

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

TABLE OF CONTENTS

	Page Number
MANAGEMENT REPORT	
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 15
Schedule of Tangible Capital Assets	16
Schedules of Segment Disclosure	17 - 18
TRUST FUND	
Independent Auditor's Report	19
Statement of Financial Position	21
Statement of Continuity	21
Notes to the Financial Statements	22
LOCAL BOARD	
Trent Lakes Public Library Board	23 - 33



760 Peterborough County Road 36, Trent Lakes, ON K0M 1A0 Tel 705-738-3800 Fax 705-738-3801

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

For The Year Ended December 31, 2019

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

May 5, 2020

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, 2019, 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, 2019, 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
May 5, 2020

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	12,679,595	10,066,228
Accounts receivable	434,998	371,858
Taxes receivable	1,392,521	1,356,605
TOTAL FINANCIAL ASSETS	14,507,114	11,794,691
LIABILITIES		
Accounts payable and accrued liabilities	997,545	1,131,685
Deferred revenue - obligatory reserve funds (note 3)	1,211,111	1,707,323
Deferred revenue - other	24,243	50
Landfill closure and post-closure liability (note 6)	508,431	514,860
Employee future benefits payable (note 4)	233,200	218,700
TOTAL LIABILITIES	2,974,530	3,572,618
NET FINANCIAL ASSETS	11,532,584	8,222,073
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	24,508,314	23,998,392
Prepaid expenses	137,721	125,700
Inventory of materials and supplies	120,000	-
TOTAL NON-FINANCIAL ASSETS	24,766,035	24,124,092
ACCUMULATED SURPLUS (note 9)	36,298,619	32,346,165

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Property taxation	10,024,279	10,042,337	9,575,926
User charges	811,101	927,316	774,780
Government of Canada	-	-	112,296
Province of Ontario	1,244,448	2,232,372	1,516,798
Penalties and interest on taxes	170,000	206,971	188,072
Investment income	125,700	256,357	171,416
Developer contributions earned	176,900	797,795	67,665
Federal gas tax earned	363,725	200,000	200,000
Gain/(loss) on disposal of tangible capital assets	-	(50,735)	(127,814)
Other revenue	72,100	69,093	125,432
TOTAL REVENUES	12,988,253	14,681,506	12,604,571
EXPENSES			
General government	1,655,475	1,462,348	1,473,296
Protection services	3,581,479	3,390,132	3,373,674
Transportation services	4,260,121	3,691,232	3,698,815
Environmental services	1,012,817	975,160	873,083
Health services	160,081	143,970	131,153
Recreation and cultural services	851,552	866,672	685,186
Planning and development	218,932	199,538	211,015
TOTAL EXPENSES	11,740,457	10,729,052	10,446,222
ANNUAL SURPLUS	<u>1,247,796</u>	3,952,454	2,158,349
ACCUMULATED SURPLUS - beginning of year		32,346,165	30,187,816
ACCUMULATED SURPLUS - end of year		36,298,619	32,346,165

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS	1,247,796	3,952,454	2,158,349
Amortization of tangible capital assets	1,539,300	1,481,992	1,539,300
Purchase of tangible capital assets	(2,753,016)	(2,046,135)	(3,387,054)
Loss on disposal of tangible capital assets	-	50,735	127,814
Proceeds on sale of tangible capital assets	-	3,486	294,316
Change in prepaid expenses	-	(12,021)	(386)
Change in inventory of materials and supplies	-	(120,000)	-
INCREASE IN NET FINANCIAL ASSETS	34,080	3,310,511	732,339
NET FINANCIAL ASSETS - beginning of year	8,222,073	8,222,073	7,489,734
NET FINANCIAL ASSETS - end of year	8,256,153	11,532,584	8,222,073

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,952,454	2,158,349
Items not involving cash		
Amortization of tangible capital assets	1,481,992	1,539,300
Loss on disposal of tangible capital assets	50,735	127,814
Change in landfill closure and post-closure liability	(6,429)	(65,089)
Change in employee future benefits payable	14,500	11,700
Change in non-cash assets and liabilities		
Accounts receivable	(63,140)	171,093
Taxes receivable	(35,916)	(239,769)
Prepaid expenses	(12,021)	(386)
Inventory of materials and supplies	(120,000)	-
Accounts payable and accrued liabilities	(134,140)	(219,311)
Deferred revenue - obligatory reserve funds	(496,212)	75,386
Deferred revenue - other	24,193	(6,041)
Net change in cash from operating activities	4,656,016	3,553,046
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,046,135)	(3,387,054)
Proceeds on disposal of tangible capital assets	3,486	294,316
Net change in cash from capital activities	(2,042,649)	(3,092,738)
NET CHANGE IN CASH	2,613,367	460,308
CASH - beginning of year	10,066,228	9,605,920
CASH - end of year	12,679,595	10,066,228

