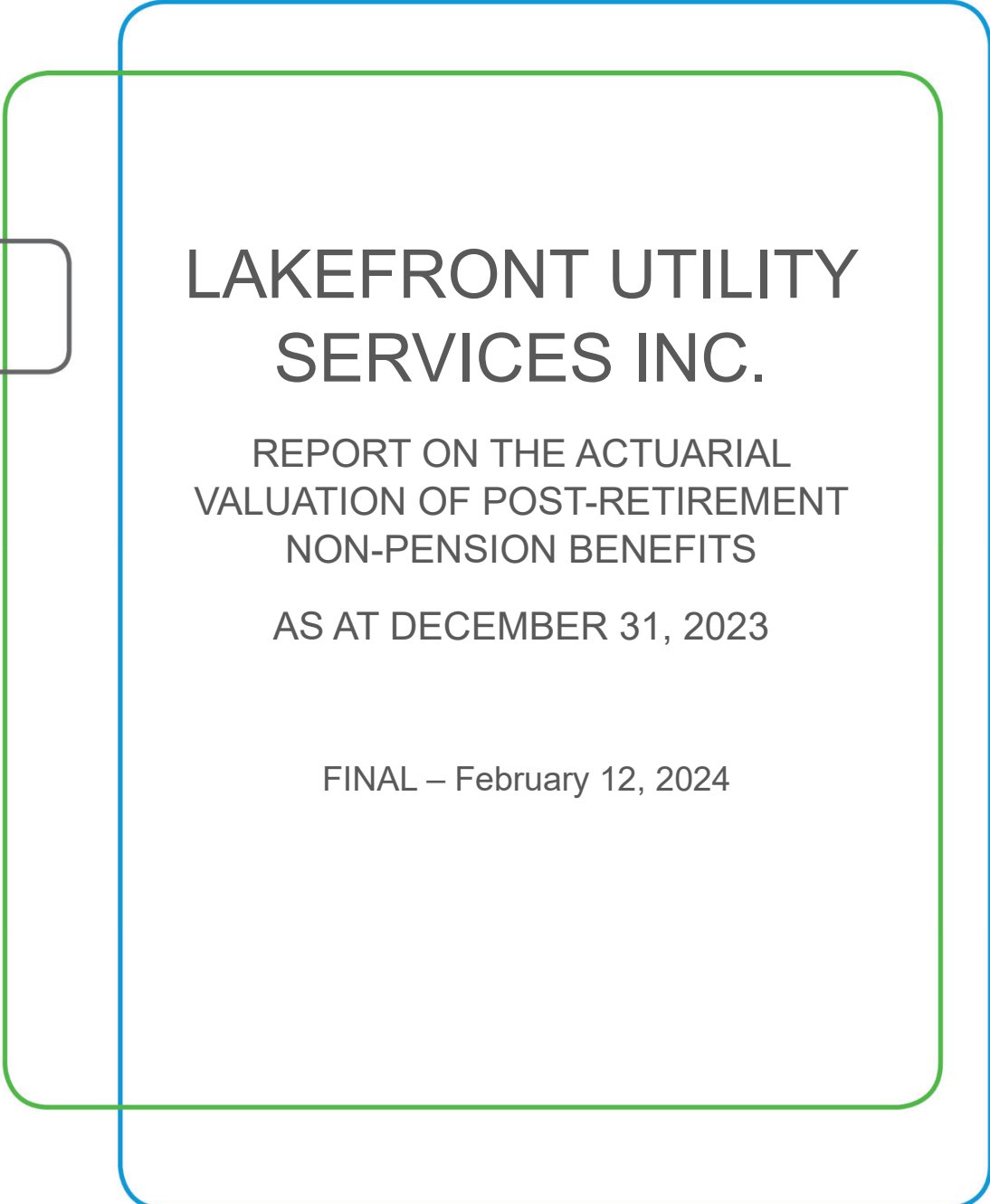




LAKEFRONT UTILITY SERVICES INC.

REPORT ON THE ACTUARIAL
VALUATION OF POST-RETIREMENT
NON-PENSION BENEFITS

AS AT DECEMBER 31, 2023

FINAL – February 12, 2024

TABLE OF CONTENTS

Executive Summary	1
Purpose	1
Section A — Valuation Results (Electric Division).....	2
Valuation Results	3
Sensitivity Analysis	4
Development of Changes in the Present Value of Defined Benefit Obligation	5
section B — Valuation Results (Water Division)	6
Valuation Results	7
Sensitivity Analysis	8
Development of Changes in the Accrued Benefit Obligation	9
Section C — Plan Participants.....	10
Participation Data	11
Participant Reconciliation	13
Section D — Summary of Actuarial Method and Assumptions.....	14
Actuarial Method.....	14
Management's Best Estimate Assumptions	16
Economic Assumptions	16
Demographic Assumptions.....	17
Other Assumptions	18
Section E — Summary of Post-Retirement Benefits	19
Eligibility.....	19
Participant Contributions	19
Summary of Benefits	19
Actuarial Certification.....	21
Section F — Employer Certification.....	22
APPENDIX — Detailed Accounting Schedules	23

EXECUTIVE SUMMARY

Purpose

RSM Canada Consulting LP was engaged by Lakefront Utility Services Inc. (the “Corporation”) to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2023. The nature of these benefits is defined benefit.

This report is prepared in accordance with the following standards:

1. For the Corporation’s Electric Division employee/retiree group (“Electric Division”), the International Financial Reporting Standards (the “IFRS”) guidelines for post-retirement non-pension benefits as outlined in International Accounting Standard 19 – Employee Benefits (“IAS 19”).
2. For the Corporation’s Water Division employee/retiree group (“Water Division”), the guidelines set forth under Section 3250 (Retirement Benefits) of the CPA Canada Public Sector Accounting Handbook (“PS 3250”).

The Corporation has provided an indicator for each employee/retiree with the requested valuation data which identifies the division for each employee and retiree. This information has been used in providing calculations for each division under the appropriate accounting guidelines as noted above. The most recent full valuation was prepared as at December 31, 2020 based on the then appropriate assumptions and in accordance with IAS 19 for the Electric Division and PS 3250 for the Water Division.

The purpose of this valuation is threefold:

- i) To determine the Corporation’s liabilities in respect of post-retirement non-pension benefits at December 31, 2023;
- ii) To determine the expense to be recognized in the income statement for fiscal year 2023; and
- iii) To provide all other pertinent information necessary for compliance with IAS 19 for the Electric Division and PS 3250 for the Water Division.

Note that all monetary figures in this report are rounded to the nearest hundreds of dollars and summated figures in this report may not match total figures due to rounding.

The intended users of this report include the Corporation and its auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

Included in the Appendix attached hereto are detailed accounting schedules containing the results of the valuation and projections for future periods.

SECTION A — VALUATION RESULTS (ELECTRIC DIVISION)

Section A – 1 shows the key valuation results for the Electric Division compared to previous year's figures projected from the most recent full valuation as well as a breakdown between active and retired individuals and type of benefit.

Section A – 2 shows the sensitivity of the valuation results to certain changes in assumptions for the Electric Division. We have shown an increase/decrease in the health and dental claims cost trend rates by 1% per annum and an increase/decrease in the discount rate by 1% per annum.

Section A – 3 shows details of the past service gain and the development of changes in the present value of defined benefit obligation as a result of the re-measurement at December 31, 2023 for the Electric Division.

Valuation Results

Section A.1 — Valuation Results for the Electric Division

Results from the actuarial valuation as at December 31, 2023 compared to previous year's figures projected from the most recent full valuation:

	December 31, 2022	December 31, 2023
Present Value of Defined Benefit Obligation (PV DBO)	415,500	467,300

	CY 2022	CY 2023
Current Service Cost	25,900	14,600
Interest Cost	16,500	19,700
Defined Benefit Cost Recognized in Income Statement	42,400	34,300
Actuarial (Gain)/Loss	(205,800)	68,500
Defined Benefit Cost Recognized In OCI	(205,800)	68,500
Defined Benefit Cost	(163,400)	102,800

The following table provides results from the actuarial valuation as at December 31, 2023 broken down by active and retired individuals and type of post-retirement non-pension benefit:

Dec. 31, 2023 PV DBO	Actives	Retirees	Total
Life	27,600	200,600	228,300
Health	40,300	123,900	164,200
Dental	18,500	56,400	74,900
Total	86,400	381,000	467,300

Sensitivity Analysis

Section A.2 — Sensitivity Analysis for the Electric Division

	Dec. 31, 2023 PV DBO	Difference	% Difference
Base Assumptions	467,300		
Cost Trends +1%	484,500	17,200	4%
Cost Trends -1%	452,500	(14,900)	-3%
Discount Rate +1%	424,500	(42,900)	-9%
Discount Rate -1%	520,900	53,600	11%

Management's best estimate assumptions are those outlined in *Section C – Summary of Actuarial Method and Assumptions* in this report.

