

**THE CORPORATION OF THE
TOWNSHIP OF GEORGIAN BAY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
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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, 2021, and the consolidated statements of operations, 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, 2021, 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.

Other Matter

The financial statements for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 12, 2021.

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:



PAHAPILL and ASSOCIATES Chartered Professional Accountants
Professional Corporation

- 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.

Pahapill and Associates

Huntsville, Ontario
October 11, 2022

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, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 8,275,047	\$ 6,199,319
Restricted cash (Note 4)	1,692,374	1,459,552
Taxes receivable, net of allowance of \$25,374 (2020 - \$25,682)	1,137,673	1,914,972
Other receivables	1,657,392	1,460,433
Land held for resale	51,390	51,390
	12,813,876	11,085,666
LIABILITIES		
Accounts payable and accrued liabilities	1,313,187	1,844,326
Tax revenue received in advance	202,830	196,799
Deferred revenue (Note 4)	1,866,645	1,543,068
Long-term liabilities (Note 5)	2,463,783	2,693,089
	5,846,445	6,277,282
	6,967,431	4,808,384
NET FINANCIAL ASSETS		
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 9, Schedule 1)	19,746,993	20,808,384
Inventories held for consumption (Note 7)	222,379	197,318
Prepaid expenses	294,610	232,436
	20,263,982	21,238,138
	\$ 27,231,413	\$ 26,046,522
ACCUMULATED SURPLUS (Schedule 2)		

CONTINGENT LIABILITIES (Note 8)

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, 2021

	Budget 2021 (Note 12)	Actual 2021	Actual 2020
REVENUE			
Property taxes	\$ 6,317,614	\$ 6,210,322	\$ 6,231,986
User fees	2,070,661	2,720,988	1,317,724
Government transfers - Federal	1,470	215,934	1,127,125
Government transfers - Ontario	1,210,248	1,646,308	2,018,752
Investment income	151,000	46,452	93,495
Miscellaneous income (Note 10)	204,500	245,742	100,844
TOTAL REVENUE	9,955,493	11,085,746	10,889,926
EXPENSES			
General government and administration	2,862,291	2,967,564	2,210,529
Fire services, emergency management and by-law services	1,289,182	1,163,238	1,091,539
Operations - roads, streetlights and environmental services	2,833,620	2,766,048	2,268,405
Building and septic inspection services	658,369	475,011	524,019
Operations - parks, recreation and culture	1,543,549	1,443,055	1,429,542
Planning and economic development	922,873	1,085,939	685,352
TOTAL EXPENSES	10,109,884	9,900,855	8,209,386
ANNUAL SURPLUS	(154,391)	1,184,891	2,680,540
ACCUMULATED SURPLUS, BEGINNING OF YEAR	26,046,522	26,046,522	23,365,982
ACCUMULATED SURPLUS, END OF YEAR	\$ 25,892,131	\$ 27,231,413	\$ 26,046,522

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, 2021

	Budget 2021 (Note 12)	Actual 2021	Actual 2020
Annual surplus	\$ (154,391)	\$ 1,184,891	\$ 2,680,540
Acquisition of tangible capital assets	(961,153)	(961,153)	(3,363,646)
Amortization of tangible capital assets	1,987,512	1,987,512	1,474,586
Loss (gain) on sale of tangible capital assets	-	7,718	97,305
Proceeds on sale of tangible capital assets	-	27,314	10,490
Consumption (acquisition) of inventories held for consumption	-	(25,061)	31,409
Acquisition of prepaid expenses	-	(62,174)	(20,261)
Increase in net financial assets	871,968	2,159,047	910,423
Net financial assets, beginning of year	4,808,384	4,808,384	3,897,961
Net financial assets, end of year	\$ 5,680,352	\$ 6,967,431	\$ 4,808,384

