

Bibliothèque East Ferris Public Library

**Independent Auditor's Report and
Financial Statements**

December 31, 2024

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Bibliothèque East Ferris Public Library (the "Library") are the responsibility of the Library's management and 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, as described in Note 2 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Library's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, 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 Library meets with management and the external auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Baker Tilly SNT LLP, independent external auditor appointed by the Library. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Library's financial statements.

Chief Executive Officer
April 1, 2025

Independent Auditor's Report

**To the Chairperson and Members of
Bibliothèque East Ferris Public Library**

Qualified Opinion

We have audited the financial statements of Bibliothèque East Ferris Public Library, which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, cash flows, and change in net financial assets 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 discussed in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2024, and its results of operations and its cash flows for the year then ended, in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many library boards, the Bibliothèque East Ferris Public Library derives part of its revenues from donations and service charges, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Bibliothèque East Ferris Public Library and we were not able to determine whether any adjustments might be necessary to revenues, annual surplus (deficit), financial assets and accumulated surplus.

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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independent Auditor's Report (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 related 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 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's internal control.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

North Bay, Ontario
April 1, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS

Bibliothèque East Ferris Public Library

Financial Statements

December 31, 2024

Independent Auditor's Report

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Bibliothèque East Ferris Public Library
Statement of Financial Position
December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash and cash equivalents (Note 4)	\$ 61,998	\$ 51,060
Accounts receivable	3,051	752
Due from Municipality of East Ferris (Note 5)	<u>10,339</u>	<u>15,175</u>
	75,388	66,987
Liabilities		
Accounts payable and accrued liabilities	<u>27,434</u>	<u>23,501</u>
Net Financial Assets	47,954	43,486
Non-Financial Assets		
Tangible capital assets (note 7)	3,537	4,244
Prepaid expenses	<u>-</u>	<u>407</u>
Accumulated Surplus (note 8)	<u><u>\$ 51,491</u></u>	<u><u>\$ 48,137</u></u>

Approved by:

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

Bibliothèque East Ferris Public Library
Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2024

	2024		2023
	Budget	Actual	Actual
	(unaudited)		
Revenues			
Municipal contributions	\$ 203,061	\$ 203,061	\$ 159,321
Province of Ontario - operating grant	8,531	8,845	8,531
Summer Experience Program grant	-	4,824	3,812
Interest income	-	296	-
Service charges and other revenues	2,200	6,284	8,845
Donations	-	6,107	13,702
Total Revenues	213,792	229,417	194,211
Expenses			
Books and video tapes	11,700	12,442	10,132
Cataloguing	650	671	23
Insurance	4,583	4,623	4,364
Professional fees	2,883	2,798	2,798
Repairs and maintenance	4,100	3,958	4,232
Salaries and benefits	167,269	175,244	138,852
Supplies and other	10,750	13,893	10,216
Telephone and internet	2,500	2,996	2,212
Training and conferences	3,950	3,616	3,307
Utilities	6,400	5,115	5,242
Amortization	707	707	707
Total Expenses	215,492	226,063	182,085
Annual Surplus (Deficit)	(1,700)	3,354	12,126
Accumulated Surplus, Beginning of Year	48,137	48,137	36,011
Accumulated Surplus, End of Year	\$ 46,437	\$ 51,491	\$ 48,137

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

Bibliothèque East Ferris Public Library

Statement of Cash Flows

For The Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Operations transactions		
Annual surplus	\$ 3,354	\$ 12,126
Cash and cash equivalents provided by (applied to)		
Amortization of tangible capital assets	707	707
Decrease (increase) in accounts receivable	(2,299)	70
Decrease in due from Municipality of East Ferris	4,836	20,982
Increase in accounts payable and accrued liabilities	3,933	2,014
Decrease in deferred revenues	-	(1,915)
Decrease (increase) in prepaid expenses	<u>407</u>	<u>(407)</u>
Cash and cash equivalents provided by operating transactions	<u>10,938</u>	<u>33,577</u>
Increase in cash and cash equivalents	10,938	33,577
Cash and Cash Equivalents, at the Beginning of Year	<u>51,060</u>	<u>17,483</u>
Cash and Cash Equivalents, at the End of Year	<u><u>\$ 61,998</u></u>	<u><u>\$ 51,060</u></u>

