

**CORPORATION OF THE MUNICIPALITY  
OF TRENT LAKES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**CORPORATION OF THE MUNICIPALITY  
OF TRENT LAKES**

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## CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

For The Year Ended December 31, 2023

### MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Municipality of Trent Lakes are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Municipality's assets are appropriately accounted for and adequately safeguarded.

The Municipality's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Municipality's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Municipality of Trent Lakes. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Municipality. Baker Tilly KDN LLP has full and free access to Council.



Mayor



CAO/Treasurer

April 16, 2024

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Municipality of Trent Lakes**

#### *Opinion*

We have audited the consolidated financial statements of the Corporation of the Municipality of Trent Lakes and its local board (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2023, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

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

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

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

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

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

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

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

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

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

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
April 23, 2024



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	2023	2022
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	18,629,457	18,757,038
Accounts receivable	904,983	622,910
Taxes receivable	1,793,864	1,534,202
<b>TOTAL FINANCIAL ASSETS</b>	<b>21,328,304</b>	<b>20,914,150</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,307,534	1,499,021
Deferred revenue - obligatory reserve funds (note 3)	2,185,002	2,092,847
Asset retirement obligation (note 6)	351,900	-
Landfill post-closure liability	-	473,600
Employee future benefits payable (note 4)	258,547	250,728
<b>TOTAL LIABILITIES</b>	<b>5,102,983</b>	<b>4,316,196</b>
<b>NET FINANCIAL ASSETS</b>	<b>16,225,321</b>	<b>16,597,954</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 7)	30,634,035	27,342,749
Prepaid expenses	290,564	307,354
Inventory of materials and supplies	205,768	112,356
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>31,130,367</b>	<b>27,762,459</b>
<b>ACCUMULATED SURPLUS (note 8)</b>	<b>47,355,688</b>	<b>44,360,413</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>REVENUES</b>			
Property taxation	10,977,130	11,086,710	10,684,325
User charges	1,086,018	1,031,295	1,145,332
Government of Canada	42,691	50,877	-
Province of Ontario	1,632,995	1,638,301	1,613,956
Penalties and interest on taxes	195,000	216,296	215,454
Investment income	185,850	986,758	465,572
Donated tangible capital assets	-	1,368,248	-
Development charges earned (note 3)	1,789,857	101,462	77,192
Canada Community-Building Fund earned (note 3)	278,609	225,002	120,782
Gain/(loss) on disposal of tangible capital assets	-	40,673	59,322
Other	62,550	148,181	115,339
<b>TOTAL REVENUES</b>	<b>16,250,700</b>	<b>16,893,803</b>	<b>14,497,274</b>
<b>EXPENSES</b>			
General government	1,847,453	1,765,404	1,656,548
Protection services	4,220,560	4,139,903	3,564,853
Transportation services	4,816,831	5,039,428	4,595,512
Environmental services	1,286,153	1,243,268	1,398,160
Health services	173,904	161,570	156,252
Recreation and cultural services	1,322,000	1,235,488	1,187,121
Planning and development	417,334	313,467	312,613
<b>TOTAL EXPENSES</b>	<b>14,084,235</b>	<b>13,898,528</b>	<b>12,871,059</b>
<b>ANNUAL SURPLUS</b>	<b><u>2,166,465</u></b>	<b>2,995,275</b>	<b>1,626,215</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>44,360,413</b>	<b>42,734,198</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>47,355,688</b>	<b>44,360,413</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>ANNUAL SURPLUS</b>	2,166,465	2,995,275	1,626,215
Amortization of tangible capital assets	2,066,582	2,312,842	2,066,583
Purchase of tangible capital assets	(10,943,461)	(4,289,732)	(2,649,650)
Gain on disposal of tangible capital assets	-	(40,673)	(59,322)
Proceeds on sale of tangible capital assets	-	94,525	78,000
Contributed capital assets	-	(1,368,248)	-
Change in prepaid expenses	-	16,790	(6,159)
Change in inventory of materials and supplies	-	(93,412)	420
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(6,710,414)	(372,633)	1,056,087
<b>NET FINANCIAL ASSETS - beginning of year</b>	16,597,954	16,597,954	15,541,867
<b>NET FINANCIAL ASSETS - end of year</b>	9,887,540	16,225,321	16,597,954

