

The Corporation of the Town of Georgina
Public Library Board
Financial Statements
Year ended December 31, 2021

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Independent Auditor's Report

To the Chair and Members of the Town of Georgina Public Library Board, and Members of Council of the Town of Georgina

Opinion

We have audited the financial statements of The Corporation of the Town of Georgina Public Library Board (the "Library Board"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, cash flows and changes in net financial assets 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 Library Board as at December 31, 2021, and results of its 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 report. We are independent of the 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 Library Board'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 Library Board or to cease operations, or has no realistic alternative but to do so.

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

June 22, 2022
Barrie, Ontario

**Georgina Public Library Board
Statement of Financial Position**

December 31

	<u>2021</u>	<u>2020</u>
	\$	\$
Financial assets		
Cash	575	575
Due from Town of Georgina (Note 3)	1,479,809	1,196,578
Accounts receivable	-	6,377
	<u>1,480,384</u>	<u>1,203,530</u>
Liabilities		
Accounts payable	140,851	176,268
Accrued liabilities	30,216	75,759
	<u>171,067</u>	<u>252,027</u>
Net financial assets	<u>1,309,317</u>	<u>951,503</u>
Non-financial assets		
Tangible capital assets (Note 5)	<u>535,456</u>	<u>533,178</u>
Accumulated surplus (Note 6)	<u>1,844,773</u>	<u>1,484,681</u>

See accompanying notes to the financial statements

Georgina Public Library Board
Statement of Operations and Accumulated Surplus

Year ended December 31

	2021		2020
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Town of Georgina - operating grant	2,530,040	2,530,030	2,482,220
Province of Ontario - grant	62,600	62,584	62,584
York School Boards - purchase of service	58,500	59,675	58,500
Fines	27,100	1,413	5,444
Sales / Costs recovered	74,000	912	53,741
Donations & fundraising	1,800	4,385	2,591
Room rental	4,100	-	846
Programs	4,200	-	956
Miscellaneous grant	9,240	9,914	4,130
	<u>2,771,580</u>	<u>2,668,914</u>	<u>2,671,012</u>
Expenses			
Salaries & benefits	1,900,650	1,671,099	1,470,126
Amortization	164,866	164,866	171,873
Contracted services	160,030	132,525	135,011
Utilities	128,360	71,417	82,841
Materials & supplies	209,600	128,725	167,081
Insurance	24,880	24,880	19,900
Freight / Postage	6,900	11,617	8,555
Travel / Education	23,800	22,728	7,222
Consulting	-	1,121	3,073
Audit	2,700	2,427	2,697
Equipment repairs	3,500	-	-
Volunteer appreciation	500	486	446
Memberships	2,550	2,194	1,888
Bank charges	2,000	3,680	2,559
Total expenses	<u>2,630,336</u>	<u>2,237,765</u>	<u>2,073,272</u>
Transfer to Town of Georgina Reserve	<u>-</u>	<u>(71,056.96)</u>	<u>(116,000)</u>
Annual surplus	<u>141,244</u>	<u>360,092</u>	<u>481,740</u>
Accumulated surplus, beginning of year		<u>1,484,681</u>	<u>1,002,941</u>
Accumulated surplus, end of year		<u>1,844,773</u>	<u>1,484,681</u>

Georgina Public Library Board
Statement of Change in Net Financial Assets

Year ended December 31

	2021		2020
	Budget	Actual	Actual
	\$	\$	\$
Annual surplus	141,244	360,092	481,740
Acquisition of tangible capital assets	(135,220)	(167,144)	(119,694)
Amortization of tangible capital assets	164,866	164,866	171,873
	170,890	357,814	533,919
		^	
Change in net financial assets	170,890	357,814	533,919
Net financial assets, beginning of year	951,503	951,503	417,584
Net financial assets, end of year	1,122,393	1,309,317	951,503

Georgina Public Library Board
Statement of Cash Flows

Year ended December 31

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash provided by (used in)		
Operating activities		
Annual surplus	360,092	481,740
Amortization	164,866	171,873
Changes in non-cash operating working capital		
Accounts receivable	6,377	1,331
Due from Town of Georgina	(283,231)	(549,506)
Accrued liabilities	(45,545)	10,302
Accounts payable	(35,417)	3,954
Cash provided by operating activities	<u>167,142</u>	<u>119,694</u>
Capital activities		
Acquisition of tangible capital assets	<u>167,142</u>	<u>119,694</u>
Net change in cash	-	-
Cash, beginning of year	575	575
Cash, end of year	<u>575</u>	<u>575</u>

See accompanying notes to the financial statements

Georgina Public Library Board
Notes to the Financial Statements
December 31, 2021

1. Nature of operations

The Georgina Public Library Board (the "Library Board") is a local board of The Town of Georgina (the "Town") deemed to be a public library established under the Public Libraries Act. The Library Board is not subject to income taxes under Section 149(1) of the Income Tax Act (Canada).