Development of Changes in the Present Value of Defined Benefit Obligation

Section A.3 — Development of Changes in the Present Value of Defined Benefit Obligation for the Electric Division

PV DBO at December 31, 2022	415,500
2023 Current Service Cost	14,600
2023 Benefit Payments	(51,000)
2023 Interest Cost	19,700
Expected PV DBO at December 31, 2023	398,900
Actuarial (Gain)/Loss at December 31, 2023	68,500
PV DBO at December 31, 2023	467,300

The increase indicated above of \$68,500 in the PV DBO from the expected PV DBO at December 31, 2023 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Change in demographics (actual vs expected experience)	101,300
Change in assumptions:	
Health and dental claims costs	(49,800)
Claims cost trend rate	(4,200)
Salary Increase Rate	2,300
Withdrawal Rate	500
Discount Rate	18,300
Total Actuarial (Gain)/Loss at December 31, 2020	68,500

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2023 based on the changes in the assumptions and experience is recognized immediately in other comprehensive income at December 31, 2023.



SECTION B — VALUATION RESULTS (WATER DIVISION)

Section B – 1 shows the key valuation results for the Water Division compared to previous year's figures projected from the most recent full valuation as well as a breakdown between active and retired individuals and type of benefit.

Section B – 2 shows the sensitivity of the valuation results to certain changes in assumptions for the Water Division. We have shown an increase/decrease in the health and dental claims cost trend rates by 1% per annum and an increase/decrease in the discount rate by 1% per annum.

Section B – 3 shows details of the past service gain and the development of changes in the accrued benefit obligation and amortization of actuarial gains and losses for the Water Division.

Valuation Results

Section B.1—Valuation Results for the Water Division

Results from the actuarial valuation as at December 31, 2023 compared to previous year's figures projected from the most recent full valuation:

	December 31, 2022	December 31, 2023
Accrued Benefit Obligation (ABO)	185,600	305,400

	CY 2022	CY 2023
Current Service Cost	15,300	9,000
Interest on Benefits	9,200	8,700
Actuarial (Gain)/Loss	6,600	(6,300)
Total Benefit Expense	31,100	11,400
Contributions / Benefit Payments	44,300	42,700

The following table provides results from the actuarial valuation as at December 31, 2023 broken down by active and retired individuals and type of post-retirement non-pension benefit:

Dec. 31, 2023 ABO	Actives	Retirees	Total
Life	21,200	119,000	140,200
Health	26,600	86,800	113,400
Dental	12,100	39,800	51,900
Total	59,800	245,600	305,400

Sensitivity Analysis

Section B.2—Sensitivity Analysis for the Water Division

	Dec. 31, 2023 ABO	Difference	% Difference
Base Assumptions	305,400		
Cost Trends +1%	317,300	11,900	4%
Cost Trends -1%	295,200	(10,300)	-3%
Discount Rate +1%	272,300	(33,100)	-11%
Discount Rate -1%	347,200	41,700	14%

Management's best estimate assumptions are those outlined in *Section C – Summary of Actuarial Method and Assumptions* in this report.

Development of Changes in the Accrued Benefit Obligation

Section B.3—Development of Actuarial Gains and Losses at December 31, 2023 for the Water Division

Actual ABO at December 31, 2023	305,400
Less: Expected ABO at December 31, 2023	160,600
(Gain)/Loss on ABO as at December 31, 2023	<u>144,800</u>
(Gain)/Loss on ABO at January 1, 2023	(68,900)
Less: Actual Amortization for 2023	(6,300)
(Gain)/Loss on ABO as at December 31, 2023	144,800
Total (Gain)/Loss on ABO as at December 31, 2023	<u>82,100</u>

The increase indicated above of \$144,800 in the ABO from the expected ABO at December 31, 2023 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Change in demographics (actual vs expected experience)	165,700
Change in assumptions:	
Health and dental claims costs	(34,400)
Claims cost trend rate	(2,700)
Salary Increase Rate	1,700
Withdrawal Rate	300
Discount Rate	14,100
Total Actuarial (Gain)/Loss at December 31, 2020	<u>144,800</u>

PS 3250 requires entities to adopt a systematic method for recognizing actuarial gains and losses in income to be applied consistently from year to year. In prior years, the Corporation has chosen to amortize the amount of actuarial (gains)/losses over the Expected Average Remaining Service Lifetime (“EARSL”) of the active employees in the valuation. Therefore, the amount of unamortized actuarial gain to be recognized in 2023 is approximately \$6,300, based on the calculations of the amortization amount in the previous extrapolation.

