

Consolidated Financial Statements of

**MUNICIPALITY OF NORTH
PERTH**

And Independent Auditor's Report thereon

Year ended December 31, 2024

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the Council of Municipality of North Perth

Opinion

We have audited the consolidated financial statements of Municipality of North Perth (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations and changes in accumulated surplus for the year then ended
- the consolidated statement of remeasurement gains (losses) for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- 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

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and its consolidated results of operations, its consolidated statement of remeasurement gains (losses), 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.



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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

December 3, 2025

MUNICIPALITY OF NORTH PERTH

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash and cash equivalents (note 3)	\$ 19,829,398	\$ 20,814,528
Taxes receivable	1,906,105	1,364,245
Accounts receivable (note 4)	7,958,917	5,452,630
Drain receivables (note 19)	1,705,581	2,270,964
Long-term receivables (note 6)	1,727,421	780,761
Investments (note 7)	16,517,500	18,693,800
	49,644,922	49,376,928
Financial liabilities:		
Accounts payable and accrued liabilities (note 15)	6,442,398	6,269,287
Long-term debt (note 16)	21,546,167	22,522,673
Asset retirement obligation (note 17)	3,119,355	3,040,697
Deferred revenue (note 18)	11,867,348	12,071,300
Perth Meadows obligation (note 2)	4,784,675	4,784,984
	47,759,943	48,688,941
Net financial assets	1,884,979	687,987
Non financial assets:		
Tangible capital assets (note 14)	179,518,827	172,679,844
Prepaid expenses and inventories of supplies	277,372	252,945
	179,796,199	172,932,789
Accumulated surplus and accumulated remeasurement gains (losses)	\$ 181,681,178	\$ 173,620,776
Comprised of:		
Accumulated surplus (note 9)	\$ 180,178,678	\$ 173,941,976
Accumulated remeasurement gains (losses)	1,502,500	(321,200)
	\$ 181,681,178	\$ 173,620,776

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Director

Director

MUNICIPALITY OF NORTH PERTH

Consolidated Statement of Operations and Changes in Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 21)	2024 Actual	2023 Actual
Revenue:			
Taxation	\$ 20,668,993	\$ 20,645,710	\$ 18,960,755
User fees and service charges	12,037,994	12,397,302	12,560,059
Government grants - Provincial (note 11)	7,024,907	7,037,611	6,784,774
Government grants - Federal (note 10)	422,720	41,155	496,935
Municipal grants	282,315	307,981	273,977
Development charges	-	840,361	4,332,686
Investment income	1,023,100	933,455	1,174,902
Other (note 12)	2,052,592	2,342,595	1,775,646
	43,512,621	44,546,170	46,359,734
Expenses:			
General government	4,933,538	3,954,080	4,025,649
Protection services	6,923,004	6,471,415	6,250,849
Transportation services	6,911,554	7,632,857	7,090,956
Environmental services	7,711,283	7,334,226	7,175,004
Health services	278,675	243,964	231,064
Social and family services	5,659,120	5,499,555	4,695,082
Recreation and cultural services	6,560,370	6,352,951	5,319,671
Planning and development	308,447	292,770	253,560
Perth meadows	625,075	527,650	492,296
	39,911,066	38,309,468	35,534,131
Annual surplus	3,601,555	6,236,702	10,825,603
Accumulated surplus, beginning of year	173,941,976	173,941,976	163,116,373
Accumulated surplus, end of year	\$ 177,543,531	\$ 180,178,678	\$ 173,941,976

See accompanying notes to consolidated financial statements.

MUNICIPALITY OF NORTH PERTH

Consolidated Statement of Remeasurement Gains (Losses)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Accumulated remeasurement gains (losses), beginning of year	\$ (321,200)	\$ -
Adjustment on adoption of the financial instruments standard	-	(1,564,400)
Net unrealized gains attributable to investments	1,979,300	1,243,200
Net change in remeasurement gains for the year	1,979,300	1,243,200
Total amount reclassified during the year to the consolidated statement of operations	(155,600)	-
Net change in remeasurement gains for the year	1,823,700	1,243,200
Accumulated remeasurement gains (losses), end of year	\$ 1,502,500	\$ (321,200)

See accompanying notes to consolidated financial statements.

