

LAS helps  
communities work  
better.



## LAS Annual Report | 2019

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### Welcoming new LAS President

In 2019, Brian Rosborough was named the new Executive Director of the Association of Municipalities of Ontario, in this capacity he also serves as President of LAS. Brian's career includes previous senior roles at AMO in policy and member services, as well as policy experience with the Ontario Public Service. Brian's role ensures that LAS' work is aligned with the needs of the municipal sector and AMO's advocacy work.

### The 2019 LAS Board



**Gary McNamara**  
Chair  
Mayor  
Town of Tecumseh



**Sheridan Graham**  
CMO  
Director, Corporate  
Projects & Services  
Peterborough County



**Julia McKenzie**  
Manager of  
Finance/Treasurer  
Town of Huntsville



**Lois O'Neill Jackson**  
Special Projects/  
Deputy Clerk  
Township of Alnwick/  
Haldimand



**Jean-Pierre Ouellette**  
CAO  
Town of Cochrane



**Jim Pine**  
CAO  
County of Hastings



**Chris Wray**  
CAO/Clerk  
Township of Johnson



**Brian Rosborough**  
LAS, President



**Judy Dezell**  
Director, AMO Enterprise  
Centre, Business  
Partnerships, LAS



**Afshin Majidi**  
LAS, Secretary-Treasurer;  
AMO Director Finance and  
Operations Centre

## Message from the Chair



Local Authority Services (LAS) helps Ontario's communities work better. We are dedicated to creating and delivering practical, money-saving business services and solutions for the municipal and broader public sector.

What has become clear, over more than 25 years' experience across some dozen different programs, is that success comes down to people. It comes down to our team and our service partners, coming together to meet the needs of our customers. We have been able to deliver great value with everyone working towards a common goal.

### Our customers

We work with municipal staff across Ontario to better understand their needs and how we can help them. In 2019, we conducted a customer service survey to get further feedback from frontline services. Municipal priorities include:

- New programs and program updates to reflect current challenges
- Financial savings
- Education on changes in procurement, including legislative requirements
- Tailored, specialized information/programs based on community size and circumstances

You will see these priorities reflected in both our current and future offerings as we continuously improve to deliver the most value to our customers, and their taxpayers. It is exemplified by our new group buying program. LAS has teamed up with sister organizations across the country to leverage the combined purchasing power of more than 2,500 Canadian municipalities.

### Our team

Municipalities deliver many critical services that people depend on every day. However, they do not have the scale of provincial or federal governments. The smaller the municipality, the greater the challenge in terms of capacity and expertise.

LAS has built a team that combines municipal experience with expertise in specific program areas, to complement and support municipal staff. This report will share more about how our staff work with our customers and service partners to ensure turnkey programs that deliver value, with minimal effort on the part of our time-stretched customers.

### Our service partners

LAS selects partners using competitive bidding processes that comply with municipal standards and trade agreements. We get to know them and make sure that they understand our customers as well as we do. For example, we felt comfortable sending our facility lighting supplier to retrofit a rural long-term care facility. The supplier respected the needs of schedules and even patiently answered questions from residents about their work. The project took them longer, but they understood the unique circumstances. The municipality is now saving more than 40% annually on electricity bills, and the experience was positive for those in their care.

### A new look, looking forward

In 2019, LAS undertook a rebranding exercise that you will see throughout this report. We provide the building blocks of strong communities. We are focused on helping communities work better through programs that provide value and support municipal staff with expertise, skills, and advice.

Since the close of 2019, the world has faced unprecedented challenge and crisis due to the COVID-19 pandemic. Much of the hard work has fallen on municipal shoulders. Our efforts to improve programs and meet new challenges will carry on into 2020 and beyond. We look forward to serving you to create a stronger Ontario.



Gary McNamara  
LAS Chair and Mayor of Tecumseh

## About LAS

Local Authority Services (LAS) was founded in 1992 by the Association of Municipalities of Ontario (AMO). LAS leverages economies of scale, group buying power and expertise in the municipal sector to offer business services to help municipalities save money, generate revenue, and improve staff skills and capacity. By working together, municipalities can work better.

### ■ Administrative Services

- Closed Meeting Investigator
- Group Benefits
- Home and Auto Insurance
- Municipal Risk Management
- Sewer and Water Line Warranty

### ■ Asset Services

- Group Buying Program
- Road and Sidewalk Assessment Service

### ■ Commodity Programs

- Electricity Program
- Fuel Procurement
- Natural Gas Procurement

### ■ Energy Services

- Energy Planning Tool
- Energy Training
- Facility Lighting Service
- LED Streetlight Program

### ■ Digital Partnerships

- eScribe
- eSolutions
- Frequency Foundry
- 4S
- Notarius



### Served 383 municipalities. 86% of all Ontario municipalities participated in at least one LAS program or service.

- A new brand for the organization conveys the updated and modern approach to delivering services that are uniquely tailored to municipal context.
- Launched Municipal Group Buying Program, partnering nationally to deliver savings in an easy-to-use program that does not require contracts, minimum spends, or fees to participate. The program is fully compliant with municipal public purchasing practices and trade agreements.
- Launched a range of new digital partnerships through AMO to help municipalities easily transition to new online platforms. Partnerships announced in 2019 include citizen relationship management (311 customer service platform), digital meeting management systems, website creation, and health and safety training and tracking.
- Focusing on our municipalities, LAS conducted a customer service survey that is driving further program development to ensure we continue to meet municipal needs. As financial challenges continue to stress municipal budgets, LAS is keenly focused on creating solutions that are easy to implement and quick to provide benefits in terms of providing value and solving municipal staff capacity challenges.

