

**CORPORATION OF THE MUNICIPALITY  
OF TRENT LAKES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**CORPORATION OF THE MUNICIPALITY  
OF TRENT LAKES**

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## **CORPORATION OF THE MUNICIPALITY OF TRENT LAKES**

**For The Year Ended December 31, 2021**

### **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 KBN 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

March 22, 2022

## **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, 2021, 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, 2021, 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  
March 22, 2022



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	17,755,000	13,688,717
Accounts receivable	459,349	1,894,908
Taxes receivable	1,474,560	1,496,355
<b>TOTAL FINANCIAL ASSETS</b>	<b>19,688,909</b>	<b>17,079,980</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,545,009	1,475,650
Deferred revenue - obligatory reserve funds (note 3)	1,910,129	1,336,978
Deferred revenue - other	-	142,320
Landfill post-closure liability (note 6)	439,600	481,963
Employee future benefits payable (note 4)	252,304	245,498
<b>TOTAL LIABILITIES</b>	<b>4,147,042</b>	<b>3,682,409</b>
<b>NET FINANCIAL ASSETS</b>	<b>15,541,867</b>	<b>13,397,571</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	26,778,360	26,627,534
Prepaid expenses	301,195	239,475
Inventory of materials and supplies	112,776	222,501
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>27,192,331</b>	<b>27,089,510</b>
<b>ACCUMULATED SURPLUS (note 9)</b>	<b>42,734,198</b>	<b>40,487,081</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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>REVENUES</b>			
Property taxation	10,569,552	10,577,802	10,366,540
User charges	870,268	1,101,699	910,365
Government of Canada	-	80,000	765,466
Province of Ontario	1,386,400	1,843,935	2,306,939
Other municipalities	-	300	-
Penalties and interest on taxes	195,000	215,723	169,182
Investment income	160,650	131,336	148,016
Development charges earned (note 3)	17,626	-	16,131
Federal gas tax earned (note 3)	171,167	-	162,599
Gain/(loss) on disposal of tangible capital assets	-	36,869	(97,649)
Other	52,050	95,707	112,885
<b>TOTAL REVENUES</b>	<b>13,422,713</b>	<b>14,083,371</b>	<b>14,860,474</b>
<b>EXPENSES</b>			
General government	1,631,954	1,391,748	1,352,654
Protection services	3,687,810	3,703,517	3,346,045
Transportation services	4,436,215	4,307,507	3,803,487
Environmental services	1,096,562	996,341	957,933
Health services	186,329	160,403	164,473
Recreation and cultural services	1,005,012	1,001,566	844,594
Planning and development	308,590	275,172	202,826
<b>TOTAL EXPENSES</b>	<b>12,352,472</b>	<b>11,836,254</b>	<b>10,672,012</b>
<b>ANNUAL SURPLUS</b>	<b><u>1,070,241</u></b>	<b>2,247,117</b>	<b>4,188,462</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>40,487,081</b>	<b>36,298,619</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>42,734,198</b>	<b>40,487,081</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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>ANNUAL SURPLUS</b>	1,070,241	2,247,117	4,188,462
Amortization of tangible capital assets	1,811,431	1,985,478	1,811,431
Purchase of tangible capital assets	(3,290,021)	(2,144,846)	(4,081,126)
Loss/(gain) on disposal of tangible capital assets	-	(36,869)	97,649
Proceeds on sale of tangible capital assets	-	45,411	52,826
Change in prepaid expenses	-	(61,720)	(101,754)
Change in inventory of materials and supplies	-	109,725	(102,501)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(408,349)	2,144,296	1,864,987
<b>NET FINANCIAL ASSETS - beginning of year</b>	13,397,571	13,397,571	11,532,584
<b>NET FINANCIAL ASSETS - end of year</b>	12,989,222	15,541,867	13,397,571