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

Bibliothèque East Ferris Public Library

Statement of Changes in Net Financial Assets

For The Year Ended December 31, 2024

	<u>2024</u>		<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		
Annual Surplus (Deficit)	\$ (1,700)	\$ 3,354	\$ 12,126
Amortization of tangible capital assets	707	707	707
Decrease (increase) in prepaid expenses	-	407	(407)
Increase (Decrease) In Net Financial Assets	(993)	4,468	12,426
Net Financial Assets, Beginning of Year	<u>43,486</u>	<u>43,486</u>	<u>31,060</u>
Net Financial Assets, End of Year	<u>\$ 42,493</u>	<u>\$ 47,954</u>	<u>\$ 43,486</u>

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

Bibliothèque East Ferris Public Library

Notes to the Financial Statements

December 31, 2024

1. Purpose of the Organization

The Bibliothèque East Ferris Public Library (the "Library"), which is funded and supported primarily by the Corporation of the Municipality of East Ferris (the "Municipality"), was established in 1980 pursuant to the Public Libraries Act of Ontario as a Municipal Public Library. The Library, on behalf of the residents and taxpayers of the Municipality, oversees the management and operation of the Library and further serves as a policy making body for the organization. The members of the Library are appointed by the Council of the Municipality.

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards for governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

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.

Cash and Cash Equivalents

The Library's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with maturities of twelve months from the date of acquisition or less or those that can be readily convertible to cash.

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 annual surplus (deficit), provides the change in net financial assets for the year.

Bibliothèque East Ferris Public Library

Notes to the Financial Statements

December 31, 2024

2. Significant Accounting Policies (Continued)

Non-Financial Assets (continued)

(i) 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. 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 equipment	10 years
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No amortization is recorded in the year of acquisition.

Assets under construction are not amortized until the asset is available for productive use.

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

Revenue Recognition

The Library follows the deferral method of accounting.

Government transfers, such as municipal contributions and grants, are recognized in the financial statements in the period in which events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. If a liability is created, the satisfaction of the transfer stipulations by the recipient government determines the timing of the recognition of the transfer as revenue.

Revenues from donations, service charges and other revenues are recognized as revenue when received.

Employee Future Benefits

The Library makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred.

Bibliothèque East Ferris Public Library

Notes to the Financial Statements

December 31, 2024

2. Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with the Public Sector Accounting Board of the Chartered Professional Accountants of Canada 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 year. These estimates are based on management's best knowledge of current events and actions that the Library may undertake in the future. Accounts subject to significant estimates include the useful life of tangible capital assets and the related amortization and accrued liabilities. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

Financial Instruments

Financial instruments are classified at either fair value or amortized cost.

Financial instruments classified at amortized cost include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. They are initially recorded at their fair value and subsequently carried at amortized cost using the effective interest rate method, less impairment. Transaction costs are added to the carrying value of the instrument.

Bibliothèque East Ferris Public Library

Notes to the Financial Statements

December 31, 2024

3. Change in Accounting Policies

On January 1, 2024, the Library adopted the following standards on a prospective basis: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*. The adoption of these standards had no impact on the opening balances.

Section PS 3400 - *Revenue*, establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

Guideline PSG-8 - *Purchased Intangibles*, provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

Section PS 3160 - *Public Private Partnerships (P3s)*, provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

4. Cash and Cash Equivalents

	<u>2024</u>	<u>2023</u>
Cash	\$ 35,998	\$ 51,060
Guaranteed Investment Certificate maturing September 18, 2025, bearing interest at 4.0%	<u>26,000</u>	<u>-</u>
	<u><u>\$ 61,998</u></u>	<u><u>\$ 51,060</u></u>

Bibliothèque East Ferris Public Library

Notes to the Financial Statements

December 31, 2024

5. Related Party Transactions

In the normal course of business, the Library had transactions with the Municipality as follows:

	<u>2024</u>	<u>2023</u>
Municipal contributions	<u>\$ 203,061</u>	<u>\$ 159,321</u>

These transactions are in the normal course of operations and are measured at the exchange amount.