## Managing for Success

LAS is led by a management team with diverse experience in policy, municipal operations, and finance. With this depth of knowledge across municipal priorities, LAS is able to create and deliver meaningful solutions to help municipalities work better.

Management priorities in 2019 included seeking new opportunities to serve the municipal community, as well as a strategic re-branding initiative.

The rebrand was intended to convey the modern, customer-focused face of LAS. The brand also ushered in a new website, with a focus on ensuring that program information is easy to find and easy to use for our municipal customers.

By incorporating AMO Business Services into our brand, we want to reinforce our strong links to Ontario's municipal community and our understanding of municipal needs. The strong alignment with AMO means that LAS can often step in and create practical business solutions for trends we are seeing from the policy side.

In 2019, that included the need, often provincially driven, to find greater efficiencies and cost-savings. Municipal governments are already lean. The only way to do more for less is to work together. That is where the new Municipal Group Buying Program delivers on all fronts. It offers the combined buying power of 2,500 municipalities across Canada. There are no fees, minimums or contracts required to participate, and offerings range from office supplies to firetrucks. The program helps to save money, meets municipal procurement requirements, and provides added value in terms of expertise on how to make large capital purchases.

In response to the unique needs of northern communities, LAS conducted face-to-face outreach across the north, with one staff person conducting 30 meetings over the course of 15 days and covering nearly 5,000 kilometers. This outreach was successful with staff able to tailor sessions to the interests and needs of the municipalities. The outreach led to about a dozen municipalities pursuing a new LAS service or partnership.

LAS also pivoted towards providing more training and outreach via online meetings and webinars. Town Hall meetings, which aim to introduce municipalities to the breadth of LAS services, were conducted online in 2019, and much more training was offered as webinars. The approach not only helps remote communities, but allows any municipal staff member to take part without incurring the costs and time of travel. This trend will most definitely continue into 2020, particularly given the social distancing introduced by COVID-19.

### LAS Management team



**Judy Dezell** Director AMO  
Enterprise Centre, Business  
Partnerships, LAS & ONE



**Jeff Barten**  
Energy and Asset Services  
Manager



**Eleonore Schneider**  
LAS & ONE Program Manager

*With a depth of knowledge across municipal priorities, LAS is able to create and deliver meaningful solutions to help municipalities work better.*

# Administrative Services



## Group Benefits

The program offers completely flexible benefit coverage options for staff and elected officials at a cost lower than what most municipalities can achieve on a standalone basis. The program serves members ranging from those with less than 10 employees to those with more than 400. The program enrolled five municipalities in 2019 and achieved 13% growth.

## Group Home and Auto Insurance

LAS has negotiated exclusive discount rates for personal home and automobile insurance through the Cowan Insurance Group. The service is available to all staff and elected officials of Ontario municipalities. In 2019, the program grew by 17%, with 91 new policies written and 1,615 renewals.

## Sewer and Water Line Warranty Program

The LAS-endorsed Sewer and Water Line Warranty Service offers homeowners the option of a low-cost warranty that will repair or replace water and sewer lines on residential properties. Homeowners do not always realize that they are responsible for these repairs. The service provides homeowners with both warranty protection and confidence that repairs will be done correctly. LAS has partnered with Service Line Warranties of Canada Inc. to provide this service to homeowners across Ontario.

More than 500,000 households have received mailings and there are 60 municipalities that have endorsed and enrolled in the program, including 10 municipalities that joined in 2019.

## Closed Meetings Investigations

LAS has been filling the role of closed-meetings investigator for interested Ontario municipalities since 2008 through a credible, professional, and independent investigator service. In 2019, 140 municipalities subscribed to the LAS service.

## Municipal Risk Management

Municipal liability and risk management issues cost municipalities millions of dollars every year. Along with insurer Frank Cowan and Company, AMO formed the Institute of Municipal Risk Management to educate Councils and staff on existing and emerging risks and how to manage them. In September 2019, LAS once again hosted the Municipal Risk Management Symposium, offering members the opportunity to hear the latest news and tips on technological risks facing municipalities.

## Customer-Service Focus

As the first point of contact, our customer service team takes pride in supporting our municipalities and looking for ways add value and solve problems. They help share important program information, whether it's coordinating a newsletter or answering an email. They are always ready to help.

The team is also integral to LAS' presence at conferences. Municipal conferences offer an important opportunity to meet face-to-face with municipal staff and elected officials and to discuss possible solutions that LAS can offer. In addition, they give our team the invaluable opportunity to travel across Ontario and gain a stronger understanding of the communities we serve.

In 2019, LAS was a platinum sponsor of the Rural Ontario Municipal Association Conference, and a silver sponsor of the Association of Municipalities of Ontario Conference.

As well, staff traveled to the following conferences throughout the year:

- Municipal Information Systems Association Conference (MISA)
- Association of Municipal Managers, Clerks and Treasures of Ontario (AMCTO)
- Municipal Finance Officers' Association of Ontario (MFOA)
- Hastings County Day
- Ontario Small Urban Municipalities (OSUM)
- Northwestern Ontario Municipal Association (NOMA)
- Federation of Northern Ontario Municipalities (FONOM)

Customer-focus is one of three pillars of our five-year strategic plan. As a result, this team plays an integral role in executing initiatives that support this pillar. If there is ever a question, challenge or concern, the LAS service team is there to help.

### Administrative, Customer Service team



**Fernanda Lazzaro**  
Customer Service  
Representative



**Susan Weiss**  
Administrative Assistant

*Our customer service team takes pride in supporting our municipalities and looking for ways add value and solve problems.*

# Commodity Programs



## **Natural Gas**

This is LAS' first and oldest-serving program. It helps members stabilize natural gas rates through a four-year natural gas hedging strategy. The program maintains consistent revenues and serves 176 municipal and broader public-sector program participants. LAS plans to look for additional broader public-sector organizations that could similarly benefit from the program.