MUNICIPALITY OF NORTH PERTH

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024	Actual 2024	Actual 2023
Annual surplus	\$ 3,601,555	\$ 6,236,702	\$ 10,825,603
Acquisition of tangible capital assets	-	(13,011,246)	(19,248,302)
Amortization of tangible capital assets	4,532,371	5,757,049	5,375,936
Loss on sale of tangible capital assets	-	415,214	269,732
Consumption (acquisition) of prepaid expenses and inventory of supplies	-	(24,427)	7,948
Net remeasurement gain (loss) for the year	-	1,823,700	(321,200)
Change in net financial assets	8,133,926	1,196,992	(3,090,283)
Net financial assets, beginning of year	687,987	687,987	3,778,270
Net financial assets, end of year	\$ 8,821,913	\$ 1,884,979	\$ 687,987

See accompanying notes to consolidated financial statements.

MUNICIPALITY OF NORTH PERTH

Consolidated Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 6,236,702	\$ 10,825,603
Items not involving cash:		
Amortization	5,757,049	5,375,936
Loss on disposal of tangible capital assets	415,214	269,732
Change in asset retirement obligation estimate	(13,171)	-
Accretion expense	91,829	89,137
Changes in non-cash operating working capital:		
Taxes receivable	(541,860)	(519,689)
Accounts receivable	(2,506,287)	(1,478,041)
Drain receivables	565,383	1,147,846
Accounts payable and accrued liabilities	173,111	766,517
Deferred revenue	(203,952)	(2,851,098)
Prepaid expenses and inventories of supplies	(24,427)	7,948
Net change in Perth Meadows obligation	(309)	29,165
	9,949,282	13,663,056
Capital activities:		
Acquisition of tangible capital assets	(13,011,246)	(19,248,302)
Financing activities:		
Repayment of long-term debt	(976,506)	(948,222)
Investing activities:		
Collection of long-term receivables	86,893	64,927
Issuance of long-term receivable	(1,033,553)	-
Sale of investments	4,000,000	-
	3,053,340	64,927
Decrease in cash and cash equivalents	(985,130)	(6,468,541)
Cash and cash equivalents, beginning of year	20,814,528	27,283,069
Cash and cash equivalents, end of year	\$ 19,829,398	\$ 20,814,528

See accompanying notes to consolidated financial statements.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements

Year ended December 31, 2024

The Municipality of North Perth (the "Municipality") is a municipality in the Province of Ontario and operates under the provisions of the Municipal Act. The Municipality provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

1. Significant accounting policies:

The consolidated financial statements of the Municipality are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards.

(a) Basis of consolidation:

The consolidated financial statements reflect the assets, liabilities, revenue and expenses, and changes in accumulated surplus of all municipal organizations, committees and boards which are owned or controlled by the Municipality. The following boards have been consolidated:

Listowel Business Improvement Area
North Perth Cemetery Board
North Perth Public Library Board

All inter-entity assets, liabilities, revenues and expenses have been eliminated on consolidation.

Trust funds and their related operations administered by the Municipality are not consolidated. The financial activity and position of the trust funds are reported separately.

(b) Cash and cash equivalents:

Cash and cash equivalents are represented by cash on hand, cash on deposit in chartered banks and investments that mature within three months.

(c) Deferred revenue:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. This revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Development charges received are deferred and recognized in revenue when funds are used for specific projects or expenses.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(d) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as other income. Assets under construction are not amortized until the asset is put in use.

Amortization is calculated on a straight-line basis over each asset's estimated useful life for all classes except land. Land is considered to have an infinite life and so is not amortized. Amortization is based on the following classifications and useful lives:

Asset	Useful life - Years
Land improvements	20 to 50 years
Buildings	30 to 100 years
Equipment and furniture	5 to 30 years
Fleet	10 to 25 years
Information technology equipment	5 years
Infrastructure - roads	20 years
Infrastructure - bridges and culverts	30 to 75 years
Infrastructure - water, sewer and landfill	4 to 100 years

(e) Inventory:

Inventory is recorded at the lower of average cost and net realizable value.

(f) Retirement benefits and other employee benefit plans:

The Municipality participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the Municipality accounts for the plan as if it were a defined contribution plan. As such, no pension liability is included in the Municipality's financial statements and contributions are recognized as an expense in the year to which they relate.

(g) Reserves for future expenses:

Certain amounts, as approved by Municipal Council, are set aside in reserves and reserve funds for future operating and capital expenses.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(h) Revenue recognition:

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 of time 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.

