

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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 - 19
Schedule of Tangible Capital Assets	20
Schedules of Segment Disclosure	21 - 22
TRUST FUND	
Independent Auditor's Report	23
Statement of Financial Position	25
Statement of Continuity	25
Notes to the Financial Statements	26
LOCAL BOARD	
Trent Lakes Public Library Board	27 - 38



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

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

For The Year Ended December 31, 2024

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.

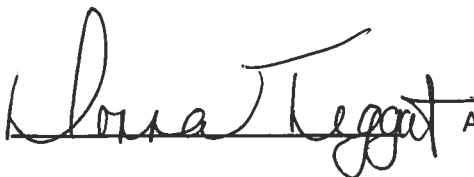
The Municipality's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

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 8, 2025

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, 2024, 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, 2024, 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 8, 2025



CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash	14,301,508	18,629,457
Accounts receivable	1,093,228	904,983
Taxes receivable	2,240,166	1,793,864
TOTAL FINANCIAL ASSETS	17,634,902	21,328,304
LIABILITIES		
Accounts payable and accrued liabilities	2,989,650	2,307,534
Deferred revenue - obligatory reserve funds (note 4)	1,344,506	2,185,002
Deferred revenue - other	169,912	-
Long term debt (note 5)	3,000,000	-
Asset retirement obligation (note 6)	297,700	351,900
Employee future benefits (note 7)	269,478	258,547
TOTAL LIABILITIES	8,071,246	5,102,983
NET FINANCIAL ASSETS	9,563,656	16,225,321
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	39,795,057	30,634,035
Prepaid expenses	322,803	290,564
Inventory of materials and supplies	131,439	205,768
TOTAL NON-FINANCIAL ASSETS	40,249,299	31,130,367
ACCUMULATED SURPLUS (note 9)	49,812,955	47,355,688

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, 2024

	Budget 2024 \$ (note 12)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Property taxation	11,456,868	11,545,670	11,086,710
User charges	1,092,396	1,174,063	1,039,397
Government of Canada	-	5,625	50,877
Province of Ontario	1,632,518	1,652,478	1,638,301
Penalties and interest on taxes	195,000	284,890	216,296
Investment income	601,500	824,769	986,758
Donated tangible capital assets	-	-	1,368,248
Development charges earned (note 4)	1,623,554	1,001,589	101,462
Canada Community-Building Fund earned (note 4)	202,443	243,000	225,002
Other	232,500	408,681	148,181
TOTAL REVENUES	17,036,779	17,140,765	16,861,232
EXPENSES			
General government	1,889,869	1,732,327	1,768,132
Protection services	4,314,152	4,071,381	4,139,570
Transportation services	5,140,970	5,303,988	5,010,385
Environmental services	1,317,858	1,313,249	1,243,268
Health services	236,180	221,959	161,570
Recreation and cultural services	1,400,455	1,451,484	1,229,565
Planning and development	480,250	467,181	313,467
TOTAL EXPENSES	14,779,734	14,561,569	13,865,957
ANNUAL SURPLUS	2,257,045	2,579,196	2,995,275
ACCUMULATED SURPLUS - beginning of year		47,355,688	44,360,413
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 2)		(121,929)	-
ACCUMULATED SURPLUS - beginning of year, as restated		47,233,759	44,360,413
ACCUMULATED SURPLUS - end of year		49,812,955	47,355,688

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, 2024

	Budget 2024 \$ (note 12)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS	2,257,045	2,579,196	2,995,275
Amortization of tangible capital assets	2,312,222	2,489,074	2,312,842
Purchase of tangible capital assets	(13,560,407)	(11,802,545)	(4,289,732)
Loss/(gain) on disposal of tangible capital assets	-	113,449	(40,673)
Proceeds on sale of tangible capital assets	-	39,000	94,525
Contributed capital assets	-	-	(1,368,248)
Change in prepaid expenses	-	(32,239)	16,790
Change in inventory of materials and supplies	-	74,329	(93,412)
DECREASE IN NET FINANCIAL ASSETS	(8,991,140)	(6,539,736)	(372,633)
NET FINANCIAL ASSETS - beginning of year	16,225,321	16,225,321	16,597,954
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 2)	-	(121,929)	-
NET FINANCIAL ASSETS - beginning of year, as restated	16,225,321	16,103,392	16,597,954
NET FINANCIAL ASSETS - end of year	7,234,181	9,563,656	16,225,321