The EARSL of the current active group is 15 years. The total actuarial loss at December 31, 2023 of \$82,100 would be amortized over this period starting in 2024 with an annual amount of approximately \$5,500.



SECTION C — PLAN PARTICIPANTS

Section C – 1 sets out the summary information with respect to the plan participants valued in the current valuation compared to those valued in the previous valuation.

Section C – 2 reconciles the number of participants in the previous valuation to the number of participants in the current valuation.

Participation Data

Section C.1—Participant Data

Membership data as at September 30, 2023 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

Although the data provided reflected status and benefit information as at September 30, the Corporation has indicated that any changes in status and other member data occurring from October 1 to December 31 are not expected to be material to the valuation results.

We have reviewed the data and compared it to the data used in the previous valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of hire prior to date of birth;
- Ages under 18 or over 100;
- Abnormal levels of benefits and/or premiums; and
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

	December 31, 2020	September 30, 2023
Employee Count		
Male	22	20
Female	10	9
Total	32	29
Employee Average Service		
Male	8.6	7.8
Female	9.2	4.4
Total	8.8	6.8
Retiree (in Receipt of Benefits) Count		
Male	19	22
Female	6	9
Total	25	31

Lakefront Utility Services Inc. –
Actuarial Valuation of Post-Retirement Non-Pension Benefits as at December 31, 2023

Employee Count as of Sep. 30, 2023				Employee Avg Service as of Sep. 30, 2023		
Age	Male	Female	Total	Male	Female	Total
< 30	3	1	4	.9	1.3	1.0
30 - 35	1	-	1	.6	-	.6
36 - 40	4	-	4	8.6	-	8.6
41 - 45	6	4	10	9.4	3.9	7.2
46 - 50	1	4	5	3.4	5.6	5.1
51 - 55	2	-	2	12.7	-	12.7
56 - 60	1	-	1	18.4	-	18.4
61 - 65	-	-	-	-	-	-
66 - 70	2	-	2	7.9	-	7.9
71 - 75	-	-	-	-	-	-
> 75	-	-	-	-	-	-
Total	20	9	29	7.8	4.4	6.8

Participant Reconciliation

Section C.2—Participation Reconciliation

	Actives	Retired
As at December 31, 2020	32	25
New Entrants	13	-
Actives	-	6
Terminated	(10)	-
Retired	(6)	-
Deceased	-	-
Disabled	-	-
No Longer Eligible	-	-
As at September 30, 2023	29	31

SECTION D — SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

Actuarial Method

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions for discount rates, mortality, and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and,
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19 and PS 3250. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases. PS 3250 stipulates that the attribution period commences at the employee's hire date and ends at the date of retirement.

For each employee not yet fully eligible for benefits, the Present Value of the Defined Benefit Obligation (PV DBO) or the Accrued Benefit Obligation (ABO) is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

The PV DBO or ABO at December 31, 2023 is based on membership data and management's best estimate assumptions established for calculations as at December 31, 2023.

For health and dental benefits, the Corporation has selected the premium rates charge to retirees as management's best estimate of the current base benefits costs to be incurred for both the Electric Division and Water Division. The total monthly premium rates, inclusive of expenses and premium taxes, used are as follows:

January 1, 2021 - December 31, 2021 (Previous Valuation)	Health		Dental	
Retiree Division	Single	Family	Single	Family
Management	\$ 203.04	\$ 472.24	\$ 106.76	\$ 256.86
Union	\$ 196.44	\$ 456.74	\$ 83.15	\$ 199.95

January 1, 2023 - December 31, 2024 (Current Valuation)	Health		Dental	
Retiree Division	Single	Family	Single	Family
Management	\$192.89	\$447.72	\$101.42	\$240.38
Union	\$186.62	\$433.90	\$78.99	\$189.95



The rates above are at the 100% level and prior to any cost-sharing provisions that may be applicable under the plan.