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, 2021

	2021	2020
Operating transactions		
Annual surplus (deficit)	\$ 1,184,891	\$ 2,680,540
Non-cash charges to operations:		
Amortization	1,987,512	1,474,586
Loss (gain) on sale of tangible capital assets	7,718	97,305
	3,180,121	4,252,431
Changes in non-cash assets and liabilities:		
Taxes receivable	777,299	(199,554)
Other receivables	(196,959)	(968,731)
Accounts payable and accrued liabilities	(531,139)	1,008,474
Tax revenue received in advance	6,031	25,990
Deferred revenue	90,755	62,079
Inventories held for consumption	(25,061)	31,409
Prepaid expenses	(62,174)	(20,261)
	58,752	(60,594)
Cash provided by operating transactions	3,238,873	4,191,837
Capital transactions		
Acquisition of tangible capital assets	(961,153)	(3,363,646)
Proceeds on disposal of tangible capital asset	27,314	10,490
Cash applied to capital transactions	(933,839)	(3,353,156)
Investing transactions		
Cash provided by investing transactions	-	-
Financing transactions		
Debt principal repayments	(229,306)	(218,748)
Cash applied to financing transactions	(229,306)	(218,748)
Net change in cash and cash equivalents	2,075,728	619,933
Cash and cash equivalents, beginning of year	6,199,319	5,579,386
Cash and cash equivalents, end of year	\$ 8,275,047	\$ 6,199,319
Cash flow supplementary information:		
Taxation and investment interest income received	\$ 253,294	\$ 242,536
Interest paid	134,574	125,247
Net interest received	\$ 118,720	\$ 117,289

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

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, 2021

(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) 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.

(v) 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.

(vi) Deferred revenue

The Municipality receives 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

(vii) 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.

(viii) 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.

(ix) 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.

(x) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

2. 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:

	2021 School Boards	2021 District	2021 Total	2020 Total
Payable at the beginning of the year	\$ -	\$ -	\$ -	\$ -
Taxation and payments-in-lieu, net of adjustments	4,637,241	10,599,339	15,236,580	14,764,099
Remitted during the year	(4,637,241)	(10,577,675)	15,214,916)	14,764,099)
Payable (receivable) at the end of the year	\$ -	\$ 21,664	\$ 21,664	\$ -

3. TRUST FUNDS

Trust funds administered by the Township amounting to \$388,264 (2020 \$367,916) 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.

4. 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 2021 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	\$ 192,839	\$ -	\$ 1,124	\$ -	\$ 193,963
Development charges	1,266,713	196,879	8,251	(5,000)	1,466,843
Federal gas tax	-	155,447	500	(124,378)	31,569
Other deferred revenue	83,516	90,754	-	-	174,270
	\$ 1,543,068	\$ 443,080	\$ 9,875	\$ (129,378)	\$ 1,866,645

Obligatory reserve funds supported by:	2021	2020
Restricted cash	\$ 1,692,374	\$ 1,459,552

The interest earned is included as investment income on the consolidated statement of operations. The Development Charges Act, Cash in Lieu of Parkland and Federal Gas Tax funds used during the year of \$5,000 and \$nil are included in miscellaneous revenues and \$124,378 of Federal Gas Tax is included in government transfers - Federal on the consolidated statement of operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

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.

5. 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:

	2021	2020
Debenture payable District of Muskoka, repayable in semi-annual instalments of \$40,985 including interest at 5.34% per annum, due July 2026.	\$ 355,574	\$ 416,121
Debenture payable District of Muskoka, repayable in semi-annual instalments of \$37,321 including interest at 4.83% per annum, due April 2027.	356,725	412,102
Debenture payable District of Muskoka, repayable in semi-annual instalments of \$40,621 including interest at 5.23% per annum, due December 2027.	413,764	471,096
Debenture payable District of Muskoka, repayable in semi-annual instalments of \$53,070 including interest at 3.63% per annum, due November 2038.	1,337,720	1,393,770
	\$ 2,463,783	\$ 2,693,089

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

	Principal	Interest
2022	\$ 240,385	\$ 103,610
2023	252,010	91,985
2024	264,209	79,786
2025	277,009	66,986
2026	290,443	53,552
2027 onwards	1,139,727	252,523
	\$ 2,463,783	\$ 648,442

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

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

	2021	2020
Principal payments	\$ 229,306	\$ 218,748
Interest	112,183	122,863
	\$ 341,489	\$ 341,611

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.