The accompanying notes are an integral part of these financial statements



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

	2023	2022
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	2,995,275	1,626,215
Items not involving cash		
Amortization of tangible capital assets	2,312,842	2,066,583
Gain on disposal of tangible capital assets	(40,673)	(59,322)
Contributed capital assets	(1,368,248)	-
Change in asset retirement obligation	351,900	-
Change in landfill post-closure liability	(473,600)	34,000
Change in employee future benefits payable	7,819	(1,576)
Change in non-cash assets and liabilities		
Accounts receivable	(282,073)	(163,561)
Taxes receivable	(259,662)	(59,642)
Prepaid expenses	16,790	(6,159)
Inventory of materials and supplies	(93,412)	420
Accounts payable and accrued liabilities	808,513	(45,988)
Deferred revenue - obligatory reserve funds	92,155	182,718
<b>Net change in cash from operating activities</b>	<b>4,067,626</b>	<b>3,573,688</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(4,289,732)	(2,649,650)
Proceeds on disposal of tangible capital assets	94,525	78,000
<b>Net change in cash from capital activities</b>	<b>(4,195,207)</b>	<b>(2,571,650)</b>
<b>NET CHANGE IN CASH</b>	<b>(127,581)</b>	<b>1,002,038</b>
<b>CASH - beginning of year</b>	<b>18,757,038</b>	<b>17,755,000</b>
<b>CASH - end of year</b>	<b>18,629,457</b>	<b>18,757,038</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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The Municipality of Trent Lakes is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned and controlled by the Municipality. These consolidated financial statements include:

- Trent Lakes Public Library Board

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Inventories of Materials and Supplies

Inventories of materials and supplies held for consumption are recorded at cost.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	25 years
Buildings	40 years
Road and bridges	4 - 60 years
Water systems	45 - 60 years
Vehicles	5 - 20 years
Machinery, equipment and fixtures	5 - 20 years
Books	2 - 7 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

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# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Municipality because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Municipality unless they are sold.

(f) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Taxation

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Municipality's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Municipality is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Government Funding

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

Other revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

Canada Community-Building Fund, development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

(g) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (h) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Municipality's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values;
- The amounts recorded for employee future benefits depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

In addition, the Municipality's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets in conjunction with estimates of expected asset retirement costs, as well as the timing and duration of these retirement costs.

#### (i) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

#### (j) Asset Retirement Obligation

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

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

The liability for post-closure care relating to landfill sites has been recognized based on estimated future expenses. The liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(k) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Accounts receivable	Amortized Cost
Taxes receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost

Fair value category: The Municipality manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

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

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 2. CHANGES IN ACCOUNTING POLICIES

The Municipality has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.

The Municipality removed the landfill post-closure liability that had been recognized under the previous standard and recognized an asset retirement obligation upon adoption of PS3280 on January 1, 2023; however, since the landfill sites are all closed, there was no change in the liability under PS 3280.

The Municipality completed a review of buildings that could have asset retirement obligations but nothing significant was found. As such, no additional liability was recorded.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 3. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized below:

	2023	2022
	\$	\$
Development charges	930,177	875,997
Parkland	57,556	35,556
Canada Community-Building Fund	1,196,349	1,180,374
Parking	920	920
	<u>2,185,002</u>	<u>2,092,847</u>

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	2,092,847	1,910,129
Add amounts received:		
Development charges	107,149	157,267
Parkland fees	19,000	9,000
Canada Community-Building Fund	178,609	171,167
Interest	113,861	43,258
	<u>418,619</u>	<u>380,692</u>
Less transfer to operations:		
Development charges earned	101,462	77,192
Canada Community-Building Fund earned	225,002	120,782
	<u>326,464</u>	<u>197,974</u>
Balance - end of year	<u>2,185,002</u>	<u>2,092,847</u>

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 4. EMPLOYEE FUTURE BENEFITS PAYABLE

The Municipality provides certain employee benefits which will require payment in future periods. The Municipality provides defined benefit plans to pay costs of certain health and other insurance benefits for eligible employees after they retire. The plans are not funded and one requires a 100% contribution from employees.

