

The Corporation of the County of Perth
Consolidated Financial Statements
For the year ended December 31, 2022

The Corporation of the County of Perth
Consolidated Financial Statements
For the year ended December 31, 2022

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the County of Perth

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2022, and the consolidated results of its operations, consolidated change in net financial assets and consolidated cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County'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 County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the County to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Ontario
April 11, 2024

The Corporation of the County of Perth
Consolidated Statement of Financial Position

For the year ended December 31,	2022	2021
Financial assets		
Cash and cash equivalents	\$ 8,928,958	\$ 14,901,327
Investments (Note 2)	10,269,144	8,548,628
Accounts receivable	3,301,098	3,360,791
Mortgage and loan receivable (Note 5)	249,699	263,587
	22,748,899	27,074,333
Liabilities		
Accounts payable and accrued liabilities	5,716,711	4,832,567
Employee benefits liability (Note 3)	3,570,026	2,938,828
Deferred revenue (Note 5)	823,605	1,016,718
Long-term debt (Note 6)	7,528,446	6,774,435
	17,638,788	15,562,548
Net financial assets	5,110,111	11,511,785
Non-financial assets		
Tangible capital assets (Note 7)	111,435,067	102,395,522
Prepaid expenses	341,419	201,581
Inventories of supplies	553,119	689,066
	112,329,605	103,286,169
Net Municipal Position (Note 8)	\$ 117,439,716	\$ 114,797,954

_____ Treasurer _____ Warden

The Corporation of the County of Perth
Consolidated Statement of Operations

For the year ended December 31,	Budget 2022	Actual 2022	Actual 2021
	(Note 14)		
Revenue			
Government transfers - Provincial (Note 10)	\$21,567,295	\$22,760,213	\$ 20,284,926
Taxation	18,202,056	18,339,521	17,367,373
Municipal transfers	6,508,903	7,096,780	6,654,316
Other (Note 11)	2,676,487	6,651,499	2,544,416
User fees and service charges	2,973,128	2,637,410	2,982,711
Government transfers - Federal (Note 9)	3,043,728	1,267,098	3,601,691
	<u>54,971,597</u>	<u>58,752,521</u>	<u>53,435,433</u>
Expenses			
Health services	19,392,876	20,049,820	19,854,834
Transportation services	11,694,946	15,199,335	11,964,825
Social and family services	8,131,736	9,963,838	8,189,555
General government	4,185,908	4,083,364	4,013,727
Social housing	2,915,184	2,825,318	2,461,073
Protection services	1,523,717	1,764,486	1,386,065
Planning and development	1,848,130	1,703,632	1,365,435
Recreation and cultural services	521,332	514,980	515,457
	<u>50,213,829</u>	<u>56,104,773</u>	<u>49,750,971</u>
Increase (decrease) In Net Municipal Position	4,757,768	2,647,748	3,684,462
Net Municipal Position, beginning of year	114,797,954	114,797,954	111,018,982
Change in proportionate consolidation (Note 18)	-	(5,986)	94,510
Net Municipal Position, end of year	<u>\$119,555,722</u>	<u>\$117,439,716</u>	<u>\$114,797,954</u>

The Corporation of the County of Perth
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31,	Budget 2022 (Note 14)	Actual 2022	Actual 2021
Increase (decrease) in Net Municipal Position	\$ 4,757,768	\$ 2,647,748	\$ 3,684,462
Acquisition of tangible capital assets	(15,302,161)	(11,524,802)	(6,649,943)
Acquisition of donated tangible capital assets	-	133,429	-
Acquisition of contributed tangible capital assets	-	(4,425,131)	-
Amortization of tangible capital assets	4,082,207	6,226,809	5,337,526
Loss (gain) on disposal of tangible capital assets	-	440,580	200,443
Proceeds on disposal of tangible capital assets	-	103,522	-
	(6,462,186)	(6,397,845)	2,572,488
Utilization of prepaid expenses and inventory of supplies	-	(3,899)	(195,460)
Net change in net financial assets	(6,462,186)	(6,401,744)	2,377,028
Net financial assets, beginning of year	11,511,785	11,511,785	9,111,623
Change in proportionate consolidation (Note 21)	-	70	23,134
Net financial assets, end of year	\$ 5,049,599	\$ 5,110,111	\$ 11,511,785