6. 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, 2021, the Municipality had drawn \$nil (2020 - \$nil) on the credit capacity under this facility.

7. INVENTORIES HELD FOR CONSUMPTION

	2021	2020
Recycled asphalt product	\$ 96,588	\$ 120,026
Sand and salt	100,696	55,677
Other	25,095	21,615
	\$ 222,379	\$ 197,318

8. 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, 2021

9. 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.

10. MISCELLANEOUS REVENUES

	2021	2020
Donations	\$ 44,053	\$ 39,108
Gain (loss) on sale of tangible capital assets	(10,153)	(97,305)
Penalties and interest on taxation	206,842	149,041
Funds used during the year (Note 4)	5,000	10,000
	\$ 245,742	\$ 100,844

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2021

11. 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
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THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2021

11. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

	General Government and Administration	Fire Services, Emergency Management and By-Law Services	Operations - Roads, Streetlights and Environmental Services	Building and Septic Inspection Services	Operations - Parks, Recreation and Culture	Planning and Economic Development	Consolidated
REVENUE							
Property taxes	\$ 2,015,773	\$ 700,156	\$ 1,907,689	\$ 292,222	\$ 640,852	\$ 653,630	\$ 6,210,322
User fees	916,374	99,940	444,254	1,028,789	91,407	140,224	2,720,988
Government transfers	1,645,700	5,200	124,379	-	86,963	-	1,862,242
Investment income	45,603	-	-	-	849	-	46,452
Other	206,841	17,693	(19,358)	-	41,566	(1,000)	245,742
TOTAL REVENUE	4,830,291	822,989	2,456,964	1,321,011	861,637	792,854	11,085,746
EXPENSES							
Salaries, wages and benefits	1,339,869	675,668	787,074	387,238	513,084	527,850	4,230,783
Long-term debt charges (interest)	112,183	-	-	-	-	-	112,183
Operating expenses	1,323,734	282,448	612,912	73,228	402,928	558,089	3,253,339
Contracted services	-	-	152,333	-	-	-	152,333
External transfers	164,705	-	-	-	-	-	164,705
Inter-segment transfers	-	1,190	(55,566)	-	54,376	-	-
Amortization	27,073	203,932	1,269,295	14,545	472,667	-	1,987,512
TOTAL EXPENSES	2,967,564	1,163,238	2,766,048	475,011	1,443,055	1,085,939	9,900,855
ANNUAL SURPLUS (DEFICIT)	\$ 1,862,727	\$ (340,249)	\$ (309,084)	\$ 846,000	\$ (581,418)	\$ (293,085)	\$ 1,184,891

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2021

11. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2020

	General Government and Administration	Fire Services, Emergency Management and By-Law Services	Operations - Roads, Streetlights and Environmental Services	Building and Septic Inspection Services	Operations - Parks, Recreation and Culture	Planning and Economic Development	Consolidated
REVENUE							
Property taxes	\$ 1,817,714	\$ 828,619	\$ 1,722,013	\$ 397,798	\$ 945,571	\$ 520,271	\$ 6,231,986
User fees	190,739	76,953	399,233	491,515	89,848	69,436	1,317,724
Government transfers	1,516,611	-	421,606	-	1,170,230	37,430	3,145,877
Investment income	92,856	-	-	-	639	-	93,495
Other	120,476	9,588	(76,418)	-	46,198	1,000	100,844
TOTAL REVENUE	3,738,396	915,160	2,466,434	889,313	2,252,486	628,137	10,889,926
EXPENSES							
Salaries, wages and benefits	1,184,828	622,698	752,120	438,445	502,385	346,113	3,846,589
Long-term debt charges (interest)	122,863	-	-	-	-	-	122,863
Operating expenses	660,328	283,162	533,810	72,074	470,487	309,465	2,329,326
Contracted services	-	-	197,934	-	-	29,774	227,708
External transfers	208,315	-	-	-	-	-	208,315
Inter-segment transfers	-	1,069	(49,250)	-	48,181	-	-
Amortization	34,195	184,610	833,791	13,500	408,489	-	1,474,585
TOTAL EXPENSES	2,210,529	1,091,539	2,268,405	524,019	1,429,542	685,352	8,209,386
ANNUAL SURPLUS (DEFICIT)	\$ 1,527,867	\$ (176,379)	\$ 198,029	\$ 365,294	\$ 822,944	\$ (57,215)	\$ 2,680,540

