

The Corporation of the Town of
South Bruce Peninsula
Financial Information
For the year ended December 31, 2021

The Corporation of the Town of South Bruce Peninsula
Financial Information
For the year ended December 31, 2021

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Town of South Bruce Peninsula

Opinion

We have audited the accompanying consolidated financial statements of the Corporation of the Town of South Bruce Peninsula (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2021, and the consolidated results of its operations, consolidated changes in net financial assets and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

The financial statements for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on June 15, 2021. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 related 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 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 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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario

November 21, 2022

The Corporation of the Town of South Bruce Peninsula
Consolidated Statement of Financial Position

December 31	2021	2020
Financial assets		
Cash and temporary investments (Note 1)	\$19,962,867	\$ 24,226,537
Taxes receivable	899,480	1,155,467
Trade and other receivables	1,896,822	1,484,200
Inventory held for resale	13,140	8,002
	<u>22,772,309</u>	<u>26,874,206</u>
Liabilities		
Accounts payable and accrued liabilities	3,003,651	4,155,154
Solid waste closure and post-closure liabilities (Note 2)	543,685	517,374
Post employment benefits (Note 11)	764,920	594,157
Deferred revenue (Page 30)	1,792,672	2,095,218
Long-term liabilities (Note 3)	206,717	285,286
	<u>6,311,645</u>	<u>7,647,189</u>
Net financial assets	16,460,664	19,227,017
Non-financial assets		
Inventory of supplies	130,398	118,482
Prepaid expenses	618,239	507,504
Tangible capital assets (Note 4)	68,505,381	61,531,157
	<u>69,254,018</u>	<u>62,157,143</u>
Accumulated surplus (Note 5)	\$85,714,682	\$ 81,384,160

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the Town of South Bruce Peninsula
Consolidated Statement of Operations and Accumulated Surplus**

For the year ended December 31	2021 Budget (Note 7)	2021 Actual	2020 Actual
Revenue			
Taxation	\$ 11,048,470	\$11,146,074	\$ 10,740,931
Fees and user charges	4,391,460	4,934,351	4,300,208
Government transfers (Note 9)	8,419,950	6,531,430	5,842,079
Other income (Note 8)	1,564,360	2,497,961	1,864,160
	<u>25,424,240</u>	<u>25,109,816</u>	<u>22,747,378</u>
Expenses			
General government	3,075,270	4,568,025	2,954,214
Protection services	3,799,710	3,931,084	4,097,881
Transportation services	4,204,220	4,781,351	4,551,346
Environmental services	3,143,120	4,496,432	4,399,376
Health services	23,910	19,544	84,552
Recreation and cultural services	2,182,600	2,633,246	1,620,709
Planning and development	359,260	349,612	360,234
	<u>16,788,090</u>	<u>20,779,294</u>	<u>18,068,312</u>
Annual surplus (Note 7)	8,636,150	4,330,522	4,679,066
Accumulated surplus, beginning of the year	<u>81,384,160</u>	<u>81,384,160</u>	<u>76,705,094</u>
Accumulated surplus, end of the year	<u>\$ 90,020,310</u>	<u>\$85,714,682</u>	<u>\$ 81,384,160</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Town of South Bruce Peninsula
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31	2021 Budget (Note 7)	2021 Actual	2020 Actual
Annual surplus (Page 6)	\$ 8,636,150	\$ 4,330,522	\$ 4,679,066
Acquisition of tangible capital assets	(10,283,200)	(9,910,403)	(8,911,978)
Amortization of tangible capital assets	-	2,600,293	2,363,240
Loss on sale of tangible capital assets	-	166,012	51,868
Proceeds on disposal of capital assets	-	168,453	42,045
Write-downs of tangible capital assets	-	1,421	-
	<u>(10,283,200)</u>	<u>(6,974,224)</u>	<u>(6,454,825)</u>
Change in prepaid expenses	-	(110,735)	(202,656)
Change in inventories of supplies	-	(11,916)	4,281
	<u>-</u>	<u>(122,651)</u>	<u>(198,375)</u>
Decrease in net financial assets	(1,647,050)	(2,766,353)	(1,974,134)
Net financial assets, beginning of the year	<u>19,227,017</u>	<u>19,227,017</u>	<u>21,201,151</u>
Net financial assets, end of the year	<u>\$ 17,579,967</u>	<u>\$ 16,460,664</u>	<u>\$ 19,227,017</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Town of South Bruce Peninsula
Consolidated Statement of Cash Flows