The accompanying notes are an integral part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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) Inventory of Materials and Supplies

Inventory of materials and supplies is recorded at the cost, as determined by the first-in, first out method.

(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. 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	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.

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.

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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates;
- 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 2019 Annual Report disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets of \$104,290 million indicating an actuarial deficit of \$3,397 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 2019 were \$252,711 (2018 - \$248,347).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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:

	2019 \$	2018 \$
Development charges	443,381	1,091,885
Parkland	15,529	10,184
Federal gas tax	751,281	605,254
Parking	920	-
	1,211,111	1,707,323

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

	2019 \$	2018 \$
Balance - beginning of year	1,707,323	1,631,937
Add amounts received:		
Development charges	137,922	139,604
Parkland fees	5,000	10,000
Federal gas tax	329,352	162,599
Parking fees	900	-
Interest	28,409	30,848
	501,583	343,051
Less transfer to operations:		
Development charges earned	797,795	67,665
Federal gas tax earned	200,000	200,000
	997,795	267,665
Balance - end of year	1,211,111	1,707,323

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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.

	2019	2018
	\$	\$
Accrued benefit obligation	157,787	274,300
Unamortized actuarial gain (loss)	75,413	(55,600)
Employee future benefits payable	233,200	218,700

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 to 3.75%
Future health care premiums rates - 2029 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:

	2019	2018
	\$	\$
Liability at January 1	218,700	207,000
Current year benefit cost	24,700	23,900
Interest on post-employment benefit liability	9,700	9,500
Amortized actuarial loss (gain)	5,700	5,700
Less: benefit payments	(25,600)	(27,400)
Liability at December 31	233,200	218,700

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

5. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2019, 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	4,203,514	8,167,933
Taxation from other governments	23,285	31,762
Amounts requisitioned and remitted	4,226,799	8,199,695

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

6. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the six sites the Municipality owns is \$508,431 (2018 - \$514,860). The closure costs include final cover, vegetation and additional monitoring wells. 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 \$782,666 (2018 - \$742,666). There are no specific assets designated for settling this liability.

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 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
Salaries and benefits	4,749,918	4,280,831	4,243,052
Materials	2,838,903	2,404,667	2,255,187
Contracted services	2,448,855	2,403,008	2,272,298
Rents and financial	5,331	4,551	6,421
External transfers	158,150	154,003	129,964
Amortization	1,539,300	1,481,992	1,539,300
	11,740,457	10,729,052	10,446,222

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

8. TANGIBLE CAPITAL ASSETS

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

	2019	2018
	\$	\$
General		
Land	4,451,539	4,451,539
Land improvements	1,053,447	1,091,049
Buildings	5,637,868	5,858,626
Vehicles	4,648,829	4,518,355
Machinery, equipment & fixtures	927,459	920,058
Books	69,847	61,652
Infrastructure		
Roads and bridges	6,246,955	5,918,121
Water systems	863,021	907,265
	23,898,965	23,726,665
Assets under construction	609,349	271,727
	24,508,314	23,998,392

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

During the year there were no write-downs of assets (2018 - \$Nil) and no interest capitalized (2018 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2019	2018
	\$	\$
General government	968,134	1,019,416
Protection services	4,431,137	4,666,836
Transportation services	10,686,072	9,778,102
Environmental services	1,766,345	1,813,054
Health services	1,293,090	1,328,711
Recreation and cultural services	5,363,536	5,392,273
	24,508,314	23,998,392

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

9. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure costs	(508,431)	(514,860)
Unfunded employee future benefits	(233,200)	(218,700)
	(741,631)	(733,560)
Invested In Capital Assets		
Tangible capital assets - net book value	24,508,314	23,998,392
Unfunded capital (b)	(764,611)	(933,079)
	23,743,703	23,065,313
Surplus	23,002,072	22,331,753
Reserves		
Working funds	1,720,368	1,720,368
Future acquisition of capital assets	9,346,909	6,708,782
Contingencies	576,762	576,762
Operations	1,408,062	792,056
Total Reserves	13,052,101	9,797,968
Reserve Funds		
Water system services	224,680	190,759
Library future development	19,766	25,685
Total Reserve Funds	244,446	216,444
	36,298,619	32,346,165

(b) Unfunded capital for Fire and Public Works are being internally financed through annual charges to operations of \$108,892 and \$52,537 respectively.