User fees and service charges, including fees for work on drainage, are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

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 - in which case they are reported as deferred revenue on the Statement of Financial Position. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Other revenue is recorded as it is earned and collection is reasonably assured.

Investment income earned on operating surplus funds and reserves and reserve funds (other than obligatory reserve funds) are recorded in the period earned. Investment income earned on obligatory reserve funds are recorded directly to each respective fund balance and forms part of the deferred revenue - obligatory reserve funds balance.

(i) County of Perth and school boards:

The Municipality collects taxation revenue on behalf of the school boards and the County of Perth. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these entities are not reflected in these financial statements (note 18).

(j) Asset retirement obligations:

The Municipality recognizes a future asset retirement obligation as a liability in the year in which it incurs a legal obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development, and/or normal use or operation of the asset based on management's best estimate of the expenditure required to settle the obligation. The Municipality concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(j) Asset retirement obligations (continued):

The amount of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a risk-free interest rate based on management's best estimate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized in income as an operating expense using the effective interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset and the carrying amount of the liability for an asset retirement obligation.

(k) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

The Municipality's financial instruments include cash, taxes receivable, accounts receivable, investments, accounts payable and accrued liabilities, deferred revenue, and long-term debt. With the exception of derivative and equity investments, the carrying value approximates fair value due to the short-term nature of these financial assets and liabilities.

Unrealized changes in fair value of derivative and equity investments are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(k) Financial instruments (continued):

Financial instruments that are subsequently measured at fair value are classified based on the observability of inputs as follows:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Principal protected notes within investments are measured as level 1 financial instruments.

(l) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates relate to the allowance for taxes receivable, tax revenue, accounts receivable and drain receivables, accrued liabilities, asset retirement obligations, useful lives of tangible capital assets, and the deferred life lease revenue. Actual results could differ from management's best estimates as additional information becomes available in the future.

(m) Adoption of new accounting standards:

(i) PS 3400 *Revenue*:

On January 1, 2024, the Municipality adopted PS 3400 *Revenue* ("PS 3400") prospectively. This standard distinguishes between revenues associated with performance obligations, categorized as exchange transactions and those without performance obligations, classified as non-exchange transactions. For exchange transactions, revenues are recognized as the Municipality fulfills their performance obligations. For non-exchange transactions, revenue is recognized once the Municipality has authority to claim the economic resources. This standard did not impact the Municipality's financial statements.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

2. Perth Meadows obligation:

In November 2011, the Municipality purchased the assets of Perth Adult Life Care Residences for \$5,297,241. The assets and obligation associated with this purchase have been recorded at their gross value as an addition in tangible capital assets, deferred revenue and Perth Meadows obligation on the Consolidated Statement of Financial Position. The senior's complex is currently made up of 18 town homes and 36 suite units which the Municipality is offering as life lease or rental units.

The Phase II life leases purchased by tenants of the Perth Adult Life Care Residences as described in Note 1 to these financial statements contain a "guaranteed buy back" clause whereby the Municipality could be liable to the purchaser for up to 95% of the original purchase price upon termination of the agreement by the resident.

3. Cash and cash equivalents:

	2024	2023
Unrestricted	\$ 10,513,645	\$ 11,496,659
Restricted	9,315,753	9,317,869
	\$ 19,829,398	\$ 20,814,528

The restricted funds are held and restricted for specific deferred revenue projects.

4. Accounts receivable:

Accounts receivable consists of the following:

	2024	2023
General receivables	\$ 2,821,372	\$ 2,216,328
HST receivables	885,105	995,508
Water receivables	866,584	1,094,779
Other	3,385,856	1,146,015
	\$ 7,958,917	\$ 5,452,630

As at December 31, 2024, the balance of allowance for doubtful accounts is \$nil (2023 - \$nil).

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

5. Temporary borrowings:

The Municipality has an authorized line of credit of up to \$5,000,000 at a Canadian chartered bank bearing interest at prime. The outstanding amount as of December 31, 2024 was \$nil (2023 - \$nil). The facility is secured by general borrowing by-laws.

