

Non-Consolidated Financial Statements of

**CORPORATION OF THE
UNITED COUNTIES OF
LEEDS AND GRENVILLE**

Year ended December 31, 2023

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Non-Consolidated Financial Statements

Year ended December 31, 2023

Page

Management's Responsibility for the Non-Consolidated Financial Statements

Independent Auditor's Report

Financial Statements:

Non-Consolidated Statement of Financial Position	1
Non-Consolidated Statement of Operations and Accumulated Municipal Equity	2
Non-Consolidated Statement of Changes in Net Financial Assets (Debt).....	3
Non-Consolidated Statement of Cash Flows	4
Notes to Non-Consolidated Financial Statements.....	5
Schedule 1: Continuity of Reserves and Reserve Funds.....	35
Trust Funds Financial Statements of the Corporation of the United Counties of Leeds and Grenville:	
Independent Auditor's Report.....	36
Statement of Financial Position.....	39
Statement of Financial Activities and Changes in Fund Balance.....	40
Notes to Trust Funds Financial Statements	41

Management's Responsibility for the Non-Consolidated Financial Statements

The accompanying non-consolidated financial statements of the Corporation of the United Counties of Leeds and Grenville (the "United Counties") are the responsibility of the United Counties' management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The United Counties' management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to Council approval of the financial statements.

The non-consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the United Counties. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the United Counties' non-consolidated financial statements.

Ray Callery, Chief Administrative Officer

Pat Huffman, Treasurer



KPMG LLP
22 Wilson Street, West
Perth, ON K7H 2M9
Canada
Telephone 613 267 6580
Fax 613 267 7563

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the United Counties of Leeds and Grenville

Opinion

We have audited the non-consolidated financial statements of the Corporation of the United Counties of Leeds and Grenville (the Entity), which comprise:

- the non-consolidated statement of financial position as at December 31, 2023
- the non-consolidated statement of operations and accumulated municipal equity for the year then ended
- the non-consolidated statement of changes in net financial assets (debt) for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the non-consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter – Comparative Information

We draw attention to Note 21 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated. Note 21 explains the reasons for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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



Page 3

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

July 29, 2024

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Non-Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 21)
Financial assets:		
Cash	\$ 65,696,209	\$ 43,035,393
Accounts receivable	5,701,593	5,537,009
Investments (note 5)	17,389,281	16,986,571
Long-term receivables (note 3)	4,131,208	4,243,613
	92,918,291	69,802,586
Financial liabilities:		
Accounts payable and accrued liabilities	18,414,242	15,891,400
Employee future benefit obligations (note 4)	9,666,709	8,276,149
Asset retirement obligations (note 7)	25,246,732	25,246,732
Deferred revenue	7,708,705	2,310,140
Deferred revenue - obligatory reserve funds (note 6)	5,391,887	3,647,719
Long-term liabilities (note 8)	32,674,128	7,041,106
	99,102,403	62,413,246
Net financial assets (debt)	(6,184,112)	7,389,340
Non-financial assets:		
Tangible capital assets (note 17)	196,736,588	170,567,181
Prepaid expenses	2,598,145	2,088,863
Inventories	1,684,152	1,418,499
Total non-financial assets	201,018,885	174,074,543
Contingent liabilities (note 12)		
Commitments (note 15)		
Accumulated municipal equity (note 9)	\$ 194,834,773	\$ 181,463,883

The accompanying notes are an integral part of these non-consolidated financial statements.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Non-Consolidated Statement of Operations and Accumulated Municipal Equity

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

	Budget 2023 (note 19)	Actual 2023	Actual 2022 (Restated - note 21)
Revenue (note 18):			
Taxation - requisition on local municipalities	\$ 47,470,622	\$ 47,686,007	\$ 44,031,848
Taxation - share of supplementary taxes	200,000	512,326	685,598
User charges	2,703,845	3,385,196	2,872,573
Government grants - provincial	58,500,489	59,258,867	45,855,751
Government grants - federal	4,576,880	4,688,831	3,774,376
Government grants - other municipalities	6,395,625	6,353,725	6,396,149
Provincial offences fines	2,000,000	1,312,810	1,438,219
Investment income	1,010,834	2,931,892	1,460,501
Other income:			
Rental	3,577,644	4,150,420	4,154,942
Other	22,350	30,083	63,516
Gain on sale of tangible capital assets	-	252,117	207,082
Loss on write down of tangible capital assets	-	-	(124,406)
Total revenue	126,458,289	130,562,274	110,816,149
Expenses (note 18):			
General government	4,598,236	3,821,928	3,979,582
Protection to persons and property	2,449,276	2,019,012	2,098,331
Transportation services	25,679,091	24,444,031	24,490,030
Environmental services	384,530	340,466	353,008
Health services	22,855,886	23,680,890	22,749,197
Social and family services	63,201,203	60,515,714	51,034,188
Recreation and cultural services	22,620	22,357	20,260
Planning and development	2,633,774	2,346,986	2,169,045
Total expenses	121,824,616	117,191,384	106,893,641
Annual surplus	4,633,673	13,370,890	3,922,508
Accumulated municipal equity, beginning of year, as previously stated	181,463,883	181,463,883	191,850,130
Adjustment on adoption of asset retirement obligation standard (note 21)	-	-	(14,308,755)
Accumulated municipal equity, beginning of year, as restated	181,463,883	181,463,883	177,541,375
Accumulated municipal equity, end of year	\$ 186,097,556	\$ 194,834,773	\$ 181,463,883

The accompanying notes are an integral part of these non-consolidated financial statements.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Non-Consolidated Statement of Changes in Net Financial Assets (Debt)

