



# Township of Georgian Bluffs

Audit final communication to the Members of Council  
for the year ended December 31, 2023



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

We are pleased to provide you with the results of our audit of Township of Georgian Bluffs (the "Township") financial statements for the year ended December 31, 2023.

The enclosed final communication includes our approach to your audit, including: significant risks identified and the nature, extent, and results of our audit work. We also report any significant internal control deficiencies (if any) identified during our audit and reconfirm our independence.

During the course of our audit, management made certain representations to us, in discussions and in writing. We documented these representations in the audit working papers.

We look forward to discussing our audit conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

July 3, 2024

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## AUDIT AT A GLANCE

### Status of the Audit

We have substantially completed our audit of the year ended December 31, 2023 financial statements pending the completion of the following items:

- ▶ Approval of financial statements by the Council
- ▶ Receipt of signed management representation letter dated as of the final report date
- ▶ Receipt of outstanding legal confirmations
- ▶ Subsequent events review through to financial statement approval date

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement. See Appendix A for our draft independent auditor's report.

The scope of the work performed was substantially the same as that described in our Planning Communication to the Members of Council dated April 2, 2024

### Independence

We have identified relationships between Township of Georgian Bluffs and our Firm that may reasonably be thought to have influenced our independence. These are further discussed in [Appendix B](#).

### Materiality

Preliminary materiality was \$525,000. Final materiality remained unchanged from our preliminary assessment.

### Fraud Discussion

We are not aware of any fraud affecting the Township. If you have become aware of changes to processes or are aware of any instances of actual, suspected or alleged fraud since our discussions held at planning, please let us know.

## AUDIT FINDINGS

Our audit strategy and procedures focused on the risks specific to your Township and key accounts as outlined in our planning communication to the Members of Council. There were no changes to our planning procedures. No additional risks were identified during the audit.

Significant Risks of Material Misstatement	Audit Findings
Control Environment	To address this risk, we developed criteria for unusual journal entries, determined the population of unusual journal entries and obtained corroborating evidence of these journal entries from management as to why the journal entries were made. No inappropriate journal entries were noted. No management override of controls noted in the current period.
Revenue Recognition of Grant Revenue	To address this risk, we reconciled significant government transfers to their various government funding agreements and letters, reviewed funding agreements for deferred grants and reviewed minutes to ensure grant revenue listed was complete. No issues were noted in regard to grant revenue during our testing.
Non-Routine Transactions	To address this risk, we reviewed the minutes for material transactions not in the ordinary course of business and had discussions with management. No material transactions not in the ordinary course of business were noted in the current period.

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Township's accounting practices, including accounting policies, accounting estimates and financial statement disclosures. A summary of the key discussion points are as follows:

Significant Financial Statement Disclosures	Audit Findings
Accumulated Surplus	A breakdown of the Township's accumulated surplus is included in Note 8. This includes the amount invested in capital assets, unfunded liabilities, reserves and reserve funds. The general surplus for 2023 of \$924,660 was transferred to reserve as per resolution.
Contingencies/Litigation Proceedings	We have discussed with management and they have indicated there are outstanding claims against the Township. We will also be communicating with the Township's legal counsel. These claims are disclosed in Note 14.
Commitments	Significant capital commitments are disclosed in Note 13.
Financial Instruments	We have discussed with management to ensure all financial instruments were identified and reviewed management's accounting policy to ensure they are appropriately recorded at amortized cost or fair market value, where applicable. See the Significant Accounting Policy for Financial Instruments and further disclosures in Note 18.

Management is responsible for determining the significant accounting policies. *Significant accounting policies have been disclosed in the financial statements.* The choice between accounting policy alternatives can have a significant effect on the financial position and results of the Township. The application of those policies often involves significant estimates and judgments by management. Based on the audit work that we have performed, it is our opinion that the estimates are in accordance with the requirements of Canadian public sector accounting standards and have been consistently applied.