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 6)	\$ 4,330,522	\$ 4,679,066
Items not involving cash		
Change in post-employment benefits and WSIB liabilities	170,763	(8,452)
Change in solid waste closure and post-closure liabilities	26,311	179,243
Amortization	2,600,293	2,363,240
Write-downs of tangible capital assets	1,421	-
Deferred revenue recognized	(1,341,079)	(2,148,034)
Changes in inventory of supplies	(11,916)	4,281
Change in prepaid expenses	(110,735)	(202,656)
Loss on sale of capital assets	166,012	51,868
	<u>5,831,592</u>	<u>4,918,556</u>
Changes in non-cash working capital balances		
Taxes receivable	255,987	146,682
Trade and other receivables	(412,622)	(549,485)
Inventory held for resale	(5,138)	6,053
Accounts payable and accrued liabilities	(1,151,503)	2,496,074
Deferred revenue received	1,038,533	2,153,591
	<u>5,556,849</u>	<u>9,171,471</u>
Capital transactions		
Cash used to acquire capital assets	(9,910,403)	(8,911,978)
Proceeds on sale of capital assets	168,453	42,045
	<u>(9,741,950)</u>	<u>(8,869,933)</u>
Investing activities		
Decrease in long-term receivables	-	179,971
Financing activities		
Repayment of long-term liabilities	(78,569)	(272,294)
Net change in cash and cash equivalents	(4,263,670)	209,215
Cash and cash equivalents, beginning of the year	<u>24,226,537</u>	<u>24,017,322</u>
Cash and cash equivalents, end of the year	<u>\$19,962,867</u>	<u>\$ 24,226,537</u>

The Corporation of the Town of South Bruce Peninsula Summary of Significant Accounting Policies

December 31, 2021

Management Responsibility The management of the Corporation of the Town of South Bruce Peninsula has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these consolidated financial statements. 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.

The following boards are controlled by Council and have been consolidated:

Warton Business Improvement Area	100%
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A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

Bruce Area Solid Waste Recycling	20.74%
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The Corporation of the Town of South Bruce Peninsula

Summary of Significant Accounting Policies

December 31, 2021

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, accrued liabilities, useful lives of capital assets, taxation revenue, deferred revenues, post-employment benefits, WSIB liability and solid waste landfill closure and post-closure costs. 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.										
Cash and Cash Equivalents	Cash and cash equivalents include cash balances and short-term highly liquid investments that are readily converted into cash.										
Temporary Investments	Temporary investments are recorded at the lower of cost and market value.										
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.										
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.										
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by management. The following rates are used:</p> <table><tr><td>Land improvements</td><td>10 to 50 years</td></tr><tr><td>Buildings</td><td>25 to 50 years</td></tr><tr><td>Equipment</td><td>5 to 25 years</td></tr><tr><td>Vehicles</td><td>5 to 25 years</td></tr><tr><td>Infrastructure</td><td>10 to 75 years</td></tr></table> <p>Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.</p>	Land improvements	10 to 50 years	Buildings	25 to 50 years	Equipment	5 to 25 years	Vehicles	5 to 25 years	Infrastructure	10 to 75 years
Land improvements	10 to 50 years										
Buildings	25 to 50 years										
Equipment	5 to 25 years										
Vehicles	5 to 25 years										
Infrastructure	10 to 75 years										

The Corporation of the Town of South Bruce Peninsula
Summary of Significant Accounting Policies

December 31, 2021

Solid Waste Landfill Closure
and Post-Closure Costs

Site closure and post-closure care costs are recognized over the operating life of the landfills based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.

Post-Employment Benefits

The municipality provides post-employment health and life insurance benefits and other 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.

Previously the municipality was an employer included under Schedule 2 of the Workplace Safety and Insurance Act. It self-insured the entire risk of its own WSIB claims and was individually liable for reimbursing the WSIB for all costs relating to its workers' WSIB claims. The municipality is still liable for claims relating to Schedule 2 employer status prior to December 8, 2013. The cost of the claims are determined using management's best estimate.