The actuarial valuation as at December 31, 2022 was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. Under this method, the benefit costs are recognized over the estimated average remaining service life of the employee group. Any actuarial gains and losses related to the past service of employees and plan improvements are amortized over the estimated average remaining service life of the employee group, which was 15 years. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Future discount rate	4.50%
Future inflation rates	1.75%
Future health care premiums rates - 2023	5.75%
Future health care premiums rates - 2024 - 2029	reducing by 0.33% per year
Future health care premiums rates - 2030 and thereafter	3.75%
Future dental premiums rates	3.75%
Future salary escalation	2.75%

The change in the liability is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

The details of the change in liability during the year are as follows:

	2023	2022
	\$	\$
Accrued benefit obligation at January 1	152,338	183,455
Unamortized actuarial gains	98,390	68,849
Liability at January 1	250,728	252,304
Current year benefit cost	13,719	13,996
Interest on post-employment benefit liability	7,005	6,784
Amortized actuarial loss (gain)	(5,845)	(3,282)
Less: benefit payments	(7,060)	(19,074)
Liability at December 31	258,547	250,728



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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### 5. PENSION AGREEMENTS

Certain employees of the Municipality are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2023 Annual Report disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The Municipality's required contributions to OMERS in 2023 were \$284,310 (2022 - \$280,018).

### 6. ASSET RETIREMENT OBLIGATION

The Municipality's asset retirement obligation consists of the following:

(a) Landfill obligation

The Municipality owns six closed landfill sites. The liability for the post-closure costs for the sites has been estimated based upon the known obligations that existed at the year of closure of the sites and for 25 years after the closure date using a discount rate of 4.5% and an inflation rate of 3.6%. Currently there are between 3 and 10 years of remaining monitoring costs; however, the 25 year estimate could be extended based on the results of the monitoring.

Changes to the asset retirement obligation in the year are as follows:

	Landfill post-closure liability \$
Asset Retirement Obligation	
Opening balance	-
Adjustment on adoption of the asset retirement obligation standard	473,600
Opening balance, as restated	473,600
Post-closure costs incurred	(121,700)
Closing balance	351,900

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# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 7. TANGIBLE CAPITAL ASSETS

The net book value of the Municipality's tangible capital assets are:

	2023	2022
	\$	\$
General		
Land	4,451,539	4,451,539
Land improvements	1,920,628	1,802,843
Buildings	5,375,542	5,305,076
Vehicles	5,748,575	5,102,228
Machinery, equipment & fixtures	716,550	726,367
Books	86,510	85,197
Infrastructure		
Roads and bridges	10,051,730	8,429,914
Water systems	873,690	869,701
	29,224,764	26,772,865
Assets under construction	1,409,271	569,884
	30,634,035	27,342,749

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2022 - \$Nil) and no interest capitalized (2022 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2023	2022
	\$	\$
General government	977,149	980,974
Protection services	3,753,702	3,902,019
Transportation services	17,146,189	13,895,602
Environmental services	1,664,154	1,706,186
Health services	1,193,354	1,235,449
Recreation and cultural services	5,899,487	5,622,519
	30,634,035	27,342,749

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 8. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2023	2022
	\$	\$
<b>Surplus/(Deficit)</b>		
Unfunded operating costs (c)	(136,500)	-
Unfunded landfill closure and post-closure costs	-	(473,600)
Unfunded employee future benefits	(258,547)	(250,728)
	(395,047)	(724,328)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	30,634,035	27,342,749
Unfunded capital (b)	(126,458)	(230,593)
Asset retirement obligation	(351,900)	-
	30,155,677	27,112,156
<b>Surplus</b>	29,760,630	26,387,828
<b>Reserves</b>		
Working funds	1,720,368	1,720,369
Future acquisition of capital assets	13,854,404	14,008,991
Contingencies	460,911	467,458
Operations	1,335,468	1,521,635
<b>Total Reserves</b>	17,371,151	17,718,453
<b>Reserve Funds</b>		
Water system services	219,031	227,399
Library future development	4,876	26,733
<b>Total Reserve Funds</b>	223,907	254,132
	47,355,688	44,360,413

(b) Unfunded capital for Fire is being internally financed through annual charges to operations.

(c) Unfunded operating costs were budgeted for in 2024.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 9. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Municipality assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

In the opinion of management, the Municipality is not exposed to any significant interest rate, credit or currency risk.

(a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

The Municipality reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The Municipality monitors and assesses the collectability of accounts receivable based on past experience to derive a net realizable value.