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, 2021

	2021	2020
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	2,247,117	4,188,462
Items not involving cash		
Amortization of tangible capital assets	1,985,478	1,811,431
Loss/(gain) on disposal of tangible capital assets	(36,869)	97,649
Change in landfill post-closure liability	(42,363)	(26,468)
Change in employee future benefits payable	6,806	12,298
Change in non-cash assets and liabilities		
Accounts receivable	1,435,559	(1,459,910)
Taxes receivable	21,795	(103,834)
Prepaid expenses	(61,720)	(101,754)
Inventory of materials and supplies	109,725	(102,501)
Accounts payable and accrued liabilities	69,359	478,105
Deferred revenue - obligatory reserve funds	573,151	125,867
Deferred revenue - other	(142,320)	118,077
<b>Net change in cash from operating activities</b>	<b>6,165,718</b>	<b>5,037,422</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(2,144,846)	(4,081,126)
Proceeds on disposal of tangible capital assets	45,411	52,826
<b>Net change in cash from capital activities</b>	<b>(2,099,435)</b>	<b>(4,028,300)</b>
<b>NET CHANGE IN CASH</b>	<b>4,066,283</b>	<b>1,009,122</b>
<b>CASH - beginning of year</b>	<b>13,688,717</b>	<b>12,679,595</b>
<b>CASH - end of year</b>	<b>17,755,000</b>	<b>13,688,717</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, 2021

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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.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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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.

Federal gas tax, 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, 2021

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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 landfill closure and post-closure care depend on estimates of annual monitoring costs and the number of years of post-closure care. The provision for future closure and post-closure costs also depends on estimates of such costs;
- 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.

#### (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.

### 2. 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 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 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 2021 were \$261,217 (2020 - \$247,704).

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 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:

	2021	2020
	\$	\$
Development charges	777,514	558,980
Parkland	25,808	15,682
Federal gas tax	1,105,887	761,396
Parking	920	920
	1,910,129	1,336,978

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

	2021	2020
	\$	\$
Balance - beginning of year	1,336,978	1,211,111
Add amounts received:		
Development charges	212,033	125,385
Federal gas tax	335,714	163,725
Parking fees	10,000	-
Interest	15,404	15,487
	573,151	304,597
Less transfer to operations:		
Development charges earned	-	16,131
Federal gas tax earned	-	162,599
	-	178,730
Balance - end of year	1,910,129	1,336,978

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 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.

	2021	2020
	\$	\$
Accrued benefit obligation	183,455	173,367
Unamortized actuarial gain	68,849	72,131
<b>Employee future benefits payable</b>	<b>252,304</b>	<b>245,498</b>

The actuarial valuation as at December 31, 2019 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 12 years. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Discount rate	3.75%
Future health care premiums rates - 2020	6.75%
Future health care premiums rates - 2021 - 2029	reducing by 0.33% per year
Future health care premiums rates - 2030 and thereafter	3.75%
Future dental premiums rates	3.75%

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:

	2021	2020
	\$	\$
Liability at January 1	245,498	233,200
Current year benefit cost	13,226	12,498
Interest on post-employment benefit liability	6,567	6,095
Amortized actuarial loss (gain)	(3,282)	(3,282)
Less: benefit payments	(9,705)	(3,013)
<b>Liability at December 31</b>	<b>252,304</b>	<b>245,498</b>

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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

During 2021, 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	4,101,747	8,848,200
Taxation from other governments	10,950	30,520
<b>Amounts requisitioned and remitted</b>	<b>4,112,697</b>	<b>8,878,720</b>

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

### 6. LANDFILL POST-CLOSURE LIABILITY

The estimated liability for landfill post-closure costs for the six sites the Municipality owns is \$439,600 (2020 - \$481,963). Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The entire liability has been recorded in these financial statements since all of the six Municipal landfill sites are closed for accepting waste. The Municipality has a landfill reserve of \$708,990 (2020 - \$708,990). There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining period required to monitor the sites using a discount factor of 2.84% and an inflation rate of 3.0%

