

**LAC DU BONNET REGIONAL  
LIBRARY BOARD**

**Financial Statements**

**Year Ended December 31, 2022**

**LAC DU BONNET REGIONAL LIBRARY BOARD**  
**Index to Financial Statements**  
**Year Ended December 31, 2022**

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	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 8
Schedule 1 - Expenses	9

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Lac du Bonnet Regional Library Board

### *Qualified Opinion*

We have audited the financial statements of Lac du Bonnet Regional Library Board (the Organization), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in net 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* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Organization 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 the Organization. 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, 2022, current assets and net assets as at December 31, 2022.

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 Organization in accordance with 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 audit 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 ASNPO, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

(continues)

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

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

*KJL & Associates*

Chartered Professional Accountants

Winnipeg, Manitoba  
May 24, 2023

**LAC DU BONNET REGIONAL LIBRARY BOARD**  
**Statement of Financial Position**  
**December 31, 2022**

	2022	2021
<b>Assets</b>		
Current		
Cash	\$ 141,170	\$ 129,318
Goods and services tax recoverable	967	624
Prepaid expenses	-	289
	<b>\$ 142,137</b>	<b>\$ 130,231</b>
<b>Liabilities</b>		
Current		
Accounts payable	\$ 1,708	\$ 68
Wages payable	2,193	3,353
Employee deductions payable	-	367
	<b>3,901</b>	<b>3,788</b>
<b>Net Assets</b>	<b>138,236</b>	<b>126,443</b>
	<b>\$ 142,137</b>	<b>\$ 130,231</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
*Director*

\_\_\_\_\_  
*Director*

See notes to financial statements

# LAC DU BONNET REGIONAL LIBRARY BOARD

## Statement of Revenues and Expenditures

Year Ended December 31, 2022

	2022	2021
<b>Revenue</b>		
<b>Grants</b>		
Municipal		
R.M. of Lac du Bonnet	\$ 45,879	\$ 45,879
Town of Lac du Bonnet	16,008	16,008
Provincial		
Cultural, Heritage & Tourism (operating)	47,337	47,305
Province of Manitoba Bridge Grant	-	15,000
Rural Library Technological Sustainability	3,591	3,585
Federal		
Government of Canada	2,868	2,380
Other		
Reading Challenge	1,000	-
<b>Other revenues</b>		
Donations	5,285	6,958
Fines	908	1,164
Fundraising	5,803	3,201
Interest	1,828	905
Internet fees	300	166
Miscellaneous	-	21
Non-resident fees	3,300	3,155
Photocopies and printing	1,286	509
Room rental	1,175	-
	<b>136,568</b>	<b>146,236</b>
<b>Expenses (Schedule 1)</b>		
Building occupancy costs	13,204	12,284
Capital expenditures	335	1,505
Collection development	8,008	7,379
Operating expenses	15,913	7,644
Salaries and benefits	87,315	85,442
	<b>124,775</b>	<b>114,254</b>
<b>Excess of revenue over expenses</b>	<b>\$ 11,793</b>	<b>\$ 31,982</b>

**LAC DU BONNET REGIONAL LIBRARY BOARD**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

	2022	2021
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 11,793	\$ 31,982
Changes in non-cash working capital:		
Accounts payable	1,640	67
Prepaid expenses	289	(289)
Goods and services tax payable	(343)	(53)
Wages payable	(1,160)	3,353
Employee deductions payable	(367)	367
	59	3,445
<b>Increase in cash flow</b>	<b>11,852</b>	<b>35,427</b>
Cash - beginning of year	129,318	93,891
<b>Cash - end of year</b>	<b>\$ 141,170</b>	<b>\$ 129,318</b>

# LAC DU BONNET REGIONAL LIBRARY BOARD

## Notes to Financial Statements

Year Ended December 31, 2022

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### 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 (ASNPO).

#### 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

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### 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.

#### Donated goods

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

**LAC DU BONNET REGIONAL LIBRARY BOARD**

**Schedule 1 - Expenses**

**Year Ended December 31, 2022**

	2022	2021
<b>Building occupancy costs</b>		
Insurance	\$ 1,015	\$ 903
Repairs and maintenance	3,589	3,109
Taxes	507	507
Utilities	8,093	7,765
	<b>\$ 13,204</b>	<b>\$ 12,284</b>
<b>Capital expenditures</b>		
Automation hardware and software	\$ 335	\$ 1,505
<b>Collection development</b>		
Books	\$ 6,995	\$ 6,062
Magazines	973	1,182
Videos	40	135
	<b>\$ 8,008</b>	<b>\$ 7,379</b>
<b>Operating expenses</b>		
Audit	\$ 1,232	\$ 1,070
Conference and travel	50	223
Contract services	4,435	-
Daily operating	5,677	1,931
Equipment maintenance and software support	1,726	3,051
Fundraising expenses	1,130	-
Miscellaneous	1,416	399
Postage and stationery	82	842
Publicity	-	128
Mileage allowance	165	-
	<b>\$ 15,913</b>	<b>\$ 7,644</b>
<b>Salaries and benefits</b>		
Regular	\$ 87,315	\$ 85,441