

**THE CORPORATION OF THE  
MUNICIPALITY OF WEST PERTH  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**SEEBACH & COMPANY**  
*Chartered Professional Accountants*

## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Municipality of West Perth

### *Opinion*

We have audited the accompanying financial statements of the Corporation of the Municipality of West Perth ("the Municipality"), which are comprised of the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the 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 PSAB, 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 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 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 these financial statements.

## INDEPENDENT AUDITOR'S REPORT (continued)

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 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 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.

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.

### *Other Matter*

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 3, 2022.

*Seebach & Company*

Chartered Professional Accountants  
Licensed Public Accountants

Clinton, Ontario  
August 21, 2023

**THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	15,770,028	15,090,212
Taxes receivable	444,240	712,897
Accounts receivable	5,283,145	5,826,448
Long-term receivables (note 4)	469,489	1,142,181
Investments (note 5)	6,482,556	6,805,673
Investment in Government Business Enterprise (note 6)	4,563,949	3,947,620
	<b>33,013,407</b>	<b>33,525,031</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	4,678,469	4,479,726
Deferred revenue	1,491,601	1,392,349
Landfill closure and post closure liability (note 6)	1,836,967	1,459,745
Municipal debt (note 7)	7,070,351	5,079,529
	<b>15,077,388</b>	<b>12,411,349</b>
<b>NET FINANCIAL ASSETS</b>	<b>17,936,019</b>	<b>21,113,682</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets, net (note 10)	105,552,873	100,427,652
Prepaid expenses and inventories of supplies	119,703	51,448
Land inventory held for sale	1,433,392	1,433,392
	<b>107,105,968</b>	<b>101,912,492</b>
<b>ACCUMULATED SURPLUS (note 12)</b>	<b>\$ 125,041,987</b>	<b>\$ 123,026,174</b>

The accompanying notes are an integral part of this financial statement

**THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH  
CONSOLIDATED STATEMENT OF OPERATIONS**

<b>For the year ended December 31</b>	<b>2022 Budget</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue</b>			
Taxation for municipal purposes	9,166,745	<b>9,399,726</b>	8,990,393
Government transfers - Federal	826,005	<b>626,832</b>	487,421
Government transfers - Provincial	3,406,294	<b>2,555,291</b>	1,972,611
Government transfers - other municipalities	112,140	<b>105,065</b>	109,987
User fees and service charges	4,880,644	<b>4,978,828</b>	5,560,517
Income from government business enterprise (note 6)	-	<b>673,818</b>	208,040
Other (note 13)	1,502,521	<b>1,308,888</b>	1,620,753
	<u>19,894,349</u>	<u><b>19,648,448</b></u>	<u>18,949,722</u>
<b>Expenditure</b>			
General government	1,579,073	<b>1,678,559</b>	1,568,602
Protection to persons and property	3,296,294	<b>3,330,390</b>	3,092,488
Transportation services	6,072,692	<b>5,993,344</b>	6,035,106
Environmental services	3,944,835	<b>4,054,952</b>	3,713,107
Health services	60,884	<b>41,277</b>	28,162
Recreation, parks and culture	2,485,823	<b>2,294,655</b>	2,100,605
Planning and development	344,246	<b>239,458</b>	238,535
	<u>17,783,847</u>	<u><b>17,632,635</b></u>	<u>16,776,605</u>
<b>Annual surplus (deficit)</b>	2,110,502	<b>2,015,813</b>	2,173,117
<b>Opening balance</b>	<u>123,026,174</u>	<u><b>123,026,174</b></u>	<u>120,853,057</u>
<b>Closing balance</b>	<u><u>\$ 125,136,676</u></u>	<u><u><b>\$ 125,041,987</b></u></u>	<u><u>\$ 123,026,174</u></u>

The accompanying notes are an integral part of this financial statement

**THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

<b>For the year ended December 31</b>	<b>2022 Budget</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
Annual surplus (deficit)	2,110,502	<b>2,015,813</b>	2,173,117
Amortization of tangible capital assets	3,811,715	<b>3,894,434</b>	3,811,716
Net acquisition of tangible capital assets	(11,675,694)	<b>(9,786,768)</b>	(7,010,532)
Loss (gain) on sale of tangible capital assets		<b>767,113</b>	230,976
Use (acquisition) of prepaid expenses and inventories of supplies		<b>(68,255)</b>	(4,131)
Net change in land inventory held for resale		-	72,250
<b>Increase (decrease) in net financial assets</b>	<b>(5,753,477)</b>	<b>(3,177,663)</b>	(726,604)
<b>Opening balance</b>	<b>21,113,682</b>	<b>21,113,682</b>	21,840,286
<b>Closing balance</b>	<b>\$ 15,360,205</b>	<b>\$ 17,936,019</b>	\$ 21,113,682