	2019	2018
	\$	\$
Fire	618,176	727,080
Public Works	146,435	195,913
Recreation	-	10,086
	764,611	933,079

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

10. BUDGET FIGURES

The budget, approved by the Municipality, for 2019 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	10,103,180	10,103,180
Capital	3,019,416	3,019,416
Total Council approved budget	13,122,596	13,122,596
Less: Tangible capital assets capitalized	-	(2,753,016)
Add: Amortization of tangible capital assets	-	1,539,300
Less: Principal repayment of internal financing	-	(147,593)
Less: Transfers to/from reserves and reserve funds	(480,664)	(367,151)
Add: Library	75,600	75,600
Add: Water systems	347,368	347,368
Budgeted revenues and expenses netted for financial statement presentation	(76,647)	(76,647)
Adjusted budget per Consolidated Statement of Operations	12,988,253	11,740,457

11. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$67,488 (2018 - \$66,281) 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 2019-03. At December 31, 2019 there was no balance outstanding.

13. CONTINGENT LIABILITIES

The Municipality, in the course of its operations, has been named in several 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.

15. COMPARATIVE FIGURES

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

16. COMMITMENTS

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:

2020	\$41,523
2021	45,592
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 2019 were \$1,681,452. The estimated costs for 2020 are \$1,667,665. The annual costs for each of the remaining years of the agreement are to be provided annually by October 1 each year.

17. SUBSEQUENT EVENTS

On March 11, 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.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES



CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2019

	General						Infrastructure		Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Vehicles	Machinery, Equipment & Fixtures	Books	Roads and Bridges	Water Systems		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
COST										
Balance, beginning of year	4,451,539	1,485,546	7,569,823	3,164,733	1,408,709	102,975	17,492,433	1,513,234	271,727	42,460,719
Add: additions during the year	-	22,317	-	718,342	145,995	21,009	800,850	-	337,622	2,046,135
Less: disposals during the year	-	936	-	509,496	1,482	13,284	2,372,546	-	-	2,897,744
Balance, end of year	4,451,539	1,506,927	7,569,823	3,373,579	1,553,222	110,700	15,920,737	1,513,234	609,349	41,609,110
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	394,497	1,711,197	3,646,378	488,651	41,323	11,574,312	605,969	-	18,462,327
Add: additions during the year	-	59,077	220,758	577,002	137,632	12,814	430,465	44,244	-	1,481,992
Less: disposals during the year	-	94	-	498,630	520	13,284	2,330,995	-	-	2,843,523
Balance, end of year	-	453,480	1,931,955	3,724,750	625,763	40,853	9,673,782	650,213	-	17,100,796
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS										
	4,451,539	1,053,447	5,637,868	4,648,829	927,459	69,847	6,246,955	863,021	609,349	24,508,314

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	353,299	3,256,796	4,610,563	876,924	107,350	837,814	(409)	10,042,337
User charges	18,552	396,031	289,811	108,753	9,175	41,722	63,272	927,316
Government transfers - operating	1,999,584	18,825	-	-	-	29,073	49,032	2,096,514
Government transfers - capital	-	-	86,858	-	-	49,000	-	135,858
Penalties and interest on taxes	206,971	-	-	-	-	-	-	206,971
Investment income	250,557	-	-	4,342	1,458	-	-	256,357
Developer contributions earned	-	195,767	509,746	-	5,198	35,997	51,087	797,795
Federal gas tax earned	-	-	200,000	-	-	-	-	200,000
Gain/(loss) on disposal of tangible capital assets	(963)	3,483	(52,413)	-	-	(842)	-	(50,735)
Other revenue	3,000	3,821	-	-	3,140	15,328	43,804	69,093
Total revenues	2,831,000	3,874,723	5,644,565	990,019	126,321	1,008,092	206,786	14,681,506
Expenses								
Salaries and benefits	988,644	832,757	1,513,958	364,057	-	454,167	127,248	4,280,831
Materials	377,296	267,574	1,264,648	155,595	65,454	203,641	70,459	2,404,667
Contracted services	92,308	1,870,356	36,012	368,089	28,765	5,647	1,831	2,403,008
Rents and financial	4,551	-	-	-	-	-	-	4,551
External transfers	-	82,381	-	6,250	4,000	61,372	-	154,003
Amortization	58,162	286,287	873,578	78,169	45,751	140,045	-	1,481,992
Internal transfers	(58,613)	50,777	3,036	3,000	-	1,800	-	-
Total expenses	1,462,348	3,390,132	3,691,232	975,160	143,970	866,672	199,538	10,729,052
Net surplus/(deficit)	1,368,652	484,591	1,953,333	14,859	(17,649)	141,420	7,248	3,952,454