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, 2024

	2024 \$	2023 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	2,579,196	2,995,275
Items not involving cash		
Amortization of tangible capital assets	2,489,074	2,312,842
Loss/(gain) on disposal of tangible capital assets	113,449	(40,673)
Contributed capital assets	-	(1,368,248)
Change in asset retirement obligation	(54,200)	351,900
Change in landfill post-closure liability	-	(473,600)
Change in employee future benefits	10,931	7,819
Change in non-cash assets and liabilities		
Accounts receivable	(188,245)	(282,073)
Taxes receivable	(446,302)	(259,662)
Prepaid expenses	(32,239)	16,790
Inventory of materials and supplies	74,329	(93,412)
Accounts payable and accrued liabilities	682,116	808,513
Deferred revenue - obligatory reserve funds	(840,496)	92,155
Deferred revenue - other	47,983	-
Net change in cash from operating activities	4,435,596	4,067,626
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(11,802,545)	(4,289,732)
Proceeds on disposal of tangible capital assets	39,000	94,525
Net change in cash from capital activities	(11,763,545)	(4,195,207)
FINANCING ACTIVITIES		
Long term debt proceeds	3,000,000	-
NET CHANGE IN CASH	(4,327,949)	(127,581)
CASH - beginning of year	18,629,457	18,757,038
CASH - end of year	14,301,508	18,629,457

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, 2024

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, 2024

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 Benefits

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, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) 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:

- Asset retirement obligation is based on estimated future costs - See Note 1(k)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(d)
- Employee future benefits 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

(j) 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.

(k) 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.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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, 2024

2. CHANGES IN ACCOUNTING POLICIES

The Municipality has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'.

In accordance with the provisions of this new standard, which has been applied prospectively, the Municipality reflected the following adjustments at January 1, 2024:

- An increase of \$121,929 to deferred revenue - other and corresponding decrease to accumulated surplus related to the estimated unearned portion of building permit fees due to outstanding performance obligations at December 31, 2023.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

3. 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 2024 Annual Report disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets of \$139,576 million indicating an actuarial deficit of \$2,913 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 2024 were \$677,500 (2023 - \$568,620) of which \$338,750 (2023 - 284,310) was contributed by employees.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

4. 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:

	2024	2023
	\$	\$
Development charges	52,398	930,177
Parkland	72,142	57,556
Canada Community-Building Fund	1,219,046	1,196,349
Parking	920	920
	1,344,506	2,185,002

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

	2024	2023
	\$	\$
Balance - beginning of year	2,185,002	2,092,847
Add amounts received:		
Development charges	119,959	107,149
Parkland fees	11,000	19,000
Canada Community-Building Fund	205,110	178,609
Interest	68,024	113,861
	404,093	418,619
Less transfer to operations:		
Development charges earned	1,001,589	101,462
Canada Community-Building Fund earned	243,000	225,002
	1,244,589	326,464
Balance - end of year	1,344,506	2,185,002

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

5. LONG TERM DEBT

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

	2024	2023
	\$	\$
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 (c)	3,000,000	-

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

	Principal	Interest	Total
	\$	\$	\$
2025	36,351	99,813	136,164
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 to 2034	329,778	577,982	907,760
2035 and subsequent years	2,418,103	1,258,328	3,676,431
	3,000,000	2,446,563	5,446,563

- (c) At December 31, 2024 the amount was recorded as an advance from OILC. It was converted to a 30 year amortizing debenture on March 17, 2025. The repayment schedule is based on the terms of the issued debenture.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

6. ASSET RETIREMENT OBLIGATION

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

(a) Landfill obligation

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

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

	Landfill post-closure liability 2024 \$	Landfill post-closure liability 2023 \$
Asset Retirement Obligation		
Opening balance	351,900	-
Adjustment on adoption of the asset retirement obligation standard	-	473,600
Opening balance, as restated	351,900	473,600
Post-closure costs incurred	(60,000)	(54,000)
Revaluation of liability	-	(67,700)
Accretion expense	5,800	-
Closing balance	297,700	351,900

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

7. EMPLOYEE FUTURE BENEFITS

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:

	2024	2023
	\$	\$
Accrued benefit obligation at January 1	166,002	152,338
Unamortized actuarial gains	92,545	98,390
Liability at January 1	258,547	250,728
Current year benefit cost	14,623	13,719
Interest on post-employment benefit liability	7,676	7,005
Amortized actuarial loss (gain)	(5,900)	(5,845)
Less: benefit payments	(5,468)	(7,060)
Liability at December 31	269,478	258,547

