

**CORPORATION OF THE MUNICIPALITY  
OF TRENT LAKES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

**CORPORATION OF THE MUNICIPALITY  
OF TRENT LAKES**

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

**For The Year Ended December 31, 2025**

### **MANAGEMENT REPORT**

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

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


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

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

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

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

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
CAO/Treasurer

April 7, 2026

**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, 2025, 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, 2025, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
April 10, 2026



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	2025	2024
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	14,238,805	14,301,508
Accounts receivable	1,137,405	1,093,228
Taxes receivable	2,263,695	2,240,166
<b>TOTAL FINANCIAL ASSETS</b>	<b>17,639,905</b>	<b>17,634,902</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,516,038	2,989,650
Deferred revenue - obligatory reserve funds (note 3)	1,679,798	1,344,506
Deferred revenue - other	284,176	169,912
Long term debt (note 4)	2,963,649	3,000,000
Asset retirement obligation (note 5)	242,400	297,700
Employee future benefits (note 6)	287,743	269,478
<b>TOTAL LIABILITIES</b>	<b>6,973,804</b>	<b>8,071,246</b>
<b>NET FINANCIAL ASSETS</b>	<b>10,666,101</b>	<b>9,563,656</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 7)	39,128,114	39,795,057
Prepaid expenses	399,298	322,803
Inventory of materials and supplies	105,692	131,439
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>39,633,104</b>	<b>40,249,299</b>
<b>ACCUMULATED SURPLUS (note 8)</b>	<b>50,299,205</b>	<b>49,812,955</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2025

	Budget 2025 \$ (note 11)	Actual 2025 \$	Actual 2024 \$
<b>REVENUES</b>			
Property taxation	11,943,336	11,970,704	11,545,670
User charges	1,211,775	1,257,047	1,174,063
Government of Canada	-	-	5,625
Province of Ontario	1,879,524	2,239,809	1,652,478
Penalties and interest on taxes	235,000	299,065	284,890
Investment income	601,500	450,850	824,769
Development charges earned (note 3)	-	82,866	1,001,589
Canada Community-Building Fund earned (note 3)	810,878	-	243,000
Gain/(loss) on disposal of tangible capital assets	-	41,880	(113,449)
Other	227,200	433,623	408,681
<b>TOTAL REVENUES</b>	<b>16,909,213</b>	<b>16,775,844</b>	<b>17,027,316</b>
<b>EXPENSES</b>			
General government	1,981,162	1,604,566	1,732,327
Protection services	4,648,183	4,577,021	4,071,381
Transportation services	5,764,601	6,712,996	5,190,539
Environmental services	1,287,967	1,299,560	1,313,249
Health services	231,399	197,078	221,959
Recreation and cultural services	1,518,883	1,402,614	1,451,484
Planning and development	646,165	495,759	467,181
<b>TOTAL EXPENSES</b>	<b>16,078,360</b>	<b>16,289,594</b>	<b>14,448,120</b>
<b>ANNUAL SURPLUS</b>	<b>830,853</b>	<b>486,250</b>	<b>2,579,196</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>49,812,955</b>	<b>47,355,688</b>
<b>ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD</b>		<b>-</b>	<b>(121,929)</b>
<b>ACCUMULATED SURPLUS - beginning of year, as restated</b>		<b>49,812,955</b>	<b>47,233,759</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>50,299,205</b>	<b>49,812,955</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2025

	Budget 2025 \$ (note 11)	Actual 2025 \$	Actual 2024 \$
<b>ANNUAL SURPLUS</b>	830,853	486,250	2,579,196
Amortization of tangible capital assets	2,489,075	2,913,398	2,489,074
Purchase of tangible capital assets	(7,664,283)	(2,279,936)	(11,802,545)
Loss/(gain) on disposal of tangible capital assets	-	(41,880)	113,449
Proceeds on sale of tangible capital assets	-	75,361	39,000
Change in prepaid expenses	-	(76,495)	(32,239)
Change in inventory of materials and supplies	-	25,747	74,329
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(4,344,355)</b>	<b>1,102,445</b>	<b>(6,539,736)</b>
<b>NET FINANCIAL ASSETS - beginning of year</b>	<b>9,563,656</b>	<b>9,563,656</b>	<b>16,225,321</b>
<b>ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD</b>	<b>-</b>	<b>-</b>	<b>(121,929)</b>
<b>NET FINANCIAL ASSETS - beginning of year, as restated</b>	<b>9,563,656</b>	<b>9,563,656</b>	<b>16,103,392</b>
<b>NET FINANCIAL ASSETS - end of year</b>	<b>5,219,301</b>	<b>10,666,101</b>	<b>9,563,656</b>