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

	Budget 2023 (note 19)	Actual 2023	Actual 2022 (Restated - note 21)
Annual surplus	\$ 4,633,673	\$ 13,370,890	\$ 3,922,508
Amortization of tangible capital assets	14,032,842	14,310,670	14,619,671
Acquisition of tangible capital assets	(66,807,237)	(40,579,314)	(23,513,989)
Loss on write down of tangible capital assets	-	-	124,406
Gain on disposal of tangible capital assets	-	(252,117)	(207,082)
Proceeds on disposal of tangible capital assets	-	351,354	330,582
Acquisition (consumption) of prepaid expenses	-	(509,282)	(677,429)
Acquisition (consumption) of supplies inventories	-	(265,653)	(220,176)
Change in net financial assets (debt)	(48,140,722)	(13,573,452)	(5,621,509)
Net financial assets, beginning of year, as previously stated	7,389,340	7,389,340	38,257,581
Adjustment on adoption of asset retirement obligation standard (note 21)	-	-	(25,246,732)
Net financial assets, beginning of year, as restated	7,389,340	7,389,340	13,010,849
Net financial assets (debt), end of year	\$ (40,751,382)	\$ (6,184,112)	\$ 7,389,340

The accompanying notes are an integral part of these non-consolidated financial statements.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Non-Consolidated Statement of Cash Flows

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

	2023	2022
		(Restated - note 21)
Operating activities:		
Annual surplus	\$ 13,370,890	\$ 3,922,508
Item not involving cash:		
Amortization of tangible capital assets	14,310,670	14,619,671
Gain on sale of tangible capital assets	(252,117)	(207,082)
Loss on write down of tangible capital assets	-	124,406
Change in non-cash operating working capital:		
Accounts receivable	(164,584)	(1,941,017)
Accounts payable and accrued liabilities	2,522,842	3,305,933
Employee future benefit obligations	1,390,560	1,520,931
Deferred revenue	5,398,565	14,680
Deferred revenue - obligatory reserve funds	1,744,168	1,298,369
Inventories	(265,653)	(220,176)
Prepaid expenses	(509,282)	(677,429)
Net change in cash from operations	37,546,059	21,760,794
Investing activities:		
Increase in investments	(402,710)	(448,269)
Repayment of long-term receivables	112,405	55,874
Issuance of long-term receivables	-	(2,957,180)
	(290,305)	(3,349,575)
Capital activities:		
Acquisition of tangible capital assets	(40,579,314)	(23,513,989)
Proceeds of disposal of tangible capital assets	351,354	330,582
	(40,227,960)	(23,183,407)
Financing activities:		
Proceeds of long-term liabilities	26,386,000	3,355,000
Debt principal repayments	(752,978)	(1,075,772)
	25,633,022	2,279,228
Increase (decrease) in cash	22,660,816	(2,492,960)
Cash, beginning of year	43,035,393	45,528,353
Cash, end of year	\$ 65,696,209	\$ 43,035,393

The accompanying notes are an integral part of these non-consolidated financial statements.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2023

The Corporation of the United Counties of Leeds and Grenville (the "United Counties") was incorporated January 28, 1850 and assumed its responsibilities under the authority of the Municipal Act. The United Counties operates as an upper tier government in the United Counties of Leeds and Grenville, in the Province of Ontario, Canada and provides municipal services such as emergency measures, public works, public health services, ambulance services, social and family assistance, planning and development and other general government operations.

1. Significant accounting policies:

The non-consolidated financial statements of the United Counties are the representations of management and have been prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the United Counties are as follows:

(a) Basis of accounting:

- (i) The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) 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 annual surplus, provides the change in net financial assets (debt) for the year.
- (iii) Trust funds and their related operations administered by the United Counties are not included in these financial statements but are reported separately on the Trust Funds Statement of Financial Activities and Financial Position.

(b) Tangible capital assets:

Tangible capital assets are recorded at historical cost or where historical cost records were not available, other methods determined to provide a best estimate of historical cost and accumulated amortization of the assets. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(b) Tangible capital assets (continued):

The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	10
Buildings	15 to 40
Vehicles	5 to 12
Machinery, equipment, furniture and fixtures	7 to 30
Linear assets:	
Roads	35 to 50
Bridges and culverts	75

Amortization is charged from the month following the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

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.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the non-consolidated statement of operations and accumulated municipal equity in the year of disposal. 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.

When conditions indicate that a tangible capital asset no longer contributes to the United Counties' ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the non-consolidated statement of operations and accumulated municipal equity.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(c) Financial instruments:

On January 1, 2023, the United Counties adopted PS 3450 Financial Instruments which establishes accounting and reporting for all types of financial instruments, including derivatives as disclosed in Note 21. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost.

Management has not elected to record any investments at fair value as they are not managed and evaluated on a fair value basis.

On application of this standard, unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses which records the remeasurement gains and losses for financial instruments measured at fair value. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity through the non-consolidated Statement of Operations and Accumulated Municipal Equity. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the non-consolidated Statement of Operations and Accumulated Municipal Equity.

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

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

Long-term debt is recorded at amortized cost.

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

Establishing fair value (continued)

(i) Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

(d) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the non-consolidated Statement of Remeasurement Gains and Losses. In the period of settlement, the realized foreign exchange gains and losses are recognized in the non-consolidated Statement of Operations and Accumulated Municipal Equity and the unrealized balances are reversed from the non-consolidated Statement of Remeasurement Gains and Losses.

(e) Statement of Remeasurement Gains and Losses:

A non-consolidated Statement of Remeasurement Gains and Losses has not been provided as there are no significant unrealized gains or losses at December 31, 2023 or 2022.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(f) 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.

(g) Inventories and prepaid expenses:

Inventories and prepaid expenses held for consumption are recorded at the lower of cost or replacement cost.

(h) Pension and employee benefits:

The United Counties accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

As a result, the United Counties does not recognize any share of the OMERS pension surplus or deficit. The last available report was as at December 31, 2023, at that time, the plan reported a \$4.2 billion actuarial deficit (2022 - \$6.7 billion actuarial deficit).

Employee benefits include vacation entitlement, sick leave benefits and benefits under the Workplace Safety and Insurance Board Act. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the United Counties' policy.