The accompanying notes are an integral part of this financial statement

**THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH  
CONSOLIDATED STATEMENT OF CASH FLOW**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Annual surplus (deficit)	2,015,813	2,173,117
Items not involving cash		
Income from government business enterprise	(673,818)	(208,040)
Amortization expense	3,894,434	3,811,716
Loss (gain) on disposal of tangible capital assets	767,113	230,976
Increase (decrease) in landfill closure and post closure liability	377,222	325,955
Changes in non-cash operating balances		
Taxes receivable	268,657	283,440
Accounts receivable	543,303	(1,837,469)
Long-term receivables	672,692	803,709
Prepaid expenses and inventories of supplies	(68,255)	(4,131)
Land inventory held for resale	-	72,250
Accounts payable and accrued liabilities	198,743	1,307,167
Deferred revenue	99,252	423,848
Cash provided by (used for) operating activities	<u>8,095,156</u>	<u>7,382,538</u>
<b>Capital activities</b>		
Net disposals (purchases) of tangible capital assets	<u>(9,786,768)</u>	<u>(7,010,532)</u>
Cash provided by (used for) capital activities	<u>(9,786,768)</u>	<u>(7,010,532)</u>
<b>Investing activities</b>		
Decrease (increase) in investments	323,117	(111,575)
Dividends from government business enterprises	57,489	61,239
Cash provided by (used for) investing activities	<u>380,606</u>	<u>(50,336)</u>
<b>Financing activities</b>		
Proceeds from construction loan and long-term debt issued	2,347,042	4,487,820
Principal repayments on long-term debt	(356,220)	(255,107)
Cash provided by (used for) financing activities	<u>1,990,822</u>	<u>4,232,713</u>
<b>Increase (decrease) in cash position</b>	<b>679,816</b>	<b>4,554,383</b>
<b>Cash (overdraft) beginning of year</b>	<u>15,090,212</u>	<u>10,535,829</u>
<b>Cash (overdraft) end of year</b>	<u>\$ 15,770,028</u>	<u>\$ 15,090,212</u>

The accompanying notes are an integral part of this financial statement

**MUNICIPALITY OF WEST PERTH**  
**NOTES TO FINANCIAL STATEMENTS**

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**For the year ended December 31, 2022**

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**1. Accounting policies**

The consolidated financial statements of the Corporation of the Municipality of West Perth are the responsibility of management. They have been prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing for municipalities and their related entities. The Corporation of the Municipality of West Perth is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. The Corporation of the Municipality of West Perth provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

Significant aspects of accounting policies adopted by the municipality are as follows:

a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenditures, Reserves, Reserve Funds, and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the municipality and which are owned or controlled by the municipality. In addition to general government tax-supported operations, they include any water and sewer systems operated by the municipality and the municipality's proportionate share of joint local boards.

These consolidated financial statements include the proportional share of the financial position and operating activities of the following joint boards:

Municipality of West Perth Library Board - 100%

Municipality of West Perth Business Improvement Area - 100%

Inter-departmental and inter-organizational transactions and balances are eliminated.

The investment in a government business enterprise is accounted for using the modified equity method of accounting. Under this method, the government business enterprise's accounting policies, which follow International Financial Reporting Standards, are not adjusted to conform with Public Sector Accounting Standards and inter-entity transactions and balances are not eliminated. The following government business enterprise is reflected in the consolidated financial statements:

ERTH Corporation

The statements exclude trust funds that are administered for the benefit of external parties.

b) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable, and recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

c) Cash and cash equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

d) Inventories for resale

Inventories consist of land held for resale and is recorded at the lower of cost and net realizable value.

e) Long-term investments

Investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

**1. Accounting policies (continued)**

f) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

- Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

<b>Category</b>	<b>Amortization Period</b>	<b>Capitalization Threshold</b>
Land	not applicable	\$ 0
Land improvements	35 - 50 years	25,000
Buildings	30 - 100 years	5,000 - 25,000
Machinery and equipment	5 - 50 years	5,000 - 25,000
Vehicles	5 - 25 years	3,000
Infrastructure - roads and bridges	8 - 100 years	15,000 - 100,000
Infrastructure - water, sanitary and storm systems	75 years	15,000 - 75,000

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The municipality has a capitalized threshold of \$0 - \$100,000 dependent on the category, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are computer systems, equipment, furniture and fixtures.

- Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

- Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

- Inventories

Inventories held for consumption are recorded at the lower of cost or net realizable value.

g) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital expenditure. Transfers to or from reserves are reflected as adjustments to the respective appropriated equity.

h) County and School Board

The Corporation of the Municipality of West Perth 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.

