

THE CORPORATION OF THE TOWN OF HUNTSVILLE

HUNTSVILLE PUBLIC LIBRARY

FINANCIAL STATEMENTS

December 31, 2023

**THE CORPORATION OF THE TOWN OF HUNTSVILLE
HUNTSVILLE PUBLIC LIBRARY
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THE CORPORATION OF THE TOWN OF HUNTSVILLE
HUNTSVILLE PUBLIC LIBRARY
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

Management's Responsibility for the Financial Statements

The management of the Huntsville Public Library (the "Library") is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying financial statements.

The financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies is described in Note 1 to the financial statements.

The Library's management maintains a system of internal controls designed to provide a reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Pahapill and Associates Professional Corporation, independent external auditors appointed by the Town of Huntsville. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Library's financial statements.

David Tremblay

David Tremblay (Sep 18, 2024 11:52:01)

David Tremblay, CEO/Chief Librarian

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the accompanying financial statements of the Huntsville Public Library which comprise of the statement of financial position as at December 31, 2023 and the statement of operations and 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, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Huntsville Public Library as at December 31, 2023, and its results of operations and changes in net financial assets for the year then ended in accordance to Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many other public sector organizations, the Library derives revenue from donations and fundraising activities, the completeness of which is not susceptible to complete audit verification. Accordingly, our verification of such receipts was limited to accounting for the amounts recorded in the records of the Library. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library's financial reporting process.

Auditor's Responsibility 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'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'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 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.

Pahapill and Associates

Huntsville, Ontario
September 10, 2024

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

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

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 400	\$ 400
Due from The Corporation of the Town of Huntsville	823,296	780,244
	823,696	780,644
LIABILITIES		
NET FINANCIAL ASSETS	823,696	780,644
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 3)	315,162	282,066
	315,162	282,066
ACCUMULATED SURPLUS (Note 4)	\$ 1,138,858	\$ 1,062,710

The accompanying notes are an integral part of these financial statements

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

	Budget 2023 (Note 5)	Actual 2023	Actual 2022
REVENUE			
Municipal contributions	\$ 1,020,097	\$ 1,015,962	\$ 932,018
Provincial grants	42,738	40,938	42,018
Fines	10,000	6,665	6,155
Donations	-	15,246	7,205
Other	31,728	26,366	3,128
TOTAL REVENUE	1,104,563	1,105,177	990,524
EXPENSES			
Administration	31,154	27,947	21,154
Amortization	102,724	102,724	123,087
Board expenses	1,500	756	830
Contracted services	59,082	57,688	56,771
Minor equipment	3,520	1,335	2,758
Professional fees	4,026	1,526	1,526
Repairs and maintenance	5,750	5,362	6,406
Supplies	60,601	53,730	44,580
Telephone	948	758	1,165
Utilities	-	-	4,946
Wages and benefits	810,319	777,203	690,544
TOTAL EXPENSES	1,079,624	1,029,029	953,767
ANNUAL SURPLUS (DEFICIT)	24,939	76,148	36,757
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,062,710	1,062,710	1,025,953
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,087,649	\$ 1,138,858	\$ 1,062,710

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF HUNTSVILLE
HUNTSVILLE PUBLIC LIBRARY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023 (Note 5)	Actual 2023	Actual 2022
Annual surplus (deficit)	\$ 24,939	\$ 76,148	\$ 36,757
Acquisition of tangible capital assets	(127,663)	(116,763)	(105,870)
Amortization of tangible capital assets	102,724	102,724	123,087
Transfer to Town accounts	-	(19,337)	-
Loss on disposal of tangible capital assets	-	280	16,721
Increase (decrease) in net financial assets	-	43,052	70,695
Net financial assets, beginning of year	780,644	780,644	709,949
Net financial assets, end of year	\$ 780,644	\$ 823,696	\$ 780,644

The accompanying notes are an integral part of these financial statements

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

	2023	2022
Operating transactions		
Annual surplus (deficit)	\$ 76,148	\$ 36,757
Non-cash charges to operations:		
Amortization	102,724	123,087
Loss on disposal of tangible capital assets	280	16,721
Transfer from Town accounts	(19,337)	-
	159,815	176,565
Changes in non-cash assets and liabilities:		
Due from The Corporation of the Town of Huntsville	(43,052)	(70,695)
	(43,052)	(70,695)
Cash provided by operating transactions	116,763	105,870
Capital transactions		
Acquisition of tangible capital assets	(116,763)	(105,870)
Cash applied to capital transactions	(116,763)	(105,870)
Cash and cash equivalents, beginning of year	400	400
Cash and cash equivalents, end of year	\$ 400	\$ 400

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF HUNTSVILLE
HUNTSVILLE PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Huntsville Public Library (the "Library") are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended in the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Library are as follows:

