

Financial Statements of

**THE MUNICIPALITY OF
NORTH PERTH TRUST FUNDS**

And Independent Auditor's Report thereon

Year ended December 31, 2023

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Municipality of North Perth Trust Funds

Opinion

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

- the statement of financial position as at December 31, 2023
 - the statement of continuity for the year then ended
 - the statement of remeasurement gains (loss) for the year then ended
 - and notes to the 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 financial position of the Entity as at December 31, 2023 and its results of operations, its changes in and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter - Comparative Information

The financial statements for the year ended end of December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on December 2, 2024.



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

September 5, 2025

THE MUNICIPALITY OF NORTH PERTH TRUST

FUNDS

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Cash	\$ 134,986	\$ 134,566
Investments (note 3)	450,400	500,000
Loan receivable (note 2)	91,022	111,141
Due from the Municipality of North Perth	46,927	420
	\$ 723,335	\$ 746,127
Fund balance		
Accumulated remeasurement loss	\$ (49,600)	\$ -
Fund Balance	772,935	746,127
	\$ 723,335	\$ 746,127

See accompanying notes to financial statements.

THE MUNICIPALITY OF NORTH PERTH TRUST

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Statement of Continuity

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Receipts:		
Interest income	\$ 31,260	\$ 34,325
Plot and monument sales transferred from Cemetery Board	26,808	31,034
	58,068	65,359
Expenditures:		
Interest transferred to Cemetery Board	31,260	34,325
Annual surplus	26,808	31,034
Fund balance, beginning of year	746,127	715,093
Fund balance, end of year	\$ 772,935	\$ 746,127

See accompanying notes to financial statements.

THE MUNICIPALITY OF NORTH PERTH TRUST

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Statement of Remeasurement Gains (Loss)

Year ended December 31, 2023

	2023
Accumulated remeasurement gains, beginning of year	\$ -
Adjustment on adoption of the financial instruments standard	(78,000)
Net unrealized gains (loss) attributable to investments	28,400
Net change in remeasurement gains for the year	28,400
Total amount reclassified during the year to the statement of operations	-
Net change in remeasurement gains for the year	28,400
Accumulated remeasurement gains (loss), end of year	\$ (49,600)

See accompanying notes to financial statements.

THE MUNICIPALITY OF NORTH PERTH TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2023

The Municipality of North Perth Trust Funds (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 financial statements of the Municipality are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards.

(a) Revenue recognition:

Revenue is recognized when it is earned and collection is reasonably assured.

(b) Use of estimates:

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

(c) Statement of cash flows:

The statement of cash flows has not been included in these financial statements as it would not provide any additional useful information in understanding the cash flows for the year. The sources and uses of cash are readily apparent from the information included in the financial statements.

(d) Adoption of new accounting standards:

PS - 3450 Financial Instruments and related standards:

On January 1, 2023, the Municipality adopted PS 3450 *Financial Instruments* ("PS 3450"), PS 2601 *Foreign Currency Translation*, PS 1201 *Financial Statement Presentation* and PS 3041 *Portfolio Investments*. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

THE MUNICIPALITY OF NORTH PERTH TRUST FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Adoption of new accounting standards (continued):

Under PS 3450, all financial instruments are included on the Statement of Financial Position and, with the exception of derivatives and equity investments, are measured at amortized cost. Derivative and equity investments are included on the Statement of Financial Position at fair value.

2. Loan receivable:

The loan to The Municipality of North Perth is receivable in annual instalments of \$25,678 including interest at 5% and is due December 2027.

3. Investments:

Investments, which are stated at fair value, consist of a principal protected note of \$500,000, maturing April 2028 with a market value of \$450,400. The return is based on certain market performance over the life of the note and is determined upon maturity.

4. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2023 financial statements.