The Corporation of the County of Perth
Consolidated Statement of Cash Flows

For the year ended December 31,	2022	2021
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Operating transactions		
Increase (decrease) in Net Municipal Position	\$ 2,647,748	\$ 3,684,462
Items not involving cash		
Amortization	6,226,809	5,337,526
Loss (gain) on disposal of tangible capital assets	440,580	200,443
Contributed (donated) tangible capital assets	(4,291,702)	-
Employment benefits liabilities	631,198	856,894
Changes in non-cash operating balances		
Accounts receivable	59,693	3,679,212
Prepaid expenses and inventories of supplies	(3,899)	(195,460)
Accounts payable and accrued liabilities	884,144	(877,321)
Deferred revenue	(193,113)	(1,266,877)
	<hr/>	<hr/>
	6,401,458	11,418,879
Capital transactions		
Acquisition of tangible capital assets	(11,524,802)	(6,649,943)
Proceeds on disposal of tangible capital assets	103,522	-
	<hr/>	<hr/>
	11,421,280	(6,649,943)
Investing transactions		
Decrease of mortgages receivable	13,888	13,598
Purchase of investments	(1,720,516)	(3,315,260)
	<hr/>	<hr/>
	(1,706,628)	(3,301,662)
Financing transactions		
Proceeds from issuance of long-term debt	1,285,000	-
Repayment of long-term debt	(530,989)	(463,246)
	<hr/>	<hr/>
	754,011	(463,246)
Net change in cash and cash equivalents	(5,972,439)	1,004,028
Cash and cash equivalents, beginning of year	14,901,327	13,874,165
Change in proportionate consolidation (Note 21)	70	23,134
	<hr/>	<hr/>
Cash and cash equivalents, end of year	\$ 8,928,958	\$ 14,901,327
Represented by:		
Cash	\$ 8,928,958	\$ 14,901,327
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The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

The Corporation of the County of Perth

Summary of Significant Accounting Policies

December 31, 2022

1. Significant Accounting Policies

Management's Responsibility for the Financial Statements

The consolidated financial statements of the Corporation of the County of Perth are the responsibility of management. They have been prepared in accordance with Canadian Public Sector Accounting Standards established by CPA Canada. The Corporation of the County of Perth is a municipality in the Province of Ontario and operates under the provisions of the Municipal Act to provide municipal services such as public works, emergency medical services, planning, provincial offences administration and other general government services.

Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the County. All interfund assets and liabilities and revenues and expenditures have been eliminated upon consolidation.

The County reports only its share of assets, liabilities and results of operations of any government partnerships in which it participates. The County participates annually in the Huron Perth Public Health, Spruce Lodge Home for the Aged, Spruce Lodge Home Assistance Corporation and Spruce Lodge Foundation to the extent of its share of the prior year's weighted property assessment totals for the participating municipalities. Details of percentages reported are as follows:

	2022	2021
Huron Perth Public Health (HPPH)	28.76%	28.91%
Spruce Lodge Home for the Aged	50.85%	50.82%
Spruce Lodge Home Assistance Corporation	50.85%	50.82%
Spruce Lodge Foundation	50.85%	50.82%

Cash and Cash Equivalents

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

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.

The Corporation of the County of Perth
Summary of Significant Accounting Policies

December 31, 2022

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 revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvement	15 years
Facilities	10 to 75 years
Equipment	10 to 20 years
Vehicles	7 to 20 years
Infrastructure - roads	20 to 50 years
Infrastructure - bridges and culverts	30 to 80 years
Computer systems	4 to 15 years

Trust Funds

Funds held in trust by the County of Perth, its consolidated local boards, and their related operations, are not included in these financial statements. The financial activity and position of any trust funds are reported separately.

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. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Government Transfers

Government transfers, which include legislative grants, are recognized 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 recognized as deferred revenue until such time as the stipulations are met.