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

8. TANGIBLE CAPITAL ASSETS

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

	2024	2023
	\$	\$
General		
Land	4,451,539	4,451,539
Land improvements	2,360,513	1,920,628
Buildings	15,014,265	5,375,542
Vehicles	6,547,261	5,748,575
Machinery, equipment & fixtures	673,413	716,550
Books	80,435	86,510
Infrastructure		
Roads and bridges	9,542,240	10,051,730
Water systems	843,286	873,690
	39,512,952	29,224,764
Assets under construction	282,105	1,409,271
	39,795,057	30,634,035

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

During the year there were no write-downs of assets (2023 - \$Nil), no interest capitalized (2023 - \$Nil) and no contributed assets (2023 - \$1,368,248).

Tangible capital assets allocated by segment are as follows:

	2024	2023
	\$	\$
General government	908,541	977,149
Protection services	4,557,979	3,753,702
Transportation services	25,586,974	17,146,189
Environmental services	1,598,649	1,664,154
Health services	1,142,598	1,193,354
Recreation and cultural services	6,000,316	5,899,487
	39,795,057	30,634,035

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

9. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2024 \$	2023 \$
Surplus/(Deficit)		
Unfunded operating costs	-	(136,500)
Unfunded employee future benefits	(269,478)	(258,547)
	(269,478)	(395,047)
Invested In Capital Assets		
Tangible capital assets - net book value	39,795,057	30,634,035
Long term debt	(3,000,000)	-
Unfunded capital (b)	(2,949,650)	(126,458)
Asset retirement obligation	(297,700)	(351,900)
	33,547,707	30,155,677
Surplus	33,278,229	29,760,630
Reserves		
Working funds	1,720,368	1,720,368
Future acquisition of capital assets	12,882,180	13,854,404
Contingencies	456,845	460,911
Operations	1,300,270	1,335,468
Total Reserves	16,359,663	17,371,151
Reserve Funds		
Water system services	168,168	219,031
Library future development	6,895	4,876
Total Reserve Funds	175,063	223,907
	49,812,955	47,355,688

(b) Unfunded capital consists of the following:

	2024 \$	2023 \$
Dedicated Mechanic's Facility	2,949,650	-
Fire internal debt	-	126,458
	2,949,650	126,458

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

10. 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.

11. EXPENSES BY OBJECT

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

	Budget 2024 \$ (note 12)	Actual 2024 \$	Actual 2023 \$
Salaries and benefits	5,806,585	5,532,418	5,292,777
Materials	3,706,809	3,482,021	3,448,314
Contracted services	2,767,544	2,743,935	2,420,886
Rents and financial	8,500	36,563	7,717
External transfers	178,074	164,109	424,094
Amortization	2,312,222	2,489,074	2,312,842
Loss (gain) on disposal of tangible capital assets	-	113,449	(40,673)
	14,779,734	14,561,569	13,865,957

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

12. 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:

	2024 \$
Council approved budgeted surplus	-
Tangible capital asset additions	13,560,407
Amortization of tangible capital assets	(2,312,222)
Long term debt proceeds	(6,173,196)
Principal repayments of internal debt	126,458
Transfers to/from reserves and reserve funds	(3,080,902)
Change in unfunded operating costs	136,500
Annual surplus reported on the Consolidated Statement of Operations	2,257,045

13. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2024, 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	4,354,450	11,049,803
Taxation from other governments	7,850	39,082
Amounts requisitioned and remitted	4,362,300	11,088,885

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

14. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$77,625 (2023 - \$71,582) 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, 2024

15. 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 2024-002. At December 31, 2024 there was no balance outstanding (2023 - \$Nil).

16. SEGMENTED INFORMATION

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

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

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

General Government

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

Protection Services

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

Transportation Services

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

Environmental Services

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

Health Services

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

Recreation and Cultural Services

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

Planning and Development

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

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

17. 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.