## **Electricity**

Ontario's electricity market can be unpredictable. LAS helps municipalities create some stability through a managed program of hedge contracts and spot market exposure. LAS also offers a way for municipalities to take advantage of low spot market rates overnight for their streetlights.

A key challenge has been the steady rise in the Global Adjustment portion of the bill. This line item is independent of market rates and cannot be managed by any retail program.

Currently, 144 municipalities take part in electricity programs. The program provides usage data and market information to further help municipalities manage energy costs.

## **Fuel**

The Fuel Procurement Program is a simple alternative for small and medium-sized municipalities to save money on fuel and reduce the administrative burden. This program served 16 municipalities in 2019.



## The LAS Electricity Team: Empowering Clients with Data

Ontario's electricity system is highly complex – a hybrid of market and regulated components that can be difficult to navigate. However, the experienced LAS team makes it simple for municipalities to have predictable electricity costs and to manage their usage.

As an independent electricity retailer, our team must set up billing systems, verify meter data, settle financial transactions, and develop useful reports and tools for our 144 municipal participants.

The team handles 3,000 transactions daily, which translates into nearly one million transactions per year. This information must be analyzed, managed, and reported to municipalities every month, to help them understand usage within their facilities.

The staff at LAS have been working for the program since its inception in 2007. In addition to offering the technical expertise to execute the program effectively, they understand how to support municipal staff and manage the needs of elected officials.

In 2019, the team evaluated the program to make sure it was still meeting municipal needs. Participation has remained steady. Feedback confirmed that customers feel they are getting good value in terms of the price protection provided by the program, and the services of the team. The team keeps clients updated on regulatory changes, Global Adjustment and spot market pricing, and trends for the upcoming year. Additional services like energy tools and training, help smaller and mid-sized municipalities in particular, given their limited staff capacity and resources.

### Commodity DCB team



**Aliya Khayat**  
Energy Billing &  
Settlement Clerk



**Corey Brown**  
Team Lead – Energy  
Billing & Settlement



**Sujitha Cyril**  
Energy Billing &  
Settlement Clerk

*The experienced LAS team makes it simple for municipalities to have predictable electricity costs and to manage their usage.*

# Energy Services

A 3D bar chart graphic with several bars of varying heights, rendered in a light blue color. The bars are arranged in a row, with the tallest bar on the right and the shortest on the left. A small sphere is positioned on the left side of the chart.

## Energy Planning Tool

Municipal governments and other broader public-sector organizations must complete and submit an Energy Consumption and Green House Gas (GHG) Emission report each year. LAS' Energy Planning Tool helps municipalities and other organizations develop and update plans that comply with provincial government regulations.

In response to feedback from our municipal clients, the software was updated in 2019 to import data from our Commodity programs, reducing the administrative burden on municipal staff. Further updates are planned for 2020 to improve the software's functionality and make it easier to use.

In 2019, the program had 166 municipal subscribers, representing almost 40% of all Ontario municipalities.

## LED Streetlight Program

Since its launch in March 2013, the LAS LED Streetlight Program has become the leading LED Streetlight replacement program in Canada, and is among one of the largest programs in its class internationally. In fact, this program has been recognized by the World Bank as being among the most efficient and successful delivery models in the world.

The program employs a unique turnkey approach that brings together all the services municipalities require to rollout the new technology and start reaping the benefits quickly. It reduces energy consumption by about 50% to 70%, generating about 60% in annual cost savings and 80% savings in maintenance.

Including 2019, a total of 185 municipalities have used the program, for a cumulative annual savings of \$18.1 million per year and 88 million kWh – that is roughly equivalent to powering 9,300 Ontario households for a year.

This program is winding down in 2020, reflecting the fact that most municipalities have made the conversion and there is now significantly less demand for the service.

## Facility Lighting Service

LAS offers a turnkey solution to install energy efficient LED lights for municipal and public facilities. In addition to high-bay lighting systems for arenas, LAS offers a range of solutions for LED lighting that can be used across municipal facilities. LAS worked with four municipalities on 20 lighting projects in 2019.

## Energy Training

LAS' energy training workshops focus on the specific needs of the municipal sector. LAS has partnered with Stephen Dixon of Knowenergy to offer a suite of cost-effective, customizable workshops. The sessions help municipalities cut utility costs, comply with regulations, or increase knowledge of energy conservation. These are often delivered on-site but are also available online. Including 2019, a total of 12 clients, including municipalities, a college and public sector association, have taken part in energy training workshops.

## High-Energy Expertise

LAS Energy & Asset Program Services are delivered by a team with extensive experience in municipal energy management. The team puts a strong focus on understanding individual customer needs and tailoring projects and services accordingly.

Projects, like facility lighting, are implemented in a timely and efficient manner, thanks to the experience of the team and the economies of scale. For example, LAS was able to retrofit lighting for Haldimand County's Caledonia Arena for about half the price quoted by another supplier. Annual energy bills were cut in half and the project took just four weeks to complete.

The added value is in the staff support from LAS. This includes free project proposals, completing applications for incentive programs on the municipality's behalf, and helping manage the project.

The team provides municipalities with meaningful expertise in energy management and environmental sustainability. This is particularly helpful for smaller and mid-sized municipalities with fewer staff resources. Across all energy and asset services, the team empowers municipalities to make decisions based on good data, and then makes sure they are supported throughout the process.

