
SUNDRIDGE-STRONG UNION PUBLIC LIBRARY

FINANCIAL STATEMENTS

DECEMBER 31, 2022

SUNDRIDGE-STRONG UNION PUBLIC LIBRARY

CONTENTS

	Page
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statements of Operations and Accumulated Surplus	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 11

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Contributing Municipalities of the Sundridge-Strong Union Public Library

Opinion

We have audited the financial statements of the Sundridge-Strong Union Public Library ("the Library"), which comprise the statement of financial position as at December 31, 2022, and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Sundridge-Strong Union Public Library as at December 31, 2022, and its results of operations, its changes in its net financial assets, and its 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 Library 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 Library's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Library or to cease operations, or has no realistic alternative but to do so.

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

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

North Bay, Canada
September 13, 2023

Chartered Professional Accountants
Licensed Public Accountants

SUNDRIDGE-STRONG UNION PUBLIC LIBRARY**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2022**

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 21,001	\$ 14,365
Accounts receivable	2,969	3,674
	23,970	18,039
LIABILITIES		
Accounts payable and accrued liabilities	14,428	7,157
Deferred revenue (Note 2)	-	1,081
Employee benefits payable (Note 4)	2,206	1,690
	16,634	9,928
NET FINANCIAL ASSETS	7,336	8,111
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 5)	75,014	75,243
Prepaid expenses	274	173
	75,288	75,416
ACCUMULATED SURPLUS (Note 6)	\$ 82,624	\$ 83,527

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

The accompanying notes are an integral part of these financial statements

SUNDRIDGE-STRONG UNION PUBLIC LIBRARY
STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget 2022 (see Note 7)	Actual 2022	Actual 2021
REVENUE			
Municipal contributions - Sundridge	\$ 38,784	\$ 38,784	\$ 36,763
Municipal contributions - Strong	38,784	38,784	36,763
Municipal contributions - Joly	1,000	1,000	851
Provincial grants	12,848	13,927	16,433
Other	1,120	5,589	3,904
TOTAL REVENUE	92,536	98,084	94,714
EXPENSES			
Amortization	15,300	15,300	15,243
Administration	3,000	3,000	3,000
Audit and accounting	2,500	2,966	2,827
Insurance	2,650	2,698	2,544
Interest on capital lease	-	-	13
Program and office supplies	5,891	6,698	5,381
Rent	7,671	7,671	7,671
Telephone, internet and utilities	2,850	2,907	2,744
Wages and benefits, net of capitalized wages	55,842	57,747	54,017
TOTAL EXPENSES	95,704	98,987	93,440
ANNUAL SURPLUS (DEFICIT) (Note 6)	(3,168)	(903)	1,274
ACCUMULATED SURPLUS, BEGINNING OF YEAR	83,527	83,527	82,253
ACCUMULATED SURPLUS, END OF YEAR	\$ 80,359	\$ 82,624	\$ 83,527

The accompanying notes are an integral part of these financial statements

SUNDRIDGE-STRONG UNION PUBLIC LIBRARY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget 2022 (see Note 7)	Actual 2022	Actual 2021
Annual surplus (deficit)	\$ (3,168)	\$ (903)	\$ 1,274
Acquisition of tangible capital assets	(14,451)	(15,071)	(16,505)
Amortization of tangible capital assets	15,300	15,300	15,243
Change in prepaid expenses	-	(101)	27
Increase (decrease) in net financial assets	(2,319)	(775)	39
Net financial assets, beginning of year	8,111	8,111	8,072
Net financial assets, end of year	\$ 5,792	\$ 7,336	\$ 8,111

The accompanying notes are an integral part of these financial statements

SUNDRIDGE-STRONG UNION PUBLIC LIBRARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Operating transactions		
Annual surplus (deficit)	\$ (903)	\$ 1,274
Non-cash charges to operations:		
Amortization	15,300	15,243
Change in employee benefits payable	516	334
	14,913	16,851
Changes in non-cash items:		
Accounts receivable	705	(356)
Accounts payable and accrued liabilities	7,271	342
Deferred revenue	(1,081)	1,081
Prepaid expenses	(101)	27
	6,794	1,094
Cash provided by operating transactions	21,707	17,945
Capital transactions		
Acquisition of tangible capital assets	(15,071)	(16,505)
Cash applied to capital transactions	(15,071)	(16,505)
Financing transactions		
Tangible capital lease repayments	-	(951)
Cash applied to financing transactions	-	(951)
Net change in cash and cash equivalents	6,636	489
Cash and cash equivalents, beginning of year	14,365	13,876
Cash and cash equivalents, end of year	\$ 21,001	\$ 14,365
Cash flow supplementary information:		
Cash paid for Interest	\$ -	\$ 13

The accompanying notes are an integral part of these financial statements

SUNDRIDGE-STRONG UNION PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2022

The Sundridge-Strong Union Public Library (the "Library") is a joint board of the Corporation of the Village of Sundridge and the Corporation of the Township of Strong, who contribute towards the Library in the following proportions: Sundridge - 50%; Strong - 50%.