Significant Estimates and Judgements	Audit Findings
Taxation Revenue Estimate	In accordance with PS 3510, amounts have been estimated for taxable events that have occurred but have not yet been assessed. The estimate was based on trend analysis by year for supplemental taxation billings and write-offs for the last 3 years; examination of building permits issued in the last two years; and knowledge of potential reassessments.
Post-Employment Benefits	The Township provides post-employment health and life insurance benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit costs and are expensed as services are rendered.
Asset Retirement Obligations	Management completed a preliminary review of all capital assets owned by the Township or where the Township has a responsibility for an asset to determine if there is a legal obligation associated with the retirement of any of the capital assets, however at this time adequate information is not yet available to measure the liability. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards and the audit report has a qualified opinion. Management intends to complete an assessment of the asset retirement obligation as part of the facilities review planned.

## INTERNAL CONTROL MATTERS

During the course of our audit, we performed the following procedures with respect to the Township's internal control environment:

- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.
- ▶ We considered the results of these procedures in determining the extent and nature of substantive audit testing required.

We are required to report to you in writing, significant deficiencies in internal control that we have identified during the audit (if any). A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

The audit expresses an opinion on the Township's financial statements. As a result, it does not cover every aspect of internal control - only those relevant to preparing the financial statements and designing appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

During the audit we did not find any deficiencies in the design and implementation of the internal controls that were tested during the audit.



## ADJUSTED AND UNADJUSTED DIFFERENCES

We are required to disclose, in writing, all significant adjusted and unadjusted differences and disclosure omissions identified through the course of our audit engagement. Each of these items, (if any), are discussed with management and we encourage management to correct any misstatements identified throughout the audit process. Adjusted differences are included in the representation letter in Appendix C that will be approved by management.

Management has determined that the unadjusted differences are immaterial both individually and in aggregate to the financial statements taken as a whole. Should Council agree with this assessment, we do not propose further adjustments.

**Township of Georgian Bluffs**  
**Summary of Unadjusted Misstatements**  
12/31/2023

Description of Misstatement	Identified Misstatements	Projections of Identified Misstatements	Estimates	Proposed Adjustments			
				Assets Dr(Cr)	Liabilities Dr(Cr)	Opening R/E Dr(Cr)	Income Dr(Cr)
Bank interest accrual understated	93,713			93,713		(82,253)	11,460
Late entry in Biodigester not recorded in 2022 in GB	33,426					(33,426)	33,426
Prior period adjustment in ITFD recorded in current year	28,599					(28,599)	28,599
Effect of Previous Year's Errors and Estimates	155,738	-	-	93,713	-	(144,278)	73,485
Effect of Previous Year's Errors				-	-	-	-
Likely Aggregate Misstatements				93,713	-	(144,278)	73,485

## APPENDIX A: INDEPENDENT AUDITOR'S REPORT

**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**  
**Financial Information**  
**For the year ended December 31, 2023**

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**The Corporation of the Township of Georgian Bluffs**  
**Financial Statements**  
**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 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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
REPORT DATE

# 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
	<u>27,855,653</u>	<u>26,668,230</u>
<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
	<u>8,298,227</u>	<u>5,006,962</u>
<b>Net financial assets</b>	<u>19,557,426</u>	<u>21,661,268</u>
<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
	<u>53,792,786</u>	<u>53,516,094</u>
<b>Accumulated surplus (Note 8)</b>	<u>\$ 73,350,212</u>	<u>\$ 75,177,362</u>

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

<b>For the year ended December 31</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>(Note 10)</b>		
<b>Revenue</b>			
Taxation	\$ 11,745,500	\$11,868,142	\$ 11,190,697
Fees and user charges	2,484,650	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)
	<b>17,516,555</b>	<b>18,968,851</b>	<b>17,397,882</b>
<b>Expenses</b>			
General government	2,899,505	3,127,842	2,497,566
Protection services	3,404,650	3,512,025	3,218,557
Transportation services	7,876,600	9,120,956	5,556,284
Environmental services	2,381,000	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
	<b>18,411,955</b>	<b>20,796,001</b>	<b>15,767,202</b>
<b>Annual surplus (deficit) (Note 10)</b>	<b>(895,400)</b>	<b>(1,827,150)</b>	<b>1,630,680</b>
<b>Accumulated surplus, beginning of the year</b>	<b>75,177,362</b>	<b>75,177,362</b>	<b>73,546,682</b>
<b>Accumulated surplus, end of the year</b>	<b>\$ 74,281,962</b>	<b>\$73,350,212</b>	<b>\$ 75,177,362</b>