**1. Accounting policies** (continued)

i) Deferred revenue

Amounts received and required by legislation, regulation or agreement to be set aside for specific, restricted purposes are reported in the statement of financial position as deferred revenue until the obligation is discharged.

j) Landfill Site Closure and Post-Closure Care

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

k) Contaminated Sites

In accordance with PS 3260 management is required to make assessments as to whether any properties not under active use are subject to contamination in the underlying soil, water or sediment. If such contamination exists and exceeds an environmental standard management is required to make an estimate as to the related liability for remediation of the property. Management is not aware of any contaminated sites.

l) Amounts to be recovered in future years

Future years recoveries represent the requirement of the municipality to raise funds in subsequent periods to finance unfunded liabilities. A portion of the amounts to be recovered in future years will be recovered from deferred revenues earned.

m) Pensions

The municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service. The municipality's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

n) 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 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 considerations, 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.
- 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.
- Fines and donations are recognized when collected.
- Fees, user charges and other revenues are recorded upon sale of goods or provision of services when collection is reasonably assured.

**1. Accounting policies** (continued)

o) 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 and disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenditures during the period, and the accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

**2. Operations of school boards and county**

Taxation levied for school board and county purposes are not reflected in the financial statements. The amounts transferred were:

	<b>2022</b>	<b>2021</b>
County of Perth	\$ 4,263,826	\$ 4,090,738
School Boards	3,094,834	3,134,067

**3. Trust funds**

Trust funds administered by the municipality amounting to \$161,843 (2021 : \$157,181) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

**4. Long-term receivables**

	<b>2022</b>	<b>2021</b>
Municipal drain maintenance and debentures receivable from benefitting landowners	445,262	1,090,796
Tile loans, 6% - 8%, principal and interest receivable annually, due 2023 through 2032	<u>24,227</u>	<u>51,385</u>
	<u>\$ 469,489</u>	<u>\$ 1,142,181</u>

**5. Investments**

	<b>2022</b>	<b>2021</b>
Guaranteed investment certificates	318,306	338,942
Principal protected notes	<u>6,164,250</u>	<u>6,466,731</u>
	<u>\$ 6,482,556</u>	<u>\$ 6,805,673</u>

Guaranteed investment certificates carry effective interest rates of 1% to 4.75% (2021 : 1.5%) and mature in May 2023 to July 2027. Interest is receivable on an annual basis. Principal protected notes are stated their amortized cost, have a principal balance of \$6,164,250 (2021 : \$6,164,250) and mature in May 2026 to May 2027. The return is based on certain market performance over the life of the notes and is determined upon maturity. The fair value of the principal protected notes is \$5,814,368 (2021 : \$6,466,731).

**6. Investment in Government Business Enterprise**

ERTH Corporation was incorporated in 2000 under the Business Corporations Act (Ontario) as mandated by the Ontario Government's Electricity Act, 1998 (Ontario) and Sections 71 and 73 of the Ontario Energy Board Act, 1998 (Ontario). The Corporation of the Municipality of West Perth owns 6.25% (2021 : 6.25%) of the outstanding shares of ERTH Corporation. The investment in ERTH Corporation is comprised of the following:

	<b>2022</b>	<b>2021</b>
Promissory note receivable		
- West Perth Power Inc.	1,183,391	1,183,391
Promissory note receivable		
- Clinton Power Corporation	900,000	900,000
Class A shares	1	1
Class B shares	1,693,000	1,693,000
Share of retained earnings and accumulated other comprehensive income	<u>787,557</u>	<u>171,228</u>
	<u>\$ 4,563,949</u>	<u>\$ 3,947,620</u>

West Perth Power Inc. and Clinton Power Corporation are wholly owned subsidiaries of ERTH Corporation. The note receivable from West Perth Power Inc. bears interest at 7.25% (2021 : 7.25%). This note is unsecured and is due on demand. Interest earned during the year included in Other Income is \$85,796 (2021 : \$85,796).

The note receivable from Clinton Power Corporation bears interest at 7.25% (2021 : 7.25%). This note is unsecured and is due on demand. Interest earned during the year included in Other Income is \$65,250 (2021 : \$65,250).