(i) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(j) Deferred revenue:

The United Counties defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers, development charges collected under the Development Charges Act, 1997, and recreational land collected under the Planning Act are reported as deferred revenues in the non-consolidated statement of financial position. These amounts will be recognized as revenues in the fiscal year the services are performed.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(j) Deferred revenue (continued):

The United Counties receives restricted contributions under the authority of Federal and Provincial legislation and United Counties by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the United Counties has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

(k) Asset retirement obligations:

An asset retirement obligation ("ARO") is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The liability for the removal of asbestos in several of the buildings owned by the United Counties has been recognized based on estimated undiscounted future expenses. Under the modified retroactive method, the assumptions used on initial recognition are those as of the date of adoption in the standard. Assumptions used in the subsequent calculations are revised yearly.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liabilities are recognized in the non-consolidated Statement of Operations and Accumulated Municipal Equity at the time of remediation.

The recognition of the ARO liability resulted in an accompanying increase to the respective tangible capital assets. Building tangible capital assets affected by the asbestos liability are being amortized with the building following the amortization accounting policies outlined in Note 1 (b).

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(l) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the United Counties:
 - a) is directly responsible; or
 - b) accepts responsibility
- (iv) it is expected that future economic benefit will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(m) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the period. Amounts subject to estimates include employee benefits payable, asset retirement obligations and the carrying value of the United Counties' tangible capital assets. Actual results could differ from these estimates.

2. Service Contract with the Ministry of Children, Community and Social Services and the Ministry of Education:

The United Counties has a service contract with the Ministry of Children, Community and Social Services and the Ministry of Education. A reconciliation report summarizes by service, all revenues and expenses and identifies any resulting surplus that relates to the service contract.

A review of the report shows various Child Care Programs to be in a surplus position as at December 31, 2023. The net surplus amount is reflected as a component of accounts payable and accrued liabilities on the non-consolidated statement of financial position.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

3. Long-term receivables:

Long-term receivables are comprised of the following:

	2023	2022
Due from lower tier municipalities for funds advanced to finance the purchase of fire communications systems. The receivable is funded with equivalent borrowing from Ontario Infrastructure and Lands Corporation ("OILC"). The funds are borrowed at 2.88% and are repayable over ten years and matures October 2024.	\$ 107,495	\$ 211,960
Due from South Crosby Non Profit Housing Corporation for funds advanced for capital projects. The loan bears interest at a rate of 3.70% and is repayable in blended monthly payments of \$1,060 and matures April 2024.	5,698	16,565
Due from Marguerita Residence Corporation (prime less 0.95%) for funds advanced to finance the construction of an 88 unit affordable housing project in Brockville ON. Amount of the loan will not exceed \$4,000,000 and will be for a period of up to 5 years coinciding with building occupancy.	4,018,015	4,015,088
	\$ 4,131,208	\$ 4,243,613

Payments are due as follows:

2024	\$ 113,193
2025	4,018,015
	\$ 4,131,208

4. Employee future benefit obligations:

(a) Liability for vacation, overtime and statutory holiday credits:

Vacation, overtime and statutory holiday expense are accrued for employees as entitlement to these payments is earned in accordance with the United Counties' benefit plan.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

4. Employee future benefit obligations (continued):

(b) Sick leave credits:

The United Counties previously provided a sick leave benefit plan, now discontinued, that would allow unused sick leave to accumulate such that employees became entitled to cash payment when they leave their employment. The liability for these accumulated days, to the extent they were vested, could be taken in cash by an employee on termination as set out below.

(c) The United Counties is a Schedule 2 employer under the Workplace Safety and Insurance Act and as such assume full responsibility for financing its workplace safety insurance costs. The accrued obligation represents the present value of future benefits on existing claims.

The liability was determined by an actuarial valuation undertaken as at April 25, 2022, with an extrapolation effective December 31, 2022. The estimate is based on a number of assumptions about future events including interest rates, inflation rates, salary and wage rates and claim rates. The valuation estimated claims at 5.98% of salaries and wages, a discount rate of 3.0% and a rate of inflation of 1.75%.

Future actuarial valuations may result in increases or decreases to the liability. The actuarial gain or loss will be amortized over the expected average remaining service life of 9.96 years (2022 - 9.96 years).

The United Counties have established reserves to mitigate the future impact of the obligation and this has been reported on Schedule 1 - Composition of Reserves and Reserve Funds, \$1,161,462 (2022 - \$810,981).

Information with respect to the United Counties Workplace Safety and Insurance Board accrued benefit liability is as follows:

	2023	2022
Accrued WSIB benefit obligation at January 1	\$ 11,133,002	\$ 7,579,209
Actuarial loss	-	2,622,916
Benefit cost for the year	1,944,999	1,895,298
Interest cost	342,330	315,297
Expected benefit payments	(1,388,988)	(1,279,718)
	<u>\$ 12,031,343</u>	<u>\$11,133,002</u>
Accrued WSIB benefit obligation at December 31	12,031,343	11,133,002
Unamortized actuarial loss	(3,264,956)	(3,771,421)
	<u>\$ 8,766,387</u>	<u>\$ 7,361,581</u>

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

4. Employee future benefit obligations (continued):

(c) (continued):

Information with respect to the County's Workplace Safety and Insurance Board unamortized loss is as follows:

	2023	2022
Remaining unamortized loss at January 1	\$(3,771,421)	\$(1,654,970)
Amortization during the year	506,465	506,465
Actuarial loss	–	(2,622,916)
Remaining unamortized loss at December 31	\$(3,264,956)	\$(3,771,421)

(d) Employee benefit obligations are comprised of:

	2023	2022
Sick leave	\$ 5,885	\$ 5,665
Vacation, overtime, statutory holidays	894,437	908,903
WSIB	8,766,387	7,361,581
	\$ 9,666,709	\$ 8,276,149

5. Investments:

Investments reported under financial assets represent excess operating funds that are comprised of the following:

	Level	2023	2022
Fixed income and mutual fund investments	2	17,389,281	16,986,571
		\$17,389,281	\$16,986,571

Fixed income investments yields interest rates ranging of 1.95% to 11.6% with varying maturities between January 2024 and September 2029.