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

<b>For the year ended December 31</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>(Note 10)</b>		
<b>Annual surplus (deficit) (Page 6)</b>	<b>\$ (895,400)</b>	<b>\$ (1,827,150)</b>	<b>\$ 1,630,680</b>
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	-
	<b>(2,368,550)</b>	<b>(149,389)</b>	<b>457,981</b>
Change in prepaid expenses	-	(17,878)	(26,585)
Change in inventories of supplies	-	(109,425)	(4,373)
	-	<b>(127,303)</b>	<b>(30,958)</b>
<b>Increase (decrease) in net financial assets</b>	<b>(3,263,950)</b>	<b>(2,103,842)</b>	<b>2,057,703</b>
<b>Net financial assets, beginning of the year</b>	<b>21,661,268</b>	<b>21,661,268</b>	<b>19,603,565</b>
<b>Net financial assets, end of the year</b>	<b>\$ 18,397,318</b>	<b>\$19,557,426</b>	<b>\$ 21,661,268</b>

# The Corporation of the Township of Georgian Bluffs

## Consolidated Statement of Cash Flows

For the year ended December 31	2023	2022
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
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>
<b>Capital transactions</b>		
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>
<b>Investing activities</b>		
(Increase) decrease in long-term receivables	<u>12,865</u>	<u>(2,775)</u>
<b>Financing activities</b>		
Repayment of long-term liabilities	<u>(178,338)</u>	<u>(388,337)</u>
<b>Net change in cash</b>	<u>436,395</u>	<u>1,945,662</u>
<b>Cash, beginning of the year</b>	<u>24,475,238</u>	<u>22,529,576</u>
<b>Cash, end of the year</b>	<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**

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

**Basis of Consolidation**

The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

A government partnership exists where the municipality has shared control over the board or entity. The Township's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The Township's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

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

**Inventory Held for Resale**

Inventory of goods held for resale is recorded at the lower of cost and net realizable value. Cost is determined on the first-in first-out basis.

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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** Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by management. The following rates are used:

Land improvements	10 to 50 years
Buildings	15 to 50 years
Equipment	5 to 8 years
Vehicles and machinery	5 to 20 years
Transportation infrastructure	15 to 80 years
Water and sewer infrastructure	20 to 80 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

**Post-Employment Benefits** The contributions to the Ontario Municipal Employee's Retirement System ("OMERS"), a multi-employer defined benefit plan, are expensed when contributions are due.

**Solid Waste Landfill Post-Closure Costs** Site closure and post-closure care costs were recognized over the operating life of the landfill based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the township. The landfill is now in the post-closure phase.

**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

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.

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.



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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**

Revenues are recognized as follows:

- a) Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.
- b) Fines and donations are recognized when collected.
- c) Fees, user charges and other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- d) 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.
- 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.

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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

	2023	2022
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

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

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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**

### 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	105,417	160,417
	<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	43,333
	<u>\$ 438,698</u>

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

**December 31**

**7. Tangible Capital Assets**

								<b>2023</b>
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$ 3,739,134	\$ 1,393,831	\$ 8,634,527	\$ 623,623	\$ 8,174,640	\$ 52,975,163	\$ 20,351,270	\$ 95,892,188
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 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 amortization, beginning of 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 amortization, end of the year	-	490,486	4,604,602	409,361	3,662,119	25,223,964	10,300,926	44,691,458
Net carrying amount, end 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 Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$ 3,739,134	\$ 1,372,604	\$ 8,634,527	\$ 634,370	\$ 7,057,360	\$ 52,039,670	\$ 20,401,499	\$ 93,879,164
Additions	-	21,227	-	-	1,163,717	955,786	81,800	2,222,530
Disposals	-	-	-	(10,747)	(46,437)	(20,293)	(132,029)	(209,506)
Cost, end of the year	3,739,134	1,393,831	8,634,527	623,623	8,174,640	52,975,163	20,351,270	95,892,188
Accumulated amortization, beginning of the year	-	372,211	4,252,063	400,159	3,386,091	21,980,992	9,662,164	40,053,680
Amortization	-	57,824	178,903	26,506	393,224	1,631,219	388,778	2,676,454
Disposals	-	-	-	(10,747)	(42,380)	(20,293)	(132,029)	(205,449)
Accumulated amortization, end of the year	-	430,035	4,430,966	415,918	3,736,935	23,591,918	9,918,913	42,524,685
Net carrying amount, end of the year	\$ 3,739,134	\$ 963,796	\$ 4,203,561	\$ 207,705	\$ 4,437,705	\$ 29,383,245	\$ 10,432,357	\$ 53,367,503

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## The Corporation of the Township of Georgian Bluffs

### Notes to Financial Statements

**December 31, 2023**

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#### 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.

