

Financial Statements of

**CORPORATION OF THE
TOWN OF GANANOQUE
PUBLIC LIBRARY BOARD**

Year ended December 31, 2022

CORPORATION OF THE TOWN OF GANANOQUE PUBLIC LIBRARY BOARD

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Gananoque Public Library Board:

Opinion

We have audited the financial statements of Corporation of the Town of Gananoque Public Library Board (the "Entity"), which comprise:

- the statement of financial position as at end of December 31, 2022
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at end of December 31, 2022, and its results of operations 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 auditor's report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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



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- 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

September 25, 2023

CORPORATION OF THE TOWN OF GANANOQUE PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash	\$ 49,967	\$ 46,196
Short-term investments	8,208	8,117
Due from the Town of Gananoque	113	7,078
	<u>58,288</u>	<u>61,391</u>
Net financial assets	58,288	61,391
Non-financial assets:		
Tangible capital assets (note 4)	98,319	91,557
Accumulated surplus (note 3)	<u>\$ 156,607</u>	<u>\$ 152,948</u>

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

CORPORATION OF THE TOWN OF GANANOQUE

PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	Budget 2022	Total 2022	Total 2021
	(note 5)		
Revenue:			
Government grants:			
Municipal grants	\$ 209,712	\$ 209,712	\$ 205,600
Federal grant	–	2,064	5,000
Province of Ontario - operating	13,700	13,700	13,700
Province of Ontario - other	–	29,500	4,000
User charges, fees, service charges and fines	1,300	1,189	1,284
Other income:			
Donations	50	2,791	4,500
Total revenue	224,762	258,956	234,084
Expenses:			
Salaries and benefits	148,490	145,720	139,943
Automation	7,500	6,245	8,319
Insurance	7,200	12,516	7,665
Supplies	4,935	7,664	4,961
Utilities and maintenance	22,000	24,786	18,476
Administration	5,800	5,392	5,261
Programming	6,837	32,512	7,298
Amortization	22,000	20,462	20,203
Total expenses	224,762	255,297	212,126
Annual surplus	–	3,659	21,958
Accumulated surplus, beginning of year	152,948	152,948	130,990
Accumulated surplus, end of year	\$ 152,948	\$ 156,607	\$ 152,948

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

CORPORATION OF THE TOWN OF GANANOQUE PUBLIC LIBRARY BOARD

Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	Budget 2022	Total 2022	Total 2021
	(note 5)		
Annual surplus	\$ –	\$ 3,659	\$ 21,958
Amortization of tangible capital assets	22,000	20,462	20,203
Acquisition of tangible capital assets	(22,000)	(27,224)	(24,379)
Increase (decrease) in net financial assets	–	(3,103)	17,782
Net financial assets, beginning of year	61,391	61,391	43,609
Net financial assets, end of year	\$ 61,391	\$ 58,288	\$ 61,391

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

CORPORATION OF THE TOWN OF GANANOQUE PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 3,659	\$ 21,958
Item not involving cash:		
Amortization of tangible capital assets	20,462	20,203
Changes in non-cash operating working capital:		
Due from the Town of Gananoque	6,965	(11,509)
	31,086	30,652
Capital activities:		
Acquisition of tangible capital assets	(27,224)	(24,379)
Investing activities:		
Increase in investments	(91)	(54)
Increase in cash	3,771	6,219
Cash, beginning of year	46,196	39,977
Cash, end of year	\$ 49,967	\$ 46,196

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

CORPORATION OF THE TOWN OF GANANOQUE PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2022

1. Status of the Board:

The Corporation of the Town of Gananoque Public Library Board (the 'Board') is a municipal board operating a public library. The board of management is composed of representatives from both Council and ratepayers of the Corporation of the Town of Gananoque. The Board was established under By-law in 1981 under the Public Libraries Act by the Corporation of the Town of Gananoque.

2. Significant accounting policies:

The financial statements of the Board are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Board are as follows:

(a) Reporting entity:

The financial statements reflect financial assets, liabilities, operating revenue and expenses, reserves, reserve funds and changes in investment in tangible capital assets of the Board.

(b) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Non-financial assets are not available to discharge existing liabilities and 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. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the change in net financial assets for the year.

(c) Tangible capital assets:

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Estimated Useful Life
Books	7 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

CORPORATION OF THE TOWN OF GANANOQUE

PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(c) Tangible capital assets (continued):

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations and accumulated surplus in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the statement of operations and accumulated surplus.

(e) Government transfers:

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(e) Deferred revenue:

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

CORPORATION OF THE TOWN OF GANANOQUE PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of financial statements 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. Actual results could differ from these estimates.

3. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 98,319	\$ 91,557
Reserves:		
Capital (Schedule 1)	58,288	61,391
Accumulated surplus	\$ 156,607	\$ 152,948

CORPORATION OF THE TOWN OF GANANOQUE PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2022

4. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Books	\$ 351,493	\$ 27,224	\$ –	\$ 378,717

Accumulated amortization	Balance at December 31, 2021	Amortization	Disposals	Balance at December 31, 2022
Books	\$ 259,936	\$ 20,462	\$ –	\$ 280,398

	Net book value December 31, 2021	Net book value December 31, 2022
Books	\$ 91,557	\$ 98,319

5. Budget figures:

The Corporation of the Town of Gananoque Public Library Board reviews its operating and capital budgets each year. The approved operating budget for 2022 is included in the budget figures presented in the Statement of Operations and Accumulated Surplus.

CORPORATION OF THE TOWN OF GANANOQUE PUBLIC LIBRARY BOARD

Schedule 1: Continuity of Reserves and Reserve Funds

Year ended December 31, 2022, with comparative information for 2021

		Budget (note 5)	2022	2021
Net transfers from (to) other funds				
Transfers to current fund	\$	-	\$ (3,103)	\$ 17,782
Reserves and reserve fund balances, beginning of year		61,391	61,391	43,609
Reserves and reserve fund balances, end of year	\$	61,391	\$ 58,288	\$ 61,391

Composition of Reserves

		2022	2021
Reserves:			
Capital	\$	58,288	\$ 61,391