6. Deferred revenue - obligatory reserve fund:

A requirement of public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenues. This requirement is in place as Provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

6. Deferred revenue - obligatory reserve fund (continued):

The transactions for the year are summarized as follows:

	Infrastructure grants	Canada Community Building Fund	Total
January 1, 2023	\$ 1,985,239	\$ 1,662,480	\$ 3,647,719
Interest	224,147	–	224,147
Donations	924,469	–	924,469
Government grants	4,099,816	–	4,099,816
Transfer to capital fund	(1,841,784)	(1,662,480)	(3,504,264)
December 31, 2023	\$ 5,391,887	\$ –	\$ 5,391,887

7. Asset retirement obligation:

The United Counties has recorded ARO as of the January 1, 2022 implementation date on a modified retroactive basis, with a simplified restatement of prior year amounts.

The United Counties discounts significant obligations where there is a high degree of confidence on the amount and timing of cash flows and the obligation will not be settled for at least five years from the reporting date. The discount and inflation rate is reflective of the risks specific to the asset retirement liability

As at December 31, 2023, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

	2023	2022
Liabilities for asset retirement obligations, beginning of year	\$ 25,246,732	\$ –
Opening adjustments for PSAB adjustment	–	25,246,732
Liabilities incurred during the year	–	–
Liabilities settled during the year	–	–
Liabilities for asset retirement obligations, end of year	\$ 25,246,732	\$ 25,246,732

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

8. Long-term liabilities:

(a) Long term liabilities are comprised of the following:

	2023	2022
Serial debentures:		
St. Lawrence Lodge, 5.60% and 4.71%, due September 2024 and September 2025	\$ 1,225,633	\$ 1,874,146
Fire communication systems, 2.88%, due October 2024	107,495	211,960
County Road 43 and Mapleview Lodge redevelopment, interim financing, interest rate is OILC's monthly construction rate	31,341,000	4,955,000
	<u>\$ 32,674,128</u>	<u>\$ 7,041,106</u>

(b) Total debt includes two mortgages held by the City of Brockville on behalf of the St. Lawrence Lodge (the "Lodge"). The Lodge receives capital funding in the amount of \$10.35 per resident day from the Ministry of Health and Ministry of Long Term Care which equates to \$70,516 per month which is sent to the City of Brockville to be applied towards the capital debt. The remaining amounts payable towards the outstanding mortgage balance was paid by the Municipal partners on the following approximate percentage basis:

City of Brockville	60%
United Counties of Leeds and Grenville	29%
Town of Prescott	9%
Town of Gananoque	2%

(c) Principal payments are due as follows:

	Other municipalities	General revenues	Total
2024	\$ 107,495	\$ 32,021,818	\$ 32,129,313
2025	-	544,815	544,815
	<u>\$ 107,495</u>	<u>\$ 32,566,633</u>	<u>\$ 32,674,128</u>

(d) Interest expense on long term liabilities in 2023 amounted to \$1,091,769 (2022 - \$218,147).

(e) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

8. Long-term liabilities (continued):

- (f) During 2021, the United Counties entered into an agreement with OILC to provide financing up to a maximum of \$99,668,333 related to the Maple View Lodge redevelopment and the County Road 43 expansion (the "Projects"). Funds drawn bear interest at a floating rate per annum as determined by OILC based on OILC's cost of funds plus OILC's prevailing rate. Repayment of funds drawn is due at the earlier of termination of the agreement or the Issue Date for the Projects for which the advance was made. As of December 31, 2023, the balance drawn amounted to \$31,341,000 (2022 - \$4,955,000).

9. Accumulated municipal equity:

	2023	2022 (Restated - note 21)
Investment in tangible capital assets:		
Tangible capital assets	\$ 196,736,588	\$ 170,567,181
Unfunded asset retirement obligation	(25,246,732)	(25,246,732)
Long-term liabilities	(32,674,128)	(7,041,106)
Debt recoverable from lower tiers	107,495	211,960
Unfinanced capital outlay	-	(6,324,475)
	<u>138,923,223</u>	<u>132,166,828</u>
Reserves (Schedule 1)	55,911,550	49,297,055
Total accumulated municipal equity	\$ 194,834,773	\$ 181,463,883

10. Pension contributions:

The United Counties makes contributions to the OMERS, which is a multi-employer plan, on behalf of all permanent 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. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the United Counties does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The amount contributed to OMERS was \$2,741,066 (2022 - \$2,381,830) for current services and is included as an expense on the non-consolidated statement of operations and accumulated municipal equity classified under the appropriate functional expenditure.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

11. Trust funds:

Trust funds administered by the United Counties amounting to \$4,278 (2022 - \$4,891) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the United Counties for the benefit of others, they are not presented as part of the United Counties' financial position or financial activities.

12. Contingent liabilities:

(a) Community housing:

Under the provision of a transfer order prepared under authority of The Social Housing Reform Act, 2000, the United Counties of Leeds and Grenville were the recipient of assets, liabilities, rights and obligations previously owned by the Ontario Housing Corporation ("OHC"). The transfer included all community housing units, including land and buildings, which were transferred to the United Counties at no cost.

The majority of Ontario public housing projects were originally financed by OHC debentures issued by the OHC in favour of Canada Mortgage and Housing Corporation. OHC continues to hold these debentures and the debt charges associated with these debentures are to be paid from Federal funding directly by the Province to the debenture holder. As a result, these debentures are not included as part of the consideration of the United Counties' into these non-consolidated financial statements. Total debentures outstanding at December 31, 2023 amount to \$294,620 (2022 - \$725,993).

Effective on the date of transfer, the United Counties as service manager is responsible for the management and operation of the housing projects transferred and are bound by the requirements as set out in the legislation.