18. COMPARATIVE FIGURES

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

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2024

	General						Infrastructure			
	Land \$	Land Improvements \$	Buildings \$	Vehicles \$	Machinery, Equipment & Fixtures \$	Books \$	Roads and Bridges \$	Water Systems \$	Assets Under Construction \$	Totals \$
COST										
Balance, beginning of year	4,451,539	2,716,192	8,216,765	10,174,216	1,904,379	147,444	18,831,558	1,608,638	1,409,271	49,460,002
Add: additions during the year	-	560,279	10,019,026	1,586,986	106,672	17,240	639,508	-	(1,127,166)	11,802,545
Less: disposals during the year	-	-	229,652	336,443	10,263	17,763	297,711	-	-	891,832
Balance, end of year	4,451,539	3,276,471	18,006,139	11,424,759	2,000,788	146,921	19,173,355	1,608,638	282,105	60,370,715
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	795,564	2,841,223	4,425,641	1,187,829	60,934	8,779,828	734,948	-	18,825,967
Add: additions during the year	-	120,394	248,769	788,300	149,810	23,315	1,128,082	30,404	-	2,489,074
Less: disposals during the year	-	-	98,118	336,443	10,264	17,763	276,795	-	-	739,383
Balance, end of year	-	915,958	2,991,874	4,877,498	1,327,375	66,486	9,631,115	765,352	-	20,575,658
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,451,539	2,360,513	15,014,265	6,547,261	673,413	80,435	9,542,240	843,286	282,105	39,795,057

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 \$
Revenues								
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
Other	3,638	32,335	-	194,778	60,000	4,971	112,959	408,681
Total revenues	2,168,831	5,168,387	5,730,905	1,364,017	205,111	1,957,673	545,841	17,140,765
Expenses								
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
Loss (gain) on disposal of tangible capital assets	-	-	113,449	-	-	-	-	113,449
Internal transfers	(4,800)	-	-	3,000	-	1,800	-	-
Total expenses	1,732,327	4,071,381	5,303,988	1,313,249	221,959	1,451,484	467,181	14,561,569
Net surplus/(deficit)	436,504	1,097,006	426,917	50,768	(16,848)	506,189	78,660	2,579,196

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	55,912	3,913,841	4,085,713	1,070,643	65,912	1,636,312	258,377	11,086,710
User charges	21,225	464,757	286,732	140,162	10,190	41,311	75,020	1,039,397
Government transfers - operating	1,380,100	80,607	-	-	-	29,073	-	1,489,780
Government transfers - capital	-	-	141,021	-	-	58,377	-	199,398
Penalties and interest on taxes	216,296	-	-	-	-	-	-	216,296
Investment income	971,053	-	-	12,526	3,179	-	-	986,758
Donated tangible capital assets	-	23,299	1,344,949	-	-	-	-	1,368,248
Development charges earned	25,682	-	66,152	-	-	9,628	-	101,462
Canada Community-Building Fund earned	-	-	191,358	33,644	-	-	-	225,002
Other	63,138	-	-	-	10,300	4,323	70,420	148,181
Total revenues	2,733,406	4,482,504	6,115,925	1,256,975	89,581	1,779,024	403,817	16,861,232
Expenses								
Salaries and benefits	1,046,259	1,324,065	1,649,303	422,067	-	636,854	214,229	5,292,777
Materials	516,416	362,166	1,695,059	417,451	83,083	311,606	62,533	3,448,314
Contracted services	133,689	1,784,961	87,958	318,823	22,207	36,543	36,705	2,420,886
Rents and financial	7,717	-	-	-	-	-	-	7,717
External transfers	-	359,013	-	6,250	6,000	52,831	-	424,094
Amortization	70,880	304,941	1,607,108	75,677	50,280	203,956	-	2,312,842
Loss (gain) on disposal of tangible capital assets	2,728	(333)	(29,043)	-	-	(14,025)	-	(40,673)
Internal transfers	(9,557)	4,757	-	3,000	-	1,800	-	-
Total expenses	1,768,132	4,139,570	5,010,385	1,243,268	161,570	1,229,565	313,467	13,865,957
Net surplus/(deficit)	965,274	342,934	1,105,540	13,707	(71,989)	549,459	90,350	2,995,275

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, 2024, 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, 2024, 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 8, 2025

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024 Cemetery Care and Maintenance \$	2023 Cemetery Care and Maintenance \$
FINANCIAL ASSETS		
Investments (note 2)	75,000	69,022
Due from Cemetery operations	2,625	2,560
	77,625	71,582
FUND BALANCE	77,625	71,582

TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2024

	2024 Cemetery Care and Maintenance \$	2023 Cemetery Care and Maintenance \$
BALANCE - beginning of year	71,582	73,066
RECEIPTS		
Investment income	2,660	2,602
Unrealized gain	3,725	-
Care and maintenance receipts	2,625	2,560
	9,010	5,162
EXPENSES		
Transfer to Cemetery operations	2,327	2,142
Trustee fees	640	584
Unrealized loss	-	3,920
	2,967	6,646
BALANCE - end of year	77,625	71,582

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, 2024

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:

	2024 \$	2023 \$
Scotiast - bond common trust fund	22,521	21,861
Scotiast - corporate bond common trust fund	52,472	47,154
Scotiast - cash on hand	7	7
	75,000	69,022
Market Value	75,000	69,022

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, 2024

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

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, 2024, 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, 2024, 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, 2024 and 2023, and assets and accumulated surplus as at December 31, 2024 and 2023. Our opinion on the financial statements for the year ended December 31, 2023 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.

ASSURANCE • TAX • ADVISORY

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

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 8, 2025

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Due from Municipality of Trent Lakes (note 4)	6,895	4,876
NET FINANCIAL ASSETS	6,895	4,876
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	127,581	140,000
ACCUMULATED SURPLUS (note 3)	134,476	144,876

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, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Contributions from Municipality (note 4)			
Levy	287,211	287,211	252,900
Development charges	6,500	6,500	-
Unallocated costs	5,400	7,835	12,672
Province of Ontario	29,100	29,073	29,073
Other grants	2,000	2,115	2,276
User fees	2,200	1,768	2,844
Fundraising and donations	17,500	21,457	22,992
TOTAL REVENUES	349,911	355,959	322,757
EXPENSES			
Salaries and benefits	256,761	247,224	243,230
Materials	45,700	45,700	23,842
Periodicals and programs	3,950	3,089	3,812
Janitorial service	500	15	43
Professional services	1,800	25,374	1,800
Insurance (note 4)	6,800	7,463	6,689
Repairs and maintenance (note 4)	5,400	7,835	12,672
Amortization	30,027	29,659	30,027
TOTAL EXPENSES	350,938	366,359	322,115
ANNUAL SURPLUS/(DEFICIT)	<u>(1,027)</u>	(10,400)	642
ACCUMULATED SURPLUS - beginning of year		144,876	144,234
ACCUMULATED SURPLUS - end of year		134,476	144,876

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, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS/(DEFICIT)	(1,027)	(10,400)	642
Amortization of tangible capital assets	30,027	29,659	30,027
Acquisition of tangible capital assets	(29,000)	(17,240)	(52,526)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	-	2,019	(21,857)
NET FINANCIAL ASSETS - beginning of year	4,876	4,876	26,733
NET FINANCIAL ASSETS - end of year	4,876	6,895	4,876

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, 2024

	2024	2023
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(10,400)	642
Items not involving cash		
Amortization of tangible capital assets	29,659	30,027
Change in non-cash assets and liabilities		
Due from Municipality of Trent Lakes	(2,019)	21,857
Net change in cash from operating activities	17,240	52,526
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(17,240)	(52,526)
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, 2024

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 - 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.

(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.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

(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.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 \$	2024 Totals \$	2023 Totals \$
COST						
Balance, beginning of year	49,956	147,444	8,101	33,794	239,295	200,106
Add: additions during the year	-	17,240	-	-	17,240	52,526
Less: disposals during the year	-	17,763	-	-	17,763	13,337
Balance, end of year	49,956	146,921	8,101	33,794	238,772	239,295
ACCUMULATED AMORTIZATION						
Balance, beginning of year	35,802	60,934	2,091	468	99,295	82,605
Add: additions during the year	3,803	23,315	851	1,690	29,659	30,027
Less: disposals during the year	-	17,763	-	-	17,763	13,337
Balance, end of year	39,605	66,486	2,942	2,158	111,191	99,295
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	10,351	80,435	5,159	31,636	127,581	140,000

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 \$	2023 \$
Invested In Capital Assets		
Tangible capital assets - net book value	127,581	140,000
Surplus	127,581	140,000
Reserve Fund		
Future development	6,895	4,876
	134,476	144,876

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:

	2024 \$	2023 \$
Allocated costs:		
Professional services	1,800	1,800
Insurance	7,463	6,689
	9,263	8,489
Unallocated costs:		
Repairs and maintenance	7,835	12,672
	17,098	21,161

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

- Professional services
- Rental of buildings

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

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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):

	2024
	\$
Board approved budgeted surplus	-
Tangible capital asset additions	29,000
Amortization of tangible capital assets	(30,027)
Annual surplus/(deficit) reported on the Statement of Operations	(1,027)

7. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Board's financial statements.