The following summarizes the financial position and operations of ERTH Corporation which have been reported in these financial statements using the modified equity method:

	<b>2022</b>	<b>2021</b>
<b>Financial Position</b>		
Current assets	23,844,200	21,000,436
Non-current assets	87,216,218	82,601,666
Regulatory and other assets	<u>11,007,905</u>	<u>7,854,668</u>
Total assets	<u>122,068,323</u>	<u>111,456,770</u>
Current liabilities	30,070,846	24,512,383
Long-term debt	39,046,645	39,419,177
Regulatory and other liabilities	<u>15,886,497</u>	<u>14,364,747</u>
Total liabilities	<u>85,003,988</u>	<u>78,296,307</u>
Net assets	<u>\$ 37,064,335</u>	<u>\$ 33,160,463</u>
<b>Results of Operations</b>		
Revenues	98,837,799	96,761,811
Expenses	<u>97,491,067</u>	<u>93,833,200</u>
Net income for the year	1,346,723	2,928,611
Net movement in regulatory balances, net of tax	<u>1,933,360</u>	<u>847,606</u>
Net income for the year and net movement of regulatory balances	3,280,092	3,776,217
Other comprehensive income (loss) for the year	<u>400,903</u>	<u>144,881</u>
Total comprehensive income for the year	<u>\$ 3,680,995</u>	<u>\$ 3,921,098</u>
West Perth share of comprehensive income and income from government business enterprise	<u>\$ 673,818</u>	<u>\$ 208,040</u>

## 7. Pension agreements

The municipality makes contributions to a multi-employer pension plan on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed for 2022 was \$294,160 (2021 : \$275,937) for current services and is included as an expenditure on the consolidated statement of financial activities.

The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit pension plan, are expensed when contributions are due. Any pension surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit.

## 8. Landfill closure and post-closure cost liability

PSAB Handbook Section 3270: Solid Waste Landfill Closure and Post-Closure Liability, sets out the standard for anticipated closure and post-closure costs for existing and closed landfill sites. This liability is the estimated cost to date, based on a volumetric basis, of the expenses relating to those activities required when the site or phase stops accepting waste.

The landfill closure costs include final cover and vegetation, completing facilities for drainage control features, leachate monitoring, water quality monitoring, and monitoring and recovery of gas. Post-closure care activities include all activities related to monitoring the site once it can no longer accept waste, including acquisition of any additional land for buffer zones, treatment and monitoring of leachate, monitoring ground water and surface water, gas monitoring and recovery, and ongoing maintenance of various control systems, drainage systems, and final cover.

The estimated liability for the care of landfill sites is the present value of future cash flows associated with closure and post-closure costs.

Key assumptions in determining the liability at December 31, 2022 for the landfills are as follows:

Remaining site life	2 - 100 years
Discount rate	3%
Estimated time required for post-closure care	32 - 35 years

**8. Landfill closure and post-closure cost liability** (continued)

A reserve has been established to partially provide for this landfill site closure and post-closure liability. The reserve balance at December 31, 2022 is \$401,429 (2021 : \$376,429). The balance of the future liability is expected to be funded through budget allocations to the landfill reserve.

**9. Municipal debt**

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

	<b>2022</b>	<b>2021</b>
Ontario Infrastructure and Lands Corporation (OILC) construction loan payable, variable rate interest due monthly. Relates to construction of a new municipal office.	2,439,876	467,820
Ontario Infrastructure and Lands Corporation (OILC) loan payable, 2.72% interest, \$11,463 monthly payments, due 2041. Relates to construction of fire hall.	1,997,833	2,079,830
Ontario Infrastructure and Lands Corporation (OILC) loan payable, 2.72% interest, \$10,273 monthly payments, due 2041. Relates to construction of the Henry Street bridge.	1,790,511	1,863,998
Ontario Infrastructure and Lands Corporation (OILC) loan payable, 2.42% interest, \$59,693 semi-annual payments, due 2025. Relates to pumping station. Recoverable from benefiting landowners through future taxation and user fees.	343,467	452,557
Ontario Infrastructure and Lands Corporation (OILC) loan payable, 2.63% interest, \$28,595 semi-annual payments, due 2024. Relates to water tower and streetlights. Recoverable from benefiting landowners through future taxation and user fees.	110,714	163,939
Ontario Infrastructure and Lands Corporation (OILC) loan payable, 4.24% interest, \$6,947 semi-annual payments, due 2027. Relates to fire truck.	363,723	-
Tile drain loans payable to Ministry of Finance, responsibility for payment of principal and interest charges have been assumed by individuals, 6% - 8%, due 2023 through 2032. Recoverable from benefiting landowners.	24,227	51,385
	<u>\$ 7,070,351</u>	<u>\$ 5,079,529</u>

Principal payments recoverable from property owners in the next

five years to finance the bank demand and term loans and municipal debentures are:

2023: \$2,843,500    2024: \$415,700    2025: \$365,700    2026: \$253,400    2027: \$247,800

## **10. Tangible capital assets**

The municipality's policy on accounting for tangible capital assets follows:

- i) Contributed tangible capital assets  
The municipality records all tangible capital assets contributed by external parties at fair value.
- ii) Tangible capital assets recognized at nominal value  
Certain assets have been assigned a nominal value because of the difficulty of determining a tenable valuation.

