

**STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**December 31, 2023**

# STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD

December 31, 2023

## CONTENTS

Page

### INDEPENDENT AUDITOR'S REPORT

### FINANCIAL STATEMENTS

Statement of Financial Position	1
Statement of Financial Activities	2
Statement of Changes in Net Financial Assets	3
Statement of Cash Flows	4
Schedule of Accumulated Surplus	5
Schedule of Changes in Accumulated Surplus	6
Notes to the Financial Statements	7

To the Members of Council, Inhabitants and Ratepayers of  
the United Counties of Stormont, Dundas and Glengarry:

## Opinion

We have audited the financial statements of the Stormont, Dundas and Glengarry Library Board (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of financial activities, changes 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 Organization as at December 31, 2023, and the results of its operations, 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 Organization 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 Administration and Those Charged with Governance for the Financial Statements

Administration 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 administration 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, Administration 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 administration 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 administration.
- Conclude on the appropriateness of administration'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.

Cornwall, Ontario

June 28, 2024

*MNP* LLP

Chartered Professional Accountants

Licensed Public Accountants

**STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD**  
**STATEMENT OF FINANCIAL POSITION**

As at December 31, 2023

	2023	2022
<b>NET FINANCIAL ASSETS</b>		
<b>Assets</b>		
Due from the United Counties of SD&G	\$ 613,841	\$ 644,719
<hr/>		
<b>Liabilities</b>		
Municipal debt (Note 2)	-	2,815
<hr/>		
<b>Net Financial Assets</b>	<b>613,841</b>	<b>641,904</b>
<hr/>		
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 4)	705,631	684,581
Prepaid expenses	25,737	13,217
<hr/>		
	<b>731,368</b>	<b>697,798</b>
<hr/>		
<b>Accumulated Surplus</b>	<b>\$ 1,345,209</b>	<b>\$ 1,339,702</b>
<hr style="border-top: 3px double black;"/>		

See Accompanying Notes

**STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD**

**STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended December 31, 2023

	(Note 5) 2023 BUDGET	2023 ACTUAL	2022 ACTUAL
<b>REVENUE</b>			
Municipal grant	\$ 2,643,733	\$ 2,643,733	\$ 2,567,546
Provincial operating grant	131,761	131,761	131,761
Special projects funding	6,500	11,702	38,399
Fees, fines and other	17,000	24,510	11,875
Sales and recovered costs	2,350	2,696	2,300
	<b>2,801,344</b>	<b>2,814,402</b>	<b>2,751,881</b>
<b>EXPENSES</b>			
Amortization	130,000	131,803	139,455
Books, periodicals and processing	173,097	148,070	133,136
Building costs	239,124	236,733	261,206
County support services	159,752	159,752	158,354
Furniture and equipment	97,147	96,561	58,712
Legal, audit and consultant fees	21,750	4,296	7,614
Mileage	7,160	11,451	6,837
Office supplies and postage	98,056	81,163	32,277
Promotion and programs	32,250	30,314	18,122
Service contracts	74,937	74,131	71,576
Special programs	22,900	21,010	78,791
Telephone and internet	57,688	55,168	48,341
Training and memberships	22,565	19,400	13,155
Vehicle	46,250	42,998	29,433
Wages and benefits	1,757,588	1,696,045	1,561,269
	<b>2,940,264</b>	<b>2,808,895</b>	<b>2,618,278</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(138,920)</b>	<b>5,507</b>	<b>133,603</b>
<b>ACCUMULATED SURPLUS, beginning of year</b>	<b>1,339,702</b>	<b>1,339,702</b>	<b>1,206,099</b>
<b>ACCUMULATED SURPLUS, end of year</b>	<b>\$ 1,200,782</b>	<b>\$ 1,345,209</b>	<b>\$ 1,339,702</b>

See Accompanying Notes

**STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

For the year ended December 31, 2023

	(Note 5) 2023 BUDGET	<b>2023 ACTUAL</b>	2022 ACTUAL
Surplus (deficit) for the year	\$ (138,920)	\$ <b>5,507</b>	\$ 133,603
Amortization of tangible assets	130,000	<b>131,803</b>	139,455
Acquisition of tangible capital assets	(175,500)	<b>(152,853)</b>	(115,083)
Change in prepaid expenses	-	<b>(12,520)</b>	8,575
(Decrease) increase in net financial assets	(184,420)	<b>(28,063)</b>	166,550
Net financial assets, beginning of year	641,904	<b>641,904</b>	475,354
Net financial assets, end of year	\$ 457,484	\$ <b>613,841</b>	\$ 641,904

See Accompanying Notes

# STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	2023	2022
<b>CASH FROM OPERATING ACTIVITIES</b>		
Surplus (deficit) for the year	\$ 5,507	\$ 133,603
Item not affecting cash		
Amortization expense	131,803	139,455
Changes in non-cash working capital balances		
Due from the United Counties of SD&G	30,878	(161,724)
Prepaid expenses	(12,520)	8,575
	<b>155,668</b>	<b>119,909</b>
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Repayment of capital lease	(2,815)	(4,826)
<b>CASH USED IN CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(152,853)	(115,083)
<b>INCREASE IN CASH AND EQUIVALENT</b>	-	-
<b>CASH, beginning of year</b>	-	-
<b>CASH, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

See Accompanying Notes



# STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD

## SCHEDULE OF ACCUMULATED SURPLUS

For the year ended December 31, 2023

	2023	2022
<b>Surpluses</b>		
Operating surplus	\$ 555,579	\$ 594,194
<b>Reserves</b>		
Reserves set aside for specific purposes by Council:		
Working capital	37,928	17,671
Special projects	46,071	46,071
<b>Total reserves</b>	<b>83,999</b>	63,742
<b>Invested in tangible capital assets</b>		
Tangible capital assets	705,631	684,581
Less: related debt	-	(2,815)
<b>Total invested in tangible capital assets</b>	<b>705,631</b>	681,766
<b>ACCUMULATED SURPLUS</b>	<b>\$ 1,345,209</b>	<b>\$ 1,339,702</b>