6. Long-term receivables:

	2024	2023
Long-term receivable from several land owners bearing interest at 3.15% per annum. Secured by land due 2032.	\$ 31,398	\$ 34,804
Long-term receivable from several land owners bearing interest at 3.45% per annum. Secured by land due 2047.	80,701	82,959
Long-term receivable from several land owners bearing interest at 3.95%, receivable in blended annual payments of \$61,672, due 2025.	59,326	116,402
Long-term receivable from several land owners bearing interest at 4.57%, receivable in blended annual payments of \$45,575, due 2040.	509,389	530,726
Long-term receivable bearing interest at 6%, receivable in blended annual payments of \$3,498, due 2028.	13,054	15,870
Long-term receivable from several land owners bearing interest at 3.00% per annum, receivable in blended annual payments of \$25,127, due 2039.	233,553	-
Promissory note receivable from United Way of Perth-Huron, bearing interest at 2%, due in 2049.	800,000	-
	\$ 1,727,421	\$ 780,761

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

7. Investments:

	2024	2023
Principal protected notes	\$ 16,517,500	\$ 18,693,800

The principal protected notes are measured at fair value, have a principal balance of \$15,015,000 (2023 - \$19,015,000) and a market value of \$16,517,500 (2023 - \$18,693,800). The notes mature in April 2025, April 2026 and April 2028. The return is based on certain market performance over the life of the notes and is determined upon maturity.

8. Retirement benefits:

The Municipality makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on their length of service and rates of pay.

Employees and the Municipality contribute equally to the plan at rates ranging from 9% to 15.8% depending on the member's designated retirement age and level of earnings. The amount contributed to OMERS for 2024 was \$1,147,313 (2023 - \$954,743) for current service and is reported as an expense on the consolidated statement of operations.

As at December 31, 2024, the OMERS plan is in a deficit position of \$2.9 billion (2023 - \$4.2 billion), which will be addressed through temporary contribution rate increases and, if needed, benefit reductions. The multi-employer plan is valued on a current market basis for all plan assets. The projected benefit method prorated on services was used for the actuarial valuation.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

9. Accumulated surplus:

The Municipality segregates its accumulated surplus into the following categories:

	2024	2023
Investment in tangible capital assets	\$ 157,972,660	\$ 150,157,171
Reserve funds set aside for specific purpose by council:		
General capital	8,318,593	10,342,434
Water	2,129,300	1,680,051
Wastewater	5,669,848	7,378,461
Stormwater	1,660,109	1,571,078
Landfill	794,381	575,023
Cemetery	90,981	90,981
Growth	100,000	-
Land and property acquisition	500,000	-
Strategic initiatives	1,172,893	-
Administration	1,985,513	2,744,387
Affordable housing	75,000	-
Business improvement area	147,076	140,311
Library board	1,795,903	1,622,127
Perth Meadows	(1,138,150)	(1,306,351)
Total reserve funds	23,301,447	24,838,502
Reserves set aside for specific purpose by council:		
Contingency	2,082,740	1,882,740
Insurance and legal	100,000	-
Winter control	200,000	-
Elections	40,033	20,033
Building code enforcements	(398,847)	84,227
Total reserves	2,023,926	1,987,000
Unfunded	(3,119,355)	(3,040,697)
	\$ 180,178,678	\$ 173,941,976

The investment in tangible capital assets represents amounts already spent and invested in infrastructure less related long-term debt.

Reserves and reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

10. Government grants - Federal:

	2024 Budget	2024 Actual	2023 Actual
Operating:			
Other operating funding	\$ 6,300	\$ 41,155	\$ 62,410
Capital:			
Canada Community Building Fund	416,420	-	434,525
	\$ 422,720	\$ 41,155	\$ 496,935

11. Government grants - Provincial:

	2024 Budget	2024 Actual	2023 Actual
Operating:			
Ontario Municipal Partnership Fund	\$ 1,680,900	\$ 1,680,900	\$ 1,620,900
Other operating funding	4,409,304	4,384,011	4,301,845
Capital:			
Ontario Community Infrastructure Fund	934,703	972,700	862,029
	\$ 7,024,907	\$ 7,037,611	\$ 6,784,774

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

12. Other revenue:

	2024 Budget	2024 Actual	2023 Actual
Licences, permits and rents	\$ 819,464	\$ 819,480	\$ 516,062
Perth Meadows	645,583	557,632	457,113
Sale of publications, equipment, etc.	140,225	147,870	111,307
Penalties and interest on taxation	217,520	265,095	196,534
Donations	85,562	774,351	159,970
Other fines and penalties	31,175	34,420	38,230
Loss on disposal of tangible capital assets	-	(415,214)	(269,732)
Other	113,063	3,361	566,162
Realized gain on sale of investments	-	155,600	-
	\$ 2,052,592	\$ 2,342,595	\$ 1,775,646