For additional information, see the Consolidated Schedule of Tangible Capital Assets information on the tangible capital assets of the municipality by major class and by business segment, as well as for accumulated amortization of the assets controlled.

## **11. Segmented information**

The Municipality of West Perth is a diversified municipal government institution that provides a wide range of services to its citizens such as recreational and cultural services, planning and development, fire, and transportation services. 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 segment relates to the general operations of the municipality itself and cannot be directly attributed to a specific segment.

### **Protection to Persons and Property**

Protection is comprised of fire protection, policing, court services, conservation authorities, protective inspection and control, building permit and inspection services, emergency measures and other protection services.

### **Transportation Services**

Transportation services include road maintenance, winter control services, street light maintenance, parking lots, equipment maintenance and other transportation services.

### **Environmental Services**

Environmental services include the sanitary sewer system, storm sewer system, waterworks, waste collection, waste disposal and recycling.

### **Health Services**

This service area includes cemeteries and other health services.

### **Social and Family Services**

This service area includes childcare and other social services.

### **Recreational and Cultural Services**

This service area provides public services that contribute to the provision of recreation and leisure facilities and programs, the maintenance of parks and open spaces, library services, museums and other cultural services.

### **Planning and Development**

This segment includes matters relating to zoning and site plan controls, land acquisition, development initiatives, agriculture and reforestation, municipal drainage and tile drainage.

For additional information, see the schedule of segmented information.

**12. Accumulated surplus**

The accumulated surplus consists of individual fund surplus/(deficit) amounts and reserve and reserve funds as follows:

	<b>2022</b>	<b>2021</b>
Invested in tangible capital assets:		
Tangible capital assets, at net book value	\$ 105,552,873	\$ 100,420,200
less: financed by long-term debt	<u>(7,070,351)</u>	<u>(5,028,144)</u>
	98,482,522	95,395,056
Government business enterprise	4,563,949	3,947,620
Unfinanced solid waste landfill closure and post-closure liabilities	(1,485,538)	(1,108,317)
Accumulated general surplus (deficit)	4,818,000	1,749,053
Reserves and reserve funds	<u>18,663,054</u>	<u>22,605,762</u>
	<u>\$ 125,041,987</u>	<u>\$ 123,026,174</u>

For additional information, see the Consolidated Schedule of Continuity of Reserves, Reserve Funds, and Obligatory Deferred Revenue.

**13. Other income**

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

	<b>Budget 2022</b>	<b>2022</b>	<b>2021</b>
Penalties and interest on taxation	115,000	70,022	114,731
Other fines and penalties	-	6,184	7,865
Investment income	404,460	92,198	558,709
Government business enterprise - interest	194,506	151,046	151,046
Licences, permits and rents	524,488	462,042	363,759
Donations	258,867	221,818	46,577
Sale of publications, equipment and other	5,200	-	59,946
Industrial land sales and miscellaneous	-	1,072,691	549,096
Gain (loss) on disposal of tangible capital assets	-	(767,113)	(230,976)
	<u>\$ 1,502,521</u>	<u>\$ 1,308,888</u>	<u>\$ 1,620,753</u>

#### 14. Financial instrument risk management

##### **Credit risk**

The municipality is exposed to credit risk through its cash, trade and other receivables, loans receivable, and long-term investments. There is the possibility of non-collection of its trade and other receivables. The majority of the municipality's receivables are from ratepayers and government entities. For trade and other receivables, the municipality measures impairment based on how long the amounts have been outstanding. For amounts outstanding considered doubtful or uncollectible, an impairment allowance is setup.

##### **Liquidity risk**

Liquidity risk is the risk that the municipality will not be able to meet its financial obligations as they fall due. The municipality has a planning and a budgeting process in place to help determine the funds required to support the municipality's normal operating requirements on an ongoing basis. The municipality ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain an available line of credit balance as approved by the appropriate borrowing bylaw to meet, at a minimum, expected requirements.

##### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the municipality's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

##### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The municipality is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings and long-term liabilities and the value of fixed rate long-term liabilities.

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.

#### 15. Contingent liability

The Municipality has signed as a guarantor in the amount of \$1,814,488 for debt in support of a local non-profit housing construction project. This guarantee is expected to be released during 2023.

**16. Budget amounts**

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations for comparative purposes. The 2022 budget amounts for the Corporation of the Municipality of West Perth approved by Council are unaudited and have been restated to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of operations. Budget amounts were not available for certain boards consolidated by the municipality.