The Corporation of the County of Perth
Summary of Significant Accounting Policies

December 31, 2022

Revenue Recognition	<p>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. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.</p> <p>Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenues are recognized as they become receivable.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p> <p>Provincial Offences revenue is recognized on a cash basis.</p>
Use of Estimates	<p>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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>
Liability for Contaminated Sites	<p>A contaminated site is a site at which substances occur in concentrations that exceed maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the County is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.</p>

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

2. Investments

	2022	2021
Guaranteed Investment Certificates, with interest rates of 1.0% to 5.15% and maturity dates ranging from January 2023 to August 2024	2,269,144	1,296,854
Fixed Income Investment, with interest rate of 1.65%, matured in May 2022	-	1,992,394
Principal Protected Note, maturing May 2027	2,000,000	1,999,220
Principal Protected Note, maturing July 2026	3,000,000	3,260,160
Principal Protected Note, maturing January 2027	1,000,000	-
Principal Protected Note, maturing January 2029	1,000,000	-
Principal Protected Note, maturing June 2026	1,000,000	-
	\$10,269,144	\$ 8,548,628

The market value of investments was \$10,269,144 (2021 - \$8,548,628). The return on the principal protected notes is based on certain market performance over the life of the notes and is determined upon maturity.

3. Employee Benefits Liability

The amount reported for employee benefits liability on the consolidated statement of financial position consists of the following:

	2022	2021
Sick leave benefits	\$ 390,446	\$ 362,571
Workplace Safety and Insurance	2,743,089	2,168,539
Post employment non-pension benefit obligation	436,491	407,718
	\$ 3,570,026	\$ 2,938,828

Sick Leave Benefits

The consolidated boards provide sick leave benefits for employees that can be carried forward and employees may become entitled to a cash payment when they leave their respective employment.

Workplace Safety and Insurance Board ("WSIB")

The County is a Schedule II employer under the Workplace Safety and Insurance Act, whereby it self-insures the entire risk of its own WSIB claims. The County is also responsible for reimbursing the WSIB for all costs relating to its workers' claims.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

3. Employee Benefits Liability (continued)

Post-employment Non-pension Benefit Obligation

The post-employment benefit obligation relates to HPPH non-pension benefits provided to specified employee groups and the cost is actuarially determined using the projected benefits method prorated on service.

The liability reported in the consolidated statement of financial position is the result of an actuarial update that estimated potential liabilities of the municipality under the provisions of the Workplace Safety and Insurance Act. The last full actuarial evaluation for the County was completed as at December 31, 2020 and forecasted for the next three years.

WSIB liability	2022	2021
Accrued benefit obligation at January 1	\$ 3,553,353	\$ 2,910,520
Add estimated cost of claims (service cost)	767,203	747,934
Add interest accrued	108,445	96,717
Less expected benefit payments	(522,142)	(549,812)
Actuarial loss from valuation		347,994
Expected accrued benefit obligation at December 31	3,906,859	3,553,353
Actual accrued benefit obligation	3,906,859	3,553,353
Unamortized actuarial loss from valuation	(1,163,770)	(1,384,814)
Liability at December 31	\$ 2,743,089	\$ 2,168,539

WSIB benefits expense	2022	2021
Current year benefit cost	\$ 767,203	\$ 747,934
Amortization of losses	221,044	221,044
Post employment benefit expense	988,247	968,978
Interest on accrued benefit obligation	108,445	96,717
Total	\$ 1,096,692	\$ 1,065,695

Pension Agreements

The County of Perth and its consolidated boards make contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all eligible employees. The plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on length of service and rates of pay. During the year, employer contributions of \$1,868,195 (2021 - \$1,708,292) were paid by the County and its consolidated boards and reported as an expense on the consolidated statement of operations.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

3. Employee Benefits Liability (continued)

As at December 31, 2022, the OMERS plan was in a deficit of \$6.6 billion (2021 - \$3.1 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 project benefit method prorated on services was used for the actuarial valuation.