### 7. EXPENSES BY OBJECT

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

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Salaries and benefits	4,872,949	4,538,375	4,150,419
Materials	2,973,869	2,639,563	2,218,095
Contracted services	2,525,997	2,509,632	2,337,722
Rents and financial	7,094	8,010	3,711
External transfers	161,132	155,196	150,634
Amortization	1,811,431	1,985,478	1,811,431
	<b>12,352,472</b>	<b>11,836,254</b>	<b>10,672,012</b>

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 8. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land	4,451,539	4,451,539
Land improvements	1,780,534	1,200,800
Buildings	5,528,272	5,450,171
Vehicles	4,675,581	4,325,425
Machinery, equipment & fixtures	802,348	860,717
Books	82,519	72,703
Infrastructure		
Roads and bridges	8,105,611	8,457,241
Water systems	899,357	845,268
	26,325,761	25,663,864
Assets under construction	452,599	963,670
	26,778,360	26,627,534

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

During the year there were no write-downs of assets (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2021	2020
	\$	\$
General government	951,299	927,208
Protection services	4,116,466	4,213,765
Transportation services	13,012,684	12,996,182
Environmental services	1,784,274	1,784,393
Health services	1,286,582	1,254,047
Recreation and cultural services	5,627,055	5,451,939
	26,778,360	26,627,534



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 9. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2021	2020
	\$	\$
<b>Surplus/(Deficit)</b>		
Unfunded landfill closure and post-closure costs	(439,600)	(481,963)
Unfunded employee future benefits	(252,304)	(245,498)
	(691,904)	(727,461)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	26,778,360	26,627,534
Unfunded capital (b)	(406,470)	(614,804)
Unexpended capital financing	-	52,826
	26,371,890	26,065,556
<b>Surplus</b>	25,679,986	25,338,095
<b>Reserves</b>		
Working funds	1,720,368	1,720,368
Future acquisition of capital assets	12,975,265	11,008,574
Contingencies	467,458	425,399
Operations	1,600,168	1,668,951
<b>Total Reserves</b>	16,763,259	14,823,292
<b>Reserve Funds</b>		
Water system services	246,568	290,893
Library future development	44,385	34,801
<b>Total Reserve Funds</b>	290,953	325,694
	42,734,198	40,487,081
(b) Unfunded capital for Fire and Public Works are being internally financed through annual charges to operations.		
	2021	2020
	\$	\$
Fire	361,231	518,590
Public Works	45,239	96,214
	406,470	614,804

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 10. BUDGET FIGURES

The budget, approved by the Municipality, for 2021 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.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating and capital	14,380,735	14,380,735
Total Council approved budget	14,380,735	14,380,735
Less: Tangible capital assets capitalized	-	(3,290,021)
Add: Amortization of tangible capital assets	-	1,811,431
Less: Principal repayment of internal financing	-	(150,558)
Less: Transfers to/from reserves and reserve funds	(1,293,504)	(734,596)
Add: Library	34,550	34,550
Add: Water systems	319,788	319,788
Budgeted revenues and expenses netted for financial statement presentation	(18,856)	(18,856)
Adjusted budget per Consolidated Statement of Operations	13,422,713	12,352,473

### 11. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$71,665 (2020 - \$69,596) 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.

### 12. 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 2021-002. At December 31, 2021 there was no balance outstanding (2020 - \$Nil).

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 13. 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.

### 14. 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.

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.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 15. COMMITMENTS

During 2021, the Municipality entered into an agreement for roads surface treatment which was not completed by December 31, 2021. The total contract was for \$343,980 plus HST. As at December 31, 2021, \$333,563 remains to be spent.

In 2019, the Municipality entered into a five year agreement for fire dispatch services with the County of Peterborough. The remaining annual costs are as follows:

2022	\$50,060
2023	54,966

In 2019, the Municipality entered into a five year agreement for policing services with the Ontario Solicitor General. Policing costs for 2021 were \$1,650,560. The estimated costs for 2022 are \$1,642,167. The annual costs for each of the remaining years of the agreement are to be provided annually by October 1 each year.