Management's Best Estimate Assumptions

The following are management's best estimate economic and demographic assumptions for calculations as at December 31, 2023. These assumptions are used for both the Electric Division and Water Division.

Economic Assumptions

Discount Rate

The rate used to discount future benefits is assumed to be 4.65% per annum as at December 31, 2023. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at December 31, 2023.

This assumption was 5.05% per annum at December 31, 2022.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.30% per annum for the first 5 years, and 2.50% per annum going forward. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion and for company-specific information.

This assumption chosen as at December 31, 2020 was 2.00% per annum .

Claims Cost Trend Rate

The rates used to project benefits costs into the future were chosen based on a research paper published by the Canadian Institute of Actuaries – Model of Long-Term Health Care Cost Trends in Canada - dated March 2018.

The following table provides a sample of the health and dental trend rates used in the valuation and the assumptions used in the previous valuation:

		Current Valuation	
Year		Health and Dental	
2024		4.20%	
2029		5.30%	
2034		5.00%	
2039		4.40%	
2042 and thereafter		4.00%	

		Previous Valuation	
Year		Health	Dental
2024		5.10%	5.40%
2029		5.30%	5.30%
2034		4.80%	4.80%
2039		4.20%	4.20%
2042 and thereafter		4.00%	4.00%

Demographic Assumptions

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 PUBL) has been used with the generational projection of mortality improvement based upon the CIA MI-2017 mortality improvement scale published in 2017.

This assumption remains unchanged from the previous valuation.

Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table. This is based on analysis of the withdrawal experience compiled for a group of similar companies for which data was available.

Age Bucket	Current Valuation	Previous Valuation
18 – 29	2.75%	2.90%
30 – 34	2.20%	2.15%
35 – 39	1.65%	1.85%
40 – 49	1.40%	1.45%
50 – 54	1.20%	1.25%

Retirement Age

All active employees are assumed to retire at age 60 (or immediately if currently over age 60), which was based on the Corporation's retirement experience as well as the experience of other similar companies for which data was available. The retirement age assumption was increased to the earliest date that the individual receives an OMERS unreduced pension (no later than age 65) if that date is greater than age 60.

This assumption remains unchanged from the previous valuation.

Disability

No provision was made for future disability.

This assumption remains unchanged from the previous valuation.

Other Assumptions

Family/Single Coverage

The following assumptions were chosen for the current valuation and are unchanged from the previous valuation:

- Coverage Type at Retirement (i.e. family, single) – For active employees, the employee's coverage type at the valuation date will remain the same until the employee reaches the assumed retirement age. For retirees, the actual current benefit coverage type at the valuation date was provided by the Corporation.
- Spousal Gender – For employees with family coverage, the retiree has a spouse of the opposite gender at the date of retirement.
- Spousal Age Offset – Male spouses are assumed to be three years older than female spouses.

Expenses and Taxes

The taxes and expenses are included in the premium rates assumed for health and dental benefits.

We have assumed 10% of benefits is required for the cost of sponsoring the program for post-retirement life insurance.

These assumptions remain unchanged from the previous valuation.

SECTION E — SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation, based on information provided by and discussions with the Corporation. These provisions are used for both the Electric Division and Water Division.

Eligibility

Upon retirement, all employees of the Corporation are eligible for post-retirement life insurance.

All employees who retire with an unreduced pension after February 1, 2010 with at least 10 years of service between the age 55 and 65 are eligible for post-retirement health and dental benefits.

In addition, all management employees who retire between ages 65 and 70 with at least 10 years of service are eligible to receive post-retirement health and dental benefits until age 70.

Participant Contributions

The Corporation shall pay 100% of the cost of post-retirement life, health, and dental benefits for eligible retirees.

Summary of Benefits

Life Insurance

Upon retirement, all employees are entitled to post-retirement life insurance benefits, as per the MEARIE plan, based upon the following table. There is one exception for an employee who will receive Plan Option 2 benefits at retirement even though they will have less than 10 years of service.

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	Employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings, reducing by 2.5% of final annual earnings each year for 10 years, to a final benefit equal to 25% of final annual earnings. Reduction occurs on the anniversary date of retirement.	Employee retires with 10 or more years of service in the Plan and was hired before June 16, 1989. OR Employee was insured under the superseded plan and elected coverage under option 2, 3, or 4, or employee was not insured under the superseded plan.
3	50% of final annual earnings.	Employee was insured under the superseded plan and was hired on or after May 1, 1967 and elected coverage under option 1 only.
4	70% of final amount insured under the life plan immediately prior to retirement.	Employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under option 1 only.



