

The Corporation of the
Municipality of Meaford
Public Library Board
Financial Statements
For the year ended December 31, 2021

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Contents

The Corporation of the Municipality of Meaford Public Library Board	
Independent Auditor's Report	2 - 3
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets (Debt)	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 11



Tel: 519 376 6110
Fax: 519 376 4741
www.bdo.ca

BDO Canada LLP
1717 2nd Avenue E, Third Floor
PO Box 397
Owen Sound ON N4K 5P7 Canada

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of the Corporation of the Municipality of Meaford Public Library Board, which comprise the statement of financial position as at December 31, 2020, and the statements of operations and accumulated surplus, changes in net financial assets (debt) 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 the Corporation of the Municipality of Meaford Public Library Board as at December 31, 2020, and the results of its operations, changes in net financial assets (debt) 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 the 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
November 9, 2022

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

December 31	2021	2020
Financial assets		
Cash	\$ 2	\$ 32
Liabilities		
Due to Municipality of Meaford	<u>38,017</u>	<u>126,443</u>
Net financial assets (debt)	(38,015)	(126,411)
Non-financial assets		
Tangible capital assets (Note 2)	<u>347,807</u>	<u>355,341</u>
Accumulated surplus (Note 3)	<u>\$ 309,792</u>	<u>\$ 228,930</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	2021	2021	2020
	Budget (Note 4)	Actual	Actual
Revenue			
Government transfers			
Province of Ontario	\$ 26,000	\$ 25,465	\$ 28,516
Municipality of Meaford	844,175	851,968	828,380
Canada	1,800	15,947	-
Interest earned	-	2,835	2,375
Rentals	1,000	1,050	182
Fees and service charges	7,000	4,037	2,376
Donations	700	13,814	31,079
Other	5,000	575	-
	885,675	915,691	892,908
Expenses			
Salaries and benefits	519,450	472,506	506,862
Operating and maintenance supplies	94,800	87,173	81,480
Utilities	14,000	14,300	15,164
Repairs and maintenance	2,500	1,931	2,031
IT technology	-	-	23,283
Insurance	5,650	3,346	4,731
Programs	8,050	8,463	8,210
Printing and advertising	4,700	3,355	2,395
Special events	5,000	-	-
Other services	21,075	29,839	19,008
Amortization	-	43,466	25,956
Transfer to Meaford	170,450	170,450	175,000
	845,675	834,829	864,120
Annual surplus (Note 4)	40,000	80,862	28,788
Accumulated surplus, beginning of the year	228,930	228,930	200,142
Accumulated surplus, end of the year	\$ 268,930	\$ 309,792	\$ 228,930

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 (Debt)

For the year ended December 31	2021 Budget (Note 4)	2021 Actual	2020 Actual
Annual surplus (Page 5)	\$ 40,000	\$ 80,862	\$ 28,788
Acquisition of tangible capital assets	(40,000)	(35,932)	(245,570)
Amortization of tangible capital assets	-	43,466	25,956
	(40,000)	7,534	(219,614)
Increase (decrease) in net financial assets	-	88,396	(190,826)
Net financial assets, beginning of the year	(126,411)	(126,411)	64,415
Net financial assets (debt), end of the year	\$ (126,411)	\$ (38,015)	\$ (126,411)

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

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 80,862	\$ 28,788
Items not involving cash		
Amortization	43,466	25,956
	124,328	54,744
Changes in non-cash working capital balances		
Due to / from Municipality of Meaford	(88,426)	166,836
	35,902	221,580
Capital transaction		
Cash used to acquire capital assets	(35,932)	(245,570)
Net change in cash	(30)	(23,990)
Cash, beginning of the year	32	24,022
Cash, end of the year	\$ 2	\$ 32

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

December 31, 2021

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the Municipality of Meaford Public Library Board 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 the Financial Statements

December 31, 2021

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 the Board. 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 the Financial Statements

December 31, 2021

2. Tangible Capital Assets

	2021		
	Library collections	Office furniture and equipment	Total
Cost, beginning of the year	\$ 433,489	\$ 257,033	\$ 690,522
Additions	35,932	-	35,932
Cost, end of the year	469,421	257,033	726,454
Accumulated amortization, beginning of the year	305,376	29,805	335,181
Amortization	28,415	15,051	43,466
Accumulated amortization, end of the year	333,791	44,856	378,647
Net carrying amount, end of the year	\$ 135,630	\$ 212,177	\$ 347,807
	2020		
	Library collections	Office furniture and equipment	Total
Cost, beginning of the year	\$ 404,130	\$ 40,822	\$ 444,952
Additions	29,359	216,211	245,570
Cost, end of the year	433,489	257,033	690,522
Accumulated amortization, beginning of the year	281,089	28,136	309,225
Amortization	24,287	1,669	25,956
Accumulated amortization, end of the year	305,376	29,805	335,181
Net carrying amount, end of the year	\$ 128,113	\$ 227,228	\$ 355,341

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

December 31, 2021

3. Accumulated Surplus

The organization segregates its accumulated surplus in the following categories:

	2021	2020
Invested in tangible capital assets		
Tangible capital assets purchased	\$ 347,807	\$ 355,341
Unfinanced capital assets	(186,459)	(210,411)
	161,348	144,930
Reserves - Library Capital	117,817	70,450
- Library Expansion	30,627	13,550
Accumulated surplus	\$ 309,792	\$ 228,930

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 (debt) for comparative purposes. The 2021 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 (debt). The following is a reconciliation of the budget approved by the Board.

	2021 Budget	2021 Actual	2020 Actual
Annual surplus (Page 5)	\$ 40,000	\$ 80,862	\$ 28,788
Transfer from reserve for new facility	-	23,952	175,000
Transfer from reserve for library board capital	40,000	35,932	29,359
Capital acquisitions	(40,000)	(35,932)	(245,570)
Amortization	-	43,466	25,956
Unfinanced capital assets	-	(23,952)	210,411
Transfer to reserve for new facility	-	-	(175,000)
Transfer to reserve for capital	(40,000)	(40,000)	(40,000)
Interest transferred to reserve	-	(2,835)	(2,375)
	-	81,493	6,569
Surplus transfers to reserve per resolution	-	(81,493)	(6,569)
	\$ -	\$ -	\$ -