### 10. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
Salaries and benefits	5,539,462	5,292,777	4,803,004
Materials	3,473,374	3,440,212	3,327,760
Contracted services	2,699,240	2,420,886	2,525,044
Rents and financial	8,800	7,717	6,350
External transfers	296,777	424,094	142,318
Amortization	2,066,582	2,312,842	2,066,583
	14,084,235	13,898,528	12,871,059

### 11. BUDGET FIGURES

The budget, approved by the Municipality, for 2023 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 12. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2023, requisitions were made by the County of Peterborough and School Boards requiring the Municipality to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	4,247,892	9,702,701
Taxation from other governments	8,726	33,084
<b>Amounts requisitioned and remitted</b>	<b>4,256,618</b>	<b>9,735,785</b>

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

### 13. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$71,582 (2022 - \$73,066) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

### 14. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$500,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate per annum. Council authorized the temporary borrowing limit by By-law 2023-002. At December 31, 2023 there was no balance outstanding (2022 - \$Nil).

### 15. CONTINGENT LIABILITIES

The Municipality, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

### 16. SEGMENTED INFORMATION

The Municipality of Trent Lakes is a municipal government organization that provides a range of services to its residents. Municipality services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 16. SEGMENTED INFORMATION, continued

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

#### **General Government**

General government consists of the activities of Council and general financial and administrative management of the Municipality and its programs and services.

#### **Protection Services**

Protection services include police, fire, conservation authority and protective inspection and control.

#### **Transportation Services**

The activities of the transportation function include construction and maintenance of the Municipality's roads and bridges, winter control and street lighting.

#### **Environmental Services**

The environmental function is responsible for providing water, waste disposal and recycling services to ratepayers.

#### **Health Services**

The health services function consists of the activities of the cemetery board.

#### **Recreation and Cultural Services**

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

#### **Planning and Development**

The planning and development services function manages commercial, industrial and residential development within the Municipality.

### 17. COMMITMENTS

During 2023, the Municipality entered into an agreement for the construction of a dedicated mechanics facility in the amount of \$8,954,855 plus HST. Total costs incurred to December 31, 2023 were \$824,070 plus HST.

During 2023, the Municipality entered into agreements for the design of the Buckhorn Firehall and Public Works Depot in the amount of \$534,544 plus HST. Total costs incurred to December 31, 2023 were \$4,544 plus HST.

### 18. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General						Infrastructure			Totals
	Land	Land Improvements	Buildings	Vehicles	Machinery, Equipment & Fixtures	Books	Roads and Bridges	Water Systems	Assets Under Construction	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>										
Balance, beginning of year	4,451,539	2,489,354	7,913,273	9,430,624	1,797,191	135,752	16,879,287	1,575,647	569,884	45,242,551
Add: additions during the year	-	226,838	303,492	1,353,260	150,708	25,029	2,725,621	33,645	839,387	5,657,980
Less: disposals during the year	-	-	-	609,668	43,520	13,337	773,350	654	-	1,440,529
Balance, end of year	4,451,539	2,716,192	8,216,765	9,174,216	1,904,379	147,444	18,831,558	1,608,638	1,409,271	49,460,002
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	-	686,511	2,608,197	4,328,396	1,070,824	50,555	8,449,373	705,946	-	17,899,802
Add: additions during the year	-	109,053	233,026	706,913	156,391	23,716	1,054,087	29,656	-	2,312,842
Less: disposals during the year	-	-	-	609,668	39,386	13,337	723,632	654	-	1,386,677
Balance, end of year	-	795,564	2,841,223	4,425,641	1,187,829	60,934	8,779,828	734,948	-	18,825,967
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>										
	4,451,539	1,920,628	5,375,542	5,748,575	716,550	86,510	10,051,730	873,690	1,409,271	30,634,035