In addition to serving clients, the team is dedicated to continuously researching potential new energy programs and asset services to meet emerging needs. The Group Buying Program is an example of a new program targeted squarely at helping municipalities make both small and large purchases more affordable, while simplifying the process through group procurement – addressing challenges on time, money, and resources.

### Energy & Asset Services team



**Tanner Watt**  
Municipal Energy Specialist



**Christian Tham**  
Municipal Energy Specialist

*Across all energy and asset services, the team empowers municipalities to make decisions based on good data, and then makes sure they have support throughout the process.*

# Asset Services



## Group Buying Program

In August 2019, LAS launched a partnership with one of the leading public-sector buying groups in Canada. It includes sister organizations across the country to leverage the combined purchasing power of more than 2,500 Canadian municipalities.

By combining forces, municipalities can access high-quality, competitively priced goods and services, and free up staff time. All offerings have undergone a formal competitive bid process on your behalf, ensuring compliance with purchasing bylaws and trade agreements. There are no minimum purchase requirements, membership fees, or binding contracts.

The initial offering includes five categories:

- Capital purchasing
- Fleet management
- Office supplies
- Tires
- Traffic supplies

In 2019, 14 municipalities purchased through the program. As well, several began working on larger, customized capital purchases including firetrucks, graders and other equipment.

## Road and Sidewalk Assessment Service

With more than 300,000-lane kilometers of municipal roads, and tens of thousands of kilometers of sidewalks across Ontario, manual inspection and roads assessment studies are an onerous task.

Given the importance of asset management, and the need for municipalities to have better data, LAS partnered with StreetScan to offer an automated option. This program includes:

- Patented mobile sensing and condition data-gathering;
- Data handling, processing, algorithms and analysis;
- Customizable data analysis software and visualization in a secure web-based GIS application; and,
- Pavement management engine for repair and maintenance decision-making.

The result is a service that provides timely data in a cost-effective way that helps municipal governments maintain high-quality road networks. In 2019, a total of 48 municipalities signed on to the service, including 17 new clients. In all, a total of 9,974 kilometers of road was surveyed, along with 464 kilometers of sidewalks.

# ONE Investment

ONE Investment was a program created solely to serve the investment needs of Ontario's municipal community. For more than 25 years, ONE has offered investment solutions that provide municipal governments with a range of options and the benefits of combined investment power. ONE helps municipal governments earn better returns, pay lower management fees and plan for the future of our communities.

ONE Investment as a program was first formed by LAS and CHUMS Financing, a subsidiary of the Municipal Finance Officers Association. In 2018, ONE was incorporated as a not-for-profit and began operating as a standalone organization in 2019. LAS and CHUMS are its members. As a member, LAS financial statements reflect costs and revenues related to ONE Investment.

In 2019, ONE created a municipal investment advisory team with deep expertise in municipal finance and investment strategy to provide improved advice and support to clients.

ONE offers five products to meet different time horizons, all structured and managed to comply with the complex regulatory requirement set out by the Province for municipal investing:

1. High Interest Savings Account (HISA) - Recommended investment time horizon: 1+ months.
2. Money Market Portfolio - Recommended investment time horizon: 18 months
3. Bond Portfolio - Recommended investment time horizon: 18 - 36 months
4. Universe Corporate Bond Portfolio - Recommended investment time horizon: 3 to 5 years
5. Canadian Equity Portfolio - Recommended investment time horizon: 5+ years

At year-end 2019, 175 Ontario municipalities and broader public sector investors held investments with ONE Investment. The program reached a milestone with total investment balances of \$2.28 billion at the end of 2019, 16% higher than the 2018 year-end balance of \$1.96 billion.

## Prudent Investing

In addition to current offerings, ONE has been developing a full-service option under the new Prudent Investor standard. During 2019, ONE provided turnkey solutions to several municipalities working through their Council approval process to potentially become founding municipalities of the ONE Joint Investment Board (JIB). The ONE JIB will be a joint municipal service board that will invest on behalf of municipalities as per the investment policy statement approved by the respective councils. Substantial progress was made during 2019 to establish ONE JIB and ready it for active investing in 2020.





Digital services are an AMO initiative. However, these partnerships are closely aligned with LAS objectives to help communities work better. As a result, though not part of LAS, it is important that municipal governments are aware of the opportunity. Digital technology offers municipal government opportunities to unlock efficiencies and discover cost savings, while also improving accessibility, customer service, and citizen engagement. However, making the digital transition to these solutions can require a substantial amount of legwork and research. Not all municipalities have capacity to do that. Since 2017, when AMO published its report on digital transformation, the Association has been doing that legwork. It has since partnered with leading providers to offer scalable, affordable, and easy-to-use technologies to help members find ways to be more efficient and reduce costs. These partnerships grew substantially in 2019.

### **eScribe**

eScribe provides secure, cloud-based, paperless meeting management and livestreaming solutions. Besides simple agendas and minutes, eSCRIBE supports each step of the meeting lifecycle with comprehensive tools and workflow for staff, meeting participants and the public. eScribe is compliant with accessibility requirements, such as AODA and WCAG 2.0. The goal is to improve transparency and reduce the resources required to support meetings, so staff can focus on serving their communities.

### **eSolutions**

eSolutions is a one-stop shop for municipal websites and intuitive digital solutions. Through its partnership with AMO, municipalities can benefit from eSolutions' modular, barrier-free web design as well as a variety of advanced applications and other integrated technologies. All websites meet or exceed AODA and WCAG 2.0 accessibility requirements ensuring all residents can access web services and information.

