacts

Works of art and historical artifacts owned by the Municipality are not included in the tangible capital assets reported on the Consolidated Statement of Financial Position because a reasonable estimate of the future benefits associated with such property cannot be made. The Municipality holds an historical treasure pertaining to the David Milne Cottage.

13. MISCELLANEOUS REVENUES

	2023	2022
Donations	\$ 197,930	\$ 82,250
Gain (loss) on sale of tangible capital assets	-	850,753
Penalties and interest on taxation	199,038	179,582
Funds used during the year (Note 6)	209,569	830,694
	\$ 606,537	\$ 1,943,279

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

14. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule and segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

General Government and Administration

This area accounts for the revenues and expenses that relate to the operations of Council, CAO, Clerk, Treasury, Human Resources, Health and Safety, Information Technology and other areas that cannot be directly attributed to any specific segment.

Fire services, Emergency Management and By-law Services

This segment encompasses the fire department which is responsible for providing fire suppression services, fire prevention programs, training and education to the public. The fire department consists of two full time staff members as well as a complement of up to 60 volunteer fire fighters. Additionally, this segment also provides emergency management and preparedness for the Municipality. In addition, they enforce a number of Municipal by-laws and Provincial Statutes including property standards, noise control and parking enforcement.

Operations - Roads, Streetlights and Environmental Services

This segment area is responsible for providing the Municipality's transportation infrastructure including roads, sidewalks and streetlights. Additionally, some waste management and lagoon services are provided on behalf of the District Municipality of Muskoka.

Building and Septic Inspection Services

This department is responsible for reviewing, issuing and inspecting building and septic permits in accordance with the Ontario Building Code. In addition, they have a septic re-inspection program that is in effect and completed annually.

Operations - Parks, Recreation and Culture

This service area provides services meant to improve the health and development of the Municipality's citizens. Recreational facilities include two community centres. Also, the Municipality provides library services, cemetery services, trails, beach access and parks to assist with its citizens' needs.

Planning and Economic Development

This department provides community planning services in accordance with the Ontario Planning Act and all other applicable legislation. Additionally, it provides economic opportunity and development, and works to provide health communities within the Municipality.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers are measured on the basis of budgeted amounts. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation allocated to segments based on total expenses for the year

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

14. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government and Administration	Fire Services, Emergency Management and By-Law Services	Operations - Roads, Streetslights and Environmental Services	Building and Septic Inspection Services	Operations - Parks, Recreation and Culture	Planning and Economic Development	Consolidated
REVENUE							
Property taxes	\$ 2,045,960	\$ 856,066	\$ 1,864,164	\$ 464,965	\$ 1,333,119	\$ 826,288	\$ 7,390,562
User fees	237,619	141,444	499,951	815,024	37,213	482,197	2,213,448
Government transfers	1,415,492	-	1,304	-	177,998	-	1,594,794
Investment income	924,901	-	-	-	11,162	-	936,063
Other	199,037	36,622	5,073	-	365,568	237	606,537
TOTAL REVENUE	4,823,009	1,034,132	2,370,492	1,279,989	1,925,060	1,308,722	12,741,404
EXPENSES							
Salaries, wages and benefits	1,711,756	761,031	804,354	519,800	777,648	684,978	5,259,567
Long-term debt charges (interest)	89,218	-	-	-	-	-	89,218
Operating expenses	1,194,605	366,132	921,371	209,221	772,259	621,302	4,084,890
Contracted services	-	-	168,102	-	-	-	168,102
External transfers	212,414	-	-	-	-	-	212,414
Inter-segment transfers	-	1,493	(61,782)	-	60,289	-	-
Amortization	26,469	224,701	1,115,015	6,043	497,334	-	1,869,562
TOTAL EXPENSES	3,234,462	1,353,357	2,947,060	735,064	2,107,530	1,306,280	11,683,753
ANNUAL SURPLUS (DEFICIT)	\$ 1,588,547	\$ (319,225)	\$ (576,568)	\$ 544,925	\$ (182,470)	\$ 2,442	\$ 1,057,651