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#### 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 and to be funded in future years	(265,365)	(400,369)
Total invested in capital assets	53,251,527	52,967,134
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	<u>\$ 73,350,212</u>	<u>\$ 75,177,362</u>

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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>
<b>Reserves</b>		
Working funds	\$ 5,275,120	\$ 5,485,220
Current purposes	951,086	881,605
Capital purposes	9,592,219	11,903,508
	<u>15,818,425</u>	<u>18,270,333</u>
<b>Reserve funds</b>		
Current purposes	391,805	372,117
Capital purposes	5,002,767	4,606,167
	<u>5,394,572</u>	<u>4,978,284</u>
<b>Reserves and reserve funds set aside for specific purpose by Council</b>	<u><b>\$21,212,997</b></u>	<u><b>\$ 23,248,617</b></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 Budget	2023 Actual	2022 Actual
Annual surplus (deficit) (Page 6)	\$ (895,400)	\$ (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
	(895,400)	1,086,117	4,347,598
Net transfers from (to) reserves	3,442,450	2,960,280	(142,953)
Capital acquisitions, disposals 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 Budget	2023 Actual	2022 Actual
Province of Ontario			
Ontario Municipal Partnership 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>

## The Corporation of the Township of Georgian Bluffs

### Notes to Financial Statements

**December 31, 2023**

#### 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>

#### 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.

#### 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.

# 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
	<u>\$10,887,184</u>	<u>\$ 10,556,915</u>

### 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	<u>265,135</u>	<u>685,600</u>
Net financial assets	647,581	618,669
Non-financial assets	<u>1,838,232</u>	<u>1,917,266</u>
Accumulated surplus	<u>\$ 2,485,813</u>	<u>\$ 2,535,935</u>
Revenues	\$ 1,268,257	\$ 1,027,716
Expenses	<u>1,349,002</u>	<u>1,096,767</u>
Annual deficit	<u>\$ (80,745)</u>	<u>\$ (69,051)</u>

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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	\$ 2,831,678	\$ 2,886,745
Revenues	\$ 310,125	\$ 308,699
Expenses	365,192	547,950
Annual deficit	\$ (55,067)	\$ (239,251)

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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 Wiarton Keppel International Airport.

##### **Environmental Services**

Environmental services consists of providing waste collection, disposal and recycling to its citizens. It also consists of sewer and water service that provides the Township's drinking water. They process and clean sewage and ensure the Township's water system meets all Provincial standards.

##### **Health Services**

Health services includes the operations of three local cemeteries, Boyd, Oxenden and Mount Pleasant.



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## The Corporation of the Township of Georgian Bluffs

### Notes to Financial Statements

December 31, 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 December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2023 Total
<b>Revenue</b>								
Taxation	\$ 2,017,584	\$ 2,729,673	\$ 5,103,301	\$ 593,407	\$ -	\$ 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	43,935	-	96,657	8,787	878,700
Other revenue	1,383,937	456,953	(7,151)	210,357	-	10,420	50,475	2,104,991
	3,641,773	3,474,726	6,592,992	3,159,513	83,466	1,760,160	256,221	18,968,851
<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
	3,127,842	3,512,025	9,120,956	2,876,398	95,730	1,635,885	427,165	20,796,001
<b>Annual surplus (deficit)</b>	<b>\$ 513,931</b>	<b>\$ (37,299)</b>	<b>\$ (2,527,964)</b>	<b>\$ 283,115</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 December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2022 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
	2,853,693	3,491,030	5,982,015	2,800,353	80,544	1,765,125	425,122	17,397,882
<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
	2,497,566	3,218,557	5,556,284	2,724,274	61,815	1,465,132	243,574	15,767,202
<b>Annual surplus</b>	<b>\$ 356,127</b>	<b>\$ 272,473</b>	<b>\$ 425,731</b>	<b>\$ 76,079</b>	<b>\$ 18,729</b>	<b>\$ 299,993</b>	<b>\$ 181,548</b>	<b>\$ 1,630,680</b>