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

Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. Management has not identified any contaminated sites for which a liability needs to be recognized.

County and School Board

The municipality collects taxation revenue on behalf of the school boards and the County of Bruce. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Bruce are not reflected in these financial statements.

The Corporation of the Town of South Bruce Peninsula Summary of Significant Accounting Policies

December 31, 2021

Trust Funds	Funds held in trust by the municipality and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.
Revenue Recognition	<p>Revenues are recognized as follows:</p> <ol style="list-style-type: none">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 uncollectable 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) Investment income earned on surplus funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to each fund balance and forms part of the respective deferred revenue balances.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.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

1. Cash and Temporary Investments

	2021	2020
Cash	\$13,560,958	\$ 19,040,238
Temporary investments	6,401,909	5,186,299
	\$19,962,867	\$ 24,226,537

A cash balance of \$12,964,282 is being held in one bank account earning interest at a rate of 0.70%. The Canadian Deposit Insurance Corporation insures up to a maximum of \$100,000 per depositor per financial institution.

The Town has deposits held in an Ontario credit union of \$1,004,571 earning interest at a rate of 0.60%. The Town also held other investment deposits of \$5,447,307 at the same credit union. The Deposit Insurance Corporation of Ontario (DICO) insures deposits to a maximum of \$250,000 per depositor.

Investments included in the balance above consists of:

	2021	2020
Guaranteed Investment Certificates 1.05% to 2.0% (2020 - 1.65% to 2.0%)	\$ 5,447,307	\$ 3,383,764
ONE Fund Investments		
Canadian Government Bond Portfolio	954,602	938,879
Canadian Corporate Bond Portfolio	242,756	238,002
Canadian Equity Portfolio	697,088	625,654
	\$ 6,401,909	\$ 5,186,299

Investments have a market value of \$6,868,552 (2020 - \$5,555,649) at the end of the year.

The Town has a revolving demand credit facility available of \$3,000,000 to finance general operating requirements. The facility was not drawn upon at December 31, 2021.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

2. Solid Waste Closure and Post-Closure Liabilities

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The liability for the Amabel landfill site is recorded at \$349,001 and represents the present value of estimated closure and post-closure costs for 81.3% of the current site's capacity using the municipality's average long-term borrowing rate of 3.15%. The liability is recorded based on the capacity of the landfill used to date. The total estimated future expenditures for closure and post closure care are \$383,600. The estimated remaining open capacity is 108,074 cubic metres which will be filled in 11 years. Post-closure care is estimated to continue for a period of 20 years.

The liability for the Albemarle landfill site is recorded at \$194,684 and represents the present value of estimated closure and post-closure costs for 61.7% of the current site's capacity using the municipality's average long-term borrowing rate of 3.15%. The liability is recorded based on the capacity of the landfill used to date. The total estimated future expenditures for closure and post closure care are \$280,600. The estimated remaining open capacity is 23,000 cubic metres which will be filled in 13 years. Post-closure care is estimated to continue for a period of 20 years.

The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfills. The balance of the landfill reserve fund is \$546,553 as at December 31, 2021.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

3. Long-Term Liabilities

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

	<u>2021</u>	<u>2020</u>
Loan payable, Ontario Strategic Infrastructure Financing Authority, 2.93%, payable in blended semi-annual payments of \$43,178, due 2024	\$ 206,717	\$ 285,286

Principal payments for the next three fiscal years are as follows:

2022	\$ 80,888
2023	\$ 83,275
2024	<u>\$ 42,554</u>
	<u>\$ 206,717</u>

Interest paid during the year totalled \$7,693 (2020 - \$19,389).