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2018

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(30,472)	3,610,941	4,260,612	876,963	105,050	768,429	(15,597)	9,575,926
User charges	64,127	369,092	134,024	114,182	5,000	40,466	47,889	774,780
Government transfers - operating	1,299,900	17,523	-	-	-	29,073	11,532	1,358,028
Government transfers - capital	17,728	-	56,047	47,987	-	94,568	54,736	271,066
Penalties and interest on taxes	188,072	-	-	-	-	-	-	188,072
Investment income	166,949	-	-	3,068	1,399	-	-	171,416
Developer contributions earned	-	-	60,665	-	-	7,000	-	67,665
Federal gas tax earned	-	-	200,000	-	-	-	-	200,000
Gain/(loss) on disposal of tangible capital assets	59,005	(17,984)	(176,243)	7,408	-	-	-	(127,814)
Other revenue	-	230	-	-	6,365	71,480	47,357	125,432
Total revenues	1,765,309	3,979,802	4,535,105	1,049,608	117,814	1,011,016	145,917	12,604,571
Expenses								
Salaries and benefits	1,061,908	867,805	1,427,415	369,006	-	377,450	139,468	4,243,052
Materials	330,650	285,679	1,190,217	167,137	59,336	151,716	70,452	2,255,187
Contracted services	85,546	1,863,697	32,333	262,653	22,786	4,188	1,095	2,272,298
Rents and financial	6,421	-	-	-	-	-	-	6,421
External transfers	-	78,073	-	6,250	2,000	43,641	-	129,964
Amortization	49,570	226,193	1,045,078	65,037	47,031	106,391	-	1,539,300
Internal transfers	(60,799)	52,227	3,772	3,000	-	1,800	-	-
Total expenses	1,473,296	3,373,674	3,698,815	873,083	131,153	685,186	211,015	10,446,222
Net surplus/(deficit)	292,013	606,128	836,290	176,525	(13,339)	325,830	(65,098)	2,158,349

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, 2019, 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, 2019, 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
May 5, 2020

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**



**TRUST FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019 Cemetery Perpetual Care \$	2018 Cemetery Perpetual Care \$
FINANCIAL ASSETS		
Investments (note 2)	66,288	65,231
Due from Cemetery operations	1,200	1,050
	<u>67,488</u>	<u>66,281</u>
FUND BALANCE	<u>67,488</u>	<u>66,281</u>

**TRUST FUND
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2019**

	2019 Cemetery Perpetual Care \$	2018 Cemetery Perpetual Care \$
BALANCE - beginning of year	66,281	64,896
RECEIPTS		
Investment income	1,908	1,774
Perpetual care receipts	1,200	1,050
Capital gain on investments	-	334
	<u>3,108</u>	<u>3,158</u>
EXPENSES		
Transfer to Cemetery operations	1,361	1,253
Trustee fees	540	520
	<u>1,901</u>	<u>1,773</u>
BALANCE - end of year	<u>67,488</u>	<u>66,281</u>

The accompanying notes are an integral part of these financial statements

**TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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

The investments held in the trust at the end of the year at cost are as follows:

	2019	2018
	\$	\$
Scotiastart - bond common trust fund	19,525	19,212
Scotiastart - corporate bond common trust fund	46,756	46,012
Scotiastart - cash on hand	7	7
	66,288	65,231
Market Value	66,373	63,967

3. CEMETERY PERPETUAL CARE

The figures reported for the cemetery perpetual care represent the trust fund activities for the Sandy Lake Cemetery. The Perpetual Care Fund administered by the Cemetery is funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Sandy Lake Cemetery. The operations and investments of the Fund are undertaken by the Cemetery in accordance with the regulations of the Cemeteries Act.