4. Mortgage and Loan Receivable

	2022	2021
First mortgage receivable - Stratford Perth Museum, interest at 3.0%, payable in monthly instalments of \$1,194 principal and interest, due September 2037	\$ 171,396	\$ 180,438
Second mortgage receivable - Stratford Perth Museum, interest at 0.5%, payable in monthly instalments of \$438 principal and interest, due July 2038	78,303	83,149
	\$ 249,699	\$ 263,587

5. Deferred Revenue

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
CCBF	\$ -	1,207,269	2,877	(1,210,146)	\$ -
OFIC	-	973,022	5,253	(978,275)	-
COVID Safe Restart	269,040	-	6,800	(188,172)	87,668
HPPH & Spruce Lodge	741,961	840,311	-	(846,335)	735,937
Modernization Funding	5,717	-	-	(5,717)	-
	\$ 1,016,718	\$ 3,020,602	\$ 14,930	(3,228,645)	\$ 823,605

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

6. Deferred Revenue (continued)

CCBF (Canada Community Building Fund)

Community Building revenue is provided by the Government of Canada. The use of the funding is established by a funding agreement between the County of Perth and the Association of Municipalities of Ontario (AMO). Community Building funding may be used towards designated environmentally sustainable municipal infrastructure and capacity building projects as specified in the funding agreements.

OCIF (Ontario Community Infrastructure Fund)

Community Infrastructure funding is provided by the Province of Ontario. The fund provides for small, rural and northern communities to develop and renew their infrastructure.

COVID Safe Restart

COVID Safe Restart revenue is provided by the Province of Ontario. This funding can be used to support COVID related pressures on municipal services during the pandemic and post pandemic.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

6. Net Long-term Debt	2022	2021
Debenture, bearing interest at 3.18% and repayable in blended semi-annual instalments of \$89,330. The loan is due October 2035 and was issued on behalf of Ontario Infrastructure and Lands Corporation.	\$ 1,890,250	\$ 2,006,032
Debenture, bearing interest at 2.90% and repayable in blended semi-annual instalments of \$160,646. The loan is due November 2036 and was issued on behalf of Ontario Infrastructure and Lands Corporation.	3,675,399	3,885,522
Debenture, bearing interest at 2.72% and repayable in blended semi-annual instalments of \$86,959. The loan is due February 2027 and was issued on behalf of Ontario Infrastructure and Lands Corporation.	731,959	882,881
Debenture, bearing interest at 3.52% and repayable in blended semi-annual instalments of \$76,778. The loan is due May 2032 and was issued on behalf of Ontario Infrastructure and Lands Corporation.	1,230,838	-
	\$ 7,528,446	\$ 6,774,435

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

2023	\$ 602,010
2024	620,352
2025	639,258
2026	658,745
2027	591,873
Thereafter	4,416,208
	\$ 7,528,446

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

7. Tangible Capital Assets

	2022								
	Land and land improvement	Construction in progress	Facilities	Equipment	Vehicles	Infrastructure - roads	Infrastructure - bridges and culverts	Computer systems	Total
Cost, beginning of year	\$ 2,035,533	\$ 636,675	\$ 27,277,958	\$ 1,706,753	\$ 6,398,040	\$ 99,926,514	\$ 26,710,405	\$ 2,112,519	\$ 166,804,397
Additions	-	1,193,696	778,993	84,346	1,176,189	10,936,865	1,392,302	254,113	15,816,504
Disposals	-	-	(4,019)	-	(699,738)	(4,071,217)	-	(146,917)	(4,921,891)
Reallocation	-	(347,044)	149,392	-	-	10,278	-	187,374	-
Change in consolidation (Note 21)	(667)	-	(3,381)	-	-	-	-	(1,371)	(5,419)
Cost, end of year	\$ 2,034,866	\$ 1,483,327	\$ 28,198,943	\$ 1,791,099	\$ 6,874,491	\$ 106,802,440	\$ 28,102,707	\$ 2,405,718	\$ 177,693,591
Accumulated amortization, beginning of year	\$ 270,600	\$ -	\$ 11,743,534	\$ 848,257	\$ 3,647,964	\$ 34,187,672	\$ 12,080,908	\$ 1,629,940	\$ 64,408,875
Amortization	2,057	-	900,204	112,520	536,015	2,893,089	1,524,904	258,020	6,226,809
Disposals	-	-	(4,019)	-	(651,938)	(2,932,416)	(642,571)	(146,858)	(4,377,802)
Change in consolidation (Note 21)	19	-	1,399	-	-	-	-	(776)	642
Accumulated amortization, end of year	\$ 272,676	\$ -	\$ 12,641,118	\$ 960,777	\$ 3,532,041	\$ 34,148,345	\$ 12,963,241	\$ 1,740,326	\$ 66,258,524
Net book value, end of year	\$ 1,762,190	\$ 1,483,327	\$ 15,557,825	\$ 830,322	\$ 3,342,450	\$ 72,654,095	\$ 15,139,466	\$ 665,392	\$ 111,435,067

The net book value of capital assets not being amortized because they are under construction (or development) is \$1,483,327 (2021 - \$636,675).

