

**THE CORPORATION OF THE TOWN OF HUNTSVILLE**

**HUNTSVILLE PUBLIC LIBRARY**

**FINANCIAL STATEMENTS**

**December 31, 2022**

**THE CORPORATION OF THE TOWN OF HUNTSVILLE  
HUNTSVILLE PUBLIC LIBRARY  
INDEX TO FINANCIAL STATEMENTS**

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**INDEPENDENT AUDITOR'S REPORT**

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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, 2022 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, 2022, 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  
August 08, 2023

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, 2022**

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 400	\$ 400
Due from The Corporation of the Town of Huntsville	780,244	709,549
	<b>780,644</b>	<b>709,949</b>
<b>LIABILITIES</b>		
<b>NET FINANCIAL ASSETS</b>	<b>780,644</b>	<b>709,949</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Note 2)	282,066	316,004
	<b>282,066</b>	<b>316,004</b>
<b>ACCUMULATED SURPLUS (Note 3)</b>	<b>\$ 1,062,710</b>	<b>\$ 1,025,953</b>

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, 2022**

	Budget 2022 (Note 4)	Actual 2022	Actual 2021
<b>REVENUE</b>			
Municipal contributions	\$ 916,861	\$ 932,018	\$ 857,889
Provincial grants	42,738	42,018	42,726
Fines	13,000	6,155	1,990
Donations	-	7,205	3,875
Other	30,681	3,128	(619)
<b>TOTAL REVENUE</b>	<b>1,003,280</b>	<b>990,524</b>	<b>905,861</b>
<b>EXPENSES</b>			
Administration	26,375	21,154	21,166
Amortization	123,087	123,087	104,691
Board expenses	1,500	830	1,722
Contracted services	59,830	56,771	67,037
Minor equipment	3,300	2,758	2,511
Professional fees	4,026	1,526	1,975
Repairs and maintenance	9,550	6,406	44,712
Supplies	47,159	44,580	31,925
Telephone	2,280	1,165	2,353
Utilities	3,920	4,946	9,908
Wages and benefits	736,141	690,544	692,777
<b>TOTAL EXPENSES</b>	<b>1,017,168</b>	<b>953,767</b>	<b>980,777</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(13,888)</b>	<b>36,757</b>	<b>(74,916)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>1,025,953</b>	<b>1,025,953</b>	<b>1,100,869</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 1,012,065</b>	<b>\$ 1,062,710</b>	<b>\$ 1,025,953</b>

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, 2022**

	Budget 2022 (Note 4)	Actual 2022	Actual 2021
<b>Annual surplus (deficit)</b>	\$ (13,888) \$	36,757 \$	(74,916)
Acquisition of tangible capital assets	(109,199)	(105,870)	(91,445)
Amortization of tangible capital assets	123,087	123,087	104,691
Loss on disposal of tangible capital assets	-	16,721	9,122
<b>Increase (decrease) in net financial assets</b>	-	70,695	(52,548)
<b>Net financial assets, beginning of year</b>	709,949	709,949	762,497
<b>Net financial assets, end of year</b>	\$ <b>709,949</b> \$	<b>780,644</b> \$	<b>709,949</b>

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, 2022**

	2022	2021
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 36,757	\$ (74,916)
Non-cash charges to operations:		
Amortization	123,087	104,691
Loss on disposal of tangible capital assets	16,721	9,122
	<u>176,565</u>	<u>38,897</u>
Changes in non-cash assets and liabilities:		
Due from The Corporation of the Town of Huntsville	(70,695)	52,548
	<u>(70,695)</u>	<u>52,548</u>
<b>Cash provided by operating transactions</b>	<u>105,870</u>	<u>91,445</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(105,870)	(91,445)
<b>Cash applied to capital transactions</b>	<u>(105,870)</u>	<u>(91,445)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>400</u>	<u>400</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 400</u>	<u>\$ 400</u>

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, 2022

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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, 2022

2. 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 2022	TOTAL 2021
<b>COST</b>				
Balance, beginning of year	\$ 116,025	\$ 552,060	\$ 668,085	\$ 709,785
Additions and betterments	13,434	92,436	105,870	91,445
Disposals and writedowns	-	(118,358)	(118,358)	(133,145)
<b>BALANCE, END OF YEAR</b>	<b>129,459</b>	<b>526,138</b>	<b>655,597</b>	<b>668,085</b>
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	90,406	261,675	352,081	371,413
Annual amortization	14,566	108,521	123,087	104,691
Disposals and writedowns	-	(101,637)	(101,637)	(124,023)
<b>BALANCE, END OF YEAR</b>	<b>104,972</b>	<b>268,559</b>	<b>373,531</b>	<b>352,081</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 24,487</b>	<b>\$ 257,579</b>	<b>\$ 282,066</b>	<b>\$ 316,004</b>

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 Schedule 1.

3. ACCUMULATED SURPLUS

The accumulated surplus balance is comprised of the following:

	2022	2021
Tangible capital assets (Note 2)	\$ 282,066	\$ 316,004
General operating surplus (deficit)	(20,027)	27,262
Capital reserves	800,671	682,687
	<b>\$ 1,062,710</b>	<b>\$ 1,025,953</b>

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.

**THE CORPORATION OF THE TOWN OF HUNTSVILLE**  
**HUNTSVILLE PUBLIC LIBRARY**

NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended December 31, 2022

4. 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 2022 library operating surplus.

**SUPPLEMENTARY INFORMATION**

	Library Budget 2022
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (13,888)</b>
Transfer to reserves	-
Transfer from reserves	-
Municipal amortization	123,087
Municipal capital expenditures	(109,199)
<b>BUDGETED SURPLUS (DEFICIT)</b>	<b>\$ -</b>

5. SEGMENT DISCLOSURE

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