The Library held related party balances as follows:

	<u>2024</u>	<u>2023</u>
Due from Municipality of East Ferris	<u>\$ 10,339</u>	<u>\$ 15,175</u>

6. Deferred Revenues

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ -	\$ 1,915
Revenues recognized during the year	<u>-</u>	<u>(1,915)</u>
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Bibliothèque East Ferris Public Library

Notes to the Financial Statements

December 31, 2024

7. Tangible Capital Assets

	Cost			Accumulated Amortization			Net Book Value	
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2024	2023
Furniture and equipment	\$ 7,072	\$ -	\$ 7,072	\$ 2,828	\$ 707	\$ 3,535	\$ 3,537	\$ 4,244

Bibliothèque East Ferris Public Library

Notes to the Financial Statements

December 31, 2024

8. Accumulated Surplus

	<u>2024</u>	<u>2023</u>
Surplus		
Invested in tangible capital assets	\$ 3,537	\$ 4,244
General (see note (a) below)	<u>47,954</u>	<u>43,893</u>
Accumulated Surplus	<u><u>\$ 51,491</u></u>	<u><u>\$ 48,137</u></u>

(a) General Surplus

The general surplus of \$47,954 (2023 - \$43,893) at the end of the year is comprised of the following:

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 43,893	\$ 31,060
Net change in tangible capital assets	707	707
Annual surplus	<u>3,354</u>	<u>12,126</u>
	<u><u>\$ 47,954</u></u>	<u><u>\$ 43,893</u></u>

Bibliothèque East Ferris Public Library

Notes to the Financial Statements

December 31, 2024

9. Pension Agreements

The Library makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer pension plan, on behalf of all qualifying members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The OMERS Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to approximately 640,000 active and retired members and approximately 1,000 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ("the Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2024 the estimated accrued pension obligation for all members of the Plan was \$140,766 million (2023 - \$134,574 million). The Plan had an actuarial value of net assets at that date of \$137,853 million (2023 - \$130,372 million) indicating an actuarial deficit of \$2,913 million (2023 - \$4,202 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Library does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the Library to OMERS for 2024 were \$13,268 (2023 - \$9,765) for current services and is included as an expense on the statement of operations and accumulated surplus.

On January 1, 2024 the yearly maximum pension earnings increased to \$68,500 from \$66,600 in 2023. The contributions are calculated at a rate of 9.0% (2023 - 9.0%) for amounts up to the yearly maximum pension earnings stated above and at a rate of 14.6% (2023 - 14.6%) for amounts above the yearly maximum pension earnings.

10. Financial Instruments

Risks arising from financial instruments and risk management

The Library is exposed to a variety of financial risks including credit risk, liquidity risk and market risk.

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

Bibliothèque East Ferris Public Library

Notes to the Financial Statements

December 31, 2024

10. Financial Instruments (Continued)

Credit risk

Credit risk is the risk of losses resulting from a counterparty's failure to honour its contractual obligations. The Library is exposed to credit risk to the extent that accounts receivable are not collected in a timely manner. The Library's financial assets consisting of cash and cash equivalents and accounts receivable are subject to credit risk. The carrying amounts of financial assets on the consolidated statement of financial position represent the maximum credit risk of the Library at the date of the consolidated statement of financial position. The Library does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Library will not be able to meet its financial obligations as they become due. The Library financial liabilities include accounts payable and accrued liabilities. The Library maintains sufficient resources to meet its obligations. The Library does not believe it is subject to significant liquidity risk.

Market risk

Market risk is the risk of changes in the fair value of financial instruments resulting from fluctuations in the market. The Library is exposed to currency risk, interest risk and price risk to the extent that the fair value of a financial instrument will fluctuate as a result of market factors. The Library's financial instruments consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are subject to market risk. The Library does not believe it is subject to significant market risk.

11. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Library. The budget approved by the Library is developed on a model used to manage program spending within the guidelines of the model. Given differences between the model and generally accepted accounting principles established by the Canadian Public Sector Accounting Board, the budget figures presented have been adjusted to conform with this basis of accounting that is used to prepare the financial statements. The budget figures are unaudited.