

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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OF TRENT LAKES**

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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 - 14
Schedule of Tangible Capital Assets	15
Schedules of Segment Disclosure	16 - 17
TRUST FUND	
Independent Auditor's Report	18
Statement of Financial Position	20
Statement of Continuity	20
Notes to the Financial Statements	21
LOCAL BOARD	
Trent Lakes Public Library Board	22 - 32



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CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

For The Year Ended December 31, 2022

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

March 21, 2023

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, 2022, 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, 2022, 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 15, 2023



CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	18,757,038	17,755,000
Accounts receivable	622,910	459,349
Taxes receivable	1,534,202	1,474,560
TOTAL FINANCIAL ASSETS	20,914,150	19,688,909
LIABILITIES		
Accounts payable and accrued liabilities	1,499,021	1,545,009
Deferred revenue - obligatory reserve funds (note 3)	2,092,847	1,910,129
Landfill post-closure liability (note 6)	473,600	439,600
Employee future benefits payable (note 4)	250,728	252,304
TOTAL LIABILITIES	4,316,196	4,147,042
NET FINANCIAL ASSETS	16,597,954	15,541,867
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	27,342,749	26,778,360
Prepaid expenses	307,354	301,195
Inventory of materials and supplies	112,356	112,776
TOTAL NON-FINANCIAL ASSETS	27,762,459	27,192,331
ACCUMULATED SURPLUS (note 9)	44,360,413	42,734,198

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	10,669,139	10,684,325	10,577,802
User charges	1,056,297	1,145,032	1,101,699
Government of Canada	-	-	80,000
Province of Ontario	1,555,931	1,613,956	1,843,935
Other municipalities	-	300	300
Penalties and interest on taxes	195,000	215,454	215,723
Investment income	120,650	465,572	131,336
Development charges earned (note 3)	1,584,191	77,192	-
Federal gas tax earned (note 3)	271,167	120,782	-
Gain/(loss) on disposal of tangible capital assets	-	59,322	36,869
Other	63,750	115,339	95,707
TOTAL REVENUES	15,516,125	14,497,274	14,083,371
EXPENSES			
General government	1,765,601	1,656,548	1,391,748
Protection services	3,803,546	3,564,853	3,703,517
Transportation services	4,717,771	4,595,512	4,307,507
Environmental services	1,174,914	1,398,160	996,341
Health services	164,794	156,252	160,403
Recreation and cultural services	1,169,109	1,187,121	1,001,566
Planning and development	376,766	312,613	275,172
TOTAL EXPENSES	13,172,501	12,871,059	11,836,254
ANNUAL SURPLUS	<u>2,343,624</u>	1,626,215	2,247,117
ACCUMULATED SURPLUS - beginning of year		42,734,198	40,487,081
ACCUMULATED SURPLUS - end of year		44,360,413	42,734,198

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	2,343,624	1,626,215	2,247,117
Amortization of tangible capital assets	1,985,478	2,066,583	1,985,478
Purchase of tangible capital assets	(10,746,934)	(2,649,650)	(2,144,846)
Gain on disposal of tangible capital assets	-	(59,322)	(36,869)
Proceeds on sale of tangible capital assets	-	78,000	45,411
Change in prepaid expenses	-	(6,159)	(61,720)
Change in inventory of materials and supplies	-	420	109,725
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(6,417,832)	1,056,087	2,144,296
NET FINANCIAL ASSETS - beginning of year	15,541,867	15,541,867	13,397,571
NET FINANCIAL ASSETS - end of year	9,124,035	16,597,954	15,541,867

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, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,626,215	2,247,117
Items not involving cash		
Amortization of tangible capital assets	2,066,583	1,985,478
Gain on disposal of tangible capital assets	(59,322)	(36,869)
Change in landfill post-closure liability	34,000	(42,363)
Change in employee future benefits payable	(1,576)	6,806
Change in non-cash assets and liabilities		
Accounts receivable	(163,561)	1,435,559
Taxes receivable	(59,642)	21,795
Prepaid expenses	(6,159)	(61,720)
Inventory of materials and supplies	420	109,725
Accounts payable and accrued liabilities	(45,988)	69,359
Deferred revenue - obligatory reserve funds	182,718	573,151
Deferred revenue - other	-	(142,320)
Net change in cash from operating activities	3,573,688	6,165,718
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,649,650)	(2,144,846)
Proceeds on disposal of tangible capital assets	78,000	45,411
Net change in cash from capital activities	(2,571,650)	(2,099,435)
NET CHANGE IN CASH	1,002,038	4,066,283
CASH - beginning of year	17,755,000	13,688,717
CASH - end of year	18,757,038	17,755,000

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, 2022

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, 2022

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, 2022

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 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 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 2022 were \$280,018 (2021 - \$261,217).