Approved budget annual surplus (deficit)	\$ -
Acquisition of tangible capital assets	11,675,694
Amortization of tangible capital assets	(3,811,715)
Debt issue proceeds	(1,972,056)
Debt principal repayments	317,798
Net reserve, reserve fund, and surplus transfers	<u>(4,099,219)</u>
Budgeted surplus (deficit) reported on consolidated statement of operations	<u>\$ 2,110,502</u>

**17. Financial impact of COVID-19 pandemic**

On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic. Subsequently, the Province of Ontario issued a state of emergency limiting the number of people in a gathering and requiring rolling closures and lockdowns of non-essential business for an indeterminate period of time. The dynamic nature of the COVID-19 crisis makes it impossible to predict the impact this will have on the organization's operations, cash flows and financial position. Management will continue to monitor the situation and reflect the impact in the financial statements as appropriate.

**THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH**  
**Consolidated Schedule of Tangible Capital Assets**  
For the Year Ended December 31, 2022

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure - Roads and bridges	Infrastructure - water, sanitary and storm system	Assets Under Construction	<b>TOTAL Net Book Value 2022</b>	TOTAL Net Book Value 2021
<b>Cost</b>										
Balance, beginning of year	807,543	9,476,814	18,251,594	13,085,370	5,596,486	93,408,535	29,820,028	2,378,302	<b>172,824,672</b>	171,776,714
Add: Additions during the year	175,000	297,839	3,804,290	768,394	382,486	4,441,964	959,432	(370,911)	<b>10,458,494</b>	3,615,851
Less: Disposals during the year	(20,003)	(92,081)	(69,495)	(42,396)	(504,785)	(3,132,653)	(302,505)		<b>(4,163,918)</b>	(2,567,893)
Other: reallocations		(58,169)	4,299	87,716		(33,846)			<b>-</b>	-
Balance, end of year	<u>962,540</u>	<u>9,624,403</u>	<u>21,990,688</u>	<u>13,899,084</u>	<u>5,474,187</u>	<u>94,684,000</u>	<u>30,476,955</u>	<u>2,007,391</u>	<b><u>179,119,248</u></b>	<u>172,824,672</u>
<b>Accumulated Amortization</b>										
Balance, beginning of year	-	1,808,086	6,061,190	7,413,021	3,045,052	45,321,559	8,748,112	-	<b>72,397,020</b>	70,867,529
Add: Amortization during the year		155,958	439,258	459,508	318,187	2,121,717	399,806		<b>3,894,434</b>	3,811,716
Less: Accumulated amortization on disposals		(71,222)	(32,331)	(39,866)	(501,668)	(1,942,157)	(137,835)		<b>(2,725,079)</b>	(2,282,225)
Other: donations and transfers		(43,124)	2,365	47,478		(6,719)			<b>-</b>	-
Balance, end of year	<u>-</u>	<u>1,849,698</u>	<u>6,470,482</u>	<u>7,880,141</u>	<u>2,861,571</u>	<u>45,494,400</u>	<u>9,010,083</u>	<u>-</u>	<b><u>73,566,375</u></b>	<u>72,397,020</u>
<b>Net Book Value</b>										
<b>of Tangible Capital Assets</b>	<u>962,540</u>	<u>7,774,705</u>	<u>15,520,206</u>	<u>6,018,943</u>	<u>2,612,616</u>	<u>49,189,600</u>	<u>21,466,872</u>	<u>2,007,391</u>	<b><u>\$ 105,552,873</u></b>	<u>\$ 100,427,652</u>

**THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH**  
**Consolidated Schedule of Continuity of Reserves, Reserve Funds and Deferred Revenue**  
**For the Year Ended December 31, 2022**