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	55,912	3,913,841	4,085,713	1,070,643	65,912	1,636,312	258,377	11,086,710
User charges	21,225	464,757	286,732	140,162	10,190	33,209	75,020	1,031,295
Government transfers - operating	1,380,100	80,607	-	-	-	29,073	-	1,489,780
Government transfers - capital	-	-	141,021	-	-	58,377	-	199,398
Penalties and interest on taxes	216,296	-	-	-	-	-	-	216,296
Investment income	971,053	-	-	12,526	3,179	-	-	986,758
Donated tangible capital assets	-	23,299	1,344,949	-	-	-	-	1,368,248
Development charges earned	-	25,682	66,152	-	-	9,628	-	101,462
Canada Community-Building Fund earned	-	-	191,358	33,644	-	-	-	225,002
Gain/(loss) on disposal of tangible capital assets	(2,728)	333	29,043	-	-	14,025	-	40,673
Other	63,138	-	-	-	10,300	4,323	70,420	148,181
<b>Total revenues</b>	<b>2,704,996</b>	<b>4,508,519</b>	<b>6,144,968</b>	<b>1,256,975</b>	<b>89,581</b>	<b>1,784,947</b>	<b>403,817</b>	<b>16,893,803</b>
<b>Expenses</b>								
Salaries and benefits	1,046,259	1,324,065	1,649,303	422,067	-	636,854	214,229	5,292,777
Materials	516,416	362,166	1,695,059	417,451	83,083	303,504	62,533	3,440,212
Contracted services	133,689	1,784,961	87,958	318,823	22,207	36,543	36,705	2,420,886
Rents and financial	7,717	-	-	-	-	-	-	7,717
External transfers	-	359,013	-	6,250	6,000	52,831	-	424,094
Amortization	70,880	304,941	1,607,108	75,677	50,280	203,956	-	2,312,842
Internal transfers	(9,557)	4,757	-	3,000	-	1,800	-	-
<b>Total expenses</b>	<b>1,765,404</b>	<b>4,139,903</b>	<b>5,039,428</b>	<b>1,243,268</b>	<b>161,570</b>	<b>1,235,488</b>	<b>313,467</b>	<b>13,898,528</b>
<b>Net surplus/(deficit)</b>	<b>939,592</b>	<b>368,616</b>	<b>1,105,540</b>	<b>13,707</b>	<b>(71,989)</b>	<b>549,459</b>	<b>90,350</b>	<b>2,995,275</b>



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	147,442	3,341,502	4,527,520	979,964	52,318	1,413,313	222,266	10,684,325
User charges	62,372	531,923	272,842	165,086	7,011	28,423	77,675	1,145,332
Government transfers - operating	1,353,900	9,053	-	-	-	34,446	-	1,397,399
Government transfers - capital	-	-	149,057	-	-	67,500	-	216,557
Penalties and interest on taxes	215,454	-	-	-	-	-	-	215,454
Investment income	459,254	-	-	5,495	823	-	-	465,572
Development charges earned	-	1,851	65,341	-	-	-	10,000	77,192
Canada Community-Building Fund earned	-	-	120,782	-	-	-	-	120,782
Gain/(loss) on disposal of tangible capital assets	-	16,503	42,819	-	-	-	-	59,322
Other	-	-	-	-	11,000	4,983	99,356	115,339
<b>Total revenues</b>	<b>2,238,422</b>	<b>3,900,832</b>	<b>5,178,361</b>	<b>1,150,545</b>	<b>71,152</b>	<b>1,548,665</b>	<b>409,297</b>	<b>14,497,274</b>
<b>Expenses</b>								
Salaries and benefits	1,027,610	977,293	1,590,121	399,378	-	601,466	207,136	4,803,004
Materials	476,619	349,799	1,598,112	460,417	77,430	281,060	84,323	3,327,760
Contracted services	111,401	1,840,558	31,050	451,027	27,689	42,165	21,154	2,525,044
Rents and financial	6,350	-	-	-	-	-	-	6,350
External transfers	-	78,477	-	6,250	-	57,591	-	142,318
Amortization	66,440	292,430	1,375,453	78,088	51,133	203,039	-	2,066,583
Internal transfers	(31,872)	26,296	776	3,000	-	1,800	-	-
<b>Total expenses</b>	<b>1,656,548</b>	<b>3,564,853</b>	<b>4,595,512</b>	<b>1,398,160</b>	<b>156,252</b>	<b>1,187,121</b>	<b>312,613</b>	<b>12,871,059</b>
<b>Net surplus/(deficit)</b>	<b>581,874</b>	<b>335,979</b>	<b>582,849</b>	<b>(247,615)</b>	<b>(85,100)</b>	<b>361,544</b>	<b>96,684</b>	<b>1,626,215</b>

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Municipality of Trent Lakes**

#### *Opinion*

We have audited the financial statements of the Trust Fund of the Corporation of the Municipality of Trent Lakes (the Trust Fund), which comprise the statement of financial position as at December 31, 2023, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2023, and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 the Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund 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.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
April 23, 2024

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023 Cemetery Care and Maintenance \$	2022 Cemetery Care and Maintenance \$
<b>FINANCIAL ASSETS</b>		
Investments (note 2)	69,022	71,666
Due from Cemetery operations	2,560	1,400
	<u>71,582</u>	<u>73,066</u>
<b>FUND BALANCE</b>	<u>71,582</u>	<u>73,066</u>

## TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2023

	2023 Cemetery Care and Maintenance \$	2022 Cemetery Care and Maintenance \$
<b>BALANCE - beginning of year</b>	73,066	71,665
<b>RECEIPTS</b>		
Investment income	2,602	2,194
Unrealized loss	(3,920)	-
Care and maintenance receipts	2,560	1,400
Capital gain on investments	-	1
	<u>1,242</u>	<u>3,595</u>
<b>EXPENSES</b>		
Transfer to Cemetery operations	2,142	1,617
Trustee fees	584	577
	<u>2,726</u>	<u>2,194</u>
<b>BALANCE - end of year</b>	<u>71,582</u>	<u>73,066</u>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRUST FUND NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

### 2. INVESTMENTS

Included in investments are the following investments recorded at market (2022 - at cost):

	2023	2022
	\$	\$
Scotiastart - bond common trust fund	21,861	21,062
Scotiastart - corporate bond common trust fund	47,154	50,597
Scotiastart - cash on hand	7	7
	69,022	71,666
Market Value	69,022	65,953

### 3. CARE AND MAINTENANCE FUNDS

The figures reported for the cemetery care and maintenance funds represent the trust fund activities for the Sandy Lake Cemetery.

The Care and Maintenance Funds administered by the Municipality are funded by the sale of cemetery plots and markers. These funds are invested and earnings derived there from are used to perform care and maintenance for the Municipality's cemeteries. The operations and investments of the Fund are undertaken by the Municipality in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

**CORPORATION OF THE MUNICIPALITY  
OF TRENT LAKES**

**TRENT LAKES PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**INDEPENDENT AUDITOR'S REPORT****To the Members of the Trent Lakes Public Library Board, the  
Members of Council, Inhabitants and Ratepayers of the  
Municipality of Trent Lakes***Qualified Opinion*

We have audited the financial statements of the Trent Lakes Public Library Board of the Corporation of the Municipality of Trent Lakes (the Board), which comprise the statement of financial position as at December 31, 2023, the statements of operations and accumulated surplus, change in net financial assets/(net debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Qualified Opinion*

In common with many Public Library Boards, the Board derives revenue from user fees, fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to user fees, fundraising and donations revenue, annual surplus, and cash flows from operations for the years ended December 31, 2023 and 2022 and assets and accumulated surplus as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this scope limitation.

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 the Board 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 qualified opinion.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board 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.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
April 23, 2024



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023	2022
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Municipality of Trent Lakes (note 4)	4,876	26,733
<b>NET FINANCIAL ASSETS</b>	4,876	26,733
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	140,000	117,501
<b>ACCUMULATED SURPLUS (note 3)</b>	144,876	144,234

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

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>REVENUES</b>			
Contributions from Municipality (note 4)			
Levy	252,900	252,900	239,590
Unallocated costs	5,400	12,672	6,658
Province of Ontario	29,100	29,073	29,073
Other grants	2,000	2,276	1,775
User fees	2,000	2,844	5,284
Fundraising and donations	18,500	22,992	16,570
<b>TOTAL REVENUES</b>	<b>309,900</b>	<b>322,757</b>	<b>298,950</b>
<b>EXPENSES</b>			
Salaries and benefits	228,000	243,230	234,233
Materials	33,100	23,842	19,524
Periodicals and programs	5,700	3,812	3,967
Janitorial service	500	43	1,783
Administrative services	1,800	1,800	1,800
Insurance	6,400	6,689	5,562
Repairs and maintenance	5,400	12,672	6,658
Amortization	23,240	30,027	23,240
<b>TOTAL EXPENSES</b>	<b>304,140</b>	<b>322,115</b>	<b>296,767</b>
<b>ANNUAL SURPLUS</b>	<b><u>5,760</u></b>	<b>642</b>	<b>2,183</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>144,234</b>	<b>142,051</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>144,876</b>	<b>144,234</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT) For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>ANNUAL SURPLUS</b>	5,760	642	2,183
Amortization of tangible capital assets	23,240	30,027	23,240
Acquisition of tangible capital assets	(56,500)	(52,526)	(43,075)
<b>CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)</b>	(27,500)	(21,857)	(17,652)
<b>NET FINANCIAL ASSETS - beginning of year</b>	26,733	26,733	44,385
<b>NET FINANCIAL ASSETS/(NET DEBT) - end of year</b>	(767)	4,876	26,733

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

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

	2023	2022
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	642	2,183
Items not involving cash		
Amortization of tangible capital assets	30,027	23,240
Change in non-cash assets and liabilities		
Due from Municipality of Trent Lakes	21,857	17,652
<b>Net change in cash from operating activities</b>	<b>52,526</b>	<b>43,075</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(52,526)	(43,075)
<b>NET CHANGE IN CASH</b>	<b>-</b>	<b>-</b>
<b>CASH - beginning of year</b>	<b>-</b>	<b>-</b>
<b>CASH - end of year</b>	<b>-</b>	<b>-</b>

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

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

#### (a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

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

User fees are recognized as revenue in the year the goods and services are provided.