### **Frequency Foundry**

Frequency Foundry provides a digital citizen relationship management (CRM) solution that can improve customer service and efficiency, particularly for smaller municipalities. Frequency Foundry's software solution, Signal, provides 3-1-1 services for residents, helping them access municipal information and resources. Signal helps municipalities manage and track requests, complaints, and inquiries – and delivers a variety of 'front desk' services. It also integrates into existing municipal systems and processes.

### **4S Consulting Services**

4S offers health and safety training and consulting services, including a comprehensive online management system for employees. The partnership with 4S helps municipal governments continue to build an effective Occupational Health and Safety (OHS) program that improves productivity, reduces costs, and creates a safer workplace. 4S takes an approach that engages all employees, from senior management to frontline workers, in building a strong workplace safety culture. Its online platform provides a comprehensive way to easily track and manage all employee training, workplace incidents, and various procedures and compliance checklists.

### **Notarius**

Notarius was AMO's first digital partnership. The company offers a suite of digital signature services to help municipal governments manage electronic documents more efficiently. Notarius digital signatures are electronic signatures that provide high assurance levels of signer identity and document integrity, authenticity, and longevity. It enables professionals to sign electronic documents with the same legal value as a paper document signed by hand. The technology helps municipalities streamline processes, reduce costs for document storage and safeguard the integrity of important municipal records.

## Creating Win-Win-Win Partnerships

There is greater need than ever before for municipal governments to be lean, flexible, and agile. Digital platforms offer dual benefits of often increasing efficiency while at the same time expanding access and transparency for residents. That is the driving force behind AMO's efforts to find digital solutions and partnerships that municipal governments can trust.

Each partnership is different, depending on the municipal demand for the services, as well as existing sector experience with vendors. Whatever the situation, the emphasis is on finding a quality provider with a solution that meets unique municipal needs and is scalable to serve different sized communities. It is also important that the partner offer AMO an affordable price that recognizes economies of scale at the sector level, and it must be easy for staff and citizens to use and navigate.

Municipal stakeholders are an integral part of the AMO partnership process. If there is an open, competitive Request for Proposal process, municipal staff will sit on the reviewing committee. This helps ensure that the solution and price is right for municipal needs.

For the Citizen Relationship Management solution, for example, a Digital CRM Steering Committee was created. Municipal staff from administration and information technology services helped AMO scope out the work, build the requirements, and offer insights on how to implement and integrate CRM into existing municipal systems.

For some partnerships, a less formal procurement process might be used. For example, if it is a niche product where there are few offerings, or if there is a provider with whom many municipalities have had a good experience. In that case, municipal input is again critical to ensuring that a proposed partnership is the right fit. AMO connects with municipal staff from diverse communities, in terms of geography, size and role, so that our solutions can serve a broad range of needs.

After the partnership is developed, AMO helps link municipalities to the partner directly. AMO staff are available as a resource to help ensure that the partnership works well. It becomes a win-win-win proposition for AMO advocacy goals, municipal efficiency, and improved opportunities for service providers to meet market needs.

The move to digital government is accelerating to meet new challenges. A current priority is seeking ways to support municipal cyber-security needs. The AMO team is continuously seeking new digital partnership opportunities and welcomes input from municipal governments if they see a need.

### Digital Solutions Team



**Nicholas Ruder**  
Research Advisor

*Digital platforms offer dual benefits of often increasing efficiency while at the same time expanding access and transparency for residents. AMO connects with municipal staff from diverse communities, in terms of geography, size and role, to develop digital partnerships that can serve a broad range of needs.*

**Local Authority Services**  
**Financial Statements**  
For the year ended December 31, 2019

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## Independent Auditor's Report

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### To the Directors of Local Authority Services

#### Opinion

We have audited the financial statements of Local Authority Services ("LAS"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of LAS as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Opinion

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

We draw attention to Note 13 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2018 has been restated. The financial statements for the year ended December 31, 2018 (prior to adjustments that were applied to restate certain comparative information explained in Note 13) were audited by another auditor who expressed an unmodified opinion on those financial statements on May 24, 2019. 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 LAS'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 LAS or to cease operations, or has no realistic alternative but to do so.

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



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## Independent Auditor's Report (continued)

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

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

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 LAS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on LAS'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 LAS 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.

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Mississauga, Ontario  
May 22, 2020

## Local Authority Services Statement of Financial Position

**December 31** **2019** **2018**

### Assets

#### Current

Cash	\$ 3,190,199	\$ 6,457,154
Cash - One Investment HISA deposits (Note 4)	-	1,099,717,036
Investments (Note 5)	5,799,970	5,878,635
Accounts receivable (Note 8(a))	3,765,182	1,830,977
Prepaid expenses	103,533	127,862
Due from ONE Investment (Note 8(c))	541,063	-

**13,399,947** **1,114,011,664**

#### Property and equipment and intangible assets (Note 6)

**26,642** **64,297**

**\$ 13,426,589** **\$ 1,114,075,961**

### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities (Note 8(b))	\$ 2,537,490	\$ 2,930,333
Due to Association of Municipalities of Ontario (Note 8(c))	158,164	160,446
One Investment - HISA deposits (Note 4)	-	1,099,717,036
Energy program - payables (Note 7)	732,000	732,000
Deferred revenue	14,400	24,590

**3,442,054** **1,103,564,405**

#### Net assets

Internally restricted funds		
Natural gas procurement program (Note 7(a))	5,462,456	5,887,091
Electricity procurement program (Note 7(b))	347,727	622,179
Unrestricted	4,174,352	4,002,286

**9,984,535** **10,511,556**

**\$ 13,426,589** **\$ 1,114,075,961**

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

**Local Authority Services  
Statement of Operations**

For the year ended December 31

2019

2018

(Restated  
Note 13)

