



Financial Statements

Lac du Bonnet Regional Library Board

December 31, 2017

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statements of Operations and Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 7
Schedule of Grants	8
Schedule of Other Revenue	8
Schedule of Salaries and Benefits	9
Schedule of Collection Development	9
Schedule of Capital Expenditures	9
Schedule of Building Occupancy Costs	9
Schedule of Operating Expenses	10

# Independent Auditor's Report

**Grant Thornton LLP**  
94 Commerce Drive  
Winnipeg, MB  
R3P 0Z3

T +1 204 944 0100  
F +1 204 957 5442  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

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, 2017, and the statements of operations and changes in net assets and cash flows 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 organization'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 organization'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.

## Independent Auditor's Report (continued)

### **Basis for qualified opinion**

Lac du Bonnet Regional Library Board derives a material amount of revenue from donations and fundraising activities. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, donation and fundraising revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

### **Qualified opinion**

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Canada  
April 24, 2018

*Grant Thornton LLP*

Chartered Professional Accountants

---

## Lac du Bonnet Regional Library Board

### Statements of Operations and Changes in Net Assets

Year ended December 31	2017	2016
<hr/>		
Revenue		
Grants (Schedule 1)	\$ 103,172	\$ 103,230
Other revenue (Schedule 2)	<u>21,393</u>	<u>25,009</u>
	<u>124,565</u>	<u>128,239</u>
Expenditures		
Salaries and benefits (Schedule 3)	89,101	92,590
Collection development (Schedule 4)	9,137	10,297
Capital expenditures (Schedule 5)	3,266	6,398
Building occupancy costs (Schedule 6)	9,914	10,156
Operating expenses (Schedule 7)	<u>8,671</u>	<u>10,301</u>
	<u>120,089</u>	<u>129,742</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 4,476</u>	<u>\$ (1,503)</u>
<hr/>		
Net Assets, beginning of year	\$ 53,811	\$ 55,314
Excess (deficiency) of revenue over expenditures	<u>4,476</u>	<u>(1,503)</u>
Net Assets, end of year	<u>\$ 58,287</u>	<u>\$ 53,811</u>

---

---

# Lac du Bonnet Regional Library Board

## Statement of Financial Position

December 31	2017	2016
<b>Assets</b>		
Current		
Cash	\$ 57,953	\$ 54,085
GST receivable	<u>488</u>	<u>541</u>
	<b>\$ 58,441</b>	<b>\$ 54,626</b>
<hr/>		
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 154	\$ 815
<b>Net Assets</b>	<u>58,287</u>	<u>53,811</u>
	<b>\$ 58,441</b>	<b>\$ 54,626</b>

---

On behalf of the board

\_\_\_\_\_ Member                      \_\_\_\_\_ Member

---

## Lac du Bonnet Regional Library Board Statement of Cash Flows

Year ended December 31

2017

2016

---

Increase (decrease) in cash

### Operating

Excess (deficiency) of revenue over expenditures	\$ 4,476	\$ (1,503)
Change in non-cash working capital items		
Accounts receivable	-	397
GST	53	(631)
Accounts payable and accrued liabilities	<u>(661)</u>	<u>751</u>

Increase (decrease) in cash

3,868

(986)

### Cash

Beginning of year	<u>54,085</u>	<u>55,071</u>
End of year	<u>\$ 57,953</u>	<u>\$ 54,085</u>

---

---

# Lac du Bonnet Regional Library Board

## Notes to the Financial Statements

December 31, 2017

---

### 1. Nature of operations

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.

---

### 2. Significant accounting policies

#### Basis of presentation

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

#### 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.

#### Financial instruments

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

#### Capital expenditures

Capital expenditures are expensed in the year of acquisition.

#### Books and other media collection

Books and other media are expensed in the year of acquisition.

#### Contributed services

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

#### Donated goods

Donated goods are not recorded because the fair market value is not readily determinable.

---

# Lac du Bonnet Regional Library Board

## Notes to the Financial Statements

December 31, 2017

---

### 2. Significant accounting policies (continued)

#### Management estimates

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.

---

### 3. Financial instruments

The main risks the organization is exposed to through its financial instruments are credit risk, liquidity risk, and interest rate risk.

(a) 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's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of its operations.

(b) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments.

---

### 4. Economic dependence

The Organization is dependant on annual funding from provincial and municipal governments to cover expenses incurred during the year.

---

### 5. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

---

## Lac du Bonnet Regional Library Board Schedules to the Financial Statements

Year ended December 31

---

<b>Schedule of grants</b>	<b>Schedule 1</b>	
	<b>2017</b>	<b>2016</b>
Province of Manitoba	\$ 39,492	\$ 39,492
Government of Canada	2,978	2,977
R.M. of Lac du Bonnet	41,753	41,753
Rural Library Technological Sustainability	3,716	3,775
Town of Lac du Bonnet	15,233	15,233
	<b>\$ 103,172</b>	<b>\$ 103,230</b>

---

<b>Schedule of other revenue</b>	<b>Schedule 2</b>	
	<b>2017</b>	<b>2016</b>
Fundraising	\$ 11,093	\$ 10,483
Non-resident fees	3,495	3,680
Donations	2,801	3,479
Fines	1,413	1,552
Photocopies and printing	752	975
Interest fees	717	851
Interest	695	621
Sundry	247	-
Damage payments	180	288
Lac du Bonnet & District Charitable Foundation	-	3,000
Room rental	-	80
	<b>\$ 21,393</b>	<b>\$ 25,009</b>

---

---

# Lac du Bonnet Regional Library Board

## Schedules to the Financial Statements

---

Year ended December 31

---

### Schedule of salaries and benefits

### Schedule 3

	2017	2016
Regular	\$ 84,655	\$ 86,648
Summer work	<u>4,446</u>	<u>5,942</u>
	<u>\$ 89,101</u>	<u>\$ 92,590</u>

---

### Schedule of collection development

### Schedule 4

	2017	2016
Books/digital content	\$ 7,006	\$ 8,601
Magazines	1,366	1,377
Audiovisual	<u>765</u>	<u>319</u>
	<u>\$ 9,137</u>	<u>\$ 10,297</u>

---

### Schedule of capital expenditures

### Schedule 5

	2017	2016
Automation hardware and software	\$ 65	\$ 3,369
Building improvements	<u>3,201</u>	<u>3,029</u>
	<u>\$ 3,266</u>	<u>\$ 6,398</u>

---

### Schedule of building occupancy costs

### Schedule 6

	2017	2016
Insurance	\$ 1,905	\$ 1,851
Maintenance	277	853
Taxes	552	557
Utilities	<u>7,180</u>	<u>6,895</u>
	<u>\$ 9,914</u>	<u>\$ 10,156</u>

---

---

# Lac du Bonnet Regional Library Board

## Schedules to the Financial Statements

---

Year ended December 31

---

### Schedule of operating expenses

### Schedule 7

	2017	2016
Audit	\$ 1,026	\$ 1,026
Conference and travel	281	1,396
Daily operating	1,298	1,636
Equipment maintenance and software support	3,009	3,052
Fundraising expenses	1,293	1,173
Miscellaneous	387	345
Postage and stationary	1,151	1,093
Publicity	226	580
	<u>\$ 8,671</u>	<u>\$ 10,301</u>

---