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, 2025

	2025	2024
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	486,250	2,579,196
Items not involving cash		
Amortization of tangible capital assets	2,913,398	2,489,074
Loss/(gain) on disposal of tangible capital assets	(41,880)	113,449
Accretion expense	1,000	5,800
Change in employee future benefits	18,265	10,931
Change in non-cash assets and liabilities		
Accounts receivable	(44,177)	(188,245)
Taxes receivable	(23,529)	(446,302)
Prepaid expenses	(76,495)	(32,239)
Inventory of materials and supplies	25,747	74,329
Accounts payable and accrued liabilities	(1,473,612)	682,116
Deferred revenue - obligatory reserve funds	335,292	(840,496)
Deferred revenue - other	114,264	47,983
Asset retirement obligation remediation costs	(56,300)	(60,000)
<b>Net change in cash from operating activities</b>	<b>2,178,223</b>	<b>4,435,596</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(2,279,936)	(11,802,545)
Proceeds on disposal of tangible capital assets	75,361	39,000
<b>Net change in cash from capital activities</b>	<b>(2,204,575)</b>	<b>(11,763,545)</b>
<b>FINANCING ACTIVITIES</b>		
Long term debt proceeds	-	3,000,000
Debt principal repayments	(36,351)	-
<b>Net change in cash from financing activities</b>	<b>(36,351)</b>	<b>3,000,000</b>
<b>NET CHANGE IN CASH</b>	<b>(62,703)</b>	<b>(4,327,949)</b>
<b>CASH - beginning of year</b>	<b>14,301,508</b>	<b>18,629,457</b>
<b>CASH - end of year</b>	<b>14,238,805</b>	<b>14,301,508</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Reporting Entity

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

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

- Trent Lakes Public Library Board

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

#### (b) Trust Funds

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

#### (c) Inventories of Materials and Supplies

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

#### (d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, 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, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-financial Assets

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

(f) Recognition of Revenues and Expenses

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

Property 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.

Investment income is recorded in the year in which it is earned.

Canada Community-Building Fund and development charges 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.

(h) Employee Future Amounts Payable

The Municipality provides certain employee benefits which will require funding in future periods. These benefits include extended health benefits.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Financial Instruments

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

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

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

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

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

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

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



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (j) 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 amount recorded for asset retirement obligation is based on estimates of the assets with potential contaminants and management's estimate of the costs to retire those assets - See Note 1(l)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(d)
- Employee future amounts payable depend on certain actuarial and economic assumptions - See Note 1(h)
- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility

#### (k) 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.

#### (l) Asset Retirement Obligation

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

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

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

### 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 2025 Annual Report disclosed total actuarial liabilities of \$151,365 million in respect of benefits accrued for service with actuarial assets of \$150,043 million indicating an actuarial deficit of \$1,322 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 total contributions to OMERS in 2025 were \$736,968 (2024 - \$677,500) of which \$368,484 (2024 - \$338,750) was contributed by employees.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

### 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:

	2025	2024
	\$	\$
Development charges	102,664	52,398
Parkland	98,816	72,142
Canada Community-Building Fund	1,477,398	1,219,046
Parking	920	920
	1,679,798	1,344,506