Health and Dental Benefits

All eligible employees are entitled to receive post-retirement health and dental benefits until age 65. In addition, all management employees who retire between ages 65 and 70 with 10 years of service receive post-retirement health and dental benefits until age 70.

A detailed description of the health and dental benefits covered under the post-retirement non-pension benefits plan can be found in corresponding collective agreements and benefit booklets.

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Lakefront Utility Services Inc. (the “Corporation”) as at December 31, 2023, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation is based is sufficient and reliable for the purpose of the valuation;
2. The assumptions employed, as outlined in this report, have been selected by the Corporation as management’s best estimate assumptions (no provision for adverse deviations). They are considered appropriate for purposes of the valuation;
3. All known legal and constructive obligations with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation are included in the calculations. The calculations have been made in accordance with our understanding of the requirements of International Financial Reporting Standards (“IFRS”) outlined in International Accounting Standard 19 – Employee Benefits (“IAS 19”) for the Electric Division and Section 3250 (Retirement Benefits) of the CPA Canada Public Sector Accounting Handbook (“PS 3250”) for the Water Division; and
4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events after the date of completing this valuation that would have a significant effect on the valuation results contained herein.

The latest date on which the next actuarial valuation should be performed is December 31, 2026. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

RSM CANADA CONSULTING LP



Stanley Caravaggio, FSA, FCIA
Director

Toronto, Ontario

February 12, 2024

SECTION F — EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan of Lakefront Utility Services Inc. Actuarial Valuation as at December 31, 2023

I hereby confirm, as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Lakefront Utility Services Inc. that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) The membership data summarized in Section C is accurate and complete;
- ii) The assumptions upon which this report is based as summarized in Section D, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) The summary of Plan Provisions in Section E is an accurate and complete summary of the terms of the Plan in effect on December 31, 2023.

LAKEFRONT UTILITY SERVICES INC.

February 9/24
Date

[Signature]
Signature

Derek C. Paul
Name

President & CEO
Title



APPENDIX — DETAILED ACCOUNTING SCHEDULES



Lakefront Utility Services Inc.
Estimated Benefit Expense (IAS 19)
ELECTRIC DIVISION
FINAL

02/12/2024

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025	Projected ** CY 2026
Discount Rate at January 1	5.05%	4.65%	4.65%	4.65%
Discount Rate at December 31	4.65%	4.65%	4.65%	4.65%
Health Benefit Cost Trend Rate at December 31	4.90%	4.20%	4.40%	4.60%
Dental Benefit Cost Trend Rate at December 31	5.10%	4.20%	4.40%	4.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2042	2042	2042	2042
Withdrawal Rate	age-based table expected ***	age-based table expected ***	age-based table expected ***	age-based table expected ***
Assumed Increase in Employer Contributions				

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	415,542	467,349	447,861	427,089
Defined Benefit Cost Recognized in Income Statement	34,327	29,425	28,911	28,679
Defined Benefit Cost Recognized in Other Comprehensive Income	68,468	-	-	-
Benefits Paid by the Employer	(50,989)	(48,912)	(49,684)	(42,125)
Net Defined Benefit Liability/(Asset) as at December 31	467,349	447,861	427,089	413,643

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	14,630	8,830	9,241	9,799
Interest Cost	19,697	20,595	19,670	18,880
Defined Benefit Cost Recognized in Income Statement	34,327	29,425	28,911	28,679

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(33,386)	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	506	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	101,348	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	68,468	-	-	-
Total Defined Benefit Cost	102,795	29,425	28,911	28,679

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	415,542	467,349	447,861	427,089
Current Service Cost	14,630	8,830	9,241	9,799
Interest Cost	19,697	20,595	19,670	18,880
Benefits Paid	(50,989)	(48,912)	(49,684)	(42,125)
Net Actuarial Loss/(Gain)	68,468	-	-	-
Present Value of Defined Benefit Obligation as at December 31	467,349	447,861	427,089	413,643

- * The CY 2023 defined benefit cost and expected PV DBO at December 31, 2023 are calculated based on membership data at December 31, 2020 and management's best estimate assumptions at December 31, 2022.
- ** Projected CY 2024, 2025 and 2026 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.
- *** Based on expected benefits to be paid to those eligible for benefits.



