

Financial Statements of

**CORPORATION OF THE  
COUNTY OF FRONTENAC**

Year ended December 31, 2023

# CORPORATION OF THE COUNTY OF FRONTENAC

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Year ended December 31, 2023

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## **Management's Responsibility for the Financial Statements**

The accompanying financial statements of the Corporation of the County of Frontenac (the "County") are the responsibility of the County's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The County's 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 the financial statements. These systems are monitored and evaluated by management.

The 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 their approval of the financial statements.

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



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Kevin Farrell  
Chief Administrative Officer



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Alex Lemieux  
Director of Corporate Services/Treasurer



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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Frontenac

### ***Opinion***

We have audited the financial statements of the Corporation of the County of Frontenac (the Entity), which comprise:

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

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

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

### ***Basis for Opinion***

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

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

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

### ***Emphasis of Matter – Change in Accounting Policy***

We draw attention to note 2 to the financial statements which indicates that the Entity has changed its accounting policy for Asset Retirement Obligations, as a result of the adoption of PS 3280, Asset Retirement Obligations, and has applied the change using the prospective method.

Our opinion is not modified in respect of this matter.



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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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



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

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

June 19, 2024

# CORPORATION OF THE COUNTY OF FRONTENAC

## Statement of Financial Position

December 31, 2023, with comparative information for 2022

|   | 2023                 | 2022                 |
|---|----------------------|----------------------|
| Financial assets:                                   |                      |                      |
| Cash  | \$ 22,225,308        | \$ 21,283,152        |
| Investments (note 4)                                | 8,914,520            | 7,707,917            |
| Accounts receivable                                 | 5,361,008            | 7,202,431            |
|   | <u>36,500,836</u>    | <u>36,193,500</u>    |
| Financial liabilities:                              |                      |                      |
| Accounts payable and accrued liabilities            | 9,443,504            | 10,136,413           |
| Deferred revenue                                    | 3,222,386            | 2,194,589            |
| Deferred revenue - obligatory reserve fund (note 5) | 1,378,748            | 1,477,985            |
| Employee future benefit obligations (note 6)        | 3,426,121            | 2,512,559            |
| Asset retirement obligations (note 7)               | 1,579,562            | —                    |
|   | <u>19,050,321</u>    | <u>16,321,546</u>    |
| Net financial assets                                | 17,450,515           | 19,871,954           |
| Non-financial assets:                               |                      |                      |
| Tangible capital assets (note 15)                   | 31,127,712           | 24,798,681           |
| Inventories   | 303,420              | 334,994              |
| Prepaid expenses                                    | 378,763              | 198,156              |
| Total non-financial assets                          | <u>31,809,895</u>    | <u>25,331,831</u>    |
| Contingent liabilities (note 11)                    |                      |                      |
| Commitments (note 13)                               |                      |                      |
| Accumulated municipal equity (note 8)               | <u>\$ 49,260,410</u> | <u>\$ 45,203,785</u> |

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

# CORPORATION OF THE COUNTY OF FRONTENAC

## Statement of Operations

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

|   | 2023<br>Budget<br>(note 18) | 2023<br>Actual | 2022<br>Actual |
|---|-----------------------------|----------------|----------------|
| Revenue:  |                             |                |                |
| Government grants                                     | \$ 22,428,419               | \$ 24,217,710  | \$ 25,616,357  |
| Taxation from other governments                       | 12,551,506                  | 12,570,189     | 11,545,078     |
| Revenue from municipalities                           | 17,305,470                  | 13,861,744     | 12,539,650     |
| User charges  | 3,665,215                   | 3,629,799      | 3,307,808      |
| Other   | 981,620                     | 1,367,941      | 1,115,135      |
| Deferred revenues earned (note 5)                     | 902,851                     | 1,170,780      | 927,521        |
| Investment income                                     | 160,000                     | 1,249,538      | 513,012        |
| Provincial offences, fines and penalties              | 81,298                      | 151,540        | 44,862         |
| Total revenue   | 58,076,379                  | 58,219,241     | 55,609,423     |
| Expenses (note 17):                                   |                             |                |                |
| Paramedic services                                    | 24,152,513                  | 24,532,157     | 23,833,416     |
| Long-term care  | 17,616,656                  | 18,228,261     | 16,733,406     |
| General government                                    | 3,569,716                   | 3,887,494      | 3,715,546      |
| Transportation services                               | 1,320,394                   | 1,415,259      | 1,378,367      |
| Planning and development                              | 1,279,977                   | 1,323,636      | 1,404,846      |
| Other   | 1,132,150                   | 1,363,272      | 1,020,802      |
| Social and family services                            | 1,161,556                   | 995,412        | 952,723        |
| Libraries   | 946,275                     | 929,880        | 927,942        |
| Health services                                       | 834,078                     | 834,078        | 817,724        |
| Social housing  | 818,041                     | 651,450        | 646,158        |
| Protection to persons and property                    | 7,552                       | 1,717          | 3,708          |
| Total expenses  | 52,838,908                  | 54,162,616     | 51,434,638     |
| Annual surplus  | 5,237,471                   | 4,056,625      | 4,174,785      |
| Accumulated municipal equity,<br>beginning of year    | 45,203,785                  | 45,203,785     | 41,029,000     |
| Accumulated municipal equity,<br>end of year (note 8) | \$ 50,441,256               | \$ 49,260,410  | \$ 45,203,785  |

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

# CORPORATION OF THE COUNTY OF FRONTENAC

## Statement of Changes in Net Financial Assets

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

|   | 2023<br>Budget<br>(note 18) | 2023<br>Actual | 2022<br>Actual |
|---|-----------------------------|----------------|----------------|
| Annual surplus  | \$ 5,237,471                | \$ 4,056,625   | \$ 4,174,785   |
| Adjustment on adoption of asset retirement obligation standard (note 3) | –                           | (1,504,345)    | –              |
| Acquisition of capital assets   | (10,474,880)                | (7,083,380)    | (4,085,166)    |
| Amortization of capital assets  | 1,942,002                   | 1,962,611      | 1,759,110      |
| Loss (gain) on sale of capital assets                                   | –                           | 166,571        | (171,962)      |
| Proceeds on sale of capital assets                                      | –                           | 129,512        | 218,437        |
| Acquisition of inventories  | –                           | (303,420)      | (334,994)      |
| Acquisition of prepaid expenses   | –                           | (378,763)      | (198,156)      |
| Consumption of inventories  | –                           | 334,994        | 361,765        |
| Consumption of prepaid expenses   | –                           | 198,156        | 232,218        |
|   | (8,532,878)                 | (6,478,064)    | (2,218,748)    |
| Change in net financial assets  | (3,295,407)                 | (2,421,439)    | 1,956,037      |
| Net financial assets, beginning of year                                 | 19,871,954                  | 19,871,954     | 17,915,917     |
| Net financial assets, end of year                                       | \$ 16,576,547               | \$ 17,450,515  | \$ 19,871,954  |