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

7. Tangible Capital Assets (continued)

	2021								
	Land and land improvement	Construction in progress	Facilities	Equipment	Vehicle	Infrastructure - roads	Infrastructure - bridges and culverts	Computer systems	Total
Cost, beginning of year	\$ 2,032,963	\$ 312,864	\$ 26,757,819	\$ 1,771,025	\$ 6,368,344	\$ 97,779,391	\$ 26,321,639	\$ 2,078,947	\$ 163,422,992
Additions	-	323,811	483,554	87,403	29,696	5,233,702	388,766	103,011	6,649,943
Disposals	-	-	(108,465)	(151,678)	-	(3,086,579)	-	(77,170)	(3,423,892)
Change in consolidation (Note 21)	2,570	-	145,050	3	-	-	-	7,731	155,354
Cost, end of year	\$ 2,035,533	\$ 636,675	\$ 27,277,958	\$ 1,706,753	\$ 6,398,040	\$ 99,926,514	\$ 26,710,405	\$ 2,112,519	\$ 166,804,397
Accumulated amortization, beginning of year	\$ 245,883	\$ -	\$ 10,934,796	\$ 893,571	\$ 3,100,148	\$ 34,482,558	\$ 11,207,406	\$ 1,346,453	\$ 62,210,815
Amortization	24,313	-	921,492	102,764	547,816	2,595,241	873,502	272,398	5,337,526
Disposals	-	-	(108,089)	(148,078)	-	(2,890,128)	-	(77,149)	(3,223,444)
Change in consolidation (Note 21)	404	-	(4,665)	-	-	1	-	88,238	83,978
Accumulated amortization, end of year	\$ 270,600	\$ -	\$ 11,743,534	\$ 848,257	\$ 3,647,964	\$ 34,187,672	\$ 12,080,908	\$ 1,629,940	\$ 64,408,875
Net book value, end of year	\$ 1,764,933	\$ 636,675	\$ 15,534,424	\$ 858,496	\$ 2,750,076	\$ 65,738,842	\$ 14,629,497	\$ 482,579	\$ 102,395,522

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

8. Net Municipal Position

	2022	2021
Investment in tangible capital assets	\$ 103,899,498	\$ 95,621,086
Inventory, prepaid expenses and current funds	1,900,523	2,013,180
Operating Surplus		
Perth County	(413,125)	518,999
Huron Perth Public Health	-	(387,022)
Spruce Lodge	(442,520)	(80,114)
Reserves		
Working funds	1,662,577	1,631,802
Current purposes	3,201,251	3,755,487
Capital purposes	9,834,117	13,283,707
Unfunded WSIB	(1,812,159)	(1,196,600)
Unfunded sick leave liability	(390,446)	(362,571)
	\$ 117,439,716	\$ 114,797,954

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

9. Government Transfers - Federal

	Budget 2022	Actual 2022	Actual 2021
	(Note 14)		
Operating			
Conditional - Other	\$ -	\$ 39,613	\$ 25,000
Conditional - HPPH grant	19,831	17,339	13,910
Capital			
Canada Community Building Fund	3,023,897	1,210,146	3,490,781
Investing in Canada Infrastructure Program	-	-	72,000
	\$ 3,043,728	\$ 1,267,098	\$ 3,601,691

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

10. Government Transfers - Provincial

	Budget 2022	Actual 2022	Actual 2021
	(Note 14)		
Operating			
Ontario Municipal Partnership Fund	\$ 867,400	\$ 867,400	\$ 1,020,400
Conditional -Modernization Funding	32,193	178,600	46,467
Conditional -Paramedic Services MOHLTC	8,686,610	8,478,056	7,013,798
Conditional -COVID (Safe Restart)	178,282	895,031	1,117,385
Conditional -Community Transportation	421,190	525,070	510,714
Conditional -Cannabis	-	-	57,970
-HPPH and Spruce Lodge grants	9,796,372	10,447,452	9,708,359
-Other	77,200	5,287	53,870
Capital			
Ontario community infrastructure fund	973,022	978,275	755,963
Modernization funding	162,500	108,733	-
MOH- Community Paramedicine	372,526	276,309	-
	<u>\$21,567,295</u>	<u>\$22,760,213</u>	<u>\$ 20,284,926</u>