Lakefront Utility Services Inc.
Estimated Benefit Expense (IAS 19)
ELECTRIC DIVISION
FINAL

02/12/2024

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025	Projected ** CY 2026
Discount Rate at January 1	5.05%	4.65%	4.65%	4.65%
Discount Rate at December 31	4.65%	4.65%	4.65%	4.65%
Health Benefit Cost Trend Rate at December 31	4.90%	4.20%	4.40%	4.60%
Dental Benefit Cost Trend Rate at December 31	5.10%	4.20%	4.40%	4.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2042	2042	2042	2042
Withdrawal Rate	age-based table	age-based table	age-based table	age-based table
Assumed Increase in Employer Contributions	expected ***	expected ***	expected ***	expected ***

D. Calculation of Component Items

Service Cost				
Current Service Cost	14,630	8,830	9,241	9,799
Interest Cost				
Present Value of Defined Benefit Obligation as at January 1	415,542	467,349	447,861	427,089
Benefits Paid	(25,494)	(24,456)	(24,842)	(21,062)
Accrued Benefits	390,048	442,893	423,020	406,026
Interest Cost	19,697	20,595	19,670	18,880
Expected Present Value of Defined Benefit Obligation as at December 31				
Present Value of Defined Benefit Obligation as at January 1	415,542	467,349	447,861	427,089
Current Service Cost	14,630	8,830	9,241	9,799
Benefits Paid	(50,989)	(48,912)	(49,684)	(42,125)
Interest Cost	19,697	20,595	19,670	18,880
Expected Present Value of Defined Benefit Obligation as at December 31	398,880	447,861	427,089	413,643

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31				
Expected Present Value of Defined Benefit Obligation	398,880	447,861	427,089	413,643
Actual Present Value of Defined Benefit Obligation	467,349	447,861	427,089	413,643
Net Actuarial Loss/(Gain) as at December 31	68,468	-	-	-

* The CY 2023 defined benefit cost and expected PV DBO at December 31, 2023 are calculated based on membership data at December 31, 2020 and management's best estimate assumptions at December 31, 2022.

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*** Based on expected benefits to be paid to those eligible for benefits.



Lakefront Utility Services Inc.
Estimated Benefit Expense (PS 3250)
WATER DIVISION
FINAL

02/12/2024

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025	Projected ** CY 2026
Discount Rate at January 1	5.05%	4.65%	4.65%	4.65%
Discount Rate at December 31	4.65%	4.65%	4.65%	4.65%
Health Benefit Cost Trend Rate at December 31	4.90%	4.20%	4.40%	4.60%
Dental Benefit Cost Trend Rate at December 31	5.10%	4.20%	4.40%	4.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2042	2042	2042	2042
Withdrawal Rate	age-based table expected ***	age-based table expected ***	age-based table expected ***	age-based table expected ***
Assumed Increase in Contributions/Benefit Payments				

A. Determination of Benefit Expense

Current Service Cost	8,962	6,516	6,819	7,136
Interest on Benefits	8,747	13,829	13,410	13,222
Interest on Assets	-	-	-	-
Actuarial (Gain)/Loss	(6,268)	5,477	5,477	5,477
Benefit Expense	11,440	25,821	25,705	25,834

B. Reconciliation of Prepaid Benefit Asset (Liability)

Accrued Benefit Obligation (ABO) as at December 31	305,436	296,665	286,681	288,077
Assets as at December 31	-	-	-	-
Unfunded ABO	(305,436)	(296,665)	(286,681)	(288,077)
Unrecognized Actuarial Loss/(Gain)	82,148	76,671	71,195	65,718
Prepaid Benefit Asset/(Liability)	(223,288)	(219,994)	(215,486)	(222,359)
Prepaid Benefit Asset/(Liability) as at January 1	(254,524)	(223,288)	(219,994)	(215,486)
Benefit Income/(Expense)	(11,440)	(25,821)	(25,705)	(25,834)
Contributions/Benefit Payments by the Employer	42,676	29,115	30,212	18,962
Prepaid Benefit Asset/(Liability)	(223,288)	(219,994)	(215,486)	(222,359)

* The CY 2023 defined benefit cost and expected PV DBO at December 31, 2023 are calculated based on membership data at December 31, 2020 and management's best estimate assumptions at December 31, 2022.