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

# CORPORATION OF THE COUNTY OF FRONTENAC

## Statement of Cash Flows

Year ended December 31, 2023 with comparative information for 2022

|  | 2023          | 2022          |
|--|---------------|---------------|
| Cash provided by (used in):                        |               |               |
| Operating activities:                              |               |               |
| Annual surplus                                     | \$ 4,056,625  | \$ 4,174,785  |
| Items not involving cash:                          |               |               |
| Amortization of tangible capital assets            | 1,962,611     | 1,759,110     |
| Loss (gain) on disposal of tangible capital assets | 166,571       | (171,962)     |
| Inflationary adjustment expense                    | 75,217        | –             |
| Change in employee future benefits                 | 913,562       | 1,055,646     |
| Change in non-cash assets and liabilities:         |               |               |
| Accounts receivable                                | 1,841,423     | (3,370,004)   |
| Accounts payable and accrued liabilities           | (692,909)     | 5,549,210     |
| Deferred revenue                                   | 1,027,797     | 646,429       |
| Deferred revenue - obligatory reserve fund         | (99,237)      | 88,456        |
| Inventories  | 31,574        | 26,771        |
| Prepaid expenses                                   | (180,607)     | 34,062        |
| Net change in cash from operations                 | 9,102,627     | 9,792,503     |
| Capital activities:                                |               |               |
| Acquisition of tangible capital assets             | (7,083,380)   | (4,085,166)   |
| Proceeds on disposal of capital assets             | 129,512       | 218,437       |
| Net change in cash from capital activities         | (6,953,868)   | (3,866,729)   |
| Investing activities:                              |               |               |
| Increase in investments                            | (1,206,603)   | (3,120,694)   |
| Financing activities:                              |               |               |
| Repayment of long-term liabilities                 | –             | (1,114,042)   |
| Increase in cash                                   | 942,156       | 1,691,038     |
| Cash, beginning of year                            | 21,283,152    | 19,592,114    |
| Cash, end of year                                  | \$ 22,225,308 | \$ 21,283,152 |

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

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements

Year ended December 31, 2023

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## 1. Status of the County of Frontenac:

The Corporation of the County of Frontenac (the “County”) was incorporated in 1865 and assumed its responsibilities under the authority of the Provincial Secretary. The County operates as an upper tier government in the County of Frontenac, in the Province of Ontario, Canada and provides municipal services such as emergency measures, public health services, ambulance services, social and family assistance, planning and development and other general government operations.

## 2. Significant accounting policies:

The financial statements of the Corporation of the County of Frontenac (the “County”) are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the County are as follows:

### (a) Non-consolidated entities:

Kingston, Frontenac and Lennox and Addington Public Health is not consolidated and only the contributions by the County are reported on the Statement of Operations.

The Kingston-Frontenac Public Library Board is not consolidated and only the contributions by the County are reported on the Statement of Operations.

### (b) 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 for the year.

(iii) Trust funds and their related operations administered by the County are not included in these financial statements but are reported separately on the Trust Funds Statement of Financial Activities and Financial Position.

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements

Year ended December 31, 2023

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## 2. Significant accounting policies (continued):

### (c) Taxation and related revenues:

Property tax billings are prepared by the County based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established by the County Council, incorporating amounts to be raised for local services, amounts to be raised on behalf of the Township of Frontenac Islands, Township of South Frontenac, Township of Central Frontenac and Township of North Frontenac for regional services, and amounts the County is required to collect on behalf of the Province of Ontario in respect of education taxes. Taxation revenues are recorded at the time tax billings are issued. Adjustments to taxation revenues can occur during the year related to the issuance of supplementary tax billings and/or assessment appeals. These adjustments are recorded when the amount of the adjustments can be quantified. The County is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period in which the interest and penalties are applied.

### (d) Tangible capital assets:

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

| Asset                   | Useful Life - Years |
|-------------------------|---------------------|
| Land                    |                     |
| Land improvements       | 10 to 30            |
| Buildings               | 10 to 50            |
| Vehicles                | 4.5 to 10           |
| Machinery and equipment | 3 to 30             |
| Bridges                 | 16 to 50            |
| Work-in-progress        |                     |

Amortization is charged for the months in use. 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 Statement of Operations in the year of disposal.

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 2. Significant accounting policies (continued):

### (d) Tangible capital assets (continued):

When conditions indicate that a tangible capital asset no longer contributes to the County's 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 Statement of Operations.

### (e) 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.

### (f) Inventories and prepaid expenses:

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

### (g) Workplace safety and insurance liabilities:

The County bears the cost of certain insurance benefits awarded under Workplace Safety and Insurance legislation and has accrued the actuarially determined cost of these obligations. Actuarial gains (losses), which can arise from changes in actuarial assumptions, will be amortized over the expected average remaining service life of the related employee groups.

### (h) Pension and employee benefits

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

### (i) Employee future benefits

The County provides extended healthcare, dental and life insurance benefits, as well as a retirement program to eligible employees. The cost of these future benefits earned by employees is actuarially determined using management's best estimate of expected health care costs and retirement ages. Actuarial gains (losses), which can arise from changes in actuarial assumptions, will be amortized over the expected average remaining service life of the related employee groups.

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 2. Significant accounting policies (continued):

### (j) 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 except when and to the extent that stipulations by the transferor give rise to an obligation that meets the definition of a liability. Government transfers that give rise to a liability are recognized as revenue as the liability is extinguished.