(b) The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2023, management believes that the United Counties have valid defences and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the United Counties' financial position.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

13. Contributions to Joint Boards and Health Unit:

- (a) The assets and liabilities of the Lodge have not been included in these non-consolidated financial statements. The United Counties' contributions to the Lodge in fiscal 2023 was \$837,603 (2022 - \$754,597) and are reported on the non-consolidated statement of operations and accumulated municipal equity.
- (b) The assets and liabilities of the Leeds, Grenville and Lanark District Health Unit ("Health Unit") have not been included in these non-consolidated financial statements. The United Counties contributions to the Health Unit in fiscal 2023 was \$1,343,067 (2022 - \$1,303,949) and is reported on the non-consolidated statement of operations and accumulated municipal equity.

14. Provincial offences administration:

The United Counties have assumed the administration of the Provincial Offences office for all United Counties resident municipalities. The transfer of administration from the Ministry of the Attorney General to the United Counties was a result of the Provincial Offences Act ("POA") 1997, which provides the framework for the transfer of responsibility and administration of POA courts.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

The United Counties' share of net revenues arising from operation of the POA office have been included with these financial statements. The revenue of the court office consists of fines levied under Parts I, II and III (including delay penalties) for POA charges filed in the United Counties court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System ("ICON") operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made.

The United Counties shares net POA revenues based on the cost sharing agreement established in 2000. Gross revenues for POA charges total \$1,312,810 (2022 - \$1,438,219).

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Commitments:

- (a) The United Counties were awarded an additional 132 long term care beds to be added to Mapleview Lodge Home for the Aged. The project is expected to cost \$87 million with costs incurred as of December 31, 2023 amounting to \$36million. The project is expected to be completed by the end of 2025.
- (b) The United Counties have committed to the expansion of a portion of Highway 42 in North Grenville to a four-lane highway and replacing the bridge. The project is projected to cost \$43 million with costs incurred as of December 31, 2023 amounting to \$4million. The project is expected to be completed during 2025.
- (c) The Counties have approved a multi-year funding commitment to local Hospitals as follows:

	University Hospitals Kingston Foundation	Brockville & District Hospital Foundation	Kemptville District Hospital
2018	\$ –	\$ –	\$ 75,000
2019	120,000	–	–
2020	120,000	212,500	–
2021	120,000	212,500	–
2022	120,000	212,500	–
2023	120,000	212,500	90,000
2024	–	212,500	90,000
2025	–	212,500	90,000
2026	–	212,500	90,000
2027	–	212,500	90,000
2028	–	212,500	90,000
2029	–	212,500	90,000
2030	–	–	90,000
2031	–	–	90,000
2032	–	–	90,000
	\$ 600,000	\$ 2,125,000	\$ 975,000

16. Cost sharing allocations:

The Joint Operating Agreement (signed May 25, 2000) sets out formulae under which the costs for Social Services, Child Care, Social Housing, Provincial Offences and Land Ambulance are shared between the United Counties of Leeds and Grenville, the City of Brockville, the Town of Gananoque and the Town of Prescott (collectively, the “Municipalities”).

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

16. Cost sharing allocations (continued):

Program costs are shared between the parties as follows:

Social Housing	weighted assessment
Ambulance	weighted assessment
Provincial Offences	25% ticket revenue, 25% households 25% population, 25% weighted assessment
Social Services	50% caseload, 50% weighted assessment

(a) St. Lawrence Lodge:

Operations

The Lodge makes an annual assessment to the participating municipalities for operating expenditures and minor capital costs that are not funded by other sources of revenue (primarily resident fees and subsidy from the Province of Ontario). The Lodge tracks the residents based on the municipality that they lived in prior to entering the facility (if they resided in one of the four participating municipalities). The annual assessment is allocated to the municipalities based on a five year rolling average of the percentage of residents from their jurisdiction. The Counties' allocation for 2023 was 30.89% (2022 - 30.88%).

Operating levies and any excess of operating revenue over expenditures (expenditures over revenue) is allocated to the municipalities based on the percentage of assessment used for that year.

Redevelopment

The Lodge redeveloped its facility over a number of years resulting in occupancy in 2006. The cost was approximately \$34,500,000 of which \$32,400,000 was financed by debentures issued by the City of Brockville. The Province of Ontario is committed to providing \$846,192 annually until the debentures are repaid in 2025. The municipalities have agreed to fund the balance of the amounts required to repay the debentures and pay the interest due on those obligations in a fixed ratio being:

City of Brockville	60.26%
United Counties of Leeds and Grenville	28.57%
Town of Prescott	9.38%
Town of Gananoque	1.79%

The excess (or shortfall) or municipal funding over interest on long term liabilities and amortization of the new facility is allocated to municipal surplus using those ratios and represents the difference between the timing of funding (received over 20 years) and the amortization of the building (over 40 years). Ultimately, at the end of 2046, the surplus will be reduced to \$Nil.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

16. Cost sharing allocations (continued):

(a) St. Lawrence Lodge (continued):

The Counties' portion of the Lodge's accumulated surplus is as follows:

	2023 (Estimated)	2022
Deficit from operations	\$ —	\$ (122,982)
Surplus from redevelopment	2,500,000	2,742,148
Total accumulated municipal equity	\$ 2,500,000	\$ 2,619,166

During the year, the Counties had the following transactions with the Lodge:

- The Counties contributed to the Lodge an annual operating grant of \$837,603 (2022 - \$754,597).

These transactions were in the normal course of operations and are measured at the exchange value, the amount of consideration established and agreed to by the related parties, which approximates the arm's length equivalent value for such transactions.