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31

4. Tangible Capital Assets

								2021
	Land	Land Improvements	Buildings	Equipment	Vehicles	Infrastructure	Work in Progress	Total
Cost, beginning of the year	\$ 1,313,326	\$ 3,457,167	\$ 15,020,070	\$ 8,828,601	\$ 5,397,557	\$ 68,406,865	\$ 2,820,231	\$ 105,243,817
Additions	946,565	431,035	1,629,251	1,181,932	54,898	5,188,759	477,963	9,910,403
Additions from work in progress	-	-	3,534	-	-	2,055,683	2,059,217	-
Disposals	(1)	-	(5,725)	(435,094)	(450,706)	(428,963)	-	(1,320,489)
Write-downs	-	-	-	(1,421)	-	-	-	(1,421)
Cost, end of the year	2,259,890	3,888,202	16,647,130	9,574,018	5,001,749	75,222,344	1,238,977	113,832,310
Accumulated amortization, beginning of the year	-	1,430,864	6,684,078	4,800,190	3,578,327	27,219,201	-	43,712,660
Amortization	-	182,470	366,709	516,977	262,250	1,271,887	-	2,600,293
Disposals	-	-	(5,725)	(293,232)	(416,059)	(271,008)	-	(986,024)
Accumulated amortization, end of the year	-	1,613,334	7,045,062	5,023,935	3,424,518	28,220,080	-	45,326,929
Net carrying amount, end of the year	\$ 2,259,890	\$ 2,274,868	\$ 9,602,068	\$ 4,550,083	\$ 1,577,231	\$ 47,002,264	\$ 1,238,977	\$ 68,505,381

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31

4. Tangible Capital Assets - (continued)

								2020
	Land	Land Improvements	Buildings	Equipment	Vehicles	Infrastructure	Work in Progress	Total
Cost, beginning of the year	\$ 1,113,713	\$ 3,184,086	\$ 14,990,251	\$ 8,085,013	\$ 4,979,020	\$ 64,018,968	\$ 491,472	\$ 96,862,523
Additions	199,613	281,592	29,819	997,116	560,625	4,375,434	2,467,779	8,911,978
Disposals	-	(8,511)	-	(253,528)	(142,319)	(126,041)	-	(530,399)
Additions from work in progress	-	-	-	-	231	138,504	(139,020)	(285)
Cost, end of the year	1,313,326	3,457,167	15,020,070	8,828,601	5,397,557	68,406,865	2,820,231	105,243,817
Accumulated amortization, beginning of the year	-	1,278,043	6,383,495	4,465,876	3,458,085	26,200,203	-	41,785,702
Amortization	-	161,332	300,583	552,757	262,561	1,086,007	-	2,363,240
Disposals	-	(8,511)	-	(218,443)	(142,319)	(67,009)	-	(436,282)
Accumulated amortization, end of the year	-	1,430,864	6,684,078	4,800,190	3,578,327	27,219,201	-	43,712,660
Net carrying amount, end of the year	\$ 1,313,326	\$ 2,026,303	\$ 8,335,992	\$ 4,028,411	\$ 1,819,230	\$ 41,187,664	\$ 2,820,231	\$ 61,531,157

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

4. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$1,238,977 (2020 - \$2,820,231).

There were no contributed assets recognized in the financial statements during the current or prior year.

The municipality holds various works of art and historical treasures including statues, monument, plaques, paintings and photographs. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

5. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2021	2020
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$68,505,381	\$ 61,531,157
Unfinanced capital assets	(4,599,511)	(2,354,017)
Capital assets financed by long-term liabilities and to be funded in future years	(206,717)	(285,286)
Total invested in capital assets	63,699,153	58,891,854
Unfunded post-employment benefits	(178,809)	-
WSIB future benefit liability	(586,111)	(594,157)
Unfunded solid waste closure and post-closure costs	(543,685)	(517,374)
General surplus	-	1,259,942
Bruce Area Solid Waste Recycling	50,614	30,636
	62,441,162	59,070,901
Reserves and reserve funds (Note 6)	23,273,520	22,313,259
Accumulated surplus	\$85,714,682	\$ 81,384,160

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Reserves		
Working funds	\$ 882,321	\$ 648,454
Insurance, sick leave and WSIB	1,340,543	963,615
Current purposes	676,605	674,259
Capital purposes	<u>362,123</u>	<u>418,234</u>
	3,261,592	2,704,562
Reserve funds		
Capital purposes	<u>20,011,928</u>	<u>19,608,697</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$23,273,520</u>	<u>\$ 22,313,259</u>

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

7. 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 2021 budget amounts for the Corporation of the Town of South Bruce Peninsula approved by Council have been reclassified to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by Council.