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

14. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2022

	General Government and Administration	Fire Services, Emergency Management and By-Law Services	Operations - Roads, Streetslights and Environmental Services	Building and Septic Inspection Services	Operations - Parks, Recreation and Culture	Planning and Economic Development	Consolidated
REVENUE							
Property taxes	\$ 1,770,561	\$ 702,819	\$ 1,616,106	\$ 317,840	\$ 1,092,254	\$ 993,890	\$ 6,493,470
User fees	396,393	130,323	466,679	887,217	87,543	428,500	2,396,655
Government transfers	1,310,587	-	50,145	-	723,337	6,300	2,090,369
Investment income	260,486	-	-	-	3,427	-	263,913
Other	1,021,185	70,999	502,849	-	249,741	98,505	1,943,279
TOTAL REVENUE	4,759,212	904,141	2,635,779	1,205,057	2,156,302	1,527,195	13,187,686
EXPENSES							
Salaries, wages and benefits	1,579,322	646,925	683,308	405,236	644,413	595,793	4,554,997
Long-term debt charges (interest)	100,977	-	-	-	-	-	100,977
Operating expenses	1,163,562	343,825	665,955	128,916	701,493	1,097,848	4,101,599
Contracted services	-	-	249,029	-	-	13,842	262,871
External transfers	170,268	-	-	-	-	-	170,268
Inter-segment transfers	-	1,878	(67,669)	-	65,791	-	-
Amortization	27,660	214,801	1,245,815	11,892	464,774	-	1,964,942
TOTAL EXPENSES	3,041,789	1,207,429	2,776,438	546,044	1,876,471	1,707,483	11,155,654
ANNUAL SURPLUS (DEFICIT)	\$ 1,717,423	\$ (303,288)	\$ (140,659)	\$ 659,013	\$ 279,831	\$ (180,288)	\$ 2,032,032

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

15. BUDGET FIGURES

The unaudited budget adopted for the current year was prepared on a fund basis, and has been amended to conform with the accounting and reporting standards adopted for the current year actual results. The budget was adopted by Council on April 6, 2023. Council has reviewed and approved the 2023 Report on Excluded Expenses as required by Ontario Regulation 284/09 which expressly permits municipalities to exclude amortization expense from the budget. In addition, the budget expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the Financial Plan adopted by Council on April 6, 2023 with adjustments as follows:

	Municipal Budget 2023
CONSOLIDATED ANNUAL SURPLUS (DEFICIT)	(319,857)
Transfer (to) from municipal reserves	(1,297,693)
Transfer to unfunded liabilities	(252,011)
Municipal amortization	1,869,561
MUNICIPAL SURPLUS (DEFICIT)	\$ -

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations for comparative purposes. The 2023 budget amounts for The Corporation of the Township of Georgian Bay approved by Council have been restated to confirm to the basis of preparation of the revenues and expenses, including amortization on the consolidated statement of operations.

16. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$134,574 million with respect to benefits accrued for service with actuarial assets at that date of \$130,372 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi employer plan, any 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 Plan surplus or deficit.

The amount contributed to OMERS for 2023 was \$336,255 (2022 \$279,705) for current service and is included as an expense on the Consolidated Statement of Operations.

**THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Schedule 1

	Land, site improvements and parks	Buildings	Transportation Infrastructure	Vehicles	Machinery, Equipment and Furniture	TOTAL 2023	TOTAL 2022
COST							
Balance, beginning of year	\$ 8,725,406	\$ 9,871,783	\$ 22,743,264	\$ 5,298,477	\$ 1,827,016	\$ 48,465,946	\$ 47,398,973
Additions and betterments	513,346	5,940	-	-	636,109	1,155,395	1,373,876
Disposals and writedowns	(14,262)	-	-	-	(23,532)	(37,794)	(306,903)
BALANCE, END OF YEAR	9,224,490	9,877,723	22,743,264	5,298,477	2,439,593	49,583,547	48,465,946
ACCUMULATED AMORTIZATION							
Balance, beginning of year	3,307,873	5,790,990	16,292,391	3,002,726	934,416	29,328,396	27,651,980
Annual amortization	264,496	190,544	875,821	368,934	169,766	1,869,561	1,964,942
Amortization disposals	-	-	-	-	(23,532)	(23,532)	(288,526)
BALANCE, END OF YEAR	3,572,369	5,981,534	17,168,212	3,371,660	1,080,650	31,174,425	29,328,396
TANGIBLE CAPITAL ASSETS-NET	\$ 5,652,121	\$ 3,896,189	\$ 5,575,052	\$ 1,926,817	\$ 1,358,943	\$ 18,409,122	\$ 19,137,550

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY

SUPPLEMENTARY UNAUDITED SCHEDULE OF SURPLUS

2023

Schedule 2

	2023	2022
RESERVES		
Working capital	\$ 3,435,240	\$ 3,466,961
Departmental projects	3,324,493	2,695,014
Other	5,643,301	4,971,799
Library	61,794	61,794
TOTAL RESERVES AND RESERVE FUNDS	12,464,828	11,195,568
OTHER		
Capital outlay financed by long-term liabilities and to be recovered in future years	(1,971,387)	(2,223,398)
Investment in tangible capital assets	18,409,122	19,137,550
General operating surplus (deficit)	1,418,533	1,153,725
Accumulated remeasurement gains	124,032	-
TOTAL OTHER	17,980,300	18,067,877
ACCUMULATED SURPLUS	\$ 30,445,128	\$ 29,263,445

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserves represent funds set aside by by-law or council resolution for specific purposes.