17. Tangible capital assets:

Cost	Balance at December 31, 2022 (restated)	Transfers and additions	Disposals and adjustments	Balance at December 31, 2023
Land	\$ 604,606	\$ 687,678	\$ (62,508)	\$ 1,229,776
Land improvements	2,838,757	243,879	—	3,082,636
Buildings	84,670,706	2,822,818	(149,019)	87,344,505
Vehicles	8,862,204	1,681,651	(915,158)	9,628,697
Machinery, equipment, furniture and fixtures	15,354,472	1,571,665	(661,517)	16,264,620
Linear assets:				
Roads	454,550,872	10,904,423	—	465,455,295
Bridges and culverts	37,724,399	1,395,553	—	39,119,952
Construction in progress	20,627,714	21,271,647	—	41,899,361
Total	\$ 625,233,730	\$ 40,579,314	\$ (1,788,202)	\$ 664,024,842

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

17. Tangible capital assets (continued):

Accumulated amortization	Balance at December 31, 2022 (restated)	Amortization and adjustments	Transfers, and disposals	Balance at December 31, 2023
Land	\$ 18,105	\$ -	\$ -	\$ 18,105
Land improvements	1,635,056	95,689	-	1,730,745
Buildings	42,988,760	2,293,674	(128,525)	45,153,909
Vehicles	5,883,300	853,792	(915,158)	5,821,934
Machinery, equipment, furniture and fixtures	7,454,666	1,025,740	(645,282)	7,835,124
Linear assets:				
Roads	383,076,043	9,091,136	-	392,167,179
Bridges and culverts	13,610,619	950,639	-	14,561,258
Construction in progress	-	-	-	-
Total	\$ 454,666,549	\$ 14,310,670	\$ (1,688,965)	\$ 467,288,254

	Net book value 2022 (restated)	Net book value 2023
Land	\$ 586,501	\$ 1,211,671
Land improvements	1,203,701	1,351,891
Buildings	41,681,946	42,190,596
Vehicles	2,978,904	3,806,763
Machinery, equipment, furniture and fixtures	7,899,806	8,429,496
Linear assets:		
Roads	71,474,829	73,288,116
Bridges and culverts	24,113,780	24,558,694
Construction in progress	20,627,714	41,899,361
Total	\$ 170,567,181	\$ 196,736,588

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

18. Segmented information:

The United Counties is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the non-consolidated statement of operations and accumulated municipal equity.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the non-consolidated financial statements as disclosed in note 1.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

18. Segmented information (continued):

	General Government	Protection to Persons and Property	Transportation Services	Health Services	Social and Family Services	Recreation & Cultural	Planning and Development	Environmental	2023 Total
Revenue									
Taxation:									
Local Municipalities	\$ 47,686,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,686,007
Supplementary Taxes	512,326	-	-	-	-	-	-	-	512,326
User Charges	55,337	-	-	101,363	2,931,213	-	294,050	3,233	3,385,196
Government grants:									
Province	49,853	-	1,822,191	11,161,609	45,855,653	-	306,826	62,735	59,258,867
Federal	-	-	4,017,187	-	671,644	-	-	-	4,688,831
Other municipal	113,222	14,320	407,685	2,864,766	2,917,092	-	15,853	20,787	6,353,725
Investment income	2,931,892	-	-	-	-	-	-	-	2,931,892
Provincial offences	-	1,312,810	-	-	-	-	-	-	1,312,810
Other income - rent	171,425	53,389	-	-	3,913,617	-	2,274	9,715	4,150,420
Other income - other	-	-	25,183	-	2,300	-	2,600	-	30,083
Gain (loss) on disposal of TCA	252,117	-	-	-	-	-	-	-	252,117
	51,772,179	1,380,519	6,272,246	14,127,738	56,291,519	-	621,603	96,470	130,562,274
Expenses									
Salaries, wages and employee benefits	3,702,346	644,313	5,375,375	17,852,969	14,865,606	5,155	1,542,484	7,199	43,995,447
Debenture debt interest	6,189	10,752	98,407	-	975,522	-	899	-	1,091,769
Material and services	3,546,739	990,707	6,890,962	2,267,456	9,230,481	16,724	487,322	323,399	23,753,790
External and services	744,122	91,300	-	1,869,636	31,280,466	-	54,184	-	34,039,708
Interfunctional adjustments	(4,675,300)	173,141	824,687	1,057,092	2,370,916	478	239,118	9,868	-
Amortization	497,832	108,799	11,254,600	633,737	1,792,723	-	22,979	-	14,310,670
	3,821,928	2,019,012	24,444,031	23,680,890	60,515,714	22,357	2,346,986	340,466	117,191,384
Annual surplus (deficit)	\$ 47,950,251	\$ (638,493)	\$ (18,171,785)	\$ (9,553,152)	\$ (4,224,195)	\$ (22,357)	\$ (1,725,383)	\$ (243,996)	\$ 13,370,890

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

18. Segmented information (continued):

	General Government	Protection to Persons and Property	Transportation Services	Health Services	Social and Family Services	Recreation & Cultural	Planning and Development	Environmental	2022 Total
									(Restated, note 21)
Revenue									
Taxation:									
Local Municipalities	\$ 44,031,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,031,848
Supplementary Taxes	685,598	-	-	-	-	-	-	-	685,598
User Charges	44,449	-	30	202,179	2,332,638	-	290,243	3,034	2,872,573
Government grants:									
Province	263,172	-	2,021,579	9,798,386	33,536,989	-	148,776	86,849	45,855,751
Federal	-	-	2,748,368	-	1,026,008	-	-	-	3,774,376
Other municipal	192,553	14,320	374,500	3,064,578	2,679,414	-	55,166	15,618	6,396,149
Investment income	1,460,501	-	-	-	-	-	-	-	1,460,501
Provincial offences	-	1,438,219	-	-	-	-	-	-	1,438,219
Other income - rent	216,730	50,024	-	-	3,877,802	-	748	9,638	4,154,942
Other income - other	-	-	23,943	-	1,475	-	38,098	-	63,516
Gain (loss) on disposal of TCA	-	-	(41,436)	124,112	-	-	-	-	82,676
	46,894,851	1,502,563	5,126,984	13,189,255	43,454,326	-	533,031	115,139	110,816,149
Expenses									
Salaries, wages and employee benefits	3,466,730	679,519	5,186,956	17,112,607	14,130,673	2,530	1,407,213	4,978	41,991,206
Debenture debt interest	14,449	20,734	20,657	-	161,179	-	1,128	-	218,147
Material and services	3,575,442	1,011,251	6,908,190	2,399,298	8,591,078	17,305	491,504	341,146	23,335,214
External and services	618,122	114,413	-	1,611,426	24,337,405	-	48,037	-	26,729,403
Interfunctional adjustments	(4,182,510)	163,615	730,427	993,010	2,092,441	425	195,708	6,884	-
Amortization	487,349	108,799	11,643,800	632,856	1,721,412	-	25,455	-	14,619,671
	3,979,582	2,098,331	24,490,030	22,749,197	51,034,188	20,260	2,169,045	353,008	106,893,641
Annual surplus (deficit)	\$ 42,915,269	\$ (595,768)	\$ (19,363,046)	\$ (9,559,942)	\$ (7,579,862)	\$ (20,260)	\$ (1,636,014)	\$ (237,869)	\$ 3,922,508