11. Other Income

	Budget 2022	Actual 2022	Actual 2021
	(Note 14)		
Contributed (donated) tangible capital assets \$	-	\$ 4,425,131	\$ -
Fines and penalties	1,593,000	1,703,577	1,501,958
Licences, permits and rents	367,346	265,472	369,266
Other	263,293	179,145	167,614
Investment income	452,348	65,582	493,815
Donations (includes in-kind)	500	12,592	11,763
	<u>\$ 2,676,487</u>	<u>\$ 6,651,499</u>	<u>\$ 2,544,416</u>

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

12. Expenditures by Object

Total operating expenditures for the year reported on the consolidated statement of financial activities are as follows:

	Budget 2022	Actual 2022	Actual 2021
	(Note 14)		
Salaries, wages and employee benefits	\$28,887,506	\$29,828,175	\$ 28,759,712
Contracted services	9,558,614	9,524,821	7,383,866
Materials	6,936,624	8,999,231	7,046,507
Amortization	4,082,207	6,226,808	5,337,526
Contributions to other organizations	224,610	576,737	566,887
Rents and financial expenses	524,268	508,421	456,030
Loss on disposal of capital assets	-	440,580	200,443
	\$50,213,829	\$56,104,773	\$ 49,750,971

13. Trust Funds

The County's proportional amount of the trust funds administered by the Spruce Lodge amounting to \$28,849 (2021 - \$28,338) have not been included in the consolidated financial statements.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

14. Budget

The Financial Plan/Budget, adopted by Council on February 17, 2022, by resolution #3860-2022, other than the proportionate budgets of the consolidated local boards, were not prepared on the same basis as would be reported on the annual financial statements, the latter being required by Public Sector Accounting Standards. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. Had the budget been presented on a basis consistent with Public Sector Accounting Standards, the Statement of Operations and Change in Net Assets, including proportionately consolidated budgets of the outside local boards would have been shown as follows:

	2022
Financial Plan (Budget) Resolution surplus for the year	\$ -
Add:	
Capital expenditures	15,302,161
Budgeted transfers to net municipal position	3,945,535
Capital interest income	410,000
Budgeted surplus from other local boards	481,635
Less:	
Budgeted transfers from net municipal position	(8,305,087)
Amortization	(3,476,476)
Proceeds from financing	(3,600,000)
Increase to net municipal position per statement of operations	\$ 4,757,768

15. Loan Guarantee

In 2020, the Municipality executed a Loan Guarantee with Southwestern Integrated Fibre Technology (SWIFT) for \$1,013,000 relating to SWIFT Phase 3 projects for broadband upgrades.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

16. Government Partnership - Huron Perth Public Health

The Corporation of the County of Perth is a partner in Huron Perth Public Health. The County provides 28.76% of the municipal funding for the Cost Shared Mandatory related programs. The County's share of results of Huron Perth Public Health's financial results from operations for the year and its financial position at year-end have been consolidated within these financial statements. At December 31, 2022, Huron Perth Public Health's financial results and financial performance are as follows:

	2022	2021
Financial assets	\$ 2,888,072	\$ 2,711,957
Liabilities	(4,024,830)	(3,731,424)
Non-financial assets	5,689,986	5,572,695
	<u>\$ 4,553,228</u>	<u>\$ 4,553,228</u>
Revenues	\$22,273,577	\$ 23,077,870
Expenses	22,273,577	24,424,804
	<u>\$ -</u>	<u>\$ (1,346,934)</u>

The County's share of Huron Perth Public Health's assets, liabilities and accumulated surplus as at December 31, 2022 are as follows:

	2022	2021
Financial assets	\$ 830,610	\$ 784,027
Liabilities	(1,157,541)	(1,078,755)
Non-financial assets	1,636,440	1,611,066
	<u>\$ 1,309,509</u>	<u>\$ 1,316,338</u>

