

The Corporation of the  
Municipality of Meaford  
Public Library Board  
Financial Statements  
For the year ended December 31, 2023

The Corporation of the Municipality of Meaford  
Public Library Board  
Financial Statements  
For the year ended December 31, 2023

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 - 12



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

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

---

## Independent Auditor's Report

---

To the Members of Council  
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, 2023, 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, 2023, 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
December 18, 2024

---

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

December 31	2023	2022
Financial assets		
Cash	\$ 24,080	\$ 175
Liabilities		
Due to Municipality of Meaford	<u>31,680</u>	<u>60,609</u>
Net financial debt	(7,600)	(60,434)
Non-financial assets		
Tangible capital assets (Note 2)	<u>317,827</u>	<u>331,914</u>
Accumulated surplus (Note 3)	<u>\$ 310,227</u>	<u>\$ 271,480</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	2023	2023	2022
	Budget (Note 4)	Actual	Actual
<b>Revenue</b>			
Government transfers			
Province of Ontario	\$ 26,000	\$ 26,501	\$ 26,339
Municipality of Meaford	714,740	715,675	675,740
Canada	2,000	-	-
Interest earned	-	5,509	1,967
Rentals	1,000	550	350
Fees and service charges	5,000	9,006	8,128
Donations	3,000	16,983	18,105
Other	5,000	-	-
	<u>756,740</u>	<u>774,224</u>	<u>730,629</u>
<b>Expenses</b>			
Salaries and benefits	484,450	472,138	447,779
Operating and maintenance supplies	137,840	138,993	129,230
Utilities	27,800	22,300	18,805
Repairs and maintenance	12,000	13,918	14,166
Insurance	3,580	3,210	3,094
Programs	8,050	10,799	8,877
Printing and advertising	4,200	3,687	3,008
Special events	5,000	-	-
Other services	33,820	20,968	23,703
Amortization	-	49,464	49,264
Transfer to Meaford	-	-	71,015
	<u>716,740</u>	<u>735,477</u>	<u>768,941</u>
Annual surplus (deficit) (Note 4)	40,000	38,747	(38,312)
Accumulated surplus, beginning of the year	<u>271,480</u>	<u>271,480</u>	<u>309,792</u>
Accumulated surplus, end of the year	<u>\$ 311,480</u>	<u>\$ 310,227</u>	<u>\$ 271,480</u>

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	2023 Budget (Note 4)	2023 Actual	2022 Actual
Annual surplus (deficit) (Page 5)	\$ 40,000	\$ 38,747	\$ (38,312)
Acquisition of tangible capital assets	(40,000)	(35,377)	(33,371)
Amortization of tangible capital assets	-	49,464	49,264
	(40,000)	14,087	15,893
Increase (decrease) in net financial assets	-	52,834	(22,419)
Net financial assets (debt), beginning of the year	(60,434)	(60,434)	(38,015)
Net financial assets (debt), end of the year	\$ (60,434)	\$ (7,600)	\$ (60,434)

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

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating activities		
Annual surplus (deficit) (Page 5)	\$ 38,747	\$ (38,312)
Items not involving cash		
Amortization	49,464	49,264
	88,211	10,952
Changes in non-cash working capital balances		
Due to (from) Municipality of Meaford	(28,929)	22,592
	59,282	33,544
Capital transaction		
Cash used to acquire capital assets	(35,377)	(33,371)
Net change in cash	23,905	173
Cash, beginning of the year	175	2
Cash, end of the year	\$ 24,080	\$ 175



---

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

December 31, 2023

---

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, 2023

---

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.

Financial Instruments

Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

---

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

December 31, 2023

---

1. Summary of Significant Accounting Policies - (continued)

**Asset Retirement Obligations** A liability for an asset retirement obligation is recognized when 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 is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. Management has not identified any asset retirement obligations for which a liability needs to be recognized.

---

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

December 31, 2023

2. Tangible Capital Assets

	2023		
	Library collections	Office furniture and equipment	Total
Cost, beginning of the year	\$ 502,792	\$ 257,033	\$ 759,825
Additions	35,377	-	35,377
Cost, end of the year	538,169	257,033	795,202
Accumulated amortization, beginning of the year	367,334	60,577	427,911
Amortization	33,743	15,721	49,464
Accumulated amortization, end of the year	401,077	76,298	477,375
Net carrying amount, end of the year	\$ 137,092	\$ 180,735	\$ 317,827
	2022		
	Library collections	Office furniture and equipment	Total
Cost, beginning of the year	\$ 469,421	\$ 257,033	\$ 726,454
Additions	33,371	-	33,371
Cost, end of the year	502,792	257,033	759,825
Accumulated amortization, beginning of the year	333,791	44,856	378,647
Amortization	33,543	15,721	49,264
Accumulated amortization, end of the year	367,334	60,577	427,911
Net carrying amount, end of the year	\$ 135,458	\$ 196,456	\$ 331,914

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

December 31, 2023

3. Accumulated Surplus

The organization segregates its accumulated surplus in the following categories:

	2023	2022
Invested in tangible capital assets		
Tangible capital assets purchased	\$ 317,827	\$ 331,914
Unfinanced capital assets	(186,459)	(186,459)
Reserves - Library Capital	131,368	145,455
	178,859	126,025
Accumulated surplus	\$ 310,227	\$ 271,480

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 2023 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.

	2023 Budget	2023 Actual	2022 Actual
Annual surplus (Page 5)	\$ 40,000	\$ 38,747	\$ (38,312)
Transfer from reserve for new facility	-	-	31,015
Transfer from reserve for library board capital	40,000	35,377	33,371
Capital acquisitions	(40,000)	(35,377)	(33,371)
Amortization	-	49,464	49,264
Transfer to reserve for capital	(40,000)	(82,702)	(40,000)
Interest transferred to reserve	-	(5,509)	(1,967)
	\$ -	\$ -	\$ -

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

December 31, 2023

5. *Financial Instrument Risk Management*

The Library is exposed to credit risk and liquidity risk from its financial instruments. This note describes the Library's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

There have not been any changes from the prior year in the Library's exposure to credit risk or liquidity risk or the policies, procedures and methods it uses to manage and measure these risks.

*Credit Risk*

The Library is exposed to credit risk arising from its cash and trade receivables.

The amounts outstanding at year end, which is the Library's maximum exposure to credit risk were as follows:

	0 - 30 days	31 - 90 days	91 - 365 days	1 - 2 years	3 - 10 years
Cash	\$ 24,080	\$ -	\$ -	\$ -	-

*Liquidity Risk*

Liquidity risk is the risk that the Library encounters difficulty in meeting its obligations associated with financial liabilities. The Library has sufficient bank balances to extinguish its liabilities.

At year end, the amounts outstanding for the Library's accounts payable are as follows:

	Within 6 months	6 months to 1 year	1 - 5 years	Over 5 years
Due to Municipality of Meaford	\$ 31,680	\$ -	\$ -	-