	Internally Restricted		Unrestricted	Total	Total
	Natural gas procurement program	Electricity procurement program			
<b>Revenue</b>					
Program	\$ 21,635,015	\$ 707,876	\$ 5,648,325	\$ 27,991,216	\$ 27,554,998
Investment income	65,758	20,730	75,440	161,928	164,704
	<b>21,700,773</b>	<b>728,606</b>	<b>5,723,765</b>	<b>28,153,144</b>	<b>27,719,702</b>
<b>Expenditures</b>					
Program (Note 8(d))	20,098,589	795,061	4,562,393	25,456,043	23,129,677
Administration (Notes 8(d), 9 and 11)	26,819	184,863	961,237	1,172,919	1,514,441
Amortization	-	23,134	28,069	51,203	57,528
	<b>20,125,408</b>	<b>1,003,058</b>	<b>5,551,699</b>	<b>26,680,165</b>	<b>24,701,646</b>
Excess (deficiency) of revenue over expenditures before undernoted item	1,575,365	(274,452)	172,066	1,472,979	3,018,056
Distribution of natural gas program surplus (Note 7(a))	2,000,000	-	-	2,000,000	1,500,000
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (424,635)</b>	<b>\$ (274,452)</b>	<b>\$ 172,066</b>	<b>\$ (527,021)</b>	<b>\$ 1,518,056</b>

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

**Local Authority Services  
Statement of Changes in Net Assets**

**For the year ended December 31**

	<u>Internally Restricted</u>			<b>Total 2019</b>	Total 2018
	Natural gas procurement program	Electricity procurement program	Unrestricted		
					(Restated Note 13)
<b>Balance, beginning of year</b>	<b>\$5,887,091</b>	<b>\$ 622,179</b>	<b>\$ 4,002,286</b>	<b>\$10,511,556</b>	\$ 8,993,500
Excess (deficiency) of revenue over expenditures	<b>(424,635)</b>	<b>(274,452)</b>	<b>172,066</b>	<b>(527,021)</b>	1,518,056
<b>Balance, end of year</b>	<b>\$5,462,456</b>	<b>\$ 347,727</b>	<b>\$ 4,174,352</b>	<b>\$ 9,984,535</b>	\$10,511,556

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

## Local Authority Services Statement of Cash Flows

For the year ended December 31	2019	2018
		(Restated Note 13)
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Excess (deficiency) of revenue over expenditures	\$ (527,021)	\$ 1,518,056
Adjustment required to reconcile excess (deficiency) of revenue over expenditures to net cash provided by operating activities		
Amortization of property, equipment and intangible assets	51,203	57,528
Changes in non-cash working capital balances		
Accounts receivable	(1,934,205)	113,814
Prepaid expenses	24,329	(9,592)
Accounts payable and accrued liabilities	(392,843)	(1,714,960)
Due to Association of Municipalities of Ontario	(2,282)	50,343
Due from ONE Investment	(541,063)	-
Deferred revenue	(10,190)	(19,720)
	<b>(3,332,072)</b>	<b>(4,531)</b>
<b>Investing activities</b>		
Purchase of property and equipment and intangible assets	(13,548)	(1,414)
Redemption (purchase) of investments	78,665	(815,574)
	<b>65,117</b>	<b>(816,988)</b>
<b>Decrease in cash during the year</b>	<b>(3,266,955)</b>	<b>(821,519)</b>
<b>Cash, beginning of year</b>	<b>6,457,154</b>	<b>7,278,673</b>
<b>Cash, end of year</b>	<b>\$ 3,190,199</b>	<b>\$ 6,457,154</b>

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

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# Local Authority Services

## Notes to Financial Statements

**December 31, 2019**

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### **1. Basis of Presentation**

Local Authority Services Limited ("LAS") was incorporated on May 13, 1992 under the Business Corporations Act (Ontario) with share capital. On November 28, 2013, LAS was issued a Certificate of Continuance under the Canada Not-For-Profit Corporations Act and LAS changed its name to Local Authority Services.

LAS is a subsidiary of Association of Municipalities of Ontario ("AMO"). LAS is mandated to work with municipalities, their agencies, boards and commissions as well as other organizations of Ontario's broader public sector to assist them in reducing the cost of their expenditures and to increase their levels of non-tax revenue through the principle of joint or co-operative procurement efforts.

LAS is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

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### **2. Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Accounting standards for not-for-profit organizations require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the choices selected by LAS and applied in these financial statements.

#### **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 revenues and expenditures during the year. Actual results could differ from those estimates.

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs incurred on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

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# Local Authority Services

## Notes to Financial Statements

December 31, 2019

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### 2. Significant Accounting Policies (continued)

#### Property and Equipment and Intangible Assets

Property and equipment and intangible assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Computer hardware and software	-	4 years straight-line
Furniture and fixtures	-	5 years straight-line

#### Contracts to Buy or Sell a Non-Financial Item

Contracts related to the natural gas procurement program and the retail electricity program are future contracts to buy or sell a commodity and as such are non-financial items and therefore not recognized in the financial statements but are disclosed in Note 7. The gains and losses are recognized in the statement of operations in the year in which the contracts are settled.

#### Revenue Recognition

LAS follows the deferral method of accounting for externally restricted contributions. Under the deferral method, grants and funds received in support of specific initiatives are deferred until such time as costs related to the initiative are incurred. Non-restricted grants and funds are recognized as revenue in the year received.

Investment income is recognized as revenue in the period it is earned.

#### Pension

AMO makes contributions on behalf of its employees, including the employees of LAS, to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. As the amount LAS is obligated under the plan is not quantifiable, the accounting, presentation and disclosures that would otherwise be required are not determinable. Due to this fact, LAS follows the standards for a defined contribution plan, the details of which are disclosed in Note 9.