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

17. Government Partnership - Spruce Lodge

The Corporation of the County of Perth is a partner in Spruce Lodge Home for the Aged and its related entities. The County provides 50.85% of the municipal funding for the Cost Shared Mandatory related programs. The County's share of results of Spruce Lodge Home for the Aged and its related entities' financial results from operations for the year and its financial position at year-end have been consolidated within these financial statements. At December 31, 2022, Spruce Lodge Home for the Aged and its related entities' financial results and financial performance are as follows:

	2022	2021
Financial assets	\$ 4,942,207	\$ 6,053,316
Liabilities	(3,283,307)	(3,038,645)
Non-financial assets	7,373,658	6,888,121
	<u>\$ 9,032,558</u>	<u>\$ 9,902,792</u>
Accumulated surplus		
Revenues	\$16,405,043	\$ 14,063,301
Expenses	17,275,283	14,220,946
	<u>\$ (870,240)</u>	<u>\$ (157,645)</u>
Annual deficit		

The County's share of Spruce Lodge Home 's assets, liabilities and accumulated surplus as at December 31, 2022 are as follows:

	2022	2021
Financial assets	\$ 2,513,112	\$ 3,076,295
Liabilities	(1,669,562)	(1,544,239)
Non-financial assets	3,749,505	3,500,543
	<u>\$ 4,593,055</u>	<u>\$ 5,032,599</u>
Accumulated surplus		

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

18. Change in Proportionate Consolidation

The change in proportionate consolidation of joint local boards is the result of new funding agreements effective January 1, 2022. The resulting changes in funding percentages and their effects are as follows:

Funding Percentage	2022	2021	Change
Huron Perth Public Health	28.76%	28.91%	(0.15)%
Spruce Lodge	50.85%	50.82%	0.03%

	<u>Jan. 1, 2022</u>	<u>Jan. 1, 2021</u>
Effect of Change in Funding Percentages		
Tangible capital assets		
Cost	\$ (5,416)	\$ 155,354
Accumulated amortization	(640)	(83,978)
Net book value	(6,056)	71,376
Net financial assets	(237)	22,018
Other non-financial assets	307	1,116
Change in Net Municipal Position	<u>\$ (5,986)</u>	<u>\$ 94,510</u>

The Corporation of the County of Perth Notes to Consolidated Financial Statements

December 31, 2022

19. Segmented Information

The Corporation of the County of Perth 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:

Council and CAO

This office of the Chief Administrative Officer is responsible for costs relating to the position of the Chief Administrative Officer, and the administrative functions of Accessibility, Human Resources and Economic Development. Council expenditures relate to the remuneration, professional development, and other expenses related to the execution of the duties of the Warden and Councilors.

Corporate Services

This department is responsible for five functions: Legislative Services (Clerk), Finance, Technology Services, Provincial Offences Administration, and Archives.

Legislative Services (Clerk)

Legislative Services is responsible for process and related activities of Council providing secretarial support including preparation of agendas, minutes, and by-laws. Also responsible for communication of Council directives and action both internally and externally and is custodian of all corporate records, and for the planning maintenance and mobilization of community resources for declared and non-declared emergencies.

Finance

Finance is responsible for the administration of the annual budget and procurement policies, providing advice on financial legislative obligations, reserve and reserve fund administration, financial impacts and analysis, investments and borrowing, financial policy and procedures, insurance claims and risk management, administration of payroll, and to foster relations with financial institutions and other stakeholders.

Technology Services

These costs relate to network and Internet connectivity support and implementation, and assistance to departments in the effective use of communications, workflow and data management.

Provincial Offences Administration (POA)

POA is responsible for providing administrative support for the Ontario Court of Justice. The Provincial Offences Act applies to all Ontario statutes (and regulations), municipal by-laws, and some federal contraventions.

Stratford - Perth Archives

Archives is responsible for preserving, protecting and making available the documentary heritage, including municipal and school records of Perth County, including its four lower tier municipalities, and the City of Stratford.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

19. Segmented Information (continued)

Public Works

Public works is responsible for the maintenance and winter control of the County's road network, the maintenance and operations of all facilities and fleet assets used by County operations.

Paramedic Services (PS)

PS is responsible for the provision of pre-hospital medical care and transportation services to the ill and injured in the County.

Planning and Development

This department provides planning services including and Land Division Committee services and support.