### 16. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Municipality's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Municipality's operations. The extent of the impact of this outbreak and related containment measures on the Municipality's operations cannot be reliably estimated at this time.

### 17. 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, 2021

	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	1,714,218	7,602,884	3,400,106	1,605,563	123,941	15,671,407	1,523,674	963,670	42,057,002
Add: additions during the year	-	212,443	301,027	583,357	103,403	26,732	564,796	70,191	282,897	2,144,846
Less: disposals during the year	-	-	-	553,893	96	14,582	339,112	18,218	-	925,901
Internal transfers	-	437,587	-	356,381	-	-	-	-	(793,968)	-
Balance, end of year	4,451,539	2,364,248	7,903,911	3,785,951	1,708,870	136,091	15,897,091	1,575,647	452,599	43,275,947
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	-	513,418	2,152,713	4,074,681	744,846	51,238	7,214,166	678,406	-	15,429,468
Add: additions during the year	-	70,296	222,926	589,582	161,772	16,916	911,690	12,296	-	1,985,478
Less: disposals during the year	-	-	-	553,893	96	14,582	334,376	14,412	-	917,359
Balance, end of year	-	583,714	2,375,639	4,110,370	906,522	53,572	7,791,480	676,290	-	16,497,587
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	4,451,539	1,780,534	5,528,272	4,675,581	802,348	82,519	8,105,611	899,357	452,599	26,778,360

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	(181,751)	3,558,877	4,946,274	946,213	43,702	1,074,397	190,090	10,577,802
User charges	19,438	602,412	244,078	142,731	3,225	11,623	78,192	1,101,699
Government transfers - operating	1,355,300	355,011	-	-	-	29,073	-	1,739,384
Government transfers - capital	-	-	184,551	-	-	-	-	184,551
Other municipalities	-	300	-	-	-	-	-	300
Penalties and interest on taxes	215,723	-	-	-	-	-	-	215,723
Investment income	127,329	-	-	2,442	1,565	-	-	131,336
Gain/(loss) on disposal of tangible capital assets	-	34,219	(4,738)	(3,806)	-	11,194	-	36,869
Other	7,533	-	-	-	100	5,994	82,080	95,707
<b>Total revenues</b>	<b>1,543,572</b>	<b>4,550,819</b>	<b>5,370,165</b>	<b>1,087,580</b>	<b>48,592</b>	<b>1,132,281</b>	<b>350,362</b>	<b>14,083,371</b>
<b>Expenses</b>								
Salaries and benefits	930,881	986,690	1,544,071	392,765	-	508,428	175,540	4,538,375
Materials	352,150	336,560	1,386,622	183,950	90,476	227,517	62,288	2,639,563
Contracted services	101,416	1,955,383	20,959	343,872	21,151	29,507	37,344	2,509,632
Rents and financial	8,010	-	-	-	-	-	-	8,010
External transfers	-	92,205	-	6,250	-	56,741	-	155,196
Amortization	54,938	283,373	1,354,314	66,504	48,776	177,573	-	1,985,478
Internal transfers	(55,647)	49,306	1,541	3,000	-	1,800	-	-
<b>Total expenses</b>	<b>1,391,748</b>	<b>3,703,517</b>	<b>4,307,507</b>	<b>996,341</b>	<b>160,403</b>	<b>1,001,566</b>	<b>275,172</b>	<b>11,836,254</b>
<b>Net surplus/(deficit)</b>	<b>151,824</b>	<b>847,302</b>	<b>1,062,658</b>	<b>91,239</b>	<b>(111,811)</b>	<b>130,715</b>	<b>75,190</b>	<b>2,247,117</b>