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

**For the year ended December 31, 2023**

	Opening	Contributions Received	Investment Income	Revenue 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- 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

DRAFT

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

DRAFT

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

**Contents**

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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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
REPORT DATE



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

**December 31, 2023**

	Total	Shallow Lake Village Improvement Fund	Hillis Bequest Beautification Project	Oxenden Cemetery Perpetual Care	Boyd Cemetery Perpetual Care	Mount Pleasant Cemetery Perpetual Care
<b>Assets</b>						
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)
	<b>\$ 542,118</b>	<b>\$ -</b>	<b>\$ 7,828</b>	<b>\$ 77,928</b>	<b>\$ 116,884</b>	<b>\$ 339,478</b>
<b>Liabilities</b>						
Due to the Township	\$ 19,996	\$ -	\$ -	\$ -	\$ 19,996	\$ -
<b>Fund balance</b>	<b>522,122</b>	<b>-</b>	<b>7,828</b>	<b>77,928</b>	<b>96,888</b>	<b>339,478</b>
	<b>\$ 542,118</b>	<b>\$ -</b>	<b>\$ 7,828</b>	<b>\$ 77,928</b>	<b>\$ 116,884</b>	<b>\$ 339,478</b>

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**

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

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** 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.

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

**Basis of Consolidation** 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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## APPENDIX B: INDEPENDENCE UPDATE



Tel: (519) 376-6110  
Fax: 519-376-4741

BDO Canada LLP  
1717 2nd Avenue East  
Suite 300, P.O. Box 397  
Owen Sound, Ontario  
N4K 5P7

July 3, 2024

Members of Council  
Corporation of the Township of Georgian Bluffs

Dear Members of Council:

We have been engaged to audit the consolidated financial statements of Corporation of the Township of Georgian Bluffs (the "Township") for the year ended December 31, 2023.

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the Township and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require us to consider independence rules and interpretations of the CPA profession and relevant legislation.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 4, 2024, the date of our last letter.

We are aware of the following relationships between the Township and us that, in our professional judgment, may reasonably be thought to have influenced our independence. The following relationships represent matters that have occurred from April 4, 2024 to July 3, 2024.

- We have provided advice and comments to management regarding several financial statement measurement, presentation and disclosure matters.
- We have provided assistance in the preparation of the consolidated financial statements, including adjusting journal entries. These services created a self-review threat to our independence since we subsequently expressed an opinion on whether the consolidated financial statements presented fairly, in all material respects, the financial position, results of operations and cash flows in accordance with Canadian Public Sector Accounting Standards.
- We, therefore, required that the following safeguards be put in place related to the above:
  - Management provided us with a trial balance and draft consolidated financial statements, including notes, prior to completion of our audit.
  - Management created the source data for all the accounting entries.
  - Management developed any underlying assumptions required with respect to the accounting treatment and measurement of the entries.
  - Management reviewed advice and comments provided and undertook their own analysis considering the Township's circumstances and generally accepted accounting principles.
  - Management reviewed and approved all journal entries prepared by us, as well as changes to financial statement presentation and disclosure.



- Someone other than the preparer reviewed the proposed journal entries and consolidated financial statements.

This letter is intended solely for the use of the Members of Council, management and those charged with governance of the Township and should not be used for any other purpose.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

## APPENDIX C: REPRESENTATION LETTER



The Corporation of the Township of Georgian Bluffs  
The Corporation of the Township of Georgian Bluffs Trust Funds  
177964 Grey Road 18  
Owen Sound, ON  
N4K 5N5

July 3, 2024

BDO Canada LLP  
Chartered Professional Accountants  
1717 2nd Avenue East  
Suite 300, P.O. Box 397  
Owen Sound Ontario

This representation letter is provided in connection with your audit of the financial statements of The Corporation of the Township of Georgian Bluffs for the year ended December 31, 2023, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 16, 2023, for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards; in particular, the financial statements are fairly presented in accordance therewith.