### (k) Deferred revenue:

The County defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of Canada Community Building Fund (CCBF) and Ontario Community Infrastructure Fund (OCIF) funding are reported as deferred revenue in the Statement of Financial Position. These amounts will be recognized as revenue in the fiscal year the services are performed.

The County receives restricted contributions under the authority of Federal and Provincial legislation and County 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 County 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.

### (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:

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

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 2. Significant accounting policies (continued):

### (l) Liability for contaminated sites (continued):

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) Asset retirement:

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

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

Liabilities are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations arise from the acquisition, construction or development and normal use of an asset. Asset retirement obligation liabilities for facilities containing asbestos and decommissioning of wells are initially recognized at the best estimate of future expenses.

The liability for the removal of asbestos in several of the buildings owned by the County has been recognized based on estimated future expenses and post-closure care expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in Note 1(d).

### (n) Investments:

Investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on available current funds and reserve funds (other than obligatory funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balance.

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 2. Significant accounting policies (continued):

### (o) 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. Actual results could differ from these estimates.

The implementation of PS 3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs.

Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they became known.

### (p) Statement of remeasurement gains and losses:

A 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.

### (q) Financial instruments:

On January 1, 2023, the County adopted PS 3450 Financial Instruments which establishes accounting and reporting for all types of financial instruments, including derivatives as disclosed in Note 3. 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 managed and evaluated on an amortized cost 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 Statement of Operations and Accumulated Surplus. 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 Statement of Operations and Accumulated Surplus.

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.

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 2. Significant accounting policies (continued):

### (q) Financial instruments (continued):

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

#### 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).

#### 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 COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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### 3. Change in Accounting Policy – Adoption of new accounting standards:

- (a) The County 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*.

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.

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.

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.

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.

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 COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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### 3. Change in Accounting Policy – Adoption of new accounting standards (continued):

(a) (continued)

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.

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.

The adoption of this standard did not result in an accounting policy change for the County, and did not result in any adjustments to the financial statements as at January 1, 2023.

- (b) 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, 2023 on a prospective basis with no prior period restatements.

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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### 3. Change in Accounting Policy – Adoption of new accounting standards (continued):

In the past, the County 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 County buildings and closure activities. The County reports liabilities related to the legal obligations where the County is obligated to incur costs to retire a tangible capital asset.

The County's ongoing efforts to assess the extent to which designated substances exist in County assets, and new information obtained through regular maintenance and renewal of County 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 County 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).

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

### 3. Change in Accounting Policy – Adoption of new accounting standards (continued):

As a result of applying this accounting standard, an opening asset retirement obligation of \$1,504,345 has recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the County owned buildings and equipment, including tanks, and restoration costs related to leasehold improvements. As the County followed the prospective application, no cumulative catch-up adjustments have been made with adjustments arising from the prospective application recorded in the Statement of Operations for the year ended December 31, 2023.

### 4. Investments:

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

|  | Level | 2023         | 2022         |
|--|-------|--------------|--------------|
| Cash                                     | 1     | \$ 7,058     | \$ 120,336   |
| Fixed income and mutual fund investments | 2     | 8,907,462    | 7,587,581    |
|  |       | \$ 8,914,520 | \$ 7,707,917 |

Fixed income investments yields interest rates ranging of 1.67% to 10.8% with varying maturities between January 2024 and August 2028.

### 5. Deferred revenue – obligatory reserve fund:

A requirement of public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. 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. The transactions for the year are summarized as follows:

|                            | Infrastructure grants | Canada community building fund | Total        |
|----------------------------|-----------------------|--------------------------------|--------------|
| Balance, beginning of year | \$ 250,953            | \$ 1,227,032                   | \$ 1,477,985 |
| Government grant funding   | 100,000               | 882,851                        | 982,851      |
| Investment income          | 12,276                | 76,416                         | 88,692       |
| Utilization of funds       | (262,155)             | (908,625)                      | (1,170,780)  |
| Balance, end of year       | \$ 101,074            | \$ 1,277,674                   | \$ 1,378,748 |

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 6. Employee future benefits:

- (a) The County provides extended health care and dental to employees who meet specific criteria within the Fairmount Home and Paramedic Services. Extended health care and dental benefits continue to be available to early retirees at 100% of their cost up to the age of 60, then between the age of 60 and 65, the retiree will generally be responsible for paying 50% of the benefit premiums.

An independent actuarial valuation of the future benefits with respect to the post-retirement benefits continuation program has been undertaken for the year ended December 31, 2021, with an extrapolation effective at December 31, 2023. The most recent valuation of future benefits with respect to the post-retirement benefits as of December 31, 2021 resulted in an actuarial loss of \$56,147 to be amortized on a straight-line basis over the expected average remaining benefit lifetime of the related employee groups, which is estimated to be between fourteen to seventeen years (2022 - fourteen to seventeen years).

The significant actuarial assumptions adopted in estimating the County's accrued benefit obligation are as follows:

|                           |   |
|---------------------------|---|
| Interest discount rate    | 3.25% per annum   |
| Medical rate of inflation | Escalate at 5.4166% for 2023 vs. 2022<br>reducing by 0.333% per year to 3.75%<br>per year in 2028 vs 2027 |
| Dental rate of inflation  | 3.75% per annum   |
| Retirement rate           | 25% at first unreduced early<br>Retirement age and 10% thereafter   |

|   | 2023       | 2022       |
|---|------------|------------|
| Accrued post-retirement benefit obligation at January 1   | \$ 522,606 | \$ 492,627 |
| Benefit cost for the year                                 | 28,735     | 27,286     |
| Interest cost   | 17,067     | 16,234     |
| Expected benefit payments                                 | (23,667)   | (13,541)   |
| Accrued post-retirement benefit obligation at December 31 | 544,741    | 522,606    |
| Unamortized actuarial loss                                | (59,470)   | (62,844)   |
| Accrued post-retirement benefit liability at December 31  | \$ 485,271 | \$ 459,762 |

Information with respect to the County's post-retirement unamortized loss is as follows:

|   | 2023        | 2022        |
|---|-------------|-------------|
| Remaining unamortized loss at January 1   | \$ (62,844) | \$ (66,220) |
| Amortization during the year              | 3,374       | 3,376       |
| Remaining unamortized loss at December 31 | \$ (59,470) | \$ (62,844) |

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 6. Employee future benefits (continued):

### (b) Workplace Safety and Insurance Board (WSIB) liabilities:

In common with other Schedule 2 employers, the County funds its obligations to the Workplace Safety and Insurance Board on a self-funded basis for employees under Schedule 2.