- (i) Accrual basis of accounting
 Sources of financing and expenditures are reported on the accrual basis of accounting. This method recognizes revenues as they become available and measurable; expenditures 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.
- (ii) Non-financial assets
 Non-financial assets are not available to discharge existing liabilities but 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.
 - (a) 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 donations are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:
 - Furniture and computers - 5 to 10 years
 - Collection - 10 years
- (iii) Cash and cash equivalents
 Cash and cash equivalents includes cash on hand.
- (iv) Government transfers
 Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.
- (v) Revenue recognition
 Fines and other revenue are recognized as revenue when the services are provided and there is reasonable assurance of collection. Donations are recorded as revenue when received.
- (vi) 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include estimated useful lives of tangible capital assets. While actual results could differ from these estimates, material changes in the amounts reported within the next year are not considered reasonably possible.

THE CORPORATION OF THE TOWN OF HUNTSVILLE
HUNTSVILLE PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2023

2. CHANGE IN ACCOUNTING POLICIES

On January 1, 2023 the Library adopted Public Accounting Standards PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3280 Asset Retirement Obligations, and PS 3450 Financial Instruments. These standards have no significant impact on the presentation of the financial statements.

3. TANGIBLE CAPITAL ASSETS

The following tables provide information on the tangible capital assets of the Library by major asset class.

	Furniture and computers	Collection	TOTAL 2023	TOTAL 2022
COST				
Balance, beginning of year	\$ 129,459	\$ 526,138	\$ 655,597	\$ 668,085
Additions and betterments	12,443	104,320	116,763	105,870
Disposals and writedowns	(29,617)	-	(29,617)	(118,358)
BALANCE, END OF YEAR	112,285	630,458	742,743	655,597
ACCUMULATED AMORTIZATION				
Balance, beginning of year	104,972	268,559	373,531	352,081
Annual amortization	9,545	93,179	102,724	123,087
Disposals and writedowns	(48,674)	-	(48,674)	(101,637)
BALANCE, END OF YEAR	65,843	361,738	427,581	373,531
TANGIBLE CAPITAL ASSETS-NET	\$ 46,442	\$ 268,720	\$ 315,162	\$ 282,066

Additional information relating to these assets is provided below.

(a) Contributed tangible capital assets

The Library records all tangible capital assets contributed by external parties at the fair market value. During the year no such contributions were recorded.

(b) Works of Art and Historical Treasures

Huntsville Public Library holds a collection of art and historical treasures that have been donated to the library or collected through the history of the library. The value of these are not included in the balances provided in the capital asset schedule.

THE CORPORATION OF THE TOWN OF HUNTSVILLE
HUNTSVILLE PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2023

4. ACCUMULATED SURPLUS

The accumulated surplus balance is comprised of the following:

	2023	2022
Tangible capital assets (Note 3)	\$ 315,162	\$ 282,066
General operating surplus (deficit)	(81,114)	(20,027)
Capital reserves	904,810	800,671
	\$ 1,138,858	\$ 1,062,710

The investment in tangible capital assets represents amounts already spent and invested in equipment. Reserve funds represents funds set aside by by-law or Council resolution for specific purposes.

5. BUDGET FIGURES

The unaudited budget adopted for the current year was prepared on a fund basis, and has been amended to conform with the accounting and reporting standards adopted for the current year actual results.

The following schedule provides additional detail regarding the 2023 library operating surplus.

SUPPLEMENTARY INFORMATION

	Library Budget 2023
ANNUAL SURPLUS (DEFICIT)	\$ 24,939
Transfer to reserves	-
Transfer from reserves	-
Municipal amortization	102,724
Municipal capital expenditures	(127,663)
BUDGETED SURPLUS (DEFICIT)	\$ -

6. SEGMENT DISCLOSURE

Since the Library's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided.







LIBRARYSTATEMENTS

Final Audit Report

2024-09-18

Created:	2024-09-18
By:	RAVEN IVANY (RIVANY@PAHAPILL.CA)
Status:	Signed
Transaction ID:	CBJCHBCAABAAMaaee1evZNFbAIZgB1-myBG-APmonIRL

"LIBRARYSTATEMENTS" History

-  Document created by RAVEN IVANY (RIVANY@PAHAPILL.CA)
2024-09-18 - 3:50:23 PM GMT
-  Document emailed to David (david.tremblay@huntsvillelibrary.ca) for signature
2024-09-18 - 3:50:28 PM GMT
-  Email viewed by David (david.tremblay@huntsvillelibrary.ca)
2024-09-18 - 3:50:51 PM GMT
-  Signer David (david.tremblay@huntsvillelibrary.ca) entered name at signing as David Tremblay
2024-09-18 - 3:51:33 PM GMT
-  Document e-signed by David Tremblay (david.tremblay@huntsvillelibrary.ca)
Signature Date: 2024-09-18 - 3:51:35 PM GMT - Time Source: server
-  Agreement completed.
2024-09-18 - 3:51:35 PM GMT