**CORPORATION OF THE MUNICIPALITY
OF TRENT LAKES**

TRENT LAKES PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2024

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

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, 2024, 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, 2024, 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, 2024 and 2023, and assets and accumulated surplus as at December 31, 2024 and 2023. Our opinion on the financial statements for the year ended December 31, 2023 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.

ASSURANCE • TAX • ADVISORY

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

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 8, 2025

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Due from Municipality of Trent Lakes (note 4)	6,895	4,876
NET FINANCIAL ASSETS	6,895	4,876
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	127,581	140,000
ACCUMULATED SURPLUS (note 3)	134,476	144,876

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, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Contributions from Municipality (note 4)			
Levy	287,211	287,211	252,900
Development charges	6,500	6,500	-
Unallocated costs	5,400	7,835	12,672
Province of Ontario	29,100	29,073	29,073
Other grants	2,000	2,115	2,276
User fees	2,200	1,768	2,844
Fundraising and donations	17,500	21,457	22,992
TOTAL REVENUES	349,911	355,959	322,757
EXPENSES			
Salaries and benefits	256,761	247,224	243,230
Materials	45,700	45,700	23,842
Periodicals and programs	3,950	3,089	3,812
Janitorial service	500	15	43
Professional services	1,800	25,374	1,800
Insurance (note 4)	6,800	7,463	6,689
Repairs and maintenance (note 4)	5,400	7,835	12,672
Amortization	30,027	29,659	30,027
TOTAL EXPENSES	350,938	366,359	322,115
ANNUAL SURPLUS/(DEFICIT)	<u>(1,027)</u>	(10,400)	642
ACCUMULATED SURPLUS - beginning of year		144,876	144,234
ACCUMULATED SURPLUS - end of year		134,476	144,876

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, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS/(DEFICIT)	(1,027)	(10,400)	642
Amortization of tangible capital assets	30,027	29,659	30,027
Acquisition of tangible capital assets	(29,000)	(17,240)	(52,526)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	-	2,019	(21,857)
NET FINANCIAL ASSETS - beginning of year	4,876	4,876	26,733
NET FINANCIAL ASSETS - end of year	4,876	6,895	4,876

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, 2024

	2024	2023
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(10,400)	642
Items not involving cash		
Amortization of tangible capital assets	29,659	30,027
Change in non-cash assets and liabilities		
Due from Municipality of Trent Lakes	(2,019)	21,857
Net change in cash from operating activities	17,240	52,526
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(17,240)	(52,526)
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, 2024

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 - 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.

(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.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

(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.

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 \$	2024 Totals \$	2023 Totals \$
COST						
Balance, beginning of year	49,956	147,444	8,101	33,794	239,295	200,106
Add: additions during the year	-	17,240	-	-	17,240	52,526
Less: disposals during the year	-	17,763	-	-	17,763	13,337
Balance, end of year	49,956	146,921	8,101	33,794	238,772	239,295
ACCUMULATED AMORTIZATION						
Balance, beginning of year	35,802	60,934	2,091	468	99,295	82,605
Add: additions during the year	3,803	23,315	851	1,690	29,659	30,027
Less: disposals during the year	-	17,763	-	-	17,763	13,337
Balance, end of year	39,605	66,486	2,942	2,158	111,191	99,295
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	10,351	80,435	5,159	31,636	127,581	140,000

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 \$	2023 \$
Invested In Capital Assets		
Tangible capital assets - net book value	127,581	140,000
Surplus	127,581	140,000
Reserve Fund		
Future development	6,895	4,876
	134,476	144,876

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:

	2024 \$	2023 \$
Allocated costs:		
Professional services	1,800	1,800
Insurance	7,463	6,689
	9,263	8,489
Unallocated costs:		
Repairs and maintenance	7,835	12,672
	17,098	21,161

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

- Professional services
- Rental of buildings

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

CORPORATION OF THE MUNICIPALITY OF TRENT LAKES

TRENT LAKES PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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):

	2024
	\$
Board approved budgeted surplus	-
Tangible capital asset additions	29,000
Amortization of tangible capital assets	(30,027)
Annual surplus/(deficit) reported on the Statement of Operations	(1,027)

7. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Board's financial statements.