Donations and fundraising revenue is recognized when the amounts are received.

#### (b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2023

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1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Due from Municipality of Trent Lakes	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

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

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Computers	5 years
Books	2-7 years
Furniture	5 years
Building Improvements	20 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

#### (e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

#### (f) Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

#### (g) Inter-Entity Transactions

The Trent Lakes Public Library Board is a Board of the Municipality of Trent Lakes and is consolidated with the Municipality's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Municipality.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Computers \$	Books \$	Furniture and Equipment \$	Building Improvements \$	2023 Totals \$	2022 Totals \$
<b>COST</b>						
Balance, beginning of year	46,891	135,752	8,101	9,362	200,106	178,700
Add: additions during the year	3,065	25,029	-	24,432	52,526	43,075
Less: disposals during the year	-	13,337	-	-	13,337	21,669
Balance, end of year	49,956	147,444	8,101	33,794	239,295	200,106
<b>ACCUMULATED AMORTIZATION</b>						
Balance, beginning of year	30,809	50,555	1,241	-	82,605	81,034
Add: additions during the year	4,993	23,716	850	468	30,027	23,240
Less: disposals during the year	-	13,337	-	-	13,337	21,669
Balance, end of year	35,802	60,934	2,091	468	99,295	82,605
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>14,154</b>	<b>86,510</b>	<b>6,010</b>	<b>33,326</b>	<b>140,000</b>	<b>117,501</b>

### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023 \$	2022 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	140,000	117,501
<b>Surplus</b>	140,000	117,501
<b>Reserve Fund</b>		
Future development	4,876	26,733
	144,876	144,234



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 4. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Municipality of Trent Lakes.

As part of the budgeting process, the Municipality approves contributions to the Board which are identified on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2023	2022
	\$	\$
Allocated costs:		
Administrative services	1,800	1,800
Insurance	6,689	5,562
	8,489	7,362
Unallocated costs:		
Repairs and maintenance	12,672	6,658
	21,161	14,020

In addition, the following services are provided to the Board by the Municipality at no cost:

- Professional services
- Rental of buildings

All balances with the Municipality of Trent Lakes have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 5. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The adoption of this standard did not have an impact on the Board's financial statements.

### 6. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Board assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

In the opinion of management, the Board is not exposed to any significant interest rate, credit, liquidity or currency risks.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 7. BUDGET FIGURES

The operating budget, approved by the Board, for 2023 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets/(Net Debt). The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**CORPORATION OF THE MUNICIPALITY  
OF TRENT LAKES**

**TRENT LAKES PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**INDEPENDENT AUDITOR'S REPORT****To the Members of the Trent Lakes Public Library Board, the  
Members of Council, Inhabitants and Ratepayers of the  
Municipality of Trent Lakes***Qualified Opinion*

We have audited the financial statements of the Trent Lakes Public Library Board of the Corporation of the Municipality of Trent Lakes (the Board), which comprise the statement of financial position as at December 31, 2023, the statements of operations and accumulated surplus, change in net financial assets/(net debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Qualified Opinion*

In common with many Public Library Boards, the Board derives revenue from user fees, fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to user fees, fundraising and donations revenue, annual surplus, and cash flows from operations for the years ended December 31, 2023 and 2022 and assets and accumulated surplus as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this scope limitation.

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 the Board 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 qualified opinion.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board 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.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
April 23, 2024

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023	2022
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Municipality of Trent Lakes (note 4)	4,876	26,733
<b>NET FINANCIAL ASSETS</b>	4,876	26,733
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	140,000	117,501
<b>ACCUMULATED SURPLUS (note 3)</b>	144,876	144,234