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2020

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	(429,736)	3,634,508	4,920,431	929,202	135,644	995,137	181,354	10,366,540
User charges	19,550	456,058	241,195	84,484	6,950	14,056	88,072	910,365
Government transfers - operating	1,347,324	268,359	22,002	-	-	42,543	-	1,680,228
Government transfers - capital	-	-	1,360,277	-	-	31,900	-	1,392,177
Penalties and interest on taxes	169,182	-	-	-	-	-	-	169,182
Investment income	144,118	-	-	2,372	1,526	-	-	148,016
Development charges earned	-	-	9,131	-	-	7,000	-	16,131
Federal gas tax earned	-	-	162,599	-	-	-	-	162,599
Gain/(loss) on disposal of tangible capital assets	35,411	(703)	(132,357)	-	-	-	-	(97,649)
Other	11,021	-	-	-	1,070	3,753	97,041	112,885
<b>Total revenues</b>	<b>1,296,870</b>	<b>4,358,222</b>	<b>6,583,278</b>	<b>1,016,058</b>	<b>145,190</b>	<b>1,094,389</b>	<b>366,467</b>	<b>14,860,474</b>
<b>Expenses</b>								
Salaries and benefits	878,124	829,317	1,505,638	357,322	-	436,441	143,577	4,150,419
Materials	346,365	296,545	1,064,669	176,846	96,818	186,443	50,409	2,218,095
Contracted services	122,316	1,799,701	31,393	343,370	19,895	12,207	8,840	2,337,722
Rents and financial	3,711	-	-	-	-	-	-	3,711
External transfers	-	79,746	-	6,250	-	64,638	-	150,634
Amortization	58,538	291,430	1,199,493	71,145	47,760	143,065	-	1,811,431
Internal transfers	(56,400)	49,306	2,294	3,000	-	1,800	-	-
<b>Total expenses</b>	<b>1,352,654</b>	<b>3,346,045</b>	<b>3,803,487</b>	<b>957,933</b>	<b>164,473</b>	<b>844,594</b>	<b>202,826</b>	<b>10,672,012</b>
<b>Net surplus/(deficit)</b>	<b>(55,784)</b>	<b>1,012,177</b>	<b>2,779,791</b>	<b>58,125</b>	<b>(19,283)</b>	<b>249,795</b>	<b>163,641</b>	<b>4,188,462</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, 2021, 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, 2021, 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  
March 22, 2022

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021 Cemetery Care and Maintenance \$	2020 Cemetery Care and Maintenance \$
<b>FINANCIAL ASSETS</b>		
Investments (note 2)	70,365	67,496
Due from Cemetery operations	1,300	2,100
	<u>71,665</u>	<u>69,596</u>
<b>FUND BALANCE</b>	<u>71,665</u>	<u>69,596</u>

## TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2021

	2021 Cemetery Care and Maintenance \$	2020 Cemetery Care and Maintenance \$
<b>BALANCE - beginning of year</b>	69,596	67,488
<b>RECEIPTS</b>		
Investment income	1,900	1,986
Care and maintenance receipts	1,300	2,100
Capital gain on investments	769	8
	<u>3,969</u>	<u>4,094</u>
<b>EXPENSES</b>		
Transfer to Cemetery operations	1,312	1,428
Trustee fees	588	558
	<u>1,900</u>	<u>1,986</u>
<b>BALANCE - end of year</b>	<u>71,665</u>	<u>69,596</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, 2021

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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 cost:

	2021	2020
	\$	\$
Scotiastart - bond common trust fund	20,698	19,882
Scotiastart - corporate bond common trust fund	49,660	47,607
Scotiastart - cash on hand	7	7
	<hr/>	<hr/>
	70,365	67,496
	<hr/>	<hr/>
Market Value	73,495	71,312

### 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, 2021**

## **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, 2021, the statements of operations and accumulated surplus, change in net financial assets 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, 2021, 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, assets and accumulated surplus.