- However, the following departures from Canadian Public Sector Accounting Standards have occurred and have been reported in the independent auditor's report:
  - PS 3280 Asset Retirement Obligation not adopted as required by public sector entities effective January 1, 2023.
- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with Canadian Public Sector Accounting Standards.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards.
- All events subsequent to the date of the financial statements and for which Canadian Public Sector Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- We have reviewed and approved all journal entries recommended by the practitioners during the audit. A list of the journal entries is attached to the representation letter.

## Information Provided

- We have provided you with:
  - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

## Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

## General Representations

- Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.
- We have provided you with significant assumptions that in our opinion are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity when relevant to the use of fair value measurements or disclosures in the financial statements.
- Except as disclosed in the financial statements, there have been no changes to title, control over assets, liens or assets pledged as security for liabilities or collateral.

- There have been no plans or intentions that may materially affect the recognition, measurement, presentation or disclosure of assets and liabilities (actual and contingent).
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements.

### Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. When applicable, these litigation and claims have been accounted for and disclosed in the financial statements.
- Evaluated all land owned by the Township or where the Township has accepted responsibility for the land as to whether there are sites in the Scope of PS 3260 Liability for Contaminated Sites.
- Made available to you all financial records and related data relevant to the assessment of the liability for contaminated sites.
- There are no contaminated sites within the Scope of PS 3260.
- 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. At this time we have not completed the assessment required to identify any potential asset retirement obligation and as a result it is not possible to quantify the impact of this departure from Canadian public sector accounting standards.
- Financial instruments have been appropriately classified for presentation purposes within the Scope of PS 3450.

Yours truly,

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Signature

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Position

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Signature

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Position

Township of Georgian Bluffs  
Summary of Unadjusted Misstatements  
12/31/2023

Description of Misstatement	Identified Misstatements	Projections of Identified Misstatements	Estimates	Proposed Adjustments			
				Assets Dr(Cr)	Liabilities Dr(Cr)	Opening R/E Dr(Cr)	Income Dr(Cr)
Bank interest accrual understated	93,713			93,713		(82,253)	11,460
Late entry in Biodigester not recorded in 2022 in GB	33,426					(33,426)	33,426
Prior period adjustment in ITFD recorded in current year	28,599					(28,599)	28,599
Effect of Previous Year's Errors and Estimates	155,738	-	-	93,713	-	(144,278)	73,485
Effect of Previous Year's Errors				-	-	-	-
Likely Aggregate Misstatements				93,713	-	(144,278)	73,485

Details of why no adjustment has been made to the financial statements for the above items:

Township of Georgian Bluffs

Year End: December 31, 2023

Journal Entries

Date: 1999-01-12 To 2023-12-31

Account No: 1 To 99

Number	Date	Name	Account No	Debit	Credit
Net Income (Loss) Before Adjustments					1,277,442.13
1	2023-12-31	ACCTS PAY - Clearing Account	01-0200-1250		105,622.13
1	2023-12-31	REC BOARD - Transfer to Keady	01-1250-1302	105,622.13	
To accrue transfer to Keady Arena.				105,622.13	105,622.13
2	2023-12-31	RESERVES - Working Capital	01-0300-3110		652,063.84
2	2023-12-31	RESERVES - Working Capital	01-0300-3110	8,707.00	
2	2023-12-31	RESERVES - Working Capital	01-0300-3110		50,138.00
2	2023-12-31	RESERVES - Climate Change Reserve	01-0300-3135		217,354.61
2	2023-12-31	RESERVES - Climate Change Reserve	01-0300-3135	2,902.00	
2	2023-12-31	RESERVES - Climate Change Reserve	01-0300-3135		16,713.00
2	2023-12-31	ADMIN - Transfer to Reserves	01-0610-1295	869,418.45	
2	2023-12-31	ADMIN - Transfer to Reserves	01-0610-1295		11,609.00
2	2023-12-31	ADMIN - Transfer to Reserves	01-0610-1295	66,851.00	
To record surplus allocation for the year. 25% to Climate Change Reserve and 75% to Working Capital.				947,878.45	947,878.45
3	2023-12-31	CAPITAL ASSETS - Invested in TCA	01-0150-1250		302,401.55
3	2023-12-31	Change in Tangible Capital Assets	01-0150-9998	302,401.55	
To record the change in TCA for Georgian Bluffs					