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**

TRENT LAKES PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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, 2019, 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, 2019, 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/(deficit), 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.

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

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
May 5, 2020

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**



**TRENT LAKES PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
<u>Due from Municipality of Trent Lakes (note 2)</u>	<u>19,766</u>	<u>25,685</u>
NET FINANCIAL ASSETS	19,766	25,685
NON-FINANCIAL ASSETS		
<u>Tangible capital assets (note 3)</u>	<u>80,896</u>	<u>74,751</u>
ACCUMULATED SURPLUS (note 4)	<u>100,662</u>	<u>100,436</u>

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Contributions from Municipality (note 2)			
Levy	168,286	168,286	157,720
Development charges	7,000	7,000	7,000
Unallocated costs	4,200	3,570	2,886
Province of Ontario	29,100	29,073	29,073
Other grants	6,500	1,475	6,058
User fees	4,300	4,550	4,619
Fundraising and donations	24,500	33,693	34,383
TOTAL REVENUES	243,886	247,647	241,739
EXPENSES			
Salaries and benefits	181,536	192,751	172,194
Materials	36,600	24,355	28,805
Periodicals and programs	1,750	1,946	4,966
Janitorial service	3,500	3,955	3,419
Administrative services	1,800	1,800	1,800
Insurance	4,500	2,632	2,825
Repairs and maintenance	4,200	3,570	2,886
Amortization	14,365	16,412	14,365
TOTAL EXPENSES	248,251	247,421	231,260
ANNUAL SURPLUS/(DEFICIT)	<u>(4,365)</u>	226	10,479
ACCUMULATED SURPLUS - beginning of year		100,436	89,957
ACCUMULATED SURPLUS - end of year		100,662	100,436

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS/(DEFICIT)	(4,365)	226	10,479
Amortization of tangible capital assets	14,365	16,412	14,365
Acquisition of tangible capital assets	(17,000)	(22,557)	(26,602)
DECREASE IN NET FINANCIAL ASSETS	(7,000)	(5,919)	(1,758)
NET FINANCIAL ASSETS - beginning of year	25,685	25,685	27,443
NET FINANCIAL ASSETS - end of year	18,685	19,766	25,685

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	226	10,479
Items not involving cash		
Amortization of tangible capital assets	16,412	14,365
Change in non-cash assets and liabilities		
Due from Municipality of Trent Lakes	5,919	6,960
Deferred revenue	-	(5,202)
Net change in cash from operating activities	22,557	26,602
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(22,557)	(26,602)
NET CHANGE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

The accompanying notes are an integral part of these financial statements

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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(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. 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	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.

(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.

**TRENT LAKES PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 related party expense transactions are as follows:

	2019	2018
	\$	\$
Allocated costs:		
Administrative services	1,800	1,800
Insurance	2,632	2,825
	4,432	4,625
Unallocated costs:		
Repairs and maintenance	3,570	2,886
	8,002	7,511

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, 2019**

3. TANGIBLE CAPITAL ASSETS

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

	Computers \$	Books \$	Furniture \$	2019 Totals \$	2018 Totals \$
COST					
Balance, beginning of year	31,297	102,974	-	134,271	128,414
Add: additions during the year	-	21,008	1,549	22,557	26,602
Less: disposals during the year	356	13,283	-	13,639	20,745
Balance, end of year	30,941	110,699	1,549	143,189	134,271
ACCUMULATED AMORTIZATION					
Balance, beginning of year	18,198	41,322	-	59,520	65,900
Add: additions during the year	3,599	12,813	-	16,412	14,365
Less: disposals during the year	356	13,283	-	13,639	20,745
Balance, end of year	21,441	40,852	-	62,293	59,520
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	9,500	69,847	1,549	80,896	74,751

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019 \$	2018 \$
Invested In Capital Assets		
Tangible capital assets - net book value	80,896	74,751
Surplus	80,896	74,751
Reserve Fund		
Future development	19,766	25,685
	100,662	100,436

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2019 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. SUBSEQUENT EVENT

On March 11, 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.