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

	2025	2024
	\$	\$
Balance - beginning of year	1,344,506	2,185,002
Add amounts received:		
Development charges	129,832	119,959
Parkland fees	23,500	11,000
Canada Community-Building Fund	210,878	205,110
Interest	53,948	68,024
	418,158	404,093
Less transfer to operations:		
Development charges earned	82,866	1,001,589
Canada Community-Building Fund earned	-	243,000
	82,866	1,244,589
Balance - end of year	1,679,798	1,344,506

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

### 4. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2025	2024
	\$	\$
Debenture issued to Ontario Infrastructure and Lands Corporation (OILC) repayable in monthly blended instalments of \$15,129, interest at 4.46% per annum, due March 17, 2055.	2,963,649	3,000,000

- (b) Interest paid during the year on long term debt amounted to \$129,300 (2024 - \$Nil).

- (c) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2026	50,395	131,157	181,552
2027	52,689	128,863	181,552
2028	55,088	126,464	181,552
2029	57,596	123,956	181,552
2030	60,218	121,334	181,552
2031 to 2035	344,790	562,970	907,760
2036 and subsequent years	2,342,873	1,152,006	3,494,879
	2,963,649	2,346,750	5,310,399

### 5. ASSET RETIREMENT OBLIGATION

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

- (a) Landfill obligation

The Municipality owns six closed landfill sites. The liability for the post-closure costs for the sites has been estimated based upon the known obligations that existed at the year of closure of the sites and for 25 years after the closure date using a discount rate of 4.46% and an inflation rate of 3%. Currently there are between 3 and 10 years of remaining monitoring costs; however, the 25 year estimate could be extended based on the results of the monitoring.

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

	Landfill post-closure liability 2025	Landfill post-closure liability 2024
	\$	\$
<b>Asset Retirement Obligation</b>		
Opening balance	297,700	351,900
Post-closure costs incurred	(56,300)	(60,000)
Accretion expense	1,000	5,800
Closing balance	242,400	297,700

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

### 6. EMPLOYEE FUTURE AMOUNTS PAYABLE

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

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

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

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

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

	2025	2024
	\$	\$
Accrued benefit obligation at January 1	182,833	166,002
Unamortized actuarial gains	86,645	92,545
Liability at January 1	269,478	258,547
Current year benefit cost	15,587	14,623
Interest on post-employment benefit liability	8,578	7,676
Amortized actuarial loss (gain)	(5,900)	(5,900)
Less: benefit payments	-	(5,468)
<b>Liability at December 31</b>	<b>287,743</b>	<b>269,478</b>

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

### 7. TANGIBLE CAPITAL ASSETS

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

	2025	2024
	\$	\$
General		
Land	4,451,539	4,451,539
Land improvements	2,630,048	2,360,513
Buildings	14,550,847	15,014,265
Vehicles	5,704,275	6,547,261
Machinery, equipment & fixtures	631,282	673,413
Books	76,736	80,435
Infrastructure		
Roads and bridges	9,497,226	9,542,240
Water systems	816,755	843,286
	38,358,708	39,512,952
Assets under construction	769,406	282,105
	39,128,114	39,795,057

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

During the year there were no write-downs of assets (2024 - \$Nil), no interest capitalized (2024 - \$Nil) and no contributed assets (2024 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2025	2024
	\$	\$
General government	859,069	908,541
Protection services	4,625,914	4,557,979
Transportation services	24,974,648	25,586,974
Environmental services	1,551,633	1,598,649
Health services	1,117,298	1,142,598
Recreation and cultural services	5,999,552	6,000,316
	39,128,114	39,795,057

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

### 8. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2025	2024
	\$	\$
<b>Surplus/(Deficit)</b>		
Unfunded employee future benefits	(287,743)	(269,478)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	39,128,114	39,795,057
Long term debt	(2,963,649)	(3,000,000)
Unfunded capital (b)	(2,830,564)	(2,949,650)
Asset retirement obligation	(242,400)	(297,700)
	33,091,501	33,547,707
<b>Surplus</b>	32,803,758	33,278,229
<b>Reserves</b>		
Working funds	1,720,369	1,720,368
Future acquisition of capital assets	13,637,060	12,882,180
Contingencies	540,886	456,845
Operations	1,336,775	1,300,270
<b>Total Reserves</b>	17,235,090	16,359,663
<b>Reserve Funds</b>		
Water system services	199,894	168,168
Library future development	60,463	6,895
<b>Total Reserve Funds</b>	260,357	175,063
	50,299,205	49,812,955