13. Operations of School Boards and the County of Perth:

Total taxation received or receivable on behalf of the the school boards and the County of Perth, which are excluded from these consolidated financial statements, were as follows:

	2024	2023
School boards	\$ 5,299,475	\$ 5,148,369
County of Perth	7,578,537	6,681,499
	\$ 12,878,012	\$ 11,829,868

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Tangible capital assets:

	Land and land improvements	Buildings	Equipment and furniture	Fleet	Information technology equipment	Infrastructure - roads	Infrastructure - bridges and culverts	Infrastructure - water, sewer, storm and landfill	Assets under construction	2024 Total
Cost, beginning of year	\$ 15,493,484	\$ 59,673,846	\$ 8,610,021	\$ 4,894,035	\$ 558,594	\$ 48,468,410	\$ 23,366,822	\$ 84,991,714	\$ 1,996,429	\$ 248,053,355
Additions	510,829	170,249	417,715	757,875	-	882,244	627,716	632,879	9,011,739	13,011,246
Disposals	(161,761)	(142,667)	(19,421)	(26,867)	-	(214,848)	(188,370)	(134,515)	(109,787)	(998,236)
Transfers	638,499	712,199	-	-	27,704	987,199	80,087	4,865,273	(7,310,961)	-
Cost, end of year	\$ 16,481,051	\$ 60,413,627	\$ 9,008,315	\$ 5,625,043	\$ 586,298	\$ 50,123,005	\$ 23,886,255	\$ 90,355,351	\$ 3,587,420	\$ 260,066,365
Accumulated amortization,										
beginning of year	\$ 1,546,906	\$ 16,144,246	\$ 4,531,956	\$ 2,196,202	\$ 343,539	\$ 16,954,279	\$ 8,627,795	\$ 25,028,588	\$ -	\$ 75,373,511
Amortization	214,848	1,447,504	449,901	307,856	74,623	1,370,033	366,275	1,526,009	-	5,757,049
Disposals	(144,381)	(56,948)	(13,261)	(26,867)	-	(181,835)	(109,307)	(50,423)	-	(583,022)
Accumulated amortization, end										
of year	\$ 1,617,373	\$ 17,534,802	\$ 4,968,596	\$ 2,477,191	\$ 418,162	\$ 18,142,477	\$ 8,884,763	\$ 26,504,174	\$ -	\$ 80,547,538
Net book value, end of year	\$ 14,863,678	\$ 42,878,825	\$ 4,039,719	\$ 3,147,852	\$ 168,136	\$ 31,980,528	\$ 15,001,492	\$ 63,851,177	\$ 3,587,420	\$ 179,518,827

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Tangible capital assets (continued):

	Land and land improvements	Buildings	Equipment and furniture	Fleet	Information technology equipment	Infrastructure - roads	Infrastructure - bridges and culverts	Infrastructure - water, sewer, storm and landfill	Assets under construction	2023 Total
Cost, beginning of year	\$ 15,074,766	\$ 58,463,901	\$ 8,201,053	\$ 4,607,309	\$ 577,408	\$ 44,422,629	\$ 21,968,838	\$ 74,595,188	\$ 2,787,655	\$ 230,698,747
Additions	364,475	1,381,033	440,468	337,511	69,797	749,343	792,122	-	15,113,553	19,248,302
Disposals	(56,471)	(245,698)	(31,500)	(50,785)	(88,611)	(262,527)	(105,688)	(1,052,414)	-	(1,893,694)
Transfers	110,714	74,610	-	-	-	3,558,965	711,550	11,448,940	(15,904,779)	-
Cost, end of year	\$ 15,493,484	\$ 59,673,846	\$ 8,610,021	\$ 4,894,035	\$ 558,594	\$ 48,468,410	\$ 23,366,822	\$ 84,991,714	\$ 1,996,429	\$ 248,053,355
Accumulated amortization,										
beginning of year	\$ 1,412,591	\$ 14,926,594	\$ 4,109,524	\$ 1,997,000	\$ 313,761	\$ 15,807,329	\$ 8,353,181	\$ 24,701,557	\$ -	\$ 71,621,537
Amortization	170,786	1,409,458	440,853	249,987	82,206	1,347,817	341,312	1,333,517	-	5,375,936
Disposals	(36,471)	(191,806)	(18,421)	(50,785)	(52,428)	(200,867)	(66,698)	(1,006,486)	-	(1,623,962)
Accumulated amortization, end										
of year	\$ 1,546,906	\$ 16,144,246	\$ 4,531,956	\$ 2,196,202	\$ 343,539	\$ 16,954,279	\$ 8,627,795	\$ 25,028,588	\$ -	\$ 75,373,511
Net book value, end of year	\$ 13,946,578	\$ 43,529,600	\$ 4,078,065	\$ 2,697,833	\$ 215,055	\$ 31,514,131	\$ 14,739,027	\$ 59,963,126	\$ 1,996,429	\$ 172,679,844

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$3,587,420 (2023 - \$1,996,429).

