

**The County of Bruce
Library Board
Financial Statements
For the year ended December 31, 2024**

**The County of Bruce Library Board
Financial Statements
For the year ended December 31, 2024**

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The Bruce County Library

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To the Board Members of the County of Bruce Library:

Opinion

We have audited the financial statements of the County of Bruce Library (the "Library Board"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, 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 Library Board as at December 31, 2024, 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 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.

Other Matter

The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on May 13, 2024.

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 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.

Owen Sound, Ontario

June 11, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

The County of Bruce Library Board
Statement of Financial Position

December 31	2024	2023
Financial assets		
Cash (Note 2)	\$ 979,120	\$ 938,254
Due from County of Bruce	112,815	117,592
Due from Canada	-	650
Due from Province of Ontario	3,800	6,145
Due from other municipalities	21	-
Accounts receivable	100	663
	<u>1,095,856</u>	<u>1,063,304</u>
Liabilities		
Accounts payable and accrued liabilities	216,260	201,227
Deferred revenue	14,758	8,528
	<u>231,018</u>	<u>209,755</u>
Net financial assets	864,838	853,549
Non-financial assets		
Tangible capital assets (Note 3)	<u>1,566,927</u>	<u>1,539,585</u>
Accumulated surplus (Note 4)	\$ 2,431,765	\$ 2,393,134

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

The County of Bruce Library Board
Statement of Operations and Accumulated Surplus

For the year ended December 31	2024	2024	2023
	Budget (Note 5)	Actual	Actual
Revenue			
Government transfers:			
County of Bruce	\$ 4,958,098	\$ 5,009,421	\$ 4,493,668
Province of Ontario	188,487	199,750	195,980
Government of Canada	-	6,570	725
Fines and sale of books	15,600	20,591	35,390
Interest income	-	15,610	43,221
Donations	-	20,939	38,528
Rental income and user fees	12,450	20,934	18,068
Gain on disposal of tangible capital assets	-	16,764	13,000
	<u>5,174,635</u>	<u>5,310,579</u>	<u>4,838,580</u>
Expenses			
Salaries and benefits	3,214,735	3,276,954	2,904,560
Contract services	92,051	81,382	60,832
Materials	358,631	367,543	378,537
External transfers	376,879	375,141	366,020
Amortization	-	423,440	389,443
Interdepartmental allocation (Note 6)	747,488	747,488	677,933
	<u>4,789,784</u>	<u>5,271,948</u>	<u>4,777,325</u>
Annual surplus (Note 5)	384,851	38,631	61,255
Accumulated surplus, beginning of the year	<u>2,393,134</u>	<u>2,393,134</u>	<u>231,879</u>
Accumulated surplus, end of the year	<u>\$ 2,777,985</u>	<u>\$ 2,431,765</u>	<u>\$ 2,393,134</u>

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

The County of Bruce Library Board
Statement of Changes in Net Financial Assets

For the year ended December 31	2024	2024	2023
	Budget (Note 5)	Actual	Actual
Annual surplus (Page 5)	\$ 384,851	\$ 38,631	\$ 61,255
Acquisition of tangible capital assets	(483,328)	(450,782)	(579,015)
Amortization of tangible capital assets	-	423,440	389,443
Gain on sale of tangible capital assets	-	(16,764)	(13,000)
Proceeds on disposal of tangible capital assets	-	16,764	13,000
	(483,328)	(27,342)	(189,572)
Change in prepaid expenses	-	-	2,801
Increase (decrease) in net financial assets	(98,477)	11,289	(125,516)
Net financial assets, beginning of the year	853,549	853,549	979,065
Net financial assets, end of the year	\$ 755,072	\$ 864,838	\$ 853,549

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

The County of Bruce Library Board
Statement of Cash Flows

December 31, 2024	2024	2023
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 38,631	\$ 61,255
Items not involving cash		
Amortization	423,440	389,443
Gain on disposal of tangible capital assets	<u>(16,764)</u>	<u>(13,000)</u>
	445,307	437,698
Changes in non-cash working capital balances		
Accounts receivable	563	(563)
Accounts payable and accrued liabilities	15,033	16,608
Due from Canada	650	(515)
Due from Province of Ontario	2,345	(922)
Due from other municipalities	(21)	37
Due from County of Bruce	4,777	12,705
Deferred revenue	6,230	6,211
Prepaid expenses	-	2,801
	<u>29,577</u>	<u>36,362</u>
	474,884	474,060
Capital transaction		
Cash used to acquire tangible capital assets	(450,782)	(579,015)
Proceeds on disposal of tangible capital assets	<u>16,764</u>	<u>13,000</u>
	(434,018)	(566,015)
Net change in cash	40,866	(91,955)
Cash, beginning of the year	<u>938,254</u>	<u>1,030,209</u>
Cash, end of the year	<u>\$ 979,120</u>	<u>\$ 938,254</u>

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

The County of Bruce Library Board Notes to Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies

Management Responsibility The management of the County of Bruce has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. Management reviews and approves the financial statements before they are submitted to the Library Board.