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.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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  
March 22, 2022

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Municipality of Trent Lakes (note 2)	44,385	34,801
<b>NET FINANCIAL ASSETS</b>	44,385	34,801
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	97,666	82,231
<b>ACCUMULATED SURPLUS (note 4)</b>	142,051	117,032

*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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>REVENUES</b>			
Contributions from Municipality (note 2)			
Levy	233,381	233,381	183,480
Development charges	-	-	7,000
Unallocated costs	5,700	9,390	2,418
Province of Ontario	29,100	29,073	30,780
Other grants	2,500	4,299	1,475
User fees	950	1,568	1,048
Fundraising and donations	4,500	1,805	4,388
<b>TOTAL REVENUES</b>	<b>276,131</b>	<b>279,516</b>	<b>230,589</b>
<b>EXPENSES</b>			
Salaries and benefits	203,761	187,696	159,346
Materials	26,300	23,786	21,964
Periodicals and programs	1,500	1,196	852
Janitorial service	6,670	5,500	6,000
Administrative services	1,800	1,800	1,800
Insurance	3,900	5,066	3,828
Repairs and maintenance	5,700	9,390	2,418
Amortization	18,011	20,063	18,011
<b>TOTAL EXPENSES</b>	<b>267,642</b>	<b>254,497</b>	<b>214,219</b>
<b>ANNUAL SURPLUS</b>	<b><u>8,489</u></b>	<b>25,019</b>	<b>16,370</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>117,032</b>	<b>100,662</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>142,051</b>	<b>117,032</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 For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>ANNUAL SURPLUS</b>	8,489	25,019	16,370
Amortization of tangible capital assets	18,011	20,063	18,011
Acquisition of tangible capital assets	(26,500)	(35,498)	(19,346)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	-	9,584	15,035
<b>NET FINANCIAL ASSETS - beginning of year</b>	34,801	34,801	19,766
<b>NET FINANCIAL ASSETS - end of year</b>	34,801	44,385	34,801

*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, 2021

	2021	2020
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	25,019	16,370
Items not involving cash		
Amortization of tangible capital assets	20,063	18,011
Change in non-cash assets and liabilities		
Due from Municipality of Trent Lakes	(9,584)	(15,035)
<b>Net change in cash from operating activities</b>	<b>35,498</b>	<b>19,346</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(35,498)	(19,346)
<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, 2021

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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.

#### (c) 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

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.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) 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.

(e) 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.

(f) 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.

### 2. 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:

	2021	2020
	\$	\$
Allocated costs:		
Administrative services	1,800	1,800
Insurance	5,066	3,828
	6,866	5,628
Unallocated costs:		
Repairs and maintenance	9,390	2,418
	16,256	8,046

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

- Professional services
- Rental of buildings

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

### 2. INTER-ENTITY TRANSACTIONS, continued

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.

### 3. TANGIBLE CAPITAL ASSETS

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

	Computers \$	Books \$	Furniture and Equipment \$	2021 Totals \$	2020 Totals \$
<b>COST</b>					
Balance, beginning of year	32,295	123,940	1,549	157,784	143,189
Add: additions during the year	5,644	26,733	3,121	35,498	19,346
Less: disposals during the year	-	14,582	-	14,582	4,751
Balance, end of year	37,939	136,091	4,670	178,700	157,784
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	24,006	51,237	310	75,553	62,293
Add: additions during the year	2,837	16,917	309	20,063	18,011
Less: disposals during the year	-	14,582	-	14,582	4,751
Balance, end of year	26,843	53,572	619	81,034	75,553
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>11,096</b>	<b>82,519</b>	<b>4,051</b>	<b>97,666</b>	<b>82,231</b>

### 4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021 \$	2020 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	97,666	82,231
<b>Surplus</b>	<b>97,666</b>	<b>82,231</b>
<b>Reserve Fund</b>		
Future development	44,385	34,801
	142,051	117,032

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 5. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. 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.

### 6. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.