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

15. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$271,525 (2023 - \$320,498), which includes amounts payable for HST and payroll related taxes.

16. Long-term debt:

	2024	2023
OSIFA loan, bearing interest at 2.63%; repayable in blended semi-annual payments of \$124,807; due April 2046.	\$ 4,079,232	\$ 4,218,803
OSIFA loan, bearing interest at 3.95%; repayable in blended semi-annual payments of \$30,618; due October 2025.	59,281	116,656
OSIFA loan, bearing interest at 4.57%; repayable in blended semi-annual payments of \$74,255; due October 2040.	1,672,026	1,742,252
OSIFA loan, bearing interest at 4.91%; repayable in blended semi-annual payments of \$60,204; due May 2051.	1,774,171	1,806,280
Cemetery Care and Maintenance Trust Fund loan, bearing interest at 5%; repayable in blended annual payments of \$25,678; due December 2027.	69,896	91,021
Canada Mortgage and Housing Corporation mortgage, bearing interest at 3.89%; repayable in annual payments of \$109,300; due March 2031.	658,701	739,245
OSIFA loan, bearing interest at 3.65%; repayable in blended semi-annual payments of \$168,651; due November 2037.	3,466,693	3,671,828
OILC loan, bearing interest at 2.22%; repayable in blended semi-annual payments of \$290,473, due July 2045.	9,708,737	10,068,155
Tile drainage loans, bearing interest at 6.0% and repayable in annual installments. The loans are due between 2024 and 2026 and are recoverable from benefiting landowners.	57,430	68,433
	\$ 21,546,167	\$ 22,522,673

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

16. Long-term debt (continued):

Principal repayments relating to long-term debt are due as follows:

2025	\$	1,006,989
2026		977,458
2027		1,000,116
2028		1,005,986
2029		1,055,494
Thereafter		16,500,124
	\$	21,546,167

17. Asset retirement obligation:

The Municipality owns and operates one active landfill site and two closed sites. The liability for the closure of the operational sites and post-closure care has been recognized under PS 3280 *Asset Retirement Obligations*. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the site and for post-closure care. These costs were discounted to December 31, 2024 using a discount rate of 3.02%. Solid waste landfill closure and post-closure costs are funded through the Municipality's annual budget.

The Municipality owns and operates buildings that are known to contain asbestos. Following the adoption of PS 3280 *Asset Retirement Obligations*, the Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings.

Changes to the asset retirement obligations in the year are as follows:

2024	Landfill closure	Building asbestos removal	Total
Opening balance	\$ 2,865,402	\$ 175,295	\$ 3,040,697
Accretion expense	86,535	5,294	91,829
Change in estimate	-	(13,171)	(13,171)
Closing balance	\$ 2,951,937	\$ 167,418	\$ 3,119,355

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

17. Asset retirement obligation (continued):

2023	Landfill closure	Building asbestos removal	Total
Opening balance	\$ 2,781,404	\$ 170,156	\$ 2,951,560
Accretion expense	83,998	5,139	89,137
Closing balance	\$ 2,865,402	\$ 175,295	\$ 3,040,697

Accretion expense of \$91,829 (2023 - \$89,137) has been recorded within environmental services and recreation and cultural services expense on the statement of operations.

18. Deferred revenue:

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized or refund issued	Ending balance
Development charges	\$ 5,415,474	\$ 1,241,099	\$ 162,820	\$ (840,361)	\$ 5,979,032
Canada Community Building Fund	-	500,978	-	-	500,978
Provincial gas tax	541,096	80,089	27,940	-	649,125
Recreational land	343,236	5,000	16,791	-	365,027
Other restricted grants	3,832,112	620,521	-	(1,963,486)	2,489,147
Deferred life lease revenue	1,939,382	-	-	(55,343)	1,884,039
	\$ 12,071,300	\$ 2,447,687	\$ 207,551	\$ (2,859,190)	\$ 11,867,348

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

18. Deferred revenue (continued):

Perth Meadows - Deferred life lease revenue

The Phase II life leases purchased by tenants of the Perth Adult Life Care Residences as described in Note 1 to these financial statements contain a "guaranteed buy back" clause whereby the Municipality is liable to the purchaser for up to 95% of the original purchase price upon termination of the agreement by the resident.