An independent actuarial valuation of Workplace Safety and Insurance liabilities as at December 31, 2020 for future payments on Workplace Safety and Insurance Board claims occurring on or before December 31, 2020 has been undertaken. The next valuation will be effective December 31, 2024. The most recent actuarial valuation of Workplace Safety and Insurance liabilities resulted in an actuarial loss of \$2,001,836 to be amortized on a straight-line basis over the expected average remaining benefit lifetime of the related employee groups, which is estimated to be ten years (2022 - ten years).

The significant actuarial assumptions adopted in estimating the County's Workplace Safety and Insurance Board accrued benefit obligation are as follows:

|                        |                        |
|------------------------|------------------------|
| Interest discount rate | 2.75% per annum        |
| Loss of earnings       | 0.25% per annum        |
| Administration costs   | 27.0% of benefit costs |

Information with respect to the County's Workplace Safety and Insurance Board accrued benefit liability is as follows:

|  | 2023         | 2022         |
|--|--------------|--------------|
| Accrued WSIB benefit obligation at January 1   | \$ 3,835,260 | \$ 2,832,158 |
| Benefit cost for the year                      | 1,062,124    | 1,386,417    |
| Interest cost                                  | 113,062      | 95,209       |
| Expected benefit payments                      | (509,941)    | (478,524)    |
| Accrued WSIB benefit obligation at December 31 | 4,500,505    | 3,835,260    |
| Unamortized actuarial loss                     | (1,559,655)  | (1,782,463)  |
| Accrued WSIB liability at December 31          | \$ 2,940,850 | \$ 2,052,797 |

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   | \$ (1,782,463) | \$ (1,801,652) |
| Amortization during the year              | 222,808        | 19,189         |
| Remaining unamortized loss at December 31 | \$ (1,559,655) | \$ (1,782,463) |

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 7. Asset retirement obligations:

The County has recorded ARO as of the January 1, 2023 implementation date on a prospective application basis.

The County's asset retirement obligations relate to the legally required removal or remediation of asbestos-containing materials in certain buildings and tanks. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

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 | \$ —         | \$ — |
| Adjustments for PSAB adoption                                   | 1,504,345    | —    |
| Inflationary adjustment during the year                         | 75,217       | —    |
| Liabilities settled during the year                             | —            | —    |
| Liabilities for asset retirement obligations, end of year       | \$ 1,579,562 | \$ — |

## 8. Municipal equity:

|                                       | 2023          | 2022          |
|---------------------------------------|---------------|---------------|
| Investment in tangible capital assets |               |               |
| Tangible capital assets               | \$ 31,127,712 | \$ 24,798,681 |
| Unfunded asset retirement obligations | (1,579,562)   | —             |
| Unfunded future employee liabilities  | (160,284)     | (139,462)     |
| Reserves (Schedule 2)                 | 18,940,678    | 19,638,520    |
| Reserve funds (Schedule 2)            | 931,866       | 906,046       |
| Total municipal equity                | \$ 49,260,410 | \$ 45,203,785 |

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 9. Pension contributions:

The County makes contributions to the Ontario Municipal Employees Retirement System (“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 County does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The last available report for the OMERS plan was December 31, 2023. At that time, the plan reported a \$4.2 billion actuarial deficit (2022 - \$6.7 billion actuarial deficit).

The amount contributed to OMERS was \$2,214,778 (2022 - \$1,929,197) for current services and is included as an expense on the Statement of Operations classified under the appropriate functional expenditure.

## 10. Trust funds:

Trust funds administered by the County amounting to \$14,165 (2022 - \$11,195) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the County for the benefit of others, they are not presented as part of the County’s financial position or financial activities.

## 11. Contingent liabilities:

The nature of the County’s activities is such that there may be litigation pending or in prospect at any time. With respect to claims at December 31, 2023, management believes that the County has 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 County’s financial position.

## 12. Contributions to joint boards

- (a) The assets and liabilities of the Kingston-Frontenac Public Library Board (the “Library Board”) have not been consolidated. The County contributions to the Library Board for 2023 are \$946,275 (2022 - \$927,942) and are reported on the Statement of Operations.
- (b) The assets and liabilities of the Kingston-Frontenac and Lennox and Addington Health Board have not been consolidated. The County made the following contributions to the Kingston Frontenac and Lennox and Addington Health Board for 2023 of \$834,078 (2022 - \$817,724).

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 13. Commitments

In 2018, the County pledged \$55,061 annually for 10 years to the University Hospitals Kingston Foundation, a joint fund-raising appeal undertaken by the Foundation on behalf of local hospitals. The County has recognized \$330,366 for four of ten payments, as of December 31, 2023 (2022 - \$275,305).

## 14. Cost sharing allocations:

The Local Service Realignment sets out formulae under which the costs for Social Services, Child Care, Social Housing, Provincial Offences and Land Ambulance are shared between the County of Frontenac and the City of Kingston. A new cost sharing arrangement was derived for the period of 2004 to 2006 through an arbitrated settlement and continued on a year-to-year basis. Program costs for Social Services and Child Care are distributed on the basis of caseload and Social Housing costs are allocated by the location of the unit. The administrative costs for these services are allocated on the basis of weighted assessment. The cost of Land Ambulance and the net revenue of Provincial Offences are distributed on the basis of weighted assessment.