See Accompanying Notes

**STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD**

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**

For the year ended December 31, 2023

	Surpluses	Reserves	Invested in Tangible Capital Assets	2023	2022
<b>Balance, beginning of year</b>	<b>\$ 594,194</b>	<b>\$ 63,742</b>	<b>\$ 681,766</b>	<b>\$ 1,339,702</b>	<b>\$ 1,206,099</b>
Surplus for the year	5,507	-	-	5,507	133,603
Reserves used for operations	2,420	(2,420)	-	-	-
Transfer to reserves	(22,677)	22,677	-	-	-
Current year funds used for tangible capital assets	(152,853)	-	152,853	-	-
Amortization of tangible capital assets	131,803	-	(131,803)	-	-
Repayment of municipal debt	(2,815)	-	2,815	-	-
<b>Change in accumulated surplus</b>	<b>(38,615)</b>	<b>20,257</b>	<b>23,865</b>	<b>5,507</b>	<b>133,603</b>
<b>Balance, end of year</b>	<b>\$ 555,579</b>	<b>\$ 83,999</b>	<b>\$ 705,631</b>	<b>\$ 1,345,209</b>	<b>\$ 1,339,702</b>

See Accompanying Notes

# STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

#### (a) Accrual basis of accounting

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.

#### (b) Government transfers

Government transfers are the transfer of assets from other levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. The Organization recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Organization recognizes revenue as the liability is settled.

#### (c) Fees and service charges

Fees and service charges are recognized when the activity is performed or when the services are rendered and collection is reasonably assured.

#### (d) Future employment benefits

Employee benefits include vacation entitlement and sick leave benefits. Vacation and sick leave benefits are accrued in accordance with the Counties' policy. The Organization accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS) as a defined benefit plan.

#### (e) 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. The change in non-financial assets during the year, together with the surplus, provides the change in net financial assets for the year.

##### (i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the 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:

Equipment	7 - 30 years
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##### (ii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risk incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred. Capital leases are included in equipment under tangible capital assets.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Financial instruments**

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Organization recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of Due from the United Counties of SD&G and municipal debt which are recorded at amortized cost.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of financial activities.

**(g) Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires administration 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 revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Significant items subject to such estimates and assumptions include the estimated useful life of tangible capital assets and the valuation of allowances for receivables. Actual results could differ from these estimates.

**(h) Future accounting pronouncements**

Standards effective beginning on or after April 1, 2023

*Revenues*

PS 3400 Revenues establishes standards on how to account for and report on revenue by distinguishing between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The main features of this Section are as follows:

- Performance obligations are enforceable promises to provide specific goods or services to a specific payor;
- Performance obligations can be satisfied at a point in time or over a period of time;
- The new standard outlines five indicators to determine if the revenue would be recognized over a period of time;
- Revenue from a transaction with a performance obligation(s) is recognized when, or as, the entity has satisfied the performance obligation(s); and
- Revenue from transactions with no performance obligation is recognized when a public sector entity has the authority to claim or retain an inflow of economic resources and a past event that gives rise to a claim of economic resources has occurred.

This standard is effective for annual financial statements relating to fiscal years beginning on or after April 1, 2023. Early application continues to be permitted. The Library Board has not yet determined the impact of this standard on its financial statements.

# STORMONT, DUNDAS AND GLENGARRY COUNTY LIBRARY BOARD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 2. MUNICIPAL DEBT

	2023	2022
Capital lease obligations, 0% interest, secured by assets, fully paid in the year	\$ -	\$ 2,815

### 3. PENSION AGREEMENTS

The Organization is a member of the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer retirement plan. The plan is a contributory defined benefit plan that specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Organization does not recognize any share of the OMERS pension deficit of \$4.2 billion (2022 - \$6.7 billion) in these financial statements.

The employer amount contributed to OMERS for 2023 was \$170,242 (2022 - \$170,242) for current service and is included as an expense on the Statement of Financial Activities.

### 4. TANGIBLE CAPITAL ASSETS

	2023	2022
<b>Cost</b>		
<b>Equipment</b>		
Balance, beginning of year	\$ 3,033,008	\$ 2,967,026
Additions during the year	152,853	115,083
Disposals during the year	(147,861)	(49,101)
Balance, end of year	3,038,000	3,033,008
<b>Accumulated Amortization</b>		
<b>Equipment</b>		
Balance, beginning of year	2,348,427	2,258,073
Amortization	131,803	139,455
Amortization on disposals	(147,861)	(49,101)
Balance, end of year	2,332,369	2,348,427
<b>Net book value</b>	<b>\$ 705,631</b>	<b>\$ 684,581</b>

### 5. BUDGET FIGURES

The 2023 budget amounts that were approved on February 15, 2023 were established for Capital, Reserves and Reserve Funds and are based on a project-oriented basis, the costs of which may be carried out over one or more years.

### 6. STATEMENT OF CASH FLOWS

All cash transactions flowed through the United Counties of Stormont, Dundas and Glengarry accounts.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2023

**7. FINANCIAL INSTRUMENTS**

The Organization has exposure to the following risks from its use of financial instruments: liquidity risk.

*Liquidity risk:*

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due.

The Organization manages liquidity risk by continually monitoring actual and forecasted cash flows from operations to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

There have been no changes to risk exposure from 2022 related to liquidity risks.

**8. COMPARATIVE FIGURES**

Certain comparative figures have been restated to conform with the current year's presentation.