

LAC DU BONNET REGIONAL LIBRARY BOARD
Financial Statements
Year Ended December 31, 2016

LAC DU BONNET REGIONAL LIBRARY BOARD
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Year Ended December 31, 2016

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STEFANSON LEE ROMANIUK
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Lac du Bonnet Regional Library Board

We have audited the accompanying financial statements of Lac du Bonnet Regional Library Board, which comprise the statement of financial position as at December 31, 2016 and the statements of revenues and expenditures and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(continues)

Independent Auditor's Report to the Members of Lac du Bonnet Regional Library Board *(continued)*

Basis for Qualified Opinion

In common with many not-for-profit organizations, Lac du Bonnet Regional Library Board derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Lac du Bonnet Regional Library Board. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2016, current assets and net assets as at December 31, 2016.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Lac du Bonnet Regional Library Board as at December 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Stefanson Lee Romoniuk

Chartered Professional Accountants

Winnipeg, Manitoba
March 13, 2017

LAC DU BONNET REGIONAL LIBRARY BOARD
Statement of Financial Position
December 31, 2016

	2016	2015
Assets		
Current		
Cash	\$ 54,085	\$ 55,071
Accounts receivable	-	397
Goods and services tax recoverable	541	-
	\$ 54,626	\$ 55,468
Liabilities		
Current		
Accounts payable	\$ 815	\$ 64
Goods and services tax payable	-	90
	815	154
Net Assets	53,811	55,314
	\$ 54,626	\$ 55,468

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

LAC DU BONNET REGIONAL LIBRARY BOARD
Statement of Revenues and Expenditures
For the Year Ended December 31, 2016

	2016	2015
Revenue		
Grants		
Municipal		
R.M. of Lac du Bonnet	\$ 41,753	\$ 39,555
Town of Lac du Bonnet	15,233	14,432
Provincial		
Cultural, Heritage & Tourism (operating)	39,492	39,492
Rural Library Technological Sustainability	3,775	3,767
Manitoba Liquor and Lotteries	-	6,000
Federal		
Government of Canada	2,977	4,289
Other		
Other grants	-	1,500
Other revenues		
Lac du Bonnet & District Charitable Foundation	3,000	-
Fundraising	10,484	9,652
Non-resident fees	3,680	3,630
Donations	3,479	2,985
Ice Fishing Derby	-	1,200
Fines	1,552	1,809
Internet fees	851	889
Photocopies and printing	975	909
Damage payments	288	215
Room rental	80	80
Interest	621	562
	128,240	130,966
Expenses (Schedule 1)		
Salaries and benefits	92,590	91,974
Collection development	10,298	9,621
Capital expenditures	6,398	12,734
Building occupancy costs	10,156	10,352
Operating expenses	10,301	9,089
	129,743	133,770
Deficiency of revenue over expenses for the year	\$ (1,503)	\$ (2,804)

See notes to financial statements

LAC DU BONNET REGIONAL LIBRARY BOARD
Statement of Changes in Net Assets
Year Ended December 31, 2016

	2016	2015
Net assets - beginning of year	\$ 55,314	\$ 58,118
Deficiency of revenue over expenses	(1,503)	(2,804)
Net assets - end of year	\$ 53,811	\$ 55,314

LAC DU BONNET REGIONAL LIBRARY BOARD

Notes to Financial Statements

Year Ended December 31, 2016

1. Purpose of the Organization

Lac du Bonnet Regional Library Board (the "Organization") is a not-for-profit organization incorporated provincially under the Corporations Act of Manitoba. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization operates to provide library services.

2. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Capital expenditures

Capital expenditures are expensed in the year of purchase.

Revenue recognition

Lac du Bonnet Regional Library Board follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

Volunteer services contributed on behalf of the Library Board in carrying out its operating activities are not recognized in these financial statements because of the difficulty in determining their value.

Financial instruments policy

Financial instruments consisting of cash, accounts receivable and accounts payable are recorded at fair value when acquired or issued due to the near-term maturity of those instruments.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

LAC DU BONNET REGIONAL LIBRARY BOARD

Notes to Financial Statements

Year Ended December 31, 2016

3. Statement of cash flow

A statement of cash flows has not been presented because it would not provide any additional meaningful information that is not readily determinable from information presented in the other financial statements.

LAC DU BONNET REGIONAL LIBRARY BOARD

Schedule One - Expenses

Year Ended December 31, 2016

	2016	2015
Salaries and benefits		
Regular	\$ 86,648	\$ 87,733
Summer work	5,942	4,241
	\$ 92,590	\$ 91,974
Collection development		
Books	\$ 8,602	\$ 7,879
Magazines	1,377	1,434
Videos	319	308
	\$ 10,298	\$ 9,621
Capital expenditures		
Automation hardware and software	\$ 3,369	\$ 6,593
Building improvements	3,029	6,141
	\$ 6,398	\$ 12,734
Building occupancy costs		
Insurance	\$ 1,851	\$ 1,797
Maintenance	853	1,307
Taxes	557	522
Utilities	6,895	6,726
	\$ 10,156	\$ 10,352
Operating expenses		
Audit	\$ 1,026	\$ 1,026
Conferences and travel	1,396	233
Daily operating	1,636	1,369
Equipment maintenance and software support	3,052	3,275
Fundraising expenses	1,173	1,196
Miscellaneous	345	272
Postage and stationery	1,093	1,231
Publicity	580	487
	\$ 10,301	\$ 9,089

See notes to financial statements