Shared Services

The operations of the Perth District Health Unit and Spruce Lodge - Home for the Aged are proportionately consolidated with the County. Other services provided by the City of Stratford - Social Services Department and the Stratford-Perth Museum Board are funded in part by the County, but not consolidated. All of these services are reported together in the following chart under "Shared Services" for segmentation purposes.

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 have been measured on the basis of the actual cost of services provided. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation and OMPF grants are allocated to those segments that are funded by the County based on the budgeted share of municipal levy for the year.

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

19. Segmented Information (continued)

For the year ended December 31	Council & CAO	Corporate Services	Public Works	Paramedic Services	Planning and Development	Shared Services	2022 Total
Revenue							
Taxation operating	\$ 1,842,883	\$ 2,090,031	\$ 2,674,712	\$ 2,071,045	\$ 219,914	\$ 6,080,936	14,979,521
Taxation capital	-	-	3,225,000	135,000	-	-	3,360,000
Government grants	476,470	584,697	5,774,306	12,482,044	282,803	11,523,771	31,124,091
User fees and service charges	188,906	3,525	119,180	124,866	238,237	1,962,696	2,637,410
Other	-	6,153,560	444,617	5,424	-	47,898	6,651,499
	<u>2,508,259</u>	<u>8,831,813</u>	<u>12,237,815</u>	<u>14,818,379</u>	<u>740,954</u>	<u>19,615,301</u>	<u>58,752,521</u>
Expenses							
Salaries and wages	1,226,673	2,294,954	1,868,566	12,529,485	782,639	11,125,853	29,828,170
Goods and services	1,630,762	1,491,622	10,400,991	1,082,050	126,046	4,301,008	19,032,479
External transfers	33,880	305,487	133,429	-	-	103,940	576,736
Amortization	-	126,392	5,452,453	98,509	-	549,454	6,226,808
Loss on disposal	-	67	440,513	-	-	-	440,580
	<u>2,891,315</u>	<u>4,218,522</u>	<u>18,295,952</u>	<u>13,710,044</u>	<u>908,685</u>	<u>16,080,255</u>	<u>56,104,773</u>
Increase (decrease) in net municipal position	\$ (383,056)	\$ 4,613,291	\$ (6,058,137)	\$ 1,108,335	\$ (167,731)	\$ 3,535,046	2,647,748

The Corporation of the County of Perth
Notes to Consolidated Financial Statements

December 31, 2022

19. Segmented Information (continued)

For the year ended December 31	Council & CAO	Corporate Services	Public Works	Paramedic Services	Planning and Development	Shared Services	2021 Total
Revenue							
Taxation operating	\$ 1,717,134	\$ 2,076,688	\$ 2,324,880	\$ 2,065,083	\$ 202,083	\$ 5,696,505	14,082,373
Taxation capital	-	-	3,160,000	125,000	-	-	3,285,000
Government grant	391,961	689,606	7,600,588	10,880,455	186,735	10,791,590	30,540,935
User fees and service charges	13,908	49,718	105,709	655,118	218,545	1,939,712	2,982,710
Other	56,740	1,980,331	480,139	3,422	-	23,783	2,544,415
	<u>2,179,743</u>	<u>4,796,343</u>	<u>13,671,316</u>	<u>13,729,078</u>	<u>607,363</u>	<u>18,451,590</u>	<u>53,435,433</u>
Expenses							
Salaries and wages	1,081,990	2,114,385	1,785,812	11,756,069	608,114	11,413,342	28,759,712
Goods and services	465,112	2,283,052	5,314,837	1,086,432	41,119	5,695,850	14,886,402
External transfers	81,850	379,596	-	-	3,000	102,441	566,887
Amortization	-	146,922	4,510,776	88,623	-	591,206	5,337,527
Loss on disposal	-	17	200,245	-	-	181	200,443
	<u>1,628,952</u>	<u>4,923,972</u>	<u>11,811,670</u>	<u>12,931,124</u>	<u>652,233</u>	<u>17,803,020</u>	<u>49,750,971</u>
Increase (decrease) in net municipal position	\$ 550,791	\$ (127,629)	\$ 1,859,646	\$ 797,954	\$ (44,870)	\$ 648,570	3,684,462