## 15. Tangible capital assets:

| Cost                    | Balance at<br>December 31,<br>2022 | Additions           | Adjustment for<br>PS 3280<br>(note 7) | Transfers,<br>disposals and<br>transfers | Balance at<br>December 31,<br>2023 |
|-------------------------|------------------------------------|---------------------|---------------------------------------|--|------------------------------------|
| Land                    | \$ 1,071,741                       | \$ 57,702           | \$ -                                  | \$ -                                     | \$ 1,129,443                       |
| Land improvements       | 4,494,462                          | 24,732              | 439,096                               | -  | 4,958,290                          |
| Buildings               | 22,337,370                         | -                   | 973,382                               | -  | 23,310,752                         |
| Vehicles                | 3,286,787                          | 654,149             | -                                     | (174,662)                                | 3,766,274                          |
| Machinery and equipment | 8,731,088                          | 747,537             | 91,867                                | (968,106)                                | 8,602,386                          |
| Bridges                 | 872,357                            | 504,634             | -                                     | -  | 1,376,991                          |
| Work-in-progress        | 1,804,429                          | 5,094,626           | -                                     | (460,301)                                | 6,438,754                          |
| <b>Total</b>            | <b>\$ 42,598,234</b>               | <b>\$ 7,083,380</b> | <b>\$ 1,504,345</b>                   | <b>\$ (1,603,069)</b>                    | <b>\$ 49,582,890</b>               |

| Accumulated<br>amortization | Balance at<br>December 31,<br>2022 | Amortization        | Adjustment for<br>PS 3280 | Transfers,<br>disposals and<br>transfers | Balance at<br>December 31,<br>2023 |
|-----------------------------|------------------------------------|---------------------|---------------------------|--|------------------------------------|
| Land                        | \$ -                               | \$ -                | \$ -                      | \$ -                                     | \$ -                               |
| Land improvements           | 1,843,624                          | 258,438             | 36,329                    | -  | 2,138,391                          |
| Buildings                   | 8,656,073                          | 471,282             | 29,208                    | -  | 9,156,563                          |
| Vehicles                    | 2,348,293                          | 428,997             | -                         | (542,121)                                | 2,235,169                          |
| Machinery and equipment     | 4,826,121                          | 717,311             | 3,828                     | (764,865)                                | 4,782,395                          |
| Bridges                     | 125,442                            | 17,218              | -                         | -  | 142,660                            |
| Work-in-progress            | -                                  | -                   | -                         | -  | -                                  |
| <b>Total</b>                | <b>\$ 17,799,553</b>               | <b>\$ 1,893,246</b> | <b>\$ 69,365</b>          | <b>\$ (1,306,986)</b>                    | <b>\$ 18,455,178</b>               |

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 15. Tangible capital assets (continued):

|                         | Net book value<br>December 31, 2022 | Net book value<br>December 31, 2023 |
|-------------------------|-------------------------------------|-------------------------------------|
| Land                    | \$ 1,071,741                        | \$ 1,129,443                        |
| Land improvements       | 2,650,838                           | 2,819,899                           |
| Buildings               | 13,681,297                          | 14,154,189                          |
| Vehicles                | 938,494                             | 1,531,105                           |
| Machinery and equipment | 3,904,967                           | 3,819,991                           |
| Bridges                 | 746,915                             | 1,234,331                           |
| Work-in-progress        | 1,804,429                           | 6,438,754                           |
| Total                   | \$ 24,798,681                       | \$ 31,127,712                       |

## 16. Financial risks and concentration of credit risk:

### (a) Credit risk:

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

The County 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 County 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 Statement of Operations and Accumulated Surplus. Subsequent recoveries of impairment losses related to patient and other accounts receivable are credited to the Statement of Operations. The balance of the allowance for doubtful accounts at December 31, 2023 is \$Nil (2022 - \$Nil).

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

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 16. Financial risks and concentration of credit risk (continued):

### (a) Credit risk (continued):

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

| As at December<br>31, 2023 | Current     | 1 to<br>30 days | 31 to<br>60 days | 61 to<br>90 days | 91+ days   | Total       |
|----------------------------|-------------|-----------------|------------------|------------------|------------|-------------|
| Trade receivables          | \$2,500,768 | \$ 970,702      | \$ 21,542        | \$ 10,562        | \$ 420,874 | \$3,924,448 |
| Other receivables          | 1,177,311   | –               | –                | –                | 259,249    | 1,436,560   |
| Gross receivables          | 3,678,079   | 970,702         | 21,542           | 10,562           | 680,123    | 5,361,008   |
| Net receivables            | \$3,678,079 | \$ 970,702      | \$ 21,542        | \$ 10,562        | \$ 680,123 | \$5,361,008 |

| As at December<br>31, 2022 | Current     | 1 to<br>30 days | 31 to<br>60 days | 61 to<br>90 days | 91+ days   | Total       |
|----------------------------|-------------|-----------------|------------------|------------------|------------|-------------|
| Trade receivables          | \$1,114,520 | \$2,087,607     | \$ 3,185         | \$ 354,021       | \$ 129,290 | \$3,688,623 |
| Other receivables          | 3,088,432   | –               | 16,453           | –                | 408,923    | 3,513,808   |
| Gross receivables          | 4,202,952   | 2,087,607       | 19,638           | 354,021          | 538,213    | 7,202,431   |
| Net receivables            | \$4,202,952 | \$2,087,607     | \$ 19,638        | \$ 354,021       | \$ 538,213 | \$7,202,431 |

### (b) Market risk:

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

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 County's 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 County does not have any material transactions or financial instruments denominated in foreign currencies.

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 16. Financial risks and concentration of credit risk (continued):

### (b) Market risk (continued):

#### (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. The County is exposed to this risk through its interest-bearing investments which bear fixed interest rates.

The County's investments are accounted for as held-to-maturity, and reported at amortized cost. The investments are disclosed in Note 4.

There has been no change to the interest rate risk exposure from 2022.

### (c) Liquidity risk:

Liquidity risk is the risk that the County will not be able to meet all of its cash outflow obligations as they come due. The County 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.

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

| As at December<br>31, 2023                  | Within 6<br>months | 6-12 months | 1-5 years  | 5+ years | Total        |
|---|--------------------|-------------|------------|----------|--------------|
| Accounts payable<br>and accrued liabilities | \$ 5,635,865       | \$ 420,936  | \$ 338,405 | \$ 216   | \$ 6,395,422 |
| Accrued payroll and employee<br>benefits    | 2,593,026          | 218,938     | 236,118    | –        | \$3,048,082  |
|   | \$ 8,228,891       | \$ 639,874  | \$ 574,523 | \$ 216   | \$ 9,443,504 |

| As at December<br>31, 2022                  | Within 6<br>months | 6-12 months | 1-5 years  | 5+ years | Total         |
|---|--------------------|-------------|------------|----------|---------------|
| Accounts payable and<br>accrued liabilities | \$ 6,541,571       | \$ 268,003  | \$ 341,121 | \$ 689   | \$ 7,151,384  |
| Accrued payroll and<br>employee benefits    | 2,295,536          | 384,444     | 305,049    | –        | 2,985,029     |
|   | \$ 8,837,107       | \$ 652,447  | \$ 646,170 | \$ 689   | \$ 10,136,413 |

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 17. Segmented Information

The County 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 statement of operations.

