

**THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD**  
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**YEAR ENDED DECEMBER 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Orangeville

### **Opinion**

We have audited the accompanying financial statements of The Corporation of the Town of Orangeville Public Library Board, which comprise the statement of financial position as at December 31, 2023 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, these financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Orangeville Public Library Board as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis of 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 Corporation of the Town of Orangeville 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 library board'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 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 judgement 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 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.

Guelph, Ontario  
June 26, 2024

Chartered Professional Accountants  
Licensed Public Accountants

THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2023

	2023	2022
<b>FINANCIAL ASSETS</b>		
Due from the Town of Orangeville	\$ <u>35,301</u>	\$ <u>35,301</u>
<b>NET FINANCIAL ASSETS</b>	<u>35,301</u>	<u>35,301</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 4)	<u>449,413</u>	<u>428,977</u>
<b>ACCUMULATED SURPLUS</b> (note 6)	<u><u>\$ 484,714</u></u>	<u><u>\$ 464,278</u></u>

**THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD**  
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023 Budget</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>REVENUES</b>			
Town contributions (note 5)	\$ 2,112,257	\$ 2,112,257	\$ 1,976,547
Non-residents fees	100,000	118,770	108,410
Provincial grants	30,700	30,708	30,708
Costs recovered	7,000	10,869	6,463
Federal grants	3,250	8,415	14,990
Donations	4,000	6,742	1,300
Fees and fines	16,677	5,199	7,237
Other grants	0	0	30,400
	<u>2,273,884</u>	<u>2,292,960</u>	<u>2,176,055</u>
<b>EXPENDITURES</b>			
Salaries and benefits	1,723,399	1,576,030	1,565,769
Amortization	172,739	172,739	205,181
Capital contribution to Town (note 5)	96,528	96,528	85,000
Other	71,282	54,446	57,020
Janitorial	34,248	35,926	25,734
Equipment maintenance and rentals	38,661	32,968	28,983
Building maintenance	40,430	27,159	14,084
Memberships and training	15,713	13,652	13,462
Electricity	13,719	9,082	11,872
Insurance	5,529	6,680	4,937
Heat and water	8,012	6,527	8,066
Professional fees	5,000	5,668	1,220
Office supplies	5,891	5,429	2,414
Telephone	4,823	3,972	3,581
Postage	3,774	2,436	971
	<u>2,239,748</u>	<u>2,049,242</u>	<u>2,028,294</u>
<b>ANNUAL SURPLUS</b>	34,136	243,718	147,761
<b>ACCUMULATED SURPLUS, beginning of year</b>	464,278	464,278	464,134
Transfer of general surplus to the Town (note 6)	<u>0</u>	<u>(223,282)</u>	<u>(147,617)</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u>\$ 498,414</u>	<u>\$ 484,714</u>	<u>\$ 464,278</u>

THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD  
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget	2023 Actual	2022 Actual
<b>ANNUAL SURPLUS</b>	\$ <u>34,136</u>	\$ <u>243,718</u>	\$ <u>147,761</u>
Acquisition of tangible capital assets	(206,875)	(193,175)	(205,325)
Amortization	172,739	172,739	205,181
Transfer of general surplus to the Town	<u>0</u>	<u>(223,282)</u>	<u>(147,617)</u>
	<u>(34,136)</u>	<u>(243,718)</u>	<u>(147,761)</u>
<b>DECREASE IN NET FINANCIAL ASSETS</b>	0	0	0
<b>NET FINANCIAL ASSETS at beginning of year</b>	<u>35,301</u>	<u>35,301</u>	<u>35,301</u>
<b>NET FINANCIAL ASSETS at end of year</b>	\$ <u><u>35,301</u></u>	\$ <u><u>35,301</u></u>	\$ <u><u>35,301</u></u>

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**THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual surplus	\$ 243,718	\$ 147,761
Items not requiring an outlay of cash		
Amortization	172,739	205,181
Transfer of general surplus to the Town	<u>(223,282)</u>	<u>(147,617)</u>
	193,175	205,325
<b>CASH USED IN CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	<u>(193,175)</u>	<u>(205,325)</u>
<b>NET INCREASE IN CASH</b>	0	0
<b>NET CASH, BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>
<b>NET CASH, END OF YEAR</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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**THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. NATURE OF OPERATION**

The Orangeville Public Library Board operates to provide library services to the ratepayers of the Town of Orangeville.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

(a) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

The financial statements of the Corporation of the Town of Orangeville Public Library Board are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants Canada.