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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:

	2022	2021
	\$	\$
Development charges	875,997	777,514
Parkland	35,556	25,808
Federal gas tax	1,180,374	1,105,887
Parking	920	920
	<u>2,092,847</u>	<u>1,910,129</u>

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

	2022	2021
	\$	\$
Balance - beginning of year	1,910,129	1,336,978
Add amounts received:		
Development charges	157,267	212,033
Federal gas tax	171,167	335,714
Parking fees	9,000	10,000
Interest	43,258	15,404
	<u>380,692</u>	<u>573,151</u>
Less transfer to operations:		
Development charges earned	77,192	-
Federal gas tax earned	120,782	-
	<u>197,974</u>	<u>-</u>
Balance - end of year	<u>2,092,847</u>	<u>1,910,129</u>

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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.

	2022	2021
	\$	\$
Accrued benefit obligation	185,161	183,455
Unamortized actuarial gain	65,567	68,849
Employee future benefits payable	250,728	252,304

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:

	2022	2021
	\$	\$
Liability at January 1	252,304	245,498
Current year benefit cost	13,996	13,226
Interest on post-employment benefit liability	6,784	6,567
Amortized actuarial loss (gain)	(3,282)	(3,282)
Less: benefit payments	(19,074)	(9,705)
Liability at December 31	250,728	252,304

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

5. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2022, 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	4,229,127	9,193,182
Taxation from other governments	11,987	31,623
Amounts requisitioned and remitted	4,241,114	9,224,805

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 \$473,600 (2021 - \$439,600). 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 (2021 - \$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 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	5,129,757	4,867,633	4,538,375
Materials	3,297,073	3,267,345	2,639,563
Contracted services	2,593,076	2,520,830	2,509,632
Rents and financial	7,300	6,350	8,010
External transfers	159,817	142,318	155,196
Amortization	1,985,478	2,066,583	1,985,478
	13,172,501	12,871,059	11,836,254

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

8. TANGIBLE CAPITAL ASSETS

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

	2022	2021
	\$	\$
General		
Land	4,451,539	4,451,539
Land improvements	1,802,843	1,780,534
Buildings	5,305,076	5,528,272
Vehicles	5,102,228	4,675,581
Machinery, equipment & fixtures	726,367	802,348
Books	85,197	82,519
Infrastructure		
Roads and bridges	8,429,914	8,105,611
Water systems	869,701	899,357
	26,772,865	26,325,761
Assets under construction	569,884	452,599
	27,342,749	26,778,360

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

During the year there were no write-downs of assets (2021 - \$Nil) and no interest capitalized (2021 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2022	2021
	\$	\$
General government	980,974	951,299
Protection services	3,902,019	4,116,466
Transportation services	13,895,602	13,012,684
Environmental services	1,706,186	1,784,274
Health services	1,235,449	1,286,582
Recreation and cultural services	5,622,519	5,627,055
	27,342,749	26,778,360

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

9. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure costs	(473,600)	(439,600)
Unfunded employee future benefits	(250,728)	(252,304)
	<u>(724,328)</u>	<u>(691,904)</u>
Invested In Capital Assets		
Tangible capital assets - net book value	27,342,749	26,778,360
Unfunded capital (b)	(230,593)	(406,470)
	<u>27,112,156</u>	<u>26,371,890</u>
Surplus	<u>26,387,828</u>	<u>25,679,986</u>
Reserves		
Working funds	1,720,369	1,720,368
Future acquisition of capital assets	14,008,991	12,975,265
Contingencies	467,458	467,458
Operations	1,521,635	1,600,168
Total Reserves	<u>17,718,453</u>	<u>16,763,259</u>
Reserve Funds		
Water system services	227,399	246,568
Library future development	26,733	44,385
Total Reserve Funds	<u>254,132</u>	<u>290,953</u>
	<u>44,360,413</u>	<u>42,734,198</u>

(b) Unfunded capital for Fire and Public Works are being internally financed through annual charges to operations.

	2022	2021
	\$	\$
Fire	230,593	361,231
Public Works	-	45,239
	<u>230,593</u>	<u>406,470</u>

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

10. BUDGET FIGURES

The budget, approved by the Municipality, for 2022 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.

11. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$73,066 (2021 - \$71,665) 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 2022-002. At December 31, 2022 there was no balance outstanding (2021 - \$Nil).

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.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

14. SEGMENTED INFORMATION, continued

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. COMMITMENT

During 2022, the Municipality entered into several tenders for the purchase of vehicles totaling \$1,341,471 which were not received by December 31, 2022.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2022

	General						Infrastructure			Totals
	Land	Land Improvements	Buildings	Vehicles	Machinery, Equipment & Fixtures	Books	Roads and Bridges	Water Systems	Assets Under Construction	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning 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
Add: additions during the year	-	125,106	9,362	1,052,490	82,073	21,330	1,111,114	-	248,175	2,649,650
Less: disposals during the year	-	-	-	407,817	-	21,669	253,560	-	-	683,046
Internal transfers	-	-	-	-	6,248	-	124,642	-	(130,890)	-
Balance, end of year	4,451,539	2,489,354	7,913,273	3,430,624	1,797,191	135,752	16,879,287	1,575,647	569,884	45,242,551
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	583,714	2,375,639	4,110,370	906,522	53,572	7,791,480	676,290	-	16,497,587
Add: additions during the year	-	102,797	232,558	625,843	164,302	18,652	892,775	29,656	-	2,066,583
Less: disposals during the year	-	-	-	407,817	-	21,669	234,882	-	-	664,368
Balance, end of year	-	686,511	2,608,197	4,328,396	1,070,824	50,555	8,449,373	705,946	-	17,899,802
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS										
	4,451,539	1,802,843	5,305,076	5,102,228	726,367	85,197	8,429,914	869,701	569,884	27,342,749

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	147,442	3,341,502	4,527,520	979,964	52,318	1,413,313	222,266	10,684,325
User charges	62,372	531,623	272,842	165,086	7,011	28,423	77,675	1,145,032
Government transfers - operating	1,353,900	9,053	-	-	-	34,446	-	1,397,399
Government transfers - capital	-	-	149,057	-	-	67,500	-	216,557
Other municipalities	-	300	-	-	-	-	-	300
Penalties and interest on taxes	215,454	-	-	-	-	-	-	215,454
Investment income	459,254	-	-	5,495	823	-	-	465,572
Development charges earned	-	1,851	65,341	-	-	-	10,000	77,192
Federal gas tax earned	-	-	120,782	-	-	-	-	120,782
Gain/(loss) on disposal of tangible capital assets	-	16,503	42,819	-	-	-	-	59,322
Other	-	-	-	-	11,000	4,983	99,356	115,339
Total revenues	2,238,422	3,900,832	5,178,361	1,150,545	71,152	1,548,665	409,297	14,497,274
Expenses								
Salaries and benefits	1,027,610	981,507	1,646,689	399,378	-	605,313	207,136	4,867,633
Materials	476,619	349,799	1,541,544	460,417	77,430	277,213	84,323	3,267,345
Contracted services	111,401	1,836,344	31,050	451,027	27,689	42,165	21,154	2,520,830
Rents and financial	6,350	-	-	-	-	-	-	6,350
External transfers	-	78,477	-	6,250	-	57,591	-	142,318
Amortization	66,440	292,430	1,375,453	78,088	51,133	203,039	-	2,066,583
Internal transfers	(31,872)	26,296	776	3,000	-	1,800	-	-
Total expenses	1,656,548	3,564,853	4,595,512	1,398,160	156,252	1,187,121	312,613	12,871,059
Net surplus/(deficit)	581,874	335,979	582,849	(247,615)	(85,100)	361,544	96,684	1,626,215

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 \$
Revenues								
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
Total revenues	1,543,572	4,550,819	5,370,165	1,087,580	48,592	1,132,281	350,362	14,083,371
Expenses								
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	-	-
Total expenses	1,391,748	3,703,517	4,307,507	996,341	160,403	1,001,566	275,172	11,836,254
Net surplus/(deficit)	151,824	847,302	1,062,658	91,239	(111,811)	130,715	75,190	2,247,117

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, 2022, 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, 2022, 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 15, 2023

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022 Cemetery Care and Maintenance \$	2021 Cemetery Care and Maintenance \$
FINANCIAL ASSETS		
Investments (note 2)	71,666	70,365
<u>Due from Cemetery operations</u>	<u>1,400</u>	<u>1,300</u>
	<u>73,066</u>	<u>71,665</u>
FUND BALANCE	73,066	71,665

TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2022

	2022 Cemetery Care and Maintenance \$	2021 Cemetery Care and Maintenance \$
BALANCE - beginning of year	71,665	69,596
RECEIPTS		
Investment income	2,194	1,900
Care and maintenance receipts	1,400	1,300
Capital gain on investments	1	769
	<u>3,595</u>	<u>3,969</u>
EXPENSES		
Transfer to Cemetery operations	1,617	1,312
Trustee fees	577	588
	<u>2,194</u>	<u>1,900</u>
BALANCE - end of year	73,066	71,665

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, 2022

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:

	2022	2021
	\$	\$
Scotiastart - bond common trust fund	21,062	20,698
Scotiastart - corporate bond common trust fund	50,597	49,660
Scotiastart - cash on hand	7	7
	<hr/>	<hr/>
	71,666	70,365
	<hr/>	<hr/>
Market Value	65,953	73,495

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, 2022

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, 2022, 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, 2022, 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.

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 15, 2023

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Due from Municipality of Trent Lakes (note 5)	26,733	44,385
NET FINANCIAL ASSETS	26,733	44,385
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	117,501	97,666
ACCUMULATED SURPLUS (note 4)	144,234	142,051

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Contributions from Municipality (note 5)			
Levy	239,590	239,590	233,381
Unallocated costs	4,700	6,658	9,390
Province of Ontario	29,100	29,073	29,073
Other grants	2,000	1,775	4,299
User fees	2,050	5,284	1,568
Fundraising and donations	18,700	16,570	1,805
TOTAL REVENUES	296,140	298,950	279,516
EXPENSES			
Salaries and benefits	216,000	234,233	187,696
Materials	28,700	19,524	23,786
Periodicals and programs	3,900	3,967	1,196
Janitorial service	6,670	1,783	5,500
Administrative services	1,800	1,800	1,800
Insurance	5,570	5,562	5,066
Repairs and maintenance	4,700	6,658	9,390
Amortization	20,063	23,240	20,063
TOTAL EXPENSES	287,403	296,767	254,497
ANNUAL SURPLUS	<u>8,737</u>	2,183	25,019
ACCUMULATED SURPLUS - beginning of year		142,051	117,032
ACCUMULATED SURPLUS - end of year		144,234	142,051

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	8,737	2,183	25,019
Amortization of tangible capital assets	20,063	23,240	20,063
Acquisition of tangible capital assets	(28,800)	(43,075)	(35,498)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	-	(17,652)	9,584
NET FINANCIAL ASSETS - beginning of year	44,385	44,385	34,801
NET FINANCIAL ASSETS - end of year	44,385	26,733	44,385

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, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	2,183	25,019
Items not involving cash		
Amortization of tangible capital assets	23,240	20,063
Change in non-cash assets and liabilities		
Due from Municipality of Trent Lakes	17,652	(9,584)
Net change in cash from operating activities	43,075	35,498
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(43,075)	(35,498)
NET CHANGE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

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, 2022

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
Building Improvements	20 years

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

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

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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. BUDGET FIGURES

The operating budget, approved by the Board, for 2022 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.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

3. TANGIBLE CAPITAL ASSETS

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

	Computers \$	Books \$	Furniture and Equipment \$	Building Improvements \$	2022 Totals \$	2021 Totals \$
COST						
Balance, beginning of year	37,939	136,091	4,670	-	178,700	157,784
Add: additions during the year	8,952	21,330	3,431	9,362	43,075	35,498
Less: disposals during the year	-	21,669	-	-	21,669	14,582
Balance, end of year	46,891	135,752	8,101	9,362	200,106	178,700
ACCUMULATED AMORTIZATION						
Balance, beginning of year	26,843	53,572	619	-	81,034	75,553
Add: additions during the year	3,966	18,652	622	-	23,240	20,063
Less: disposals during the year	-	21,669	-	-	21,669	14,582
Balance, end of year	30,809	50,555	1,241	-	82,605	81,034
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	16,082	85,197	6,860	9,362	117,501	97,666

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022 \$	2021 \$
Invested In Capital Assets		
Tangible capital assets - net book value	117,501	97,666
Surplus	117,501	97,666
Reserve Fund		
Future development	26,733	44,385
	144,234	142,051

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

5. 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:

	2022	2021
	\$	\$
Allocated costs:		
Administrative services	1,800	1,800
Insurance	5,562	5,066
	7,362	6,866
Unallocated costs:		
Repairs and maintenance	6,658	9,390
	14,020	16,256

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.