(b) Unfunded capital consists of the following:

	2025	2024
	\$	\$
Dedicated Mechanic's Facility	2,830,564	2,949,650

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

### 9. FINANCIAL INSTRUMENTS

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

(a) Interest rate risk

Interest rate risk is the risk that the Municipality has interest rate exposure on its long term debt. This exposure is low as the debt has a fixed interest rate.

(b) Credit risk

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

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

In the opinion of management, the Municipality is not exposed to any significant market, liquidity or currency risk.

### 10. EXPENSES BY OBJECT

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

	Budget 2025 \$ (note 11)	Actual 2025 \$	Actual 2024 \$
Salaries and benefits	6,276,227	6,052,496	5,532,418
Interest charges	227,949	129,300	-
Materials	4,078,671	4,244,993	3,482,021
Contracted services	2,811,856	2,769,210	2,743,935
Rents and financial	8,500	1,327	36,563
External transfers	186,082	178,870	164,109
Amortization	2,489,075	2,913,398	2,489,074
	<b>16,078,360</b>	<b>16,289,594</b>	<b>14,448,120</b>

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2025

### 11. BUDGET FIGURES

The budget, approved by the Municipality differs from the budget reflected on the Consolidated Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Council's approved budget to the annual surplus reported on the Consolidated Statement of Operations and Accumulated Surplus:

	2025 \$
Council approved budgeted surplus	-
Tangible capital asset additions	7,664,283
Amortization of tangible capital assets	(2,489,075)
Principal repayment of long term debt	79,355
Transfers to/from reserves and reserve funds	(4,423,710)
<b>Annual surplus reported on the Consolidated Statement of Operations</b>	<b>830,853</b>

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

During 2025, 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	4,351,100	12,114,272
Taxation from other governments	10,333	44,403
<b>Amounts requisitioned and remitted</b>	<b>4,361,433</b>	<b>12,158,675</b>

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

### 13. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$81,877 (2024 - \$77,625) 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.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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### 14. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$500,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate per annum. Council authorized the temporary borrowing limit by By-law 2025-002. At December 31, 2025 there was no balance outstanding (2024 - \$Nil).

### 15. 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 and certain costs for local medical clinics.

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

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

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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### 15. SEGMENTED INFORMATION, continued

#### Planning and Development

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

### 16. 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.

### 17. COMMITMENT

During 2025, the Municipality entered into agreements for the construction of a joint fire and roads facility including engineering. The total cost for the agreements was \$7,605,295 plus HST. Total costs incurred to December 31, 2025 were \$343,603 plus HST.

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2025

	General						Infrastructure			Totals
	Land \$	Land Improvements \$	Buildings \$	Vehicles \$	Machinery, Equipment & Fixtures \$	Books \$	Roads and Bridges \$	Water Systems \$	Assets Under Construction \$	
<b>COST</b>										
Balance, beginning of year	4,451,539	3,276,471	8,006,139	1,424,759	2,000,788	146,921	19,173,355	1,608,638	282,105	60,370,715
Add: additions during the year	-	407,985	28,773	98,707	116,141	17,889	1,118,837	4,303	487,301	2,279,936
Less: disposals during the year	-	-	-	543,040	93,290	17,589	89,133	-	-	743,052
Balance, end of year	4,451,539	3,684,456	8,034,912	980,426	2,023,639	147,221	20,203,059	1,612,941	769,406	61,907,599
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	-	915,958	2,991,874	4,877,498	1,327,375	66,486	9,631,115	765,352	-	20,575,658
Add: additions during the year	-	138,450	492,191	941,693	151,208	21,588	1,137,434	30,834	-	2,913,398
Less: disposals during the year	-	-	-	543,040	86,226	17,589	62,716	-	-	709,571
Balance, end of year	-	1,054,408	3,484,065	5,276,151	1,392,357	70,485	10,705,833	796,186	-	22,779,485
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	4,451,539	2,630,048	4,550,847	5,704,275	631,282	76,736	9,497,226	816,755	769,406	39,128,114