	2021 Budget	2021 Actual	2020 Actual
Annual surplus (Page 6)	\$ 8,636,150	\$ 4,330,522	\$ 4,679,066
Prior year general surplus	-	1,259,942	1,062,303
Net transfers from (to) reserves and reserve funds	1,869,120	(960,261)	1,946,678
Capital acquisitions, disposals and write-down	(10,283,200)	(9,574,517)	(8,818,065)
Change in unfinanced	-	2,245,494	(24,745)
Amortization	-	2,600,293	2,363,240
Debt principal repayments	(222,070)	(78,569)	(76,316)
Change in unfunded liabilities	-	197,074	170,791
Change in other surpluses	-	(19,978)	(43,010)
Surplus	\$ -	\$ -	\$ 1,259,942

8. Other Income

	2021 Budget	2021 Actual	2020 Actual
Penalties and interest on taxation	\$ 240,000	\$ 228,943	\$ 171,033
Other fines and penalties	273,650	234,398	156,479
Investment income	153,600	290,520	573,263
Licenses, permits and rents	846,880	1,031,567	746,320
Donations	250	14,158	40,898
Sale of recycling materials, etc.	34,240	475,516	178,261
Developer contribution	-	13,050	-
Loss on disposition of capital assets	-	(166,012)	(51,868)
Write-downs of tangible capital assets	-	(1,421)	-
Other	15,740	377,242	49,774
	\$ 1,564,360	\$ 2,497,961	\$ 1,864,160

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

9. Government Transfers

	2021 Budget	2021 Actual	2020 Actual
Operating Transfers			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 3,047,200	\$ 3,047,200	\$ 3,448,600
Roads	18,000	43,169	32,986
Waste diversion	-	156,297	135,351
Other	78,280	351,032	102,395
	<u>3,143,480</u>	<u>3,597,698</u>	<u>3,719,332</u>
Government of Canada			
Other	-	88,457	-
Other Municipalities			
Protection	-	122,074	107,673
Sewer and water	-	35,741	-
Other	93,830	16,074	-
	<u>93,830</u>	<u>173,889</u>	<u>107,673</u>
Total operating transfers	<u>3,237,310</u>	<u>3,860,044</u>	<u>3,827,005</u>
Capital Transfers			
Province of Ontario			
Roads	213,000	1,661,836	829,991
Sewer and water	-	-	766,145
	<u>213,000</u>	<u>1,661,836</u>	<u>1,596,136</u>
Government of Canada			
Roads	-	798,105	151,643
Sewer and water	-	-	93,788
Other	2,969,640	80,000	173,507
	<u>2,969,640</u>	<u>878,105</u>	<u>418,938</u>
Other Municipalities			
Other	2,000,000	131,445	-
Total capital transfers	<u>5,182,640</u>	<u>2,671,386</u>	<u>2,015,074</u>
Total contributions	<u>\$ 8,419,950</u>	<u>\$ 6,531,430</u>	<u>\$ 5,842,079</u>

The Corporation of the Town of South Bruce Peninsula

Notes to Consolidated Financial Statements

December 31, 2021

10. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 50 members of its staff. 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 employer amount contributed to OMERS for 2021 by the Town of South Bruce Peninsula was \$323,828 (2020 - \$300,376). The contribution rate for 2021 was 9.0% to 15.8% depending on age and income level (2020 - 9.0% 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. The municipality does not recognize any share of the OMERS pension surplus or deficit. The last available actuarial report for the OMERS plan was as of December 31, 2021. At that time the plan reported a \$3.1 billion actuarial deficit (2020 - \$3.2 billion actuarial deficit), based on actuarial liabilities of \$119.3 billion (2020 - \$111.8 billion), and actuarial assets of \$116.2 billion (2020 - \$108.6 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.

11. Post-Employment Benefits

	2021	2020
WSIB	\$ 586,111	\$ 594,157
Post-employment benefits	178,809	-
	<u>\$ 764,920</u>	<u>\$ 594,157</u>

(a) Effective December 8, 2013 the Town of South Bruce Peninsula elected to be a Schedule 1 employer. Previously, under the provisions of the Workplace Safety and Insurance Board Act, the Town of South Bruce Peninsula had elected to be treated as a Schedule 2 employer and remit payments to the WSIB as required to fund disability payments. The municipality is still liable for events which took place while they were a Schedule 2 employer.