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

12. 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 December 14, 2020. Council has reviewed and approved the 2021 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 December 14, 2020 with adjustments as follows:

	Municipal Budget 2021
CONSOLIDATED ANNUAL SURPLUS (DEFICIT)	(154,391)
Transfer (to) from municipal reserves	(1,603,815)
Transfer to unfunded liabilities	(229,306)
Municipal amortization	1,987,512
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 2021 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.

13. 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, 2021. The results of this valuation disclosed total actuarial liabilities of \$119,342 million with respect to benefits accrued for service with actuarial assets at that date of \$116,211 million indicating an actuarial deficit of \$3,131 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 2021 was \$268,611 (2020 \$223,998) for current service and is included as an expense on the Consolidated Statement of Operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

14. IMPACT OF COVID-19

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

15. COMPARATIVE FIGURES

Certain 2020 amounts in these financial statements have been reclassified to conform with their presentation in 2021.

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule 1

	Land, site improvements and parks	Buildings	Transportation Infrastructure	Vehicles	Machinery, Equipment and Furniture	Construction in Progress	TOTAL 2021	TOTAL 2020
COST								
Balance, beginning of year	\$ 6,340,411	\$ 9,809,648	\$ 22,713,960	\$ 5,088,411	\$ 1,656,986	\$ 1,884,586	\$ 47,494,002	\$ 45,531,954
Additions and betterments	222,224	14,301	405,314	165,833	153,481	-	961,153	3,363,646
Disposals and writedowns	(299,178)	-	(509,547)	(192,652)	(54,805)	-	(1,056,182)	(1,401,598)
Allocation from work in progress	1,857,774	26,812	-	-	-	(1,884,586)	-	-
BALANCE, END OF YEAR	8,121,231	9,850,761	22,609,727	5,061,592	1,755,662	-	47,398,973	47,494,002
ACCUMULATED AMORTIZATION								
Balance, beginning of year	3,124,059	5,411,822	14,749,545	2,598,288	801,904	-	26,685,618	26,504,835
Annual amortization	251,306	189,297	1,051,468	343,293	152,148	-	1,987,512	1,474,586
Amortization disposals	(292,382)	-	(492,249)	(188,895)	(47,624)	-	(1,021,150)	(1,293,803)
BALANCE, END OF YEAR	3,082,983	5,601,119	15,308,764	2,752,686	906,428	-	27,651,980	26,685,618
TANGIBLE CAPITAL ASSETS-NET	\$ 5,038,248	\$ 4,249,642	\$ 7,300,963	\$ 2,308,906	\$ 849,234	\$ -	\$ 19,746,993	\$ 20,808,384

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY
SUPPLEMENTARY UNAUDITED SCHEDULE OF SURPLUS

2021
 Schedule 2

	2021	2020
RESERVES		
Working capital	\$ 3,389,211	\$ 2,716,763
Departmental projects	3,745,016	2,484,404
Other	2,884,749	2,664,171
Library	57,881	63,315
TOTAL RESERVES AND RESERVE FUNDS	10,076,857	7,928,653
OTHER		
Capital outlay financed by long-term liabilities and to be recovered in future years	(2,463,783)	(2,693,089)
Investment in tangible capital assets	19,488,106	20,808,384
General operating surplus (deficit)	130,233	2,574
TOTAL OTHER	17,154,556	18,117,869
ACCUMULATED SURPLUS	\$ 27,231,413	\$ 26,046,522

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.