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Lakefront Utility Services Inc.
Estimated Benefit Expense (PS 3250)
WATER DIVISION
FINAL

02/12/2024

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025	Projected ** CY 2026
Discount Rate at January 1	5.05%	4.65%	4.65%	4.65%
Discount Rate at December 31	4.65%	4.65%	4.65%	4.65%
Health Benefit Cost Trend Rate at December 31	4.90%	4.20%	4.40%	4.60%
Dental Benefit Cost Trend Rate at December 31	5.10%	4.20%	4.40%	4.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2042	2042	2042	2042
Withdrawal Rate	age-based table expected ***	age-based table expected ***	age-based table expected ***	age-based table expected ***
Assumed Increase in Contributions/Benefit Payments				

C. Calculation of Component Items

Current Service Cost	8,962	6,516	6,819	7,136
Interest on Benefits				
ABO at January 1	185,577	305,436	296,665	286,681
Current Service Cost	8,962	6,516	6,819	7,136
Benefit Payments	(21,338)	(14,558)	(15,106)	(9,481)
Accrued Benefits	173,200	297,394	288,378	284,336
Interest on Benefits	8,747	13,829	13,410	13,222
Expected ABO as at December 31				
ABO at January 1	185,577	305,436	296,665	286,681
Current Service Cost	8,962	6,516	6,819	7,136
Benefit Payments	(42,676)	(29,115)	(30,212)	(18,962)
Interest on Benefits	8,747	13,829	13,410	13,222
Expected ABO at December 31	160,609	296,665	286,681	288,077
Interest on Assets				
Assets at January 1	-	-	-	-
Funding	21,338	14,558	15,106	9,481
Benefit Payments	(21,338)	(14,558)	(15,106)	(9,481)
Expected Assets	-	-	-	-
Interest on Assets	-	-	-	-
Expected Assets as at December 31				
Assets at January 1	-	-	-	-
Funding	42,676	29,115	30,212	18,962
Benefit Payments	(42,676)	(29,115)	(30,212)	(18,962)
Interest on Assets	-	-	-	-
Expected Assets at December 31	-	-	-	-

* The CY 2023 defined benefit cost and expected PV DBO at December 31, 2023 are calculated based on membership data at December 31, 2020 and management's best estimate assumptions at December 31, 2012.

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Lakefront Utility Services Inc.
Estimated Benefit Expense (PS 3250)
WATER DIVISION
FINAL

02/12/2024

	Actuals CY 2023 *	Projected ** CY 2024	Projected ** CY 2025	Projected ** CY 2026
Discount Rate at January 1	5.05%	4.65%	4.65%	4.65%
Discount Rate at December 31	4.65%	4.65%	4.65%	4.65%
Health Benefit Cost Trend Rate at December 31	4.90%	4.20%	4.40%	4.60%
Dental Benefit Cost Trend Rate at December 31	5.10%	4.20%	4.40%	4.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.00%	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2042	2042	2042	2042
Withdrawal Rate	age-based table expected ***	age-based table expected ***	age-based table expected ***	age-based table expected ***
Assumed Increase in Contributions/Benefit Payments				

D. Amortization of Actuarial Loss/(Gain)

(Gain)/Loss on ABO as at January 1

Prepaid Benefit Liability/(Asset) as at January 1	254,524	223,288	219,994	215,486
Unamortized (Gain)/Loss	(68,947)	82,148	76,671	71,195
Expected ABO	185,577	305,436	296,665	286,681
Actual ABO	185,577	305,436	296,665	286,681
(Gain)/Loss on ABO at January 1	-	-	-	-

(Gain)/Loss on Assets as at January 1

Expected Assets	-	-	-	-
Actual Assets	-	-	-	-
(Gain)/Loss on Assets as at January 1	-	-	-	-

Total (Gain)/Loss as at January 1	(68,947)	82,148	76,671	71,195
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Expected Average Remaining Service Life (Years)	11	15	14	13
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Amortization for Current Year	(6,268)	5,477	5,477	5,477
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(Gain)/Loss on ABO at December 31

Expected ABO	160,609	296,665	286,681	288,077
Actual ABO	305,436	296,665	286,681	288,077
(Gain)/Loss on ABO at December 31	144,827	-	-	-

Unamortized (Gain)/Loss at December 31	82,148	76,671	71,195	65,718
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