An Actuarial valuation for accounting purposes was performed using the projected benefit method. The actuarial report was prepared for the year ended December 31, 2020.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

11. Post-Employment Benefits (continued)

The actuarial valuation was based on a number of assumptions such as, discount rates, wage increases, and WSIB payment rates. The assumptions used reflect management's best estimates. The WSIB benefit liability was determined using a gross discount rate of 3.0% (2015 - 4.5%), a WSIB administrative rate of 27% (2015 - 38%) and an average lost time injury count of NIL (2016 - NIL).

	2021	2020
Accrued benefit obligation	\$ 732,952	\$ 586,447
Unamortized actuarial gain (loss)	(146,841)	7,710
	\$ 586,111	\$ 594,157

(b) The Town pays certain insurance and health benefits on behalf of its retired employees. The Town recognizes these post-retirement costs in the period in which the employees render the services. Actuarial valuations for accounting purposes are performed using the projected benefit method. The most recent actuarial report was prepared as at December 31, 2021. The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.25%. For health cost escalations an annual increase rate of 5.75% was used reducing by 0.3333% per year year to 3.75% in 2028.

	2021	2020
Post-employment benefit accrued liability	\$ 178,809	\$ -
	2021	2020
Current period benefit cost	\$ 6,884	\$ -
Interest costs	5,690	-
	\$ 12,574	\$ -

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

12. Operations of School Boards and the County of Bruce

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

	2021	2020
School boards	\$ 3,559,169	\$ 3,621,571
County of Bruce	8,100,296	7,720,469
	\$11,659,465	\$ 11,342,040

13. Trust Funds

The trust funds administered by the municipality amounting to \$322,140 (2020 - \$315,200) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations and accumulated surplus.

14. Bruce Area Solid Waste Recycling

The following summarizes the financial position and operations of Bruce Area Solid Waste Recycling, which is a Joint Board of Management of which the Town of South Bruce Peninsula has a 20.74% interest. The Bruce Area Solid Waste Recycling has been consolidated into these financial statements.

	2021	2020
Financial assets	\$ 2,438,898	\$ 2,517,711
Liabilities	356,286	256,318
Net financial assets	2,082,612	2,261,393
Non-financial assets	1,444,615	1,398,521
Accumulated surplus	\$ 3,527,227	\$ 3,659,914
Revenues	\$ 3,608,239	\$ 3,007,471
Expenses	3,738,926	3,193,011
Annual deficit	\$ (130,687)	\$ (185,540)

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

15. Contractual Commitments

The Town of South Bruce Peninsula has entered into agreements with various contractors for the future purchase and repairs of significant capital assets totalling \$6,019,172.

16. Contingencies

- i) Several lower tier municipalities in the Bruce Peninsula, have been named as defendants in a land claim action filed by the Chippewas of Nawash and Saugeen, for damages alleged to total \$92,000,000,000. Also joined as defendants in the action are the County of Bruce, the Province of Ontario and the Dominion of Canada. No breakdown as to each municipality's relative share of the \$92,000,000,000 has been provided. The likelihood of the success of this action is undeterminable at this time.
 - ii) The Town of South Bruce Peninsula along with private land owners, have been named as defendants in a land claim action filed by the Chippewas of Saugeen First Nation for damages alleged to total \$25,000,000. Also, joined as defendants in the action are the Province of Ontario and the Dominion of Canada. No breakdown as to each defendant's relative share of the \$25,000,000 has been provided. The likelihood of the success of this action is undeterminable at the present time.
 - iii) The municipality has claims that are in proceedings through their insurance company. The municipality's liability with respect to these claims is not determinable at this time. Management is of the opinion that the municipality maintains adequate and appropriate liability and errors and omissions insurance to protect the municipality against such claims.
-

17. Comparative Amounts

Comparative amounts have been reclassified to conform to current year presentation.