19. Drain receivables:

Drainage receivable consists of costs that the Municipality has incurred for drainage works. The Municipality has billed landowners for their apportion of the drainage costs, based on the total cost of the drain to the benefiting landowners. Amounts are due subsequent to the completion of the work and are non-interest bearing.

20. Fund held in trust:

At the year end, the Municipality held \$704,882 (2023 - \$726,007) in trust. These funds are not included in these financial statements. Certain assets have been conveyed or assigned to the Municipality to be administered as directed by agreement or statute. The Municipality holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiaries. The following trust funds and assets are excluded from the Municipality's financial statements:

	2024	2023
Cemetery Care and Maintenance fund	\$ 704,882	\$ 726,007

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

21. Budget:

The Financial Plan (Budget) By-Law adopted by Council on May 1, 2023 was not prepared on a basis consistent with that used to report actual results (Canadian Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Canadian Public Sector Accounting Standards require a full accrual basis. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council on May 1, 2023 with adjustments as follows:

	2024
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Budgeted transfers to reserves	4,606,241
Budgeted capital expenditures	15,538,112
Budgeted principal payment on debt	-
Less:	
Budgeted transfers from reserves	(1,004,686)
Budgeted capital expenditures	(15,538,112)
Budgeted proceeds from temporary borrowing	-
Budgeted internal transfers and own equipment	-
Budget surplus per statement of operations	\$ 3,601,555

22. Contingent liabilities:

The Municipality is a defendant in a number of lawsuits. The outcome of these lawsuits cannot be determined at this time. It is management's opinion that the municipality's insurance will adequately cover any potential liability arising from these lawsuits. Liability for these lawsuits are recorded to the extent that the probability of a loss is likely and it is estimable.

23. Contractual commitments:

The Municipality of North Perth has an operating lease with the Avon Maitland District School Board for premises at 6144 Binning Street West that expires in 2055. The annual lease payments range from \$41,507 to \$78,222 and total \$1,913,975 over the remaining term of the lease.

The Municipality also has an operating lease with the Huron Perth Catholic District School Board for premises at 1209 Tremaine Avenue that expires in 2030. The annual lease payments are \$60,515, totalling \$363,090 over the remaining term of the lease.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

24. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2024 financial statements.

25. Segmented information:

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens. 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 category relates to the revenues and expenses of the operations of the Municipality itself and cannot be directly attributed to a specific segment. It includes Municipal council, administrative and clerk's departments.

Protection to Persons and Property

Protection to persons and property department is comprised of police services, fire protection and protective 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. Protective inspection provides services related to the enforcement of building and construction codes.

Transportation

The transportation services department is responsible for the delivery of public works services related to maintenance of roadway systems, winter control, and street lighting.

Environmental

The environmental services department consists of water, wastewater and solid waste disposal utilities. The department provides drinking water, wastewater collection and treatment to ensure the Municipality's water system meets all Provincial standards, and waste collection and disposal for its citizens.

Health

The health services department is responsible for maintaining the Municipality's cemeteries.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

25. Segmented information (continued):

Social

The social services department provides child care services.

Recreation and Cultural

The recreation and cultural services department is responsible for the delivery and upkeep of all recreation programs and facilities including parks and the library.

Planning and Development

The planning and development department provides a number of services including planning, economic development, and maintenance of the Municipality's drains.

Perth Meadows

The Municipality purchased the assets of Perth Adult Life Care Residences in November 2011. The senior's complex consists of 18 town homes and 36 suite units which the Municipality is offering as life lease or rental units.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers are measured on the basis of the actual cost of services provided. Taxation and grants attributable to a number of segments have been allocated to those segments based on the budgeted net operating revenue for the year.