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2025

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	(490,773)	4,716,685	4,437,165	855,067	155,100	1,800,795	496,665	11,970,704
User charges	29,842	378,682	393,746	263,632	8,570	38,685	143,890	1,257,047
Government transfers - operating	1,555,400	49,320	503,000	-	-	29,073	-	2,136,793
Government transfers - capital	-	-	103,016	-	-	-	-	103,016
Penalties and interest on taxes	299,065	-	-	-	-	-	-	299,065
Investment income	438,183	-	-	8,455	4,212	-	-	450,850
Development charges earned	-	-	82,866	-	-	-	-	82,866
Gain/(loss) on disposal of tangible capital assets	-	66,143	(26,417)	-	-	2,154	-	41,880
Other	22,124	72,675	42,838	220,457	27,500	18,033	29,996	433,623
<b>Total revenues</b>	<b>1,853,841</b>	<b>5,283,505</b>	<b>5,536,214</b>	<b>1,347,611</b>	<b>195,382</b>	<b>1,888,740</b>	<b>670,551</b>	<b>16,775,844</b>
<b>Expenses</b>								
Salaries and benefits	1,076,086	1,582,430	2,009,652	478,307	-	680,901	225,120	6,052,496
Interest charges	-	-	129,300	-	-	-	-	129,300
Materials	390,564	590,448	2,384,720	325,765	77,690	392,253	83,553	4,244,993
Contracted services	128,091	1,916,944	46,504	409,328	67,936	13,321	187,086	2,769,210
Rents and financial	327	-	-	1,000	-	-	-	1,327
External transfers	-	104,226	-	7,435	5,100	62,109	-	178,870
Amortization	68,858	382,973	2,088,260	74,725	46,352	252,230	-	2,913,398
Internal transfers	(59,360)	-	54,560	3,000	-	1,800	-	-
<b>Total expenses</b>	<b>1,604,566</b>	<b>4,577,021</b>	<b>6,712,996</b>	<b>1,299,560</b>	<b>197,078</b>	<b>1,402,614</b>	<b>495,759</b>	<b>16,289,594</b>
<b>Net surplus/(deficit)</b>	<b>249,275</b>	<b>706,484</b>	<b>(1,176,782)</b>	<b>48,051</b>	<b>(1,696)</b>	<b>486,126</b>	<b>174,792</b>	<b>486,250</b>

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2024

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	(398,655)	4,445,014	4,304,843	929,993	130,400	1,793,779	340,296	11,545,670
User charges	21,511	522,542	253,509	225,554	12,925	45,436	92,586	1,174,063
Government transfers - operating	1,409,800	87,999	-	-	-	29,073	-	1,526,872
Government transfers - capital	-	-	125,606	-	-	5,625	-	131,231
Penalties and interest on taxes	284,890	-	-	-	-	-	-	284,890
Investment income	809,291	-	-	13,692	1,786	-	-	824,769
Development charges earned	38,356	80,497	803,947	-	-	78,789	-	1,001,589
Canada Community-Building Fund earned	-	-	243,000	-	-	-	-	243,000
Gain/(loss) on disposal of tangible capital assets	-	-	(113,449)	-	-	-	-	(113,449)
Other	3,638	32,335	-	194,778	60,000	4,971	112,959	408,681
<b>Total revenues</b>	<b>2,168,831</b>	<b>5,168,387</b>	<b>5,617,456</b>	<b>1,364,017</b>	<b>205,111</b>	<b>1,957,673</b>	<b>545,841</b>	<b>17,027,316</b>
<b>Expenses</b>								
Salaries and benefits	1,041,385	1,396,468	1,747,151	437,211	-	699,608	210,595	5,532,418
Materials	475,048	446,036	1,611,419	355,280	80,638	410,267	103,333	3,482,021
Contracted services	121,037	1,823,347	87,441	431,006	87,022	40,829	153,253	2,743,935
Rents and financial	30,763	-	-	5,800	-	-	-	36,563
External transfers	-	96,581	-	5,939	3,000	58,589	-	164,109
Amortization	68,894	308,949	1,744,528	75,013	51,299	240,391	-	2,489,074
Internal transfers	(4,800)	-	-	3,000	-	1,800	-	-
<b>Total expenses</b>	<b>1,732,327</b>	<b>4,071,381</b>	<b>5,190,539</b>	<b>1,313,249</b>	<b>221,959</b>	<b>1,451,484</b>	<b>467,181</b>	<b>14,448,120</b>
<b>Net surplus/(deficit)</b>	<b>436,504</b>	<b>1,097,006</b>	<b>426,917</b>	<b>50,768</b>	<b>(16,848)</b>	<b>506,189</b>	<b>78,660</b>	<b>2,579,196</b>