	Balance, beginning of year	Revenues and contributions			Transfers out Utilized During Year	Balance, end of year
		Interest	From Operations	Other		
<b>Reserves and reserve funds</b>						
Reserves						
for general government	2,454,085		1,126,095		(2,863,262)	<b>716,918</b>
for protection services	1,063,816		15,496		(429,629)	<b>649,683</b>
for transportation services	5,905,238		1,142,066		(1,605,963)	<b>5,441,341</b>
for environmental services	376,429		25,000		-	<b>401,429</b>
for recreation and cultural services	1,663,705		11,835		(581,294)	<b>1,094,246</b>
for planning and development	69,420		-		(3,044)	<b>66,376</b>
	<u>11,532,693</u>	<u>-</u>	<u>2,320,492</u>	<u>-</u>	<u>(5,483,192)</u>	<u><b>8,369,993</b></u>
Reserve funds						
Wastewater	9,167,789	(244,876)	1,545,430		(2,136,809)	<b>8,331,534</b>
Water	1,860,514	35,990	947,755		(1,217,331)	<b>1,626,928</b>
Building department	242,715	4,492			(75,258)	<b>171,949</b>
Parking meters	132,323					<b>132,323</b>
Dublin District Athletic Association	12,530	30			(6,179)	<b>6,381</b>
South Hibbert Athletic Association	2,243	131			(1,463)	<b>911</b>
Fullarton Ball Park	18,691	571	3,773			<b>23,035</b>
	<u>11,436,805</u>	<u>(203,662)</u>	<u>2,496,958</u>	<u>-</u>	<u>(3,437,040)</u>	<u><b>10,293,061</b></u>
Total reserves and reserve funds	<u>22,969,498</u>	<u>(203,662)</u>	<u>4,817,450</u>	<u>-</u>	<u>(8,920,232)</u>	<u><b>18,663,054</b></u>
<b>Deferred revenue</b>						
Development Charges	491,054	11,422		243,111	(393,039)	<b>352,548</b>
Parkland	328,238	7,635	21,500		(29,987)	<b>327,386</b>
Pit Rehabilitation Hibbert	-		53,396			<b>53,396</b>
Pit Rehabilitation Logan	-		7,179			<b>7,179</b>
Pit Rehabilitation McKillop	-		14,520			<b>14,520</b>
Federal Gas Tax Funds	272,231	8,287		281,155	(281,155)	<b>280,518</b>
Provincial Gas Tax Funds	23,765			117,574	(45,658)	<b>95,681</b>
	<u>1,115,288</u>	<u>27,344</u>	<u>96,595</u>	<u>641,840</u>	<u>(749,839)</u>	<u><b>1,131,228</b></u>
<b>Total</b>	<u>\$ 24,084,786</u>	<u>(176,318)</u>	<u>4,914,045</u>	<u>641,840</u>	<u>(9,670,071)</u>	<u><b>\$ 19,794,282</b></u>

**THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH**

**Segmented Information**

**For the Year Ended December 31, 2022**

	General Government	Protective Services	Transportation Services	Environmental Services	Health Services	Recreation and Culture	Planning and Development	<b>Total 2022</b>	Total 2021
<b>Revenue</b>									
Taxation	9,399,726							<b>9,399,726</b>	8,990,393
Government transfers	1,226,170	76,272	1,498,355	10,680	-	446,981	28,730	<b>3,287,188</b>	2,570,019
User fees and service charges	2,836	23,994	156,636	4,267,184	8,036	457,633	62,509	<b>4,978,828</b>	5,560,517
Government business enterprises	673,818							<b>673,818</b>	208,040
Other	527,145	313,883	(471,769)	(209,340)	8,218	50,934	1,089,817	<b>1,308,888</b>	1,620,753
	<u>11,829,695</u>	<u>414,149</u>	<u>1,183,222</u>	<u>4,068,524</u>	<u>16,254</u>	<u>955,548</u>	<u>1,181,056</u>	<b><u>19,648,448</u></b>	<u>18,949,722</u>
<b>Operating expenditure</b>									
Wages, salaries and benefits	1,115,113	578,246	1,278,891	773,265	-	1,106,999	11,306	<b>4,863,820</b>	3,750,314
Contract services	218,010	1,830,442	1,058,980	833,864	1,872	9,243	101,786	<b>4,054,197</b>	2,735,980
Supplies, materials, equipment and other	297,740	754,708	1,320,439	1,466,934	39,130	821,751	119,482	<b>4,820,184</b>	6,478,596
Amortization	47,696	166,994	2,335,034	980,889	275	356,662	6,884	<b>3,894,434</b>	3,811,715
	<u>1,678,559</u>	<u>3,330,390</u>	<u>5,993,344</u>	<u>4,054,952</u>	<u>41,277</u>	<u>2,294,655</u>	<u>239,458</u>	<b><u>17,632,635</u></b>	<u>16,776,605</u>
<b>Net revenue (expense)</b>	<u>10,151,136</u>	<u>(2,916,241)</u>	<u>(4,810,122)</u>	<u>13,572</u>	<u>(25,023)</u>	<u>(1,339,107)</u>	<u>941,598</u>	<b><u>2,015,813</u></b>	<u>2,173,117</u>

**THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH  
 BUSINESS IMPROVEMENT AREA  
 STATEMENT OF OPERATIONS**

<b>For the year ended December 31</b>	<b>2022 Budget</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue</b>			
Taxation revenue	20,067	<b>20,165</b>	20,167
Membership fees and fundraising	3,075	<b>3,950</b>	6,075
	<u>23,142</u>	<u><b>24,115</b></u>	<u>26,242</u>
<b>Expenditure</b>			
Administrative	16,970	<b>12,915</b>	12,178
Advertising	10,000	<b>7,996</b>	5,215
Projects	15,300	<b>6,248</b>	9,710
	<u>42,270</u>	<u><b>27,159</b></u>	<u>27,103</u>
<b>Annual surplus (deficit)</b>	<u><u>(\$ 19,128)</u></u>	<u><u><b>(\$ 3,044)</b></u></u>	<u><u>(\$ 861)</u></u>

**STATEMENT OF RESERVE BALANCES**

<b>For the year ended December 31</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
West Perth Business Improvement Area Reserve	<u>29,806</u>	<u>32,850</u>
	<u><u><b>\$ 29,806</b></u></u>	<u><u><b>\$ 32,850</b></u></u>

**THE CORPORATION OF THE  
MUNICIPALITY OF WEST PERTH - TRUST FUNDS  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**SEEBACH & COMPANY**  
*Chartered Professional Accountants*

## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Municipality of West Perth

### *Opinion*

We have audited the accompanying financial statements of the trust funds of the Corporation of the Municipality of West Perth ("the Municipality"), which are comprised of the balance sheet as at December 31, 2022 and the statement of continuity of trust funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the 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 PSAB, 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 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 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 these financial statements.

## INDEPENDENT AUDITOR'S REPORT (continued)

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 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 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.

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.

### *Other Matter*

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 3, 2022.

*Seebach & Company*

Chartered Professional Accountants  
Licensed Public Accountants

Clinton, Ontario  
August 21, 2023

**THE CORPORATION OF THE MUNICIPALITY OF WEST PERTH  
TRUST FUNDS**

**STATEMENT OF FINANCIAL POSITION**

As at December 31, 2022

	Cemetery Care and Maintenance Fund	W. F. Levy Estate	2022	2021
<b>Assets</b>				
Cash	47,856	-	<b>47,856</b>	11,070
Investments (note 2)	107,273	-	<b>107,273</b>	141,427
Accounts receivable	3,460	3,254	<b>6,714</b>	4,684
	<u>\$ 158,589</u>	<u>\$ 3,254</u>	<u><b>\$ 161,843</b></u>	<u>\$ 157,181</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	-	-	-
<b>Fund balance</b>	<u>158,589</u>	<u>3,254</u>	<u><b>161,843</b></u>	<u>157,181</u>
	<u>\$ 158,589</u>	<u>\$ 3,254</u>	<u><b>\$ 161,843</b></u>	<u>\$ 157,181</u>

**STATEMENT OF CONTINUITY**

For the Year Ended December 31, 2022

	Cemetery Care and Maintenance Fund	W. F. Levy Estate	2022	2021
<b>Receipts</b>				
Plot sales and monument income	4,540	-	<b>4,540</b>	3,240
Investment income	2,140	-	<b>2,140</b>	3,748
	<u>6,680</u>	<u>-</u>	<u><b>6,680</b></u>	<u>6,988</u>
<b>Expenditures</b>				
Contributions to operating fund	2,018	-	<b>2,018</b>	2,492
	<u>2,018</u>	<u>-</u>	<u><b>2,018</b></u>	<u>2,492</u>
<b>Excess of receipts over expenditures for the year</b>	4,662	-	<b>4,662</b>	4,496
<b>Fund balance, beginning of year</b>	<u>153,927</u>	<u>3,254</u>	<u><b>157,181</b></u>	<u>152,685</u>
<b>Fund balance, end of year</b>	<u>\$ 158,589</u>	<u>\$ 3,254</u>	<u><b>\$ 161,843</b></u>	<u>\$ 157,181</u>

**MUNICIPALITY OF WEST PERTH**  
**TRUST FUNDS**  
**NOTES TO FINANCIAL STATEMENTS**

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**For the Year Ended December 31, 2022**

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**1. Accounting Policies**

Significant aspects of accounting policies adopted by the municipality are as follows:

a) Management responsibility

The financial statements of the Trust Funds are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing for municipalities and their related entities.

b) Basis of consolidation

These trust funds have not been consolidated with the financial statements of the Municipality of West Perth.

c) Basis of accounting

Capital receipts and income are reported on the cash basis of accounting. Expenditures are reported on the cash basis of accounting with the exception of administration expenses which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

d) Investments

Investments are recorded at cost less amounts written off to reflect a permanent decline in value.

e) 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

**2. Investments**

Trust fund investments have a market value equal to cost of \$107,273 (2021 : \$141,427).