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

25. Segmented information (continued):

	General government	Protection to persons and property	Transportation	Environmental	Health	Social	Recreation and cultural	Planning and development	Perth Meadows	Total 2024
Revenue:										
Taxation	\$ 3,884,194	\$ 4,757,125	\$ 6,249,656	\$ 284,670	\$ 200,439	\$ -	\$ 4,570,673	\$ 698,953	\$ -	\$ 20,645,710
Government grants	1,500,597	420,225	668,463	106,241	-	3,996,609	689,765	4,847	-	7,386,747
User fees and service charges	317,396	117,408	53,637	9,044,059	79,272	1,403,462	1,267,097	114,971	-	12,397,302
Development charges	277,621	-	-	522,740	-	-	40,000	-	-	840,361
Investment income	918,286	-	-	-	15,169	-	-	-	-	933,455
Other	494,660	666,422	(183,767)	(52,551)	90,176	56,919	712,343	761	557,632	2,342,595
	7,392,754	5,961,180	6,787,989	9,905,159	385,056	5,456,990	7,279,878	819,532	557,632	44,546,170
Expenses:										
Salaries and wages	3,279,962	1,663,760	1,741,151	1,654,814	191,274	4,892,432	3,423,370	60,071	49,642	16,956,476
Materials	180,865	611,762	1,159,283	2,189,996	24,474	432,094	1,655,215	107,606	193,993	6,555,288
Contracted services	209,454	3,722,880	2,191,506	1,238,068	18,032	1,100	555,207	116,521	69,456	8,122,224
Interest on long-term debt	15	-	189,964	332,640	4,553	-	110,276	-	20,927	658,375
Rents and financing expenses	91,299	213,639	167,118	26,862	-	119,628	(486,702)	8,572	-	140,416
Contributions to others	114,876	-	-	-	-	-	4,764	-	-	119,640
Amortization	77,609	259,374	2,183,835	1,891,846	5,631	54,301	1,090,821	-	193,632	5,757,049
	3,954,080	6,471,415	7,632,857	7,334,226	243,964	5,499,555	6,352,951	292,770	527,650	38,309,468
Net surplus (deficit)	\$ 3,438,674	\$ (510,235)	\$ (844,868)	\$ 2,570,933	\$ 141,092	\$ (42,565)	\$ 926,927	\$ 526,762	\$ 29,982	\$ 6,236,702

MUNICIPALITY OF NORTH PERTH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

25. Segmented information (continued):

	General government	Protection to persons and property	Transportation	Environmental	Health	Social	Recreation and cultural	Planning and development	Perth Meadows	Total 2023
Revenue:										
Taxation	\$ 3,531,801	\$ 4,365,491	\$ 5,794,767	\$ 274,633	\$ 189,971	\$ -	\$ 4,225,864	\$ 578,228	\$ -	\$ 18,960,755
Government grants	2,525,174	328,482	610,006	9,075	-	3,362,139	696,931	23,879	-	7,555,686
User fees and service charges	183,947	200,640	57,263	9,516,106	63,191	1,248,055	1,177,979	112,878	-	12,560,059
Development charges	4,090,401	-	-	202,285	-	-	40,000	-	-	4,332,686
Investment income	1,111,678	-	-	31,953	31,271	-	-	-	-	1,174,902
Other	228,346	386,479	476,926	(5,821)	66,082	71,600	111,818	1,500	438,716	1,775,646
	11,671,347	5,281,092	6,938,962	10,028,231	350,515	4,681,794	6,252,592	716,485	438,716	46,359,734
Expenses:										
Salaries and wages	3,035,106	1,160,617	1,393,465	1,491,711	170,727	4,088,629	2,929,642	47,668	43,441	14,361,006
Materials	288,368	957,564	2,450,549	2,403,284	26,379	436,981	836,820	108,098	182,396	7,690,439
Contracted services	335,083	3,878,362	961,159	1,210,036	22,768	1,400	428,540	97,794	54,894	6,990,036
Interest on long-term debt	26	-	198,848	345,996	5,559	-	116,430	-	22,095	688,954
Rents and financing expenses	2,928	-	1,709	24,851	-	113,739	2,044	-	-	145,271
Contributions to others	282,489	-	-	-	-	-	-	-	-	282,489
Amortization	81,649	254,306	2,085,226	1,699,126	5,631	54,333	1,006,195	-	189,470	5,375,936
	4,025,649	6,250,849	7,090,956	7,175,004	231,064	4,695,082	5,319,671	253,560	492,296	35,534,131
Net surplus (deficit)	\$ 7,645,698	\$ (969,757)	\$ (151,994)	\$ 2,853,227	\$ 119,451	\$ (13,288)	\$ 932,921	\$ 462,925	\$ (53,580)	\$ 10,825,603