## **INDEPENDENT AUDITOR'S REPORT**

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

#### *Opinion*

We have audited the financial statements of the Trust Fund of the Corporation of the Municipality of Trent Lakes (the Trust Fund), which comprise the statement of financial position as at December 31, 2025, 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 financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2025, and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

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

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

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

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

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

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

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

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

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

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
April 10, 2026

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2025

	2025 Cemetery Care and Maintenance \$	2024 Cemetery Care and Maintenance \$
<b>FINANCIAL ASSETS</b>		
Investments (note 2)	78,097	75,000
<u>Due from Cemetery operations</u>	<u>3,780</u>	<u>2,625</u>
	<u>81,877</u>	<u>77,625</u>
<b>FUND BALANCE</b>	<b>81,877</b>	<b>77,625</b>

## TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2025

	2025 Cemetery Care and Maintenance \$	2024 Cemetery Care and Maintenance \$
<b>BALANCE - beginning of year</b>	<b>77,625</b>	<b>71,582</b>
<b>RECEIPTS</b>		
Investment income	3,057	2,660
Unrealized gain	474	3,725
Care and maintenance receipts	3,780	2,625
	<u>7,311</u>	<u>9,010</u>
<b>EXPENSES</b>		
Transfer to Cemetery operations	2,381	2,327
Trustee fees	678	640
	<u>3,059</u>	<u>2,967</u>
<b>BALANCE - end of year</b>	<b>81,877</b>	<b>77,625</b>

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, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

### 2. INVESTMENTS

Included in investments are the following investments recorded at market value:

	2025	2024
	\$	\$
Scotiastart - bond common trust fund	23,362	22,521
Scotiastart - corporate bond common trust fund	54,727	52,472
Scotiastart - cash on hand	8	7
	<u>78,097</u>	<u>75,000</u>

### 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, monuments, markers and niches. 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, 2025**

## **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, 2025, 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, 2025, 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) and cash flows from operations for the years ended December 31, 2025 and 2024, and assets and accumulated surplus as at December 31, 2025 and 2024. Our opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this scope limitation.

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

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

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

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

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

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

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

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

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

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
April 10, 2026

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2025

	2025	2024
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Municipality of Trent Lakes (note 4)	60,463	6,895
<b>NET FINANCIAL ASSETS</b>	60,463	6,895
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	117,858	127,581
<b>ACCUMULATED SURPLUS (note 3)</b>	178,321	134,476

*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, 2025

	Budget 2025 \$ (note 6)	Actual 2025 \$	Actual 2024 \$
<b>REVENUES</b>			
Contributions from Municipality (note 4)			
Levy	287,211	287,211	287,211
Development charges	-	-	6,500
Unallocated costs	5,400	9,402	7,835
Province of Ontario	29,836	29,073	29,073
Other grants	3,000	2,950	2,115
User fees	1,700	2,531	1,768
Fundraising and donations	21,200	21,618	21,457
WSIB refund	-	4,685	-
<b>TOTAL REVENUES</b>	<b>348,347</b>	<b>357,470</b>	<b>355,959</b>
<b>EXPENSES</b>			
Salaries and benefits	256,761	220,532	247,224
Materials	46,645	36,403	45,700
Periodicals and programs	7,441	3,720	3,089
Janitorial service	-	286	15
Professional services	3,300	9,555	25,374
Insurance (note 4)	7,800	6,105	7,463
Repairs and maintenance (note 4)	5,400	9,402	7,835
Amortization	29,659	27,622	29,659
<b>TOTAL EXPENSES</b>	<b>357,006</b>	<b>313,625</b>	<b>366,359</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(8,659)</u></b>	<b>43,845</b>	<b>(10,400)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>134,476</b>	<b>144,876</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>178,321</b>	<b>134,476</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2025