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

19. Budget figures:

The 2023 budget amounts that were approved were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Board Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the non-consolidated statement of operations and accumulated municipal equity. The revenues attributable to these items continue to be included in the non-consolidated statement of operations and accumulated municipal equity, resulting in a significant variance. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited non-consolidated financial statements.

	Budget 2023	Actual 2023
Total revenues as presented on the non-consolidated statement of operations and municipal equity.	\$ 126,458,289	\$ 130,562,274
Total expenses as presented on the non-consolidated statement of operations and accumulated municipal equity.	(121,824,616)	(117,191,384)
Deficit presented on the non-consolidated statement of operations and accumulated municipal equity.	4,633,673	13,370,890
Add back: Amortization	14,032,842	14,310,670
Adjusted surplus	18,666,515	27,681,560
Capital expenses	(66,807,237)	(40,579,314)
Disposal of tangible capital assets	—	351,354
Long-term receivable repayments	104,464	104,496
Proceeds of long-term debt	43,500,000	26,386,000
Principal repayments	(752,978)	(752,978)
Gain on disposal of tangible capital assets	—	(252,117)
Decrease in operating surplus	\$ (5,289,236)	\$ 12,939,001
Allocated as follows:		
Operations/unfunded capital	\$ —	\$ 6,324,506
Net transfers (from) to reserves	(5,289,236)	6,614,495
	\$ (5,289,236)	\$ 12,939,001

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

20. Financial risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The United Counties is exposed to credit risk with respect to accounts receivable and investments on the non-consolidated Statement of Financial Position.

The United Counties assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the United Counties at December 31, 2023 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the non-consolidated Statement of Operations and Accumulated Municipal Equity. Subsequent recoveries of impairment losses related to accounts receivable are credited to the non-consolidated Statement of Operations and Accumulated Municipal Equity.

	Accounts and other receivables	Rents receivable	Total
Current	\$ 5,630,093	\$ 17,120	\$ 5,647,213
Past due	14,035	422,919	436,954
Gross receivable	5,644,128	440,039	6,084,167
Allowances	(14,035)	(368,539)	(382,574)
Net receivables	\$ 5,630,093	\$ 71,500	\$ 5,701,593

Amounts past due but not allowed for are deemed by management to be collectible based on historical experience regarding collections.

The United Counties follows an investment policy approved by its Council. The maximum exposure to credit risk with respect to investments of the United Counties at December 31, 2023 is the carrying value of investment assets.

There have been no significant changes to the credit risk exposure from 2022.

(b) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, impact the United Counties' income or the value of its holdings of financial instruments. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

20. Financial risks (continued):

(b) Market risk (continued):

The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

There have been no significant changes to the market risk exposure from 2022.

(i) Currency risk:

Currency risk arises from the United Counties' operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The United Counties does not have any material transactions or financial instruments denominated in foreign currencies.

(ii) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the United Counties to cash flow interest rate risk.

The United Counties' management monitors the interest rate fluctuations on a continuous basis and acts accordingly with regards to long-term debt as described in note 8. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the long-term debt.

As at December 31, 2023, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve with all other variables held constant, the estimated impact on the market value of investments would be approximately \$171,530 (2022 - \$163,815).

The United Counties' investments are disclosed in Note 5.

(iii) Equity risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The United Counties is not exposed to this risk based on the current investment portfolio.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

20. Financial risks (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the United Counties will not be able to meet all of its cash outflow obligations as they come due. The United Counties mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. Accounts payable are all current and the terms of the long-term debt are disclosed in note 8.

There have been no significant changes from the previous year in the United Counties' exposure to liquidity risk or policies, procedures and methods used to measure the risk.

21. Change in accounting policy - adoption of new accounting standards:

- (a) PS 3280 *Asset Retirement Obligations* ("ARO") establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on January 1, 2022 on a modified retroactive basis with prior period restatement

In the past, the United Counties has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded, and replaces Section PS 3270, *Solid Waste Landfill Closure and Post-Closure Liability* (PS 3270). Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance, and monitoring that are an integral part of the retirement of the tangible capital asset (if applicable). When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from United Counties buildings and closure activities. The United Counties reports liabilities related to the legal obligations where the United Counties is obligated to incur costs to retire a tangible capital asset.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

21. Change in accounting policy - adoption of new accounting standards (continued):

(a) (continued):

The United Counties' ongoing efforts to assess the extent to which designated substances exist in United Counties assets, and new information obtained through regular maintenance and renewal of United Counties assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes in the estimated cost to fulfil the obligation. The measurement of assets retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis. When obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows. Subsequently, accretion of the discounted liability due to the passage of time is recorded as an in-year expense (if applicable).

To estimate the liability for similar buildings that do not have information on asbestos and other designated substances, the United Counties uses buildings with assessments on the extent and nature of the designated substances in the building to measure the liability and those buildings and this information is extrapolated to a group of similar assets that do not have designated substances reports. As more information becomes available on specific assets, the liability is revised to be asset specific. In other situations, where the building might not be part of a large portfolio, other techniques are used such as using industry data, experts or basing the estimate on a specific asset that is similar (if applicable).