2024-06-27  
11:52 AM

Prepared by	Detail Rev RS 2024-06-21	Gen Rev	Quality Rev
4th Level Rev	Tax Rev	IS Audit Rev	Other Rev

Township of Georgian Bluffs

Year End: December 31, 2023

Journal Entries

Date: 1999-01-12 To 2023-12-31

Account No: 1 To 99

Number	Date	Name	Account No	Debit	Credit
				302,401.55	302,401.55
4	2023-12-31	RESERVES - Pottawatomi - Water Surplus/Deficit	01-0300-3193	49,065.00	
4	2023-12-31	RESERVES - Oxenden - Water Surplus/Deficit	01-0400-9998		106,473.00
4	2023-12-31	Water Res. - Pottawatomi Water System	09-0935-3040		49,065.00
4	2023-12-31	Water Res. - Oxenden Water System	09-0965-3040	106,473.00	
		To adjust Water Equity and Water Reserves.		155,538.00	155,538.00
5	2023-12-31	ACCTS PAY - Due to Reserve Funds	01-0200-3200		11,609.00
5	2023-12-31	EAST LINTON - Transfer to Reserves	01-0950-1295	11,609.00	
5	2023-12-31	Water Res. - Due to/from General	09-0100-4012	11,609.00	
5	2023-12-31	Water Res. - East Linton Water System	09-0955-3040		11,609.00
		To increase transfer to East Linton Water Reserve.		23,218.00	23,218.00
6	2023-12-31	DUE FROM - GB/Chatsworth Biodigester	01-0100-2750	66,851.00	
6	2023-12-31	RECYCLING - Other Grants	01-1030-7250		66,851.00
		To record late entry recorded in Biodigester in 2022 not recorded in Georgian Bluffs in 2022.		66,851.00	66,851.00
				1,601,509.13	1,601,509.13

2024-06-27 11:52 AM	Prepared by	Detail Rev RS 2024-06-21	Gen Rev	Quality Rev
	4th Level Rev	Tax Rev	IS Audit Rev	Other Rev