2. Summary of significant accounting policies

The financial statements of the Library Board are the representation of management prepared in accordance with local government accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Significant aspects of the accounting policies adopted by the Library Board are as follows:

Accrual accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are 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.

Non-financial assets

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.

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. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Collections	7 years
Computer hardware & software	4 - 7 years
Furniture & equipment	5 - 20 years

One half of the annual amortization is charged in the year of acquisition.

Contributions of tangible capital assets

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

2. Summary of significant accounting policies (continued)

Revenue recognition

User fees and other revenues including sales, room rentals and programs are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

Government transfers

Government transfers are recognized 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.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Library Board may undertake in the future. The principal estimates used in the preparation of these financial statements include the useful life and valuation of tangible capital assets. Actual results could differ from those estimates.

Pension Plan

The Library Board is an employer member of the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Library Board has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Library Board records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

3. Receivable from Town of Georgina

The amount receivable from the Town of Georgina is non-interest bearing and has no set terms of repayment. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Georgina Public Library Board
Notes to the Financial Statements
December 31, 2021

4. Pension agreement

OMERS provides pension services to more than 470,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2021. The results of this valuation disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets at that date of \$117,665 million indicating an actuarial deficit of \$3,131 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Library Board does not recognize any share of the OMERS pension surplus or deficit.

Contribution rates range from 9% to 14.6% (2020 – 9%-14.6%) depending on the level of earnings. During the year \$111,976 (2020 - \$95,676) was contributed to OMERS by the Library Board for current services.

Georgina Public Library Board
Notes to the Financial Statements
December 31, 2021

5. Tangible capital assets

	2021			
	Library Collection	Furniture	Computer Hardware/ Software	Total
Cost				
Balance, beginning of year	\$ 919,282	\$ 232,132	\$ 147,823	\$ 1,299,237
Add: Additions during the year	113,361	40,402	13,381	167,144
Less: Disposals during the year	(172,439)	-	(8,408)	(180,847)
Balance, end of year	<u>860,204</u>	<u>272,534</u>	<u>152,796</u>	<u>1,285,534</u>
Accumulated amortization				
Balance, beginning of year	495,797	180,837	89,425	766,059
Add: Amortization during the year	130,030	13,710	21,126	164,866
Less: Amortization on disposals	(172,439)	-	(8,408)	(180,847)
Balance, end of year	<u>453,388</u>	<u>194,547</u>	<u>102,143</u>	<u>750,078</u>
Net book value	<u>\$ 406,816</u>	<u>\$ 77,987</u>	<u>\$ 50,653</u>	<u>\$ 535,456</u>

	2020			
	Library Collection	Furniture	Computer Hardware/ Software	Total
Cost				
Balance, beginning of year	\$ 995,535	\$ 232,132	\$ 133,609	\$ 1,361,276
Add: Additions during the year	102,107	-	17,587	119,694
Less: Disposals during the year	(178,360)	-	(3,373)	(181,733)
Balance, end of year	<u>919,282</u>	<u>232,132</u>	<u>147,823</u>	<u>1,299,237</u>
Accumulated amortization				
Balance, beginning of year	537,384	167,752	70,783	775,919
Add: Amortization during the year	136,773	13,085	22,015	171,873
Less: Amortization on disposals	(178,360)	-	(3,373)	(181,733)
Balance, end of year	<u>495,797</u>	<u>180,837</u>	<u>89,425</u>	<u>766,059</u>
Net book value	<u>\$ 423,485</u>	<u>\$ 51,295</u>	<u>\$ 58,398</u>	<u>\$ 533,178</u>

Georgina Public Library Board
Notes to the Financial Statements
 December 31, 2021

6. Accumulated surplus	<u>2021</u>	<u>2020</u>
Consists of:	\$	\$
Reserves set aside by the Library Board		
Capital reserve	1,284,127	926,313
Salary adjustment reserve	<u>25,190</u>	<u>25,190</u>
	1,309,317	951,503
Surplus		
Invested in tangible capital assets	<u>535,456</u>	<u>533,178</u>
Accumulated surplus	<u>1,844,773</u>	<u>1,484,681</u>