Departments have been separately disclosed in the segmented information, along with the service they provide, as 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 financial statements as disclosed in Note 2.

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 17. Segmented Information (continued):

| 2023                            | General<br>Government | Protection<br>to Persons &<br>Property | Transportation<br>Services | Social<br>Housing   | Long-Term<br>Care     | Social &<br>Family<br>Services | Health<br>Services  | Paramedic<br>Services | Libraries           | Planning &<br>Development | Other               | Total               |
|---------------------------------|-----------------------|--|----------------------------|---------------------|-----------------------|--------------------------------|---------------------|-----------------------|---------------------|---------------------------|---------------------|---------------------|
| Operating Revenue               |                       |  |                            |                     |                       |                                |                     |                       |                     |                           |                     |                     |
| Government Grants               | \$ 977                | \$ -                                   | \$ 1,211,602               | \$ -                | \$ 11,075,333         | \$ -                           | \$ -                | \$ 11,921,139         | \$ -                | \$ 8,659                  | \$ -                | \$ 24,217,710       |
| Taxation from Other Governments | 12,570,189            | -                                      | -                          | -                   | -                     | -                              | -                   | -                     | -                   | -                         | -                   | 12,570,189          |
| Revenue From Municipalities     | -                     | -                                      | -                          | -                   | 2,724,412             | -                              | -                   | 11,137,332            | -                   | -                         | -                   | 13,861,744          |
| User Charges                    | 53,669                | -                                      | 267,899                    | -                   | 3,213,936             | -                              | -                   | 93,345                | -                   | 950                       | -                   | 3,629,799           |
| Other                           | 668,438               | -                                      | 10                         | -                   | 184,935               | -                              | -                   | 21,446                | -                   | 492,812                   | 300                 | 1,367,941           |
| Deferred Revenue                | 12,155                | -                                      | -                          | -                   | -                     | -                              | -                   | -                     | -                   | 25,774                    | 1,132,851           | 1,170,780           |
| Investment Income               | 1,249,105             | -                                      | -                          | -                   | -                     | -                              | -                   | 433                   | -                   | -                         | -                   | 1,249,538           |
| Provincial Offences Net Revenue | 151,540               | -                                      | -                          | -                   | -                     | -                              | -                   | -                     | -                   | -                         | -                   | 151,540             |
| <b>Total Operating Revenue</b>  | <b>14,706,073</b>     | <b>-</b>                               | <b>1,479,511</b>           | <b>-</b>            | <b>17,198,616</b>     | <b>-</b>                       | <b>-</b>            | <b>23,173,695</b>     | <b>-</b>            | <b>528,195</b>            | <b>1,133,151</b>    | <b>58,219,241</b>   |
| Operating Expenses              |                       |  |                            |                     |                       |                                |                     |                       |                     |                           |                     |                     |
| Salaries & Benefits             | 1,792,751             | -                                      | 1,253,592                  | -                   | 13,199,785            | -                              | -                   | 19,933,316            | -                   | 875,012                   | -                   | 37,054,456          |
| Materials                       | 246,243               | 127                                    | 96,321                     | -                   | 1,483,395             | -                              | -                   | 1,379,315             | -                   | 53,477                    | -                   | 3,258,878           |
| Contracted Services             | 1,325,843             | 1,590                                  | 60,142                     | 651,450             | 2,565,022             | 995,412                        | 834,078             | 2,217,607             | 929,880             | 395,147                   | -                   | 9,976,171           |
| Rents & Financing               | 17,638                | -                                      | -                          | -                   | 2,623                 | -                              | -                   | 285,179               | -                   | -                         | -                   | 305,440             |
| External Transfers              | -                     | -                                      | -                          | -                   | -                     | -                              | -                   | -                     | -                   | -                         | 1,362,973           | 1,362,973           |
| Other                           | 46,910                | -                                      | -                          | -                   | 214,090               | -                              | -                   | (19,212)              | -                   | -                         | 299                 | 242,087             |
| Depreciation                    | 458,109               | -                                      | 5,204                      | -                   | 763,346               | -                              | -                   | 735,952               | -                   | -                         | -                   | 1,962,611           |
| <b>Total Operating Expenses</b> | <b>3,887,494</b>      | <b>1,717</b>                           | <b>1,415,259</b>           | <b>651,450</b>      | <b>18,228,261</b>     | <b>995,412</b>                 | <b>834,078</b>      | <b>24,532,157</b>     | <b>929,880</b>      | <b>1,323,636</b>          | <b>1,363,272</b>    | <b>54,162,616</b>   |
| <b>Net Revenue (Expenses)</b>   | <b>\$ 10,818,579</b>  | <b>\$ (1,717)</b>                      | <b>\$ 64,252</b>           | <b>\$ (651,450)</b> | <b>\$ (1,029,645)</b> | <b>\$ (995,412)</b>            | <b>\$ (834,078)</b> | <b>\$ (1,358,462)</b> | <b>\$ (929,880)</b> | <b>\$ (795,441)</b>       | <b>\$ (230,121)</b> | <b>\$ 4,056,625</b> |

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 17. Segmented Information (continued):

| 2022                                   | General<br>Government | Protection<br>to Persons &<br>Property | Transportation<br>Services | Social<br>Housing   | Long-Term<br>Care   | Social &<br>Family<br>Services | Health<br>Services  | Paramedic<br>Services | Libraries           | Planning &<br>Development | Other               | Total               |
|--|-----------------------|--|----------------------------|---------------------|---------------------|--------------------------------|---------------------|-----------------------|---------------------|---------------------------|---------------------|---------------------|
| Operating Revenue                      |                       |  |                            |                     |                     |                                |                     |                       |                     |                           |                     |                     |
| Taxation from Other Governments        | \$ 11,545,078         | \$ -                                   | \$ -                       | \$ -                | \$ -                | \$ -                           | \$ -                | \$ -                  | \$ -                | \$ -                      | \$ -                | \$ 11,545,078       |
| User Charges                           | 53,669                | -                                      | 254,608                    | -                   | 2,920,839           | -                              | -                   | 76,642                | -                   | 2,050                     | -                   | 3,307,808           |
| Government Grants Provincial           | -                     | -                                      | -                          | -                   | -                   | -                              | -                   | -                     | -                   | -                         | -                   | -                   |
| Government Grants Other Municipalities | -                     | -                                      | -                          | -                   | 3,694,910           | -                              | -                   | 8,844,740             | -                   | -                         | -                   | 12,539,650          |
| Government Grants Federal              | 163,517               | -                                      | 1,126,890                  | -                   | 11,916,400          | -                              | -                   | 12,033,418            | -                   | 376,132                   | -                   | 25,616,357          |
| Deferred Revenue                       | -                     | -                                      | -                          | -                   | -                   | -                              | -                   | -                     | -                   | 81,455                    | 846,065             | 927,520             |
| Provincial Offences Net Revenue        | 44,862                | -                                      | -                          | -                   | -                   | -                              | -                   | -                     | -                   | -                         | -                   | 44,862              |
| Investment Income                      | 511,251               | -                                      | -                          | -                   | -                   | -                              | -                   | 1,761                 | -                   | -                         | -                   | 513,012             |
| Other                                  | 602,038               | -                                      | 10                         | -                   | 169,815             | -                              | -                   | 53,451                | -                   | 289,522                   | 300                 | 1,115,136           |
| <b>Total Operating Revenue</b>         | <b>12,920,415</b>     | <b>-</b>                               | <b>1,381,508</b>           | <b>-</b>            | <b>18,701,964</b>   | <b>-</b>                       | <b>-</b>            | <b>21,010,012</b>     | <b>-</b>            | <b>749,159</b>            | <b>846,365</b>      | <b>55,609,423</b>   |
| Operating Expenses                     |                       |  |                            |                     |                     |                                |                     |                       |                     |                           |                     |                     |
| Salaries & Benefits                    | 1,735,880             | -                                      | 1,253,900                  | -                   | 12,429,597          | -                              | -                   | 19,347,293            | -                   | 845,817                   | -                   | 35,612,487          |
| Materials                              | 176,470               | 457                                    | 49,742                     | -                   | 1,442,269           | -                              | -                   | 1,491,219             | -                   | 62,491                    | -                   | 3,222,648           |
| Contracted Services                    | 1,386,418             | 3,251                                  | 69,521                     | 646,158             | 2,233,974           | 952,723                        | 817,724             | 2,194,612             | 927,942             | 495,672                   | -                   | 9,727,995           |
| Rents & Financing                      | 11,396                | -                                      | -                          | -                   | 33,905              | -                              | -                   | 218,257               | -                   | -                         | -                   | 263,558             |
| External Transfers                     | -                     | -                                      | -                          | -                   | -                   | -                              | -                   | -                     | -                   | -                         | 1,015,502           | 1,015,502           |
| Other                                  | -                     | -                                      | -                          | -                   | 7,690               | -                              | -                   | (179,652)             | -                   | -                         | 5,300               | (166,662)           |
| Amortization                           | 405,382               | -                                      | 5,204                      | -                   | 585,971             | -                              | -                   | 761,687               | -                   | 866                       | -                   | 1,759,110           |
| <b>Total Operating Expenses</b>        | <b>3,715,546</b>      | <b>3,708</b>                           | <b>1,378,367</b>           | <b>646,158</b>      | <b>16,733,406</b>   | <b>952,723</b>                 | <b>817,724</b>      | <b>23,833,416</b>     | <b>927,942</b>      | <b>1,404,846</b>          | <b>1,020,802</b>    | <b>51,434,638</b>   |
| <b>Net Revenue (Expenses)</b>          | <b>\$ 9,204,869</b>   | <b>\$ (3,708)</b>                      | <b>\$ 3,141</b>            | <b>\$ (646,158)</b> | <b>\$ 1,968,558</b> | <b>\$ (952,723)</b>            | <b>\$ (817,724)</b> | <b>\$ (2,823,404)</b> | <b>\$ (927,942)</b> | <b>\$ (655,687)</b>       | <b>\$ (174,437)</b> | <b>\$ 4,174,785</b> |

# CORPORATION OF THE COUNTY OF FRONTENAC

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 18. 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 Statement of Operations. The revenues attributable to these items continue to be included in the Statement of Operations, 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 financial statements:

|   | Budget         | Actual        |
|---|----------------|---------------|
| Total revenues                                  | \$ 58,076,379  | \$ 58,219,241 |
| Total expenses                                  | 52,838,908     | 54,162,616    |
|   | 5,237,471      | 4,056,625     |
| Amortization                                    | 1,942,002      | 1,962,611     |
| Funds available                                 | 7,179,473      | 6,019,236     |
| Capital expenditures                            | (10,474,880)   | (7,083,380)   |
| Loss on sale of tangible capital assets         | –              | 166,571       |
| Proceeds on disposal of tangible capital assets | –              | 129,512       |
| Other income                                    | –              | 96,039        |
| Decrease in operating surplus                   | \$ (3,295,407) | \$ (672,022)  |
| Allocated as follows:                           |                |               |
| Net transfers from reserves                     | \$ (3,295,407) | \$ (672,022)  |

# CORPORATION OF THE COUNTY OF FRONTENAC

## Schedule 1 – Continuity of Reserves and Reserve Funds

Year ended December 31, 2023

|  | 2023<br>Budget<br>(note 18) | 2023<br>Actual | 2022<br>Actual |
|--|-----------------------------|----------------|----------------|
| Revenue:   |                             |                |                |
| Investment income                                  | \$ 160,000                  | \$ 379,553     | \$ 159,335     |
| Net transfers from/to other funds:                 |                             |                |                |
| Transfers to/from operations                       | 1,734,416                   | 1,273,905      | (538,872)      |
| Transfers from/to capital acquisitions             | (5,189,823)                 | (2,325,480)    | 1,181,698      |
|  | (3,455,407)                 | (1,051,575)    | 642,826        |
| Balances, change in year                           | (3,295,407)                 | (672,022)      | 802,161        |
| Balances, beginning of year                        | 20,544,566                  | 20,544,566     | 19,742,405     |
| Reserves and reserve fund balances,<br>end of year | \$ 17,249,159               | \$ 19,872,544  | \$ 20,544,566  |

# CORPORATION OF THE COUNTY OF FRONTENAC

## Schedule 2 – Composition of Reserves and Reserve Funds

Year ended December 31, 2023

|  | 2023                 | 2022                 |
|--|----------------------|----------------------|
| Reserves set aside for specific purposes by Council: |                      |                      |
| Operating:   |                      |                      |
| County of Frontenac - working fund                   | \$ 1,220,799         | \$ 1,220,799         |
| - operating  | 35,957               | 20,876               |
| - WSIB   | 319,896              | 166,191              |
| Frontenac Paramedic Service - severance              | 424,585              | 372,396              |
| - WSIB   | 3,478,985            | 2,428,372            |
| Fairmount Home - operating                           | 267,385              | 219,878              |
| - severance  | 152,417              | 145,291              |
| Sustainability                                       | 264,716              | 257,009              |
| Community development reserve                        | 108,281              | 62,595               |
| Safe Restart   | 908,332              | 908,332              |
| Asset Replacement:                                   |                      |                      |
| Capital replacement                                  | 2,658,572            | 5,342,731            |
| Ontarians with Disabilities                          | 15,000               | -                    |
| Fairmount Home - capital replacement                 | 1,105,810            | 780,449              |
| Fairmount Home - capital reserve fund                | 700,315              | 684,352              |
| Frontenac Paramedic Service - vehicle replacement    | 1,566,427            | 1,608,381            |
| - equipment replacement                              | 2,347,488            | 2,111,874            |
| External Agency Reserves:                            |                      |                      |
| Library reserve                                      | 289,087              | 255,087              |
| Social housing - Out of Scope                        | 337,686              | 337,686              |
| Strategic Regional Reserves:                         |                      |                      |
| Strategic projects reserve                           | 1,614,075            | 1,618,588            |
| Stabilization Reserves:                              |                      |                      |
| County of Frontenac                                  | 1,562,983            | 1,627,800            |
| Legally Restricted:                                  |                      |                      |
| Donations  | 184,092              | 176,584              |
| Pathways   | 47,457               | 45,109               |
| FRC Frontenac Howe Islander Ferry Reserve            | -                    | 18,605               |
| Frontenac Howe Island Ferry WSIB                     | 162,833              | 64,101               |
| Frontenac Paramedic Service – Operating              | 99,366               | 71,480               |
|  | <b>\$ 19,872,544</b> | <b>\$ 20,544,566</b> |
| Reserves   | \$ 18,940,678        | \$ 19,638,520        |
| Reserve funds  | 931,866              | 906,046              |
| <b>Total reserves and reserve funds</b>              | <b>\$ 19,872,544</b> | <b>\$ 20,544,566</b> |



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**INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Frontenac

***Opinion***

We have audited the financial statements of the Trust Funds of the Corporation of the County of Frontenac (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of financial activities 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 financial activities 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.



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- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

June 19, 2024

# CORPORATION OF THE COUNTY OF FRONTENAC

## Trust Funds Statement of Financial Position

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

|                     | Fairmount<br>Home<br>Residents' | Bridget<br>Fowler | 2023<br>Total | 2022<br>Total |
|---------------------|---------------------------------|-------------------|---------------|---------------|
| <b>Assets</b>       |                                 |                   |               |               |
| Cash                | \$ 7,649                        | \$ 6,516          | \$ 14,165     | \$ 11,195     |
| <b>Fund Balance</b> |                                 |                   |               |               |
| Fund balance        | \$ 7,649                        | \$ 6,516          | \$ 14,165     | \$ 11,195     |

The accompanying note is an integral part of these financial statements.

# CORPORATION OF THE COUNTY OF FRONTENAC

## Trust Funds

### Statement of Financial Activities

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

|                                 | Fairmount<br>Home<br>Residents' | Bridget<br>Fowler | 2023<br>Total | 2022<br>Total |
|---------------------------------|---------------------------------|-------------------|---------------|---------------|
| <b>Receipts:</b>                |                                 |                   |               |               |
| Residents' deposits             | \$ 11,584                       | \$ –              | \$ 11,584     | \$ 5,953      |
| Interest                        | –                               | 853               | 853           | 639           |
|                                 | 11,584                          | 853               | 12,437        | 6,592         |
| <b>Disbursements:</b>           |                                 |                   |               |               |
| Residents' withdrawals          | 9,168                           | 299               | 9,467         | 6,051         |
| Excess of revenue over expenses | 2,416                           | 554               | 2,970         | 541           |
| Balance, beginning of the year  | 5,233                           | 5,962             | 11,195        | 10,654        |
| Balance, end of year            | \$ 7,649                        | \$ 6,516          | \$ 14,165     | \$ 11,195     |

The accompanying note is an integral part of these financial statements.

# CORPORATION OF THE COUNTY OF FRONTENAC

## Trust Funds

### Note to Financial Statements

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

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#### **1. Basis of accounting:**

The statement of Residents' Trust Accounts of the Corporation of the County of Frontenac reports the deposits and disbursements for the year ended December 31, 2023, in accordance with the significant accounting principles prescribed by the Ministry of Health and Ministry of Long-Term Care. General eligibility criteria for expenditures and reporting requirements are described in the 2023 Long-Term Care Home Annual Report Technical Instructions and Guidelines, dated April 30, 2023, issued by the Ministry of Health and Ministry of Long-Term Care of Ontario.

The purpose of the Statement is for the Entity to meet its obligation to report to the Ministry of Health and Long-Term Care of Ontario in accordance with the 2023 Long-Term Care Home Annual Report Technical Instructions and Guidelines dated April 30, 2023.

#### **2. Significant accounting policies:**

(a) Receipts:

Receipts are recorded on the cash basis.

(b) Disbursements:

Disbursements are recorded on the cash basis.