

**The Corporation of the
Municipality of Meaford
Public Library Board
Financial Statements
For the year ended December 31, 2018**

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Municipality of Meaford

Opinion

We have audited the accompanying financial statements of Corporation of the Municipality of Meaford Public Library Board, which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Corporation of the Municipality of Meaford Public Library Board as at December 31, 2018, and the results of its operations, changes in net financial assets and 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 Financial Statements section of our report. We are independent of Corporation of the Municipality of Meaford Public Library 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 opinion.

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

Management is responsible for the preparation and fair presentation of these 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 organization'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 organization'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 organization 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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
May 27, 2019

**The Corporation of the Municipality of Meaford
Public Library Board
Statement of Financial Position**

December 31	2018	2017
Financial assets		
Cash	\$ 142	\$ 27,312
Due from Municipality of Meaford	<u>468,730</u>	<u>436,054</u>
Net financial assets	<u>468,872</u>	<u>463,366</u>
Non-financial assets		
Tangible capital assets (Note 2)	<u>128,114</u>	<u>121,611</u>
Accumulated surplus (Note 3)	<u>\$ 596,986</u>	<u>\$ 584,977</u>

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

The Corporation of the Municipality of Meaford
Public Library Board
Statement of Operations and Accumulated Surplus

For the year ended December 31	2018	2018	2017
	Budget (Note 4)	Actual	Actual
Revenue			
Government transfers			
Province of Ontario	\$ 28,000	\$ 30,705	\$ 33,719
Municipality of Meaford	729,600	561,058	882,822
Canada	-	4,526	-
Interest earned	-	6,007	4,960
Rentals	800	947	759
Fees and service charges	7,200	8,879	7,177
Donations	1,000	1,317	1,879
Other	5,000	-	9,083
	771,600	613,439	940,399
Expenses			
Salaries and benefits	480,375	459,674	451,148
Operating and maintenance supplies	76,700	71,125	67,821
Utilities	13,650	10,936	10,020
Repairs and maintenance	8,500	4,063	4,118
Programs	9,750	9,428	10,553
Printing and advertising	2,350	2,519	2,091
Special events	5,000	50	6,687
Other services	15,275	14,636	16,430
Amortization	-	28,999	27,785
	611,600	601,430	596,653
Annual surplus (Note 4)	160,000	12,009	343,746
Accumulated surplus, beginning of the year	584,977	584,977	241,231
Accumulated surplus, end of the year	\$ 744,977	\$ 596,986	\$ 584,977

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

The Corporation of the Municipality of Meaford
Public Library Board
Statement of Changes in Net Financial Assets

For the year ended December 31	2018 Budget (Note 4)	2018 Actual	2017 Actual
Annual surplus (Page 5)	\$ 160,000	\$ 12,009	\$ 343,746
Acquisition of tangible capital assets	-	(35,502)	(34,488)
Amortization of tangible capital assets	-	28,999	27,785
	-	(6,503)	(6,703)
Increase in net financial assets	160,000	5,506	337,043
Net financial assets, beginning of the year	463,366	463,366	126,323
Net financial assets, end of the year	\$ 623,366	\$ 468,872	\$ 463,366

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

The Corporation of the Municipality of Meaford
Public Library Board
Statement of Cash Flows

For the year ended December 31	2018	2017
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 12,009	\$ 343,746
Items not involving cash		
Amortization	<u>28,999</u>	<u>27,785</u>
	41,008	371,531
Changes in non-cash working capital balances		
Due from Municipality of Meaford	(32,676)	(333,768)
Deferred revenue	<u>-</u>	<u>(2,650)</u>
	8,332	35,113
Capital transaction		
Cash used to acquire capital assets	<u>(35,502)</u>	<u>(34,488)</u>
Net change in cash	(27,170)	625
Cash, beginning of the year	<u>27,312</u>	<u>26,687</u>
Cash, end of the year	<u>\$ 142</u>	<u>\$ 27,312</u>

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

**The Corporation of the Municipality of Meaford
Public Library Board
Notes to Financial Statements**

December 31, 2018

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the Municipality of Meaford Public Library Board has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. The Public Library Board reviews and approves the financial statements.
Basis of Accounting	<p>The financial statements of the Corporation of the Municipality of Meaford Public Library Board have been prepared by management in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting 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.</p>
Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as useful lives of capital assets. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	The Library Board has been consolidated with the financial statements of the Municipality of Meaford.

**The Corporation of the Municipality of Meaford
Public Library Board
Notes to Financial Statements**

December 31, 2018

1. Summary of Significant Accounting Policies - (continued)

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. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the asset is based on estimates made by Council. The following rates are used:

Library collections	5 years
Office furniture and equipment	20 years

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

Revenue Recognition

- (a) Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.
 - (b) Other revenues are recorded upon sale of goods or provision of services when collection is reasonably assured.
 - (c) Fines and donations are recognized when collected.
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The Corporation of the Municipality of Meaford
Public Library Board
Notes to Financial Statements

December 31, 2018

3. Accumulated Surplus

The organization segregates its accumulated surplus in the following categories:

	2018	2017
Invested in capital assets	\$ 128,114	\$ 121,611
Reserves	468,872	463,366
Accumulated surplus	\$ 596,986	\$ 584,977

4. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. The 2018 budget amounts for the Public Library Board approved by the Board have been reclassified to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in financial assets. The following is a reconciliation of the budget approved by the Board.

	2018 Budget	2018 Actual	2017 Actual
Annual surplus (Page 5)	\$ 160,000	\$ 12,009	\$ 343,746
Net transfers to reserves	(160,000)	(5,506)	(337,043)
Capital acquisitions	-	(35,502)	(34,488)
Amortization	-	28,999	27,785
	\$ -	\$ -	\$ -