## APPENDIX D: OUR AUDIT PROCESS

How we audit financial statements - Our six step audit process

### IDENTIFY AND ASSESS RISK

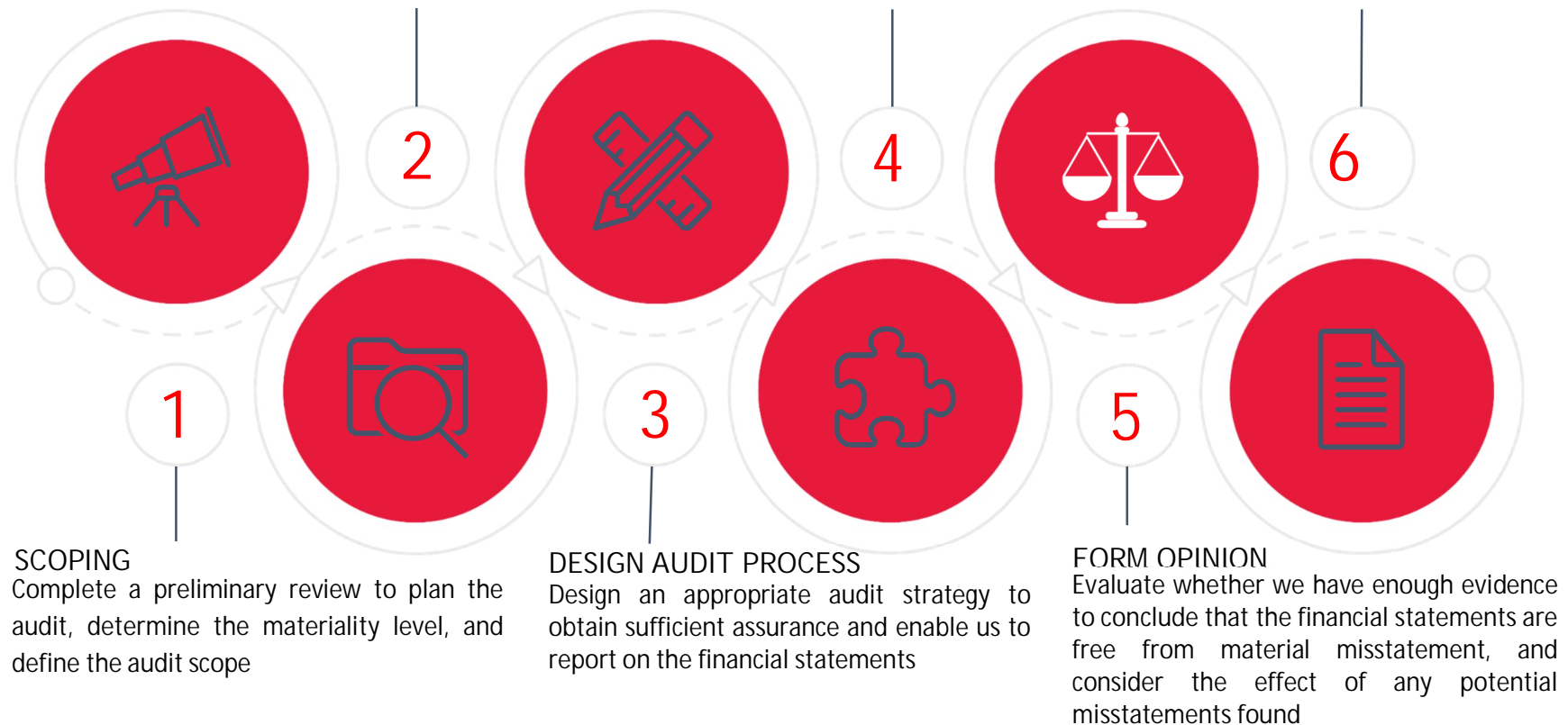
Focus on those areas of financial statements that contain potential material misstatements as a consequence of the risks you face

### OBTAIN AUDIT EVIDENCE

Perform audit procedures while maintaining appropriate degree of professional skepticism, to conclude whether or not the financial statements are presented fairly

### REPORT

Communicate our opinion and details of matters on which we are required to report



## Our System of Quality Management

The firm's system of quality management complies with the requirements set out in Canadian Standard on Quality Management 1 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (CSQM-1) as issued by the Auditing and Assurance Standards Board (AASB).

In addition to the requirements set out in CSQM 1, we have identified additional quality objectives and potential quality risks and have designed further policies and procedures to respond to these.

Taken together our system of quality management supports consistent performance of audit engagements by focusing on eight components that operate in an iterative and integrated manner. These include:





## APPENDIX E: RESOURCES

### Significant New Accounting Standards for 2023

#### Public Section Accounting Standards Update 2023

Important 2023 updates affecting year-ends now and future updates for 2024 and 2027 as well as Exposure Drafts in the discussion phase.

[Accounting standards update 2023 | BDO Canada](#)



#### New Section PS 3280, Asset Retirement Obligations

A practical guide for how to account for and report a liability for asset retirement obligations (ARO's).

[Asset Retirement Obligations \(ARO\): A Practical Approach to Section PS 3280 | BDO Canada](#)



#### New Section PS 3450, Financial Instruments

This standard establishes how to account for and report all types of financial instruments including financial assets, liabilities and equity instruments.

[A Guide to Accounting for Financial Instruments in the Public Sector | BDO Canada](#)



#### New Section PS 1201, Financial Statement Presentation

Guidance on the new structure and layout of financial statements prepared under PSAS including general reporting principles.

[Section PS 1201 - Financial Statement Presentation | BDO Canada](#)



## BDO resources for public sector entities

### Sector insights to shape your Township:

At BDO, we help governments create efficient ways of working to achieve better outcomes for their citizens and public servants. From technology-based solutions to program development, advisory and audit, our team can guide you through critical strategic decisions to ensure you deliver on your vision, goals, and accountability expectations.

[Accounting & Advisory - Public Sector | BDO Canada](#)



### Trending Topics

As a community of advisors with the best interests of our clients in mind, we keep our ear to the ground to bring insights and perspectives related to key business trends to you.

[Insight on current business issues and trends | BDO Canada](#)