	Budget 2025 \$ (note 6)	Actual 2025 \$	Actual 2024 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(8,659)	43,845	(10,400)
Amortization of tangible capital assets	29,659	27,622	29,659
Acquisition of tangible capital assets	(21,000)	(17,899)	(17,240)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	-	53,568	2,019
<b>NET FINANCIAL ASSETS - beginning of year</b>	6,895	6,895	4,876
<b>NET FINANCIAL ASSETS - end of year</b>	6,895	60,463	6,895

*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, 2025

	2025	2024
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	43,845	(10,400)
Items not involving cash		
Amortization of tangible capital assets	27,622	29,659
Change in non-cash assets and liabilities		
Due from Municipality of Trent Lakes	(53,568)	(2,019)
<b>Net change in cash from operating activities</b>	<b>17,899</b>	<b>17,240</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(17,899)	(17,240)
<b>NET CHANGE IN CASH</b>	<b>-</b>	<b>-</b>
<b>CASH - beginning of year</b>	<b>-</b>	<b>-</b>
<b>CASH - end of year</b>	<b>-</b>	<b>-</b>

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

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

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

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

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

(b) Use of Estimates

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

- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(c)

(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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, 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, 2025

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1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Financial Instruments

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

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

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

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

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

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

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

(e) Non-Financial Assets

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



# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2025

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Reserves and Reserve Funds

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

(g) Inter-Entity Transactions

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

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

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

### 2. TANGIBLE CAPITAL ASSETS

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

	Computers \$	Books \$	Furniture and Equipment \$	Building Improvements \$	2025 Totals \$	2024 Totals \$
<b>COST</b>						
Balance, beginning of year	49,956	146,921	8,101	33,794	238,772	239,295
Add: additions during the year	-	17,899	-	-	17,899	17,240
Less: disposals during the year	7,062	23,209	-	-	30,271	17,763
Balance, end of year	42,894	141,611	8,101	33,794	226,400	238,772
<b>ACCUMULATED AMORTIZATION</b>						
Balance, beginning of year	39,605	66,486	2,942	2,158	111,191	99,295
Add: additions during the year	3,803	21,588	541	1,690	27,622	29,659
Less: disposals during the year	7,062	23,209	-	-	30,271	17,763
Balance, end of year	36,346	64,865	3,483	3,848	108,542	111,191
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	6,548	76,746	4,618	29,946	117,858	127,581

# CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

## TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2025

### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2025	2024
	\$	\$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	117,858	127,581
<b>Surplus</b>	117,858	127,581
<b>Reserve Fund</b>		
Future development	60,463	6,895
	178,321	134,476

### 4. INTER-ENTITY TRANSACTIONS

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

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

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

	2025	2024
	\$	\$
Allocated costs:		
Accounting and legal services	9,555	1,800
Insurance	6,105	7,463
	15,660	9,263
Unallocated costs:		
Repairs and maintenance	9,402	7,835
	25,062	17,098

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

- Professional fees
- 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, 2025**

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**5. FINANCIAL INSTRUMENTS**

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

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

**6. BUDGET FIGURES**

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Board's approved budget to the annual surplus/(deficit):

	2025
	\$
Board approved budgeted surplus	-
Tangible capital asset additions	21,000
Amortization of tangible capital assets	(29,659)
<b>Annual surplus/(deficit) reported on the Statement of Operations</b>	<b>(8,659)</b>