As a result of applying this accounting standard, an asset retirement obligation of \$25,246,732 (2022 - \$25,246,732) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the United Counties owned buildings and equipment, including tanks, and restoration costs related to leasehold improvements. The United Counties has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, and amortization expense for the period January 1, 2023 to December 31, 2023 as a proxy for January 1, 2022 to December 31, 2022 information. The associated TCA gross book value, TCA accumulated amortization and TCA amortization expense was restated. The adoption of PS 3280 ARO was applied to the comparative period as follows:

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

21. Change in accounting policy - adoption of new accounting standards (continued):

(a) (continued):

	As previous reported	Adjustments	As restated
Statement of Financial Position as at December 31, 2022:			
Tangible capital assets, including ARO	\$ 160,216,033	\$ 10,351,148	\$ 170,567,181
Asset retirement obligation liability	–	25,246,732	25,246,732
Accumulated municipal equity	196,359,467	(14,895,584)	181,463,883
Statement of Change in Net Financial Debt for the year ended December 31, 2022:			
Annual surplus (deficit)	4,509,337	(586,829)	3,922,508
Amortization of tangible capital assets, including ARO	14,032,842	586,829	14,619,671
Change in net financial assets (debt)	(5,621,509)	–	(5,621,509)
Statement of Operations for the year ended December 31, 2022:			
Amortization of tangible capital assets	14,032,842	586,829	14,619,671
Surplus for the year	4,509,337	(586,829)	3,922,508

(b) The United Counties adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments*, and PS 3450 *Financial Instruments*.

(i) PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

(ii) PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denoted in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

21. Change in accounting policy - adoption of new accounting standards (continued):

(b) (continued):

(iii) PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

(iv) PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

(v) Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

(vi) Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

21. Change in accounting policy - adoption of new accounting standards (continued):

(b) (continued):

(vi) Fair value hierarchy (continued):

In accordance with PS 3450 *Financial Instruments*, the financial statements of prior periods were not restated on transition. Consequently, the accounting policies for recognition, derecognition and measurement of financial instruments applied to the comparative information reflect those disclosed in the 2022 financial statements.

On application of this standard, a new statement, the Statement of Remeasurement Gains and Losses has not been included in these financial statements as there are no unrealized gains or losses to report.

Any difference between the financial instruments' fair values as at January 1, 2023 and previous carrying amounts as at December 31, 2022, excluding previously recognized exchange gains and losses, were recognized as an adjustment to the opening balance of accumulated remeasurement gains and losses. Hence, no comparative amounts are reported in the Statement of Remeasurement Gains and Losses due to prospective application of this standard.

CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Schedule 1: Continuity of Reserves and Reserve Funds

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

	Budget 2023	Actual 2023	Actual 2022
	(note 19)		
Net transfers from (to) other funds			
Transfers from operations	\$ 7,311,816	\$ 13,802,035	\$ 14,059,847
Transfers to capital acquisitions	(12,601,052)	(7,187,540)	(10,078,528)
Total net transfers	(5,289,236)	6,614,495	3,981,319
Reserves and reserve fund balances, change in year	(5,289,236)	6,614,495	3,981,319
Reserves and reserve fund balances, beginning of year	49,297,055	49,297,055	45,315,736
Reserves and reserve fund balances, end of year	\$ 44,007,819	\$ 55,911,550	\$ 49,297,055

Composition of Reserves and Reserve Funds

	2023	2022
Reserves set aside for specific purposes by Council:		
Reserves set aside for specific purposes by Council		
Working capital	\$ 9,784,738	\$ 9,327,028
Tax rate stabilization	4,507,558	4,211,205
Insurance	1,155,832	1,345,731
WSIB claims	1,161,462	810,981
Planning	348,873	334,657
Hospital contributions	266,272	364,609
Road maintenance	735,699	735,699
Social and family services	446,446	443,363
Other projects	237,232	908,556
	18,644,112	18,481,829
For capital purposes:		
Capital projects	5,263,079	5,207,557
Emergency medical services	2,444,594	2,963,848
Road capital projects	13,985,369	9,707,527
Social housing	5,069,230	5,070,530
Equipment replacement	965,473	815,884
Maple View Lodge projects	3,079,959	2,408,857
Emergency measures	883,059	774,260
Dedicated infrastructure	5,576,675	3,866,763
	37,267,438	30,815,226
Total reserves	\$ 55,911,550	\$ 49,297,055



KPMG LLP

22 Wilson Street, West
Perth, ON K7H 2M9
Canada
Telephone 613 267 6580
Fax 613 267 7563

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the United Counties of Leeds and Grenville :

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the United Counties of Leeds and Grenville (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of financial activities and changes in fund balances for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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



In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 38

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

July 29, 2024

THE CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Trust Funds
Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Cash	\$ 4,278	\$ 4,891
Fund Balances		
Fund balances	\$ 4,278	\$ 4,891

See accompanying notes to financial statements.

THE CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE

Trust Funds

Statement of Financial Activities and Changes in Fund Balance

December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Residents' deposits	\$ 3,060	\$ 6,661
Expenses:		
Residents' withdrawals	3,673	8,045
Excess of expenses over revenue	(613)	(1,384)
Fund balance, beginning of year	4,891	6,275
Fund balance, end of year	\$ 4,278	\$ 4,891

THE CORPORATION OF THE UNITED COUNTIES OF LEEDS AND GRENVILLE TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies:

The financial statements of the Corporation of the United Counties of Leeds and Grenville Trust Funds (the "Trust Funds") are prepared by management in accordance with Canadian public sector accounting standards.

(a) Basis of presentation:

These statements reflect the assets, liabilities, revenue and expenses of the Trust Funds.

(b) Basis of accounting:

Revenue and expenses are recorded on an accrual basis.

The accrual basis recognizes revenue as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(c) 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 revenue and expenses during the period. Actual results could differ from those estimates.

2. Statement of cash flows:

A statement of cash flows has not been included in these financial statements as it would not provide additional meaningful information.