18. Uncertainty due to 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. Given the dynamic nature of these circumstances and the duration of disruption, 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.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

19. Segmented Information

The Corporation of the Town of South Bruce Peninsula is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste collection and disposal, health services, recreation and cultural services 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

This item related to the revenues and expenses that relate to the governance and operations of the municipality itself and cannot be directly attributed to a specific segment. General administration, council activities and maintenance of municipal buildings are included in the functions of general government.

Protection to Persons and Property

Protection is comprised of police services, fire protection, emergency measures and building and structural inspection.

Transportation

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting.

Environmental

Environmental services consists of providing waste collection, disposal and recycling to the municipality's citizens. It also consists of providing the municipality's drinking water and processing and cleaning sewage. The municipality ensures water and sewage systems meet all provincial standards.

Health

Health services includes the operations of local cemeteries and support to the local hospital.

Recreational and Cultural Services

This service area provides services meant to improve the health and development of the municipality's citizens. The municipality operates and maintains parks, marinas, arenas, community centres, and campgrounds. The municipality also provides recreational programs.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2021

19. Segmented Information - (continued)

Planning and Development

This department is responsible for planning and zoning including the official plan. This service area also includes tourist information and promotion and drainage.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation, payments-in-lieu	Allocated to those segments that are funded by these amounts based on the budget for the year.
OMPF Grants	Allocated to segments based on the budget for the year.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

For the year ended December 31, 2021	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2021 Total
Revenue								
Taxation	\$ 1,894,832	\$ 2,340,676	\$ 4,458,430	\$ 780,225	\$ 111,461	\$ 1,337,529	\$ 222,921	\$ 11,146,074
Fees and user charges	155,783	882,300	-	3,819,924	31,905	31,698	12,741	4,934,351
Specific grants	484,285	185,594	2,503,110	192,039	-	92,203	26,999	3,484,230
OMPF grant	518,024	639,912	1,218,880	213,304	30,472	365,664	60,944	3,047,200
Other revenue	756,249	531,728	53,828	494,251	7,680	650,992	3,233	2,497,961
	<u>3,809,173</u>	<u>4,580,210</u>	<u>8,234,248</u>	<u>5,499,743</u>	<u>181,518</u>	<u>2,478,086</u>	<u>326,838</u>	<u>25,109,816</u>
Expenses								
Salaries and benefits	1,518,607	733,984	1,853,038	543,975	12,088	1,072,978	201,571	5,936,241
Interest on debt	-	-	-	7,693	-	-	-	7,693
Materials and supplies	320,283	395,040	1,413,475	2,615,534	517	761,208	48,331	5,554,388
Contracted services	2,201,733	2,627,296	636,312	101,705	-	298,423	97,315	5,962,784
Other transfers	-	-	-	-	6,939	-	-	6,939
Rents and financial expenses	397,823	28,047	-	198,638	-	85,261	1,187	710,956
Amortization	129,579	146,717	878,526	1,028,887	-	415,376	1,208	2,600,293
	<u>4,568,025</u>	<u>3,931,084</u>	<u>4,781,351</u>	<u>4,496,432</u>	<u>19,544</u>	<u>2,633,246</u>	<u>349,612</u>	<u>20,779,294</u>
<i>Annual surplus (deficit)</i>	<u>\$ (758,852)</u>	<u>\$ 649,126</u>	<u>\$ 3,452,897</u>	<u>\$ 1,003,311</u>	<u>\$ 161,974</u>	<u>\$ (155,160)</u>	<u>\$ (22,774)</u>	<u>\$ 4,330,522</u>