(b) **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; 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.

(c) **REVENUE RECOGNITION**

Non-resident fees are recognized on a cash basis. Fines and penalties are recognized as they are paid. Grants are recognized when earned and expenses are incurred. Town contributions are recognized when earned.

(d) **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.

(e) **BASIS OF CONSOLIDATION**

The Orangeville Public Library Board has been consolidated with the financial statements of the Corporation of the Town of Orangeville.

**THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

(f) FINANCIAL INSTRUMENTS

The organization classifies all of its financial instruments at amortized cost. The maximum exposure to credit risk is the carrying value of the financial instruments. These financial instruments include cash and are due from the Town of Orangeville. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument. Writedowns of financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net realizable value with the writedown being recognized in the consolidated statement of operations.

(g) 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. The useful life of the assets is based on estimates made by Council. The following rates and methods are used:

Collections	4 - 5	years straight line basis
Furniture and equipment	5 - 10	years straight line basis

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

(h) GOVERNMENT TRANSFERS

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, in which case, it is initially recognized as deferred revenue. This revenue is recognized in the statement of operations as the transfer stipulations are settled.

**3. FINANCIAL INSTRUMENTS**

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its amounts due from the Town of Orangeville.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.

**THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**4. TANGIBLE CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2023</b>	<b>Net 2022</b>
Collections	\$ 3,495,643	\$ 3,071,846	\$ 423,797	\$ 419,989
Furniture and equipment	<u>820,054</u>	<u>794,438</u>	<u>25,616</u>	<u>8,988</u>
	<u>\$ 4,315,697</u>	<u>\$ 3,866,284</u>	<u>\$ 449,413</u>	<u>\$ 428,977</u>

The net book value of tangible capital assets not being amortized because they are under construction is \$59,464 (2022 - \$33,849). The assets under construction include furniture and equipment.

**5. RELATED PARTY TRANSACTIONS**

The following table summarizes the Orangeville Public Library Board's related party transactions:

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Contributions from the controlling municipality	<u>\$ 2,112,257</u>	<u>\$ 1,976,547</u>
<b>Expenses</b>		
Contributions to the controlling municipality's capital projects	<u>\$ 96,528</u>	<u>\$ 85,000</u>

For the year ended December 31, 2023, the general surplus in the amount of \$223,282 transferred to the Town of Orangeville, the controlling municipality (2022 - \$147,617).

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent.

At the end of the year, amounts due from the related party are as follows:

	<b>2023</b>	<b>2022</b>
Town of Orangeville	<u>\$ 35,301</u>	<u>\$ 35,301</u>

**6. ACCUMULATED SURPLUS**

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

	<b>2023</b>	<b>2022</b>
Investment in tangible capital assets	\$ 449,413	\$ 428,977
Reserves	5,564	5,564
Tangible capital assets already financed (to be financed in the future)	<u>29,737</u>	<u>29,737</u>
	<u>\$ 855,613</u>	<u>\$ 464,278</u>

For the year ended December 31, 2023, the general surplus in the amount of \$223,282 was transferred to the Town of Orangeville (2022 - \$147,617).

**THE CORPORATION OF THE TOWN OF ORANGEVILLE PUBLIC LIBRARY BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**7. BUDGETS**

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the statement of operations and changes in net financial assets for comparative purposes. The 2023 budget amounts for the Town of Orangeville Public Library Board approved by Council have been reclassified to conform to the presentation of the consolidated statements of operations and changes in net financial assets. Amortization is not included in the budget approved by Council. For comparative purposes, budget figures have been adjusted for amortization based upon actual. The following is a reconciliation of the budget approved by Council.

	<b>2023 Budget</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
Annual surplus	\$ 34,136	\$ 243,718	\$ 147,761
Amortization	<u>172,739</u>	<u>172,739</u>	<u>205,181</u>
	206,875	416,457	352,942
Acquisition of tangible capital assets	<u>(206,875)</u>	<u>(193,175)</u>	<u>(205,325)</u>
	0	223,282	147,617
Transfer of general surplus to the Town	<u>0</u>	<u>(223,282)</u>	<u>(147,617)</u>
General surplus (note 6)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>