#### Investment in ONE Investment

ONE Investment ("ONE") is a not-for-profit organization and is exempt from the income tax act provided certain requirements of the income tax act are met. LAS is one of the two members of ONE. A financial summary of ONE is presented and disclosed in Note 10.



## Local Authority Services Notes to Financial Statements

**December 31, 2019**

### 3. Cash

	2019	2018
Unrestricted	\$ 297,847	\$ 441,160
Internally restricted programs	2,892,352	6,015,994
	\$ 3,190,199	\$ 6,457,154

### 4. One Investment HISA Deposits

One Investment HISA deposits represented amounts received from and owing to municipalities and other entities for investment in LAS's One Investment - High Interest Savings Account (HISA) program. The management of the HISA program has been moved to ONE Investment.

### 5. Investments

	2019	2018
One Investment High Interest Savings Account (HISA) bearing interest at bank prime rate less 1.535% (2018 - bank prime rate less 1.535%)	\$ 5,799,970	\$ 5,878,635

### 6. Property and Equipment and Intangible Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware and software	\$ 1,266,545	\$ 1,240,251	\$ 1,252,997	\$ 1,189,398
Furniture and fixtures	12,667	12,319	12,667	11,969
	\$ 1,279,212	\$ 1,252,570	\$ 1,265,664	\$ 1,201,367
Net book value		\$ 26,642		\$ 64,297

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## Local Authority Services Notes to Financial Statements

December 31, 2019

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### 7. Energy Programs

The LAS Board of Directors (the “Board”) has established internally restricted reserves for the natural gas and electricity procurement programs. These amounts are not available for other purposes without the approval of the Board.

#### (a) Natural gas procurement program

LAS, on behalf of the municipalities, enters into natural gas purchase contracts with suppliers for the purpose of managing the price risk relating to natural gas. LAS has offsetting sales contracts with municipalities. On a monthly basis, all gas contracts are balanced. On an annual basis, LAS is required to balance the gas purchased for the municipalities with their consumption, in line with the parameters established by the gas utilities. If the municipalities consume more gas than hedged, then any shortfall is purchased on the spot market. Conversely, if the municipalities consume less gas than hedged, then the surplus gas is sold in the market place at the then prevalent spot market price.

From inception, the natural gas procurement program established a reserve that is held in trust and is maintained by the service provider. This reserve is used to balance any purchasing shortfalls or surpluses. On completion of the year end reconciliation, the excess funds are recognized as revenue of the natural gas procurement program. Based on a recommendation from management, rebates may be distributed from the excess funds to municipalities in the form of a rebate in proportion to their consumption for a stated period. These funds, along with any accumulated interest, are not usually distributed until a year after the reconciliation has occurred.

In June 2007, LAS changed its service provider and transferred \$732,000 to the new service provider as seed money for the program. The amount in excess of the \$732,000 was distributed to municipalities based on their consumption as at November 1, 2006. If and when this program is terminated, this seed money will be distributed to the municipalities enrolled in the program at November 2006 based on their consumption at that time.

## Local Authority Services Notes to Financial Statements

**December 31, 2019**

### 7. Energy Programs (continued)

#### (a) Natural gas procurement program (continued)

At year-end, LAS had the following natural gas purchase and sale and transportation contracts that were not recognized in these financial statements based on LAS's accounting policy for contracts to buy or sell a non-financial item disclosed in Note 2.

	2019	2018
<u>Purchase and sale contracts</u>		
Flow end date	<b>January 2020 to October 2022</b>	January 2019 to October 2022
Fixed price (per GJ)	<b>\$1.49 to \$2.92</b>	\$1.57 to \$3.35
Supply period (months)	<b>10 - 12</b>	10 - 12
Volume (GJ)	<b>7,460,000</b>	8,552,500
Amount of forward contracts	<b>\$16,300,531</b>	\$13,847,815
<u>Transportation contracts</u>		
Flow end date	<b>January 2020 to October 2021</b>	January 2019 to October 2019
Fixed price (per GJ)	<b>\$0.25 to \$1.68</b>	\$0.91 to \$3.24
Supply period (months)	<b>1 - 12</b>	1 - 10
Volume (GJ)	<b>6,893,453</b>	3,603,362
Amount of forward contracts	<b>\$9,153,829</b>	\$9,270,901

#### Distribution of natural gas program surplus

Based on management's recommendation, LAS distributed natural gas program surplus back to the participants of the natural gas procurement program in proportion to the participants' consumption for a stated period. Distributions of \$2,000,000 were paid in 2019 (2018 - \$1,500,000).

# Local Authority Services

## Notes to Financial Statements

**December 31, 2019**

### 7. Energy Programs (continued)

#### (b) Electricity procurement program

LAS, on behalf of the municipalities, enters into electricity purchase contracts with suppliers for the purpose of managing the price risk relating to electricity. LAS has offsetting sales contracts with municipalities. On an hourly basis, LAS is required to balance the electricity purchased for the municipalities with their consumption. If the municipalities consume more electricity than hedged, then any shortfall is purchased on the spot market. Conversely, if the municipalities consume less electricity than hedged, then the surplus electricity is sold in the market place, at the then prevalent spot market price.

At year-end, LAS had the following electricity purchase and sale contracts that were not recognized in the financial statements based on LAS's accounting policy for contracts to buy or sell a non-financial item disclosed in Note 2.

	<b>2019</b>	2018
Flow end date	<b>December 31, 2020</b>	December 31, 2019
Fixed price (per MW)	<b>\$16.20 to \$33.93</b>	\$22.50
Supply period (months)	<b>12</b>	12
Volume (MW)	<b>346,465</b>	342,912
Amount of forward contracts	<b>\$8,101,392</b>	\$7,715,216

### 8. Related Party Balances and Transactions

- a) Included in accounts receivable are amounts due from ONE Investment of \$37,784 (2018 - \$Nil).
- b) Included in accounts payable and accrued liabilities are amounts owing to AMO of \$23,394 (2018 - \$Nil) and amounts owing to ONE Investment of \$517,973 (2018 - \$Nil).
- c) Amounts due to AMO and from ONE Investment are unsecured, repayable on demand and are non-interest bearing.
- d) Included in administration expenses is \$775,108 (2018 - \$705,981) for administration and occupancy costs charged by AMO. Included in administration and program expenses are management fees of \$1,288,897 (2018 - \$Nil) charged by ONE. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## Local Authority Services Notes to Financial Statements

**December 31, 2019**

### 9. Pension

Included in administration costs are pension contributions in the amount of \$104,172 (2018 - \$102,101) expensed and paid to OMERS on behalf of employees of LAS.

### 10. ONE Investment

ONE was incorporated on July 18, 2018. ONE is a not-for-profit organization and is exempt from income taxes provided certain requirements of the income tax act are met. The members of ONE are LAS and CHUMS Financing Corporation ("CHUMS"). The mandate of ONE is to work with municipalities, their agencies, boards and commissions as well as other organizations of Ontario's broader public sector to provide investment products such as bond and equity portfolios, as well as teaching and supporting their client's investment decisions through online training and various tools and templates.

ONE has not been consolidated in LAS's financial statements. Financial statements of ONE are available on request. A financial summary of ONE as at December 31, 2019 and 2018 and for the years then ended is as follows:

	2019	2018
Financial position		
Total assets	\$ 1,547,950	\$ -
Total liabilities	1,547,950	-
Net assets	\$ -	\$ -
Results of operations		
Total revenue	\$ 2,577,794	\$ -
Total expenditures	2,577,794	-
Excess of revenue over expenditures	\$ -	\$ -
Cash provided by (used in)		
Operating activities	\$ (639,495)	\$ -
Financing activity	1,062,312	-
Investing activity	(1,862)	-
Net change in cash	\$ 420,955	\$ -

## Local Authority Services Notes to Financial Statements

**December 31, 2019**

### 11. Allocation of Expenses

Expenses such as rent, information technology costs, salaries and benefits are allocated based on the percentage of the expense which is used to benefit the underlying program. Expenses allocated from the unrestricted funds to the internally restricted funds were as follows:

	<b>Natural gas procurement program</b>	<b>Electricity procurement program</b>
<b>2019</b>		
<b>Salaries and benefits</b>	<b>\$ 16,658</b>	<b>\$ 114,827</b>
<b>Administration expenses</b>	<b>10,161</b>	<b>70,036</b>
	<b>\$ 26,819</b>	<b>\$ 184,863</b>
<b>2018</b>		
Salaries and benefits	\$ 27,454	\$ 108,312
Administration expenses	13,846	54,629
	<b>\$ 41,300</b>	<b>\$ 162,941</b>

### 12. Financial Instruments Risks

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus ("COVID-19") pandemic resulting in economic uncertainties impacting LAS's risks. At this time, the full potential impact of COVID-19 on LAS is unknown.

#### Interest rate risk

Interest rate risk is the risk that the fair value or cash flows from a financial instrument will fluctuate because of market changes in interest rates. LAS is exposed to interest rate price risk on its investments.

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# Local Authority Services

## Notes to Financial Statements

**December 31, 2019**

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### 12. Financial Instruments Risks (continued)

#### Liquidity risk

Liquidity risk is the risk that LAS will encounter difficulty in meeting the obligations associated with its financial liabilities. LAS is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities, due to AMO and energy program payables.

LAS reduces exposure to liquidity risk by ensuring that it maintains adequate cash reserves to pay trade creditors.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. LAS's main credit risks relate to its accounts receivable.

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

It is management's opinion that LAS is not exposed to significant interest rate, currency, liquidity, credit risk or other price risk arising from its financial instruments.

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## Local Authority Services Notes to Financial Statements

**December 31, 2019**

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### 13. Prior Period Restatement

During the year, it was determined that the distribution of the surplus from the natural gas procurement program was not reflected appropriately in the prior year financial statements. As a result, the amounts presented below have been restated to correct the error as follows:

Statement of Operations for the year ended December 31, 2018

Distribution of natural gas procurement program surplus, as previously stated	\$ -
Increase in distribution of natural gas procurement program surplus	<u>1,500,000</u>
Distribution of natural gas procurement program surplus, as restated	<u>\$ 1,500,000</u>
Excess of revenue over expenditures, as previously stated	\$ 3,018,056
Decrease in excess of revenue over expenditures	<u>(1,500,000)</u>
Excess of revenue over expenditures, as restated	<u>\$ 1,518,056</u>

The distribution of natural gas procurement surplus was previously recorded directly in the statement of changes in net assets as a reduction in net assets. It has been restated to reflect it in the statement of operations. This did not result in a change in total net assets for 2018. Corresponding changes have been made to the comparative statement of cash flows resulting in a reduction of \$1,500,000 in cash flows from operations previously shown as reduction in cash flows from financing activity.

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### 14. Contingency

As at year end, the government remittances filed by LAS are pending review by the government. The outcome of this review cannot be reliably determined. However, should any loss result from the resolution of the review, such loss would be charged against excess of revenue over expenditures in the year the outcome is determined.

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### 15. Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.





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