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

For the year ended December 31, 2020	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2020 Total
Revenue								
Taxation	\$ 1,990,370	\$ 2,578,770	\$ 2,764,453	\$ 2,179,456	\$ 68,971	\$ 904,376	\$ 254,535	\$ 10,740,931
Fees and user charges	63,529	23,728	412,855	3,669,851	15,189	90,314	24,742	4,300,208
Specific grants	-	149,468	1,056,824	1,126,586	-	42,700	17,901	2,393,479
OMPF grant	344,860	862,150	1,482,898	275,888	34,486	344,860	103,458	3,448,600
Other revenue	785,396	390,856	204,246	111,393	9,948	333,102	29,219	1,864,160
	<u>3,184,155</u>	<u>4,004,972</u>	<u>5,921,276</u>	<u>7,363,174</u>	<u>128,594</u>	<u>1,715,352</u>	<u>429,855</u>	<u>22,747,378</u>
Expenses								
Salaries and benefits	1,443,576	821,441	1,796,278	582,041	495	848,968	124,924	5,617,723
Interest on debt	-	-	-	19,389	-	-	-	19,389
Materials and supplies	217,294	583,476	945,656	2,428,441	84,057	696,841	152,957	5,108,722
Contracted services	766,899	2,527,547	516,425	256,128	-	196,507	74,561	4,338,067
Other transfers	-	-	-	-	2,490	-	-	2,490
Rents and financial expenses	451,037	23,811	-	131,845	-	10,477	684	617,854
Amortization	121,360	141,606	767,396	969,733	-	361,400	2,572	2,364,067
	<u>3,000,166</u>	<u>4,097,881</u>	<u>4,025,755</u>	<u>4,387,577</u>	<u>87,042</u>	<u>2,114,193</u>	<u>355,698</u>	<u>18,068,312</u>
<i>Annual surplus (deficit)</i>	<u>\$ 183,989</u>	<u>\$ (92,909)</u>	<u>\$ 1,895,521</u>	<u>\$ 2,975,597</u>	<u>\$ 41,552</u>	<u>\$ (398,841)</u>	<u>\$ 74,157</u>	<u>\$ 4,679,066</u>

The Corporation of the Town of South Bruce Peninsula
Schedule of Deferred Revenue

For the year ended December 31, 2021

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 215,576	\$ -	\$ 1,453	\$ (13,050)	\$ 203,979
Federal gas tax	694,321	523,507	3,873	(798,105)	423,596
Recreational land	121,262	29,400	945	-	151,607
Parking	36,697	7,722	282	-	44,701
Subdivider contributions	49,076	-	341	-	49,417
Building reserve fund	370,095	132,622	2,955	(27,672)	478,000
	1,487,027	693,251	9,849	(838,827)	1,351,300
Other					
OCIF grants	552,600	204,075	2,805	(502,252)	257,228
Other provincial grants	55,591	128,553	-	-	184,144
	\$ 2,095,218	\$ 1,025,879	\$ 12,654	\$ (1,341,079)	\$ 1,792,672

The Corporation of the Town of
South Bruce Peninsula
Trust Funds
Financial Information
For the year ended December 31, 2021

The Corporation of the Town of South Bruce Peninsula
Trust Funds
For the year ended December 31, 2021

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The Corporation of the Town of South Bruce Peninsula Trust Funds

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Town of South Bruce Peninsula

Opinion

We have audited the accompanying financial information for the Corporation of the Town of South Bruce Peninsula Trust Funds (Trust Funds), which comprise the balance sheet as at December 31, 2021, the statement of continuity for the year then ended, and notes to the financial information 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, 2021 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
November 21, 2022

The Corporation of the Town of South Bruce Peninsula
Trust Funds
Balance Sheet

December 31, 2021

	Cemetery Perpetual Care and Maintenance
Assets	
Cash	\$ 317,232
Receivable	189
Due from general account	4,719
	\$ 322,140
Fund balance	\$ 322,140

The Corporation of the Town of South Bruce Peninsula
Statement of Continuity

For the year ended December 31, 2021

	Cemetery Perpetual Care and Maintenance
Balance, beginning of the year	\$ 315,200
Receipts	
Bank interest	2,185
Care and maintenance	6,940
	9,125
Expenses	
Transfer to municipality	2,185
Balance, end of the year	\$ 322,140

The Corporation of the Town of South Bruce Peninsula
Trust Funds
Notes to Financial Information

December 31, 2021

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the Corporation of the Town of South Bruce Peninsula has prepared and is responsible for the integrity, objectivity and accuracy of the financial information. Council reviews and approves the financial information.
Basis of Accounting	<p>The financial information has been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.</p> <p>Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.</p>
Basis of Consolidation	These trust funds have not been consolidated with the financial statements of the Corporation of the Town of South Bruce Peninsula.
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.