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



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>REVENUES</b>			
Contributions from Municipality (note 4)			
Levy	252,900	252,900	239,590
Unallocated costs	5,400	12,672	6,658
Province of Ontario	29,100	29,073	29,073
Other grants	2,000	2,276	1,775
User fees	2,000	2,844	5,284
Fundraising and donations	18,500	22,992	16,570
<b>TOTAL REVENUES</b>	<b>309,900</b>	<b>322,757</b>	<b>298,950</b>
<b>EXPENSES</b>			
Salaries and benefits	228,000	243,230	234,233
Materials	33,100	23,842	19,524
Periodicals and programs	5,700	3,812	3,967
Janitorial service	500	43	1,783
Administrative services	1,800	1,800	1,800
Insurance	6,400	6,689	5,562
Repairs and maintenance	5,400	12,672	6,658
Amortization	23,240	30,027	23,240
<b>TOTAL EXPENSES</b>	<b>304,140</b>	<b>322,115</b>	<b>296,767</b>
<b>ANNUAL SURPLUS</b>	<b><u>5,760</u></b>	<b>642</b>	<b>2,183</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>144,234</b>	<b>142,051</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>144,876</b>	<b>144,234</b>

The accompanying notes are an integral part of these financial statements





# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT) For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>ANNUAL SURPLUS</b>	5,760	642	2,183
Amortization of tangible capital assets	23,240	30,027	23,240
Acquisition of tangible capital assets	(56,500)	(52,526)	(43,075)
<b>CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)</b>	(27,500)	(21,857)	(17,652)
<b>NET FINANCIAL ASSETS - beginning of year</b>	26,733	26,733	44,385
<b>NET FINANCIAL ASSETS/(NET DEBT) - end of year</b>	(767)	4,876	26,733

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



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

	2023	2022
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	642	2,183
Items not involving cash		
Amortization of tangible capital assets	30,027	23,240
Change in non-cash assets and liabilities		
Due from Municipality of Trent Lakes	21,857	17,652
<b>Net change in cash from operating activities</b>	<b>52,526</b>	<b>43,075</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(52,526)	(43,075)
<b>NET CHANGE IN CASH</b>	<b>-</b>	<b>-</b>
<b>CASH - beginning of year</b>	<b>-</b>	<b>-</b>
<b>CASH - end of year</b>	<b>-</b>	<b>-</b>

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



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

#### (a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

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

User fees are recognized as revenue in the year the goods and services are provided.

Donations and fundraising revenue is recognized when the amounts are received.

#### (b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Due from Municipality of Trent Lakes	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

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

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Computers	5 years
Books	2-7 years
Furniture	5 years
Building Improvements	20 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(f) Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Inter-Entity Transactions

The Trent Lakes Public Library Board is a Board of the Municipality of Trent Lakes and is consolidated with the Municipality's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Municipality.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Computers \$	Books \$	Furniture and Equipment \$	Building Improvements \$	2023 Totals \$	2022 Totals \$
<b>COST</b>						
Balance, beginning of year	46,891	135,752	8,101	9,362	200,106	178,700
Add: additions during the year	3,065	25,029	-	24,432	52,526	43,075
Less: disposals during the year	-	13,337	-	-	13,337	21,669
Balance, end of year	49,956	147,444	8,101	33,794	239,295	200,106
<b>ACCUMULATED AMORTIZATION</b>						
Balance, beginning of year	30,809	50,555	1,241	-	82,605	81,034
Add: additions during the year	4,993	23,716	850	468	30,027	23,240
Less: disposals during the year	-	13,337	-	-	13,337	21,669
Balance, end of year	35,802	60,934	2,091	468	99,295	82,605
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>14,154</b>	<b>86,510</b>	<b>6,010</b>	<b>33,326</b>	<b>140,000</b>	<b>117,501</b>

### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023 \$	2022 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	140,000	117,501
<b>Surplus</b>	140,000	117,501
<b>Reserve Fund</b>		
Future development	4,876	26,733
	144,876	144,234

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 4. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Municipality of Trent Lakes.

As part of the budgeting process, the Municipality approves contributions to the Board which are identified on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2023	2022
	\$	\$
Allocated costs:		
Administrative services	1,800	1,800
Insurance	6,689	5,562
	8,489	7,362
Unallocated costs:		
Repairs and maintenance	12,672	6,658
	21,161	14,020

In addition, the following services are provided to the Board by the Municipality at no cost:

- Professional services
- Rental of buildings

All balances with the Municipality of Trent Lakes have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 5. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The adoption of this standard did not have an impact on the Board's financial statements.

### 6. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Board assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

In the opinion of management, the Board is not exposed to any significant interest rate, credit, liquidity or currency risks.



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 7. BUDGET FIGURES

The operating budget, approved by the Board, for 2023 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets/(Net Debt). The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.