Basis of Accounting The financial statements of the County of Bruce Library Board have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants of Canada as prescribed by the Ontario Ministry of Municipal Affairs and Housing.

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.

Basis of Consolidation The Library Board has been consolidated within the financial statements of the Corporation of the County of Bruce.

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. 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. Estimates are used when accounting for items such as accrued liabilities and useful life of tangible capital assets.

The County of Bruce Library Board
Notes to Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies - (continued)

Cash Cash includes all cash on hand and deposits with banks recorded at fair market value.

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 assets is based on estimates made by management. The following rates are used:

Library collections	7 years
Technology and communication	4 to 5 years
Furniture and fixtures	5 years
Vehicle and machinery	5 to 10 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) Fines and donations are recognized when collected.
- b) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- c) Revenue restricted by legislation, regulation or agreement and not available for general County purposes is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations and accumulated surplus in the year in which it is used for the specified purpose.
- d) 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.

The County of Bruce Library Board
Notes to Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies - (continued)

Asset Retirement Obligation 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.

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 County of Bruce Library Board
Notes to Financial Statements

December 31, 2024

2. Cash Held by the County of Bruce

	2024	2023
Cash	\$ 701,395	\$ 671,815
Cash held by the County of Bruce	277,725	266,439
	\$ 979,120	\$ 938,254

The cash balance held in the Corporation of the County of Bruce bank accounts is part of a centralized cash control service. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor.

3. Tangible Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Library collections	\$ 3,374,698	\$ 2,200,714	\$ 3,171,171	\$ 1,982,083
Technology and communication	106,176	86,717	129,069	108,239
Vehicle and machinery	270,595	60,328	239,737	45,212
Furniture and fixtures	582,567	419,350	523,186	388,044
	\$ 4,334,036	\$ 2,767,109	\$ 4,063,163	\$ 2,523,578
Net book value		\$ 1,566,927		\$ 1,539,585

4. Accumulated Surplus

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

	2024	2023
Invested in capital assets	\$ 1,566,927	\$ 1,539,585
Reserves	864,838	853,549
Accumulated surplus	\$ 2,431,765	\$ 2,393,134

The County of Bruce Library Board
Notes to Financial Statements

December 31, 2024

5. 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 for comparative purposes. The 2024 budget amounts for The County of Bruce Library Board approved by the Board have been reclassified to conform to the presentation of the statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by the Board.

	2024	2024	2023
	Budget	Actual	Actual
Annual surplus (Page 5)	\$ 384,851	\$ 38,631	\$ 61,255
Net transfers (to) from reserves	98,477	(11,289)	128,317
Capital acquisitions and disposals	(483,328)	(450,782)	(579,015)
Amortization	-	423,440	389,443
	-	-	-
General deficit	\$ -	\$ -	\$ -

6. Related Party Transactions

The Library Board was established and is controlled by the County of Bruce. Effective with the 2019 fiscal year, Bruce County commenced the allocation of the organization's Program Support (Finance, Information Technology and Human Resources) and Facilities costs to each of the service departments based on each departments' proportion of the organizations FTE and square footage usage respectively. This allocation is intended to increase awareness and transparency around the full cost of operating these businesses while making operational and strategic decisions throughout the year.

7. Financial Instruments

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.

The County of Bruce Library Board
Notes to Financial Statements

December 31, 2024

7. Financial Instruments (continued)

Credit Risk

The Library is exposed to credit risk through its cash and accounts receivables. There is the possibility of non-collection of trade and other receivables. The majority of the Library's receivables are from government entities. For receivables, the Library measures impairment of each receivable type based on how long the amounts have been outstanding, noting that some government ministries can take multiple years to complete funding reconciliations. The amounts outstanding at year end, which is the Library's maximum exposure to credit risk related to receivables, were as follows:

	0 - 30 days	31 - 90 days	91 - 365 days	1 to 2 years	3 to 10 years
Cash	\$ 979,120	\$ -	\$ -	\$ -	-
Due from County of Bruce	112,815	-	-	-	-
Due from Province of Ontario	3,800	-	-	-	-
Due from other municipalities	21	-	-	-	-
Accounts receivable	100	-	-	-	-
Total	\$ 1,095,856	\$ -	\$ -	\$ -	-

Liquidity Risk

Liquidity risk is the risk that the Library encounters difficulty in meeting its obligations as they fall due. The Library has a planning and budgeting process in place to help determine the funds required to support the Library's normal operating requirements on an ongoing basis. The Library is exposed to liquidity risk through its accounts payable and accrued liabilities. The Library ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Within 6 months	6 months to 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 216,260	\$ -	\$ -	-