MANAGEMENT RESPONSIBILITY

The financial statements of the Library are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Library are as follows:

Basis of Accounting

- (i) Accrual basis of accounting
Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned 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.
- (ii) Cash and cash equivalents
Cash and cash equivalents include cash on hand, balances held at financial institutions and demand deposits.
- (iii) Non-financial assets
Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

SUNDRIDGE-STRONG UNION PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2022

(a) 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. Borrowing costs related to the acquisition of tangible capital assets are expensed in the year incurred. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computers - 5 years
Equipment and furniture - 10 to 20 years
Library collections - 10 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The capitalized cost of library collections includes the acquisition cost plus a shelving factor of 30% of the acquisition cost. The shelving costs is reported as a reduction in wages and benefits on the Statement of Operations.

Tangible capital assets received as donations are recorded at their fair value at the date of receipt.

(iv) Reserves and reserve funds

Certain amounts, as approved by the Library, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Statement of Financial Position.

(v) Government transfers

Government transfers are recognized in the financial statements as revenue 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.

(vi) Employee benefits

Obligations for sick leave under employee benefits payable are accrued as the eligible employees render the services necessary to earn the benefits.

(vii) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that 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. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Library may undertake in the future. Significant accounting estimates include estimated useful lives of tangible capital assets and employee benefits payable. Actual results could differ from these estimates.

SUNDRIDGE-STRONG UNION PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2022

2. DEFERRED REVENUE

Details of the deferred revenue reported on the Statement of Financial Position are as follows:

	2022	2021
Ontario Trillium Foundation Grant		
Balance, beginning of year	\$ 1,081	\$ -
Received during the year	-	4,700
Recognized in revenue during the year	(1,081)	(3,619)
Balance, end of year	\$ -	\$ 1,081

3. EXPENSES BY OBJECT

The following is a summary of the expenses reported on the Statement of Operations by the object of the expense.

	2022	2021
Salaries, wages and benefits (net of capitalized wages)	\$ 57,747	\$ 54,017
Long-term debt charges (interest)	-	13
Materials and supplies	10,510	9,945
Contracted services	6,251	6,104
Rents and financial expenses	9,179	8,118
Amortization	15,300	15,243
	\$ 98,987	\$ 93,440

4. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and eligible employees may become entitled to a cash payment when they leave the Library's employment. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement, as well as any lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to \$2,206 (2021 \$1,690) at the end of the year.

SUNDRIDGE-STRONG UNION PUBLIC LIBRARYNOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 20225. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Library by major asset class are outlined below.

2022				
	Computers	Equipment and Furniture	Collections	TOTAL
COST				
Balance, beginning of year	\$ 8,942	\$ 20,710	\$ 136,810	\$ 166,462
Additions and betterments	1,555	-	13,516	15,071
Disposals and writedowns	-	-	(13,777)	(13,777)
BALANCE, END OF YEAR	10,497	20,710	136,549	167,756
ACCUMULATED AMORTIZATION				
Balance, beginning of year	8,588	10,887	71,744	91,219
Annual amortization	428	1,204	13,668	15,300
Amortization disposals	-	-	(13,777)	(13,777)
BALANCE, END OF YEAR	9,016	12,091	71,635	92,742
TANGIBLE CAPITAL ASSETS-NET	\$ 1,481	\$ 8,619	\$ 64,914	\$ 75,014

2021				
	Computers	Equipment and Furniture	Collections	TOTAL
COST				
Balance, beginning of year	\$ 8,942	\$ 17,091	\$ 138,121	\$ 164,154
Additions and betterments	-	3,619	12,886	16,505
Disposals and writedowns	-	-	(14,197)	(14,197)
BALANCE, END OF YEAR	8,942	20,710	136,810	166,462
ACCUMULATED AMORTIZATION				
Balance, beginning of year	8,205	9,774	72,194	90,173
Annual amortization	383	1,113	13,747	15,243
Amortization disposals	-	-	(14,197)	(14,197)
BALANCE, END OF YEAR	8,588	10,887	71,744	91,219
TANGIBLE CAPITAL ASSETS-NET	\$ 354	\$ 9,823	\$ 65,066	\$ 75,243

6. ACCUMULATED SURPLUS

The 2022 continuity of accumulated surplus reported on the Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus Deficit	Balance End of Year
Tangible capital assets	\$ 75,243	\$ (229)	\$ 75,014
Reserves	5,355	2,300	7,655
General operating surplus	4,619	(2,458)	2,161
Unfunded employee benefits	(1,690)	(516)	(2,206)
	\$ 83,527	\$ (903)	\$ 82,624

SUNDRIDGE-STRONG UNION PUBLIC LIBRARYNOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 20227. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Decrease in general operating surplus	\$ (4,619)
Increase in reserves	2,300
ADJUSTMENTS:	
Acquisition of tangible capital assets including collections	14,451
Amortization of tangible capital assets	(15,300)
ANNUAL DEFICIT	\$ (3,168)

8. RELATED PARTY TRANSACTIONS

The related party transactions below are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following table summarizes the Library's related party transactions with its contributing municipalities during the year:

	2022	2021
Municipal contributions		
Township of Strong	\$ 38,784	\$ 36,763
Village of Sundridge	38,784	36,763
Expenses		
Village of Sundridge		
Rent	7,671	7,671
Administration	3,000	3,000

At the end of the year, the net amount due from (to) contributing municipalities is as follows:

Village of Sundridge	\$ (1,016)	\$ 6
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The amounts due from contributing municipalities are reported in accounts receivable (due to - accounts payable and accrued liabilities) on the Statement of Financial Position.

9. SEGMENT DISCLOSURE

Since the Library's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided.