

**BIBLIOTHEQUE ST. JOACHIM LIBRARY**  
**Financial Statements**  
**Years Ended December 31, 2012 and December 31, 2011**

**BIBLIOTHEQUE ST. JOACHIM LIBRARY**  
**Index to Financial Statements**  
**Year Ended December 31, 2012**

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# Denis G. Fillion CMA Ltd

CERTIFIED MANAGEMENT ACCOUNTANTS/COMPTABLES EN MANAGEMENT ACCRÉDITÉS

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Bibliotheque St. Joachim Library

We have audited the accompanying financial statements of Bibliotheque St. Joachim Library, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statements of revenues and expenditures, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, 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 audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditor's Report to the Members of Bibliotheque St. Joachim Library (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bibliotheque St. Joachim Library as at December 31, 2012, December 31, 2011 and January 1, 2011, and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.



St Pierre Jolys, Manitoba  
April 18, 2013

Denis G Fillion CMA Ltd  
Certified Management Accountants

**BIBLIOTHEQUE ST. JOACHIM LIBRARY**  
**Statement of Financial Position**  
**December 31, 2012**

	<i>December 31</i> <b>2012</b>	<i>December 31</i> <b>2011</b>	<i>January 1</i> <b>2011</b>
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash and short term deposits	\$ 3,499	\$ 6,931	\$ 7,031
Accounts receivable	3,214	2,246	2,032
Capital Asset Deposit	-	-	1,000
	<u>6,713</u>	<u>9,177</u>	<u>10,063</u>
<b>CAPITAL ASSETS (Note 6)</b>	<u>6,239</u>	<u>8,665</u>	<u>8,744</u>
	<u>\$ 12,952</u>	<u>\$ 17,842</u>	<u>\$ 18,807</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable	\$ 1,539	\$ 3,558	\$ 2,180
Deferred income	-	-	4,000
	<u>1,539</u>	<u>3,558</u>	<u>6,180</u>
<b>NET ASSETS</b>			
General fund	5,174	5,619	3,883
Capital assets	6,239	8,665	8,744
	<u>11,413</u>	<u>14,284</u>	<u>12,627</u>
	<u>\$ 12,952</u>	<u>\$ 17,842</u>	<u>\$ 18,807</u>

**ON BEHALF OF THE BOARD**

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

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

The attached notes are an integral part of this financial statement.

**BIBLIOTHEQUE ST. JOACHIM LIBRARY**  
**Statement of Revenues and Expenditures**  
**Years Ended December 31, 2012 and December 31, 2011**

	2012	2011
<b>REVENUE</b>		
Municipalité Rurale de LaBroquerie (Note 5)	\$ 82,390	\$ 70,799
Vending machine (net)	389	699
Miscellaneous income	1,371	1,191
	<b>84,150</b>	<b>72,689</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Advertising and promotion	3,097	308
Amortization	2,426	2,599
Books and library supplies	18,618	12,587
Equipment	-	1,580
Interest and bank charges	72	122
Internet access	-	780
Library programs	1,334	723
Memberships	150	160
Miscellaneous expenses	230	251
Office	2,512	2,613
Professional fees	1,364	1,327
Repairs and maintenance	859	133
Salaries and wages	53,235	43,827
Technical support	2,000	2,000
Telephone	685	691
Travel	728	1,551
	<b>87,310</b>	<b>71,252</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER GENERAL AND ADMINISTRATIVE EXPENSES FROM OPERATIONS</b>	<b>(3,160)</b>	<b>1,437</b>
<b>OTHER INCOME</b>		
Interest income	289	220
<b>EXCESS (DEFICIENCY) OF REVENUE OVER GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>\$ (2,871)</b>	<b>\$ 1,657</b>

The attached notes are an integral part of this financial statement.

**BIBLIOTHEQUE ST. JOACHIM LIBRARY**  
**Statement of Changes in Net Assets**  
**Years Ended December 31, 2012 and December 31, 2011**

	2011 Balance	Deficiency of revenue over general and administrative expenses	Transfer from capital assets	Transfer to general fund	2012 Balance
General fund	\$ 5,619	\$ (2,871)	\$ 2,426	\$ -	\$ 5,174
Capital assets	8,665	-	-	(2,426)	6,239
	<b>\$ 14,284</b>	<b>\$ (2,871)</b>	<b>\$ 2,426</b>	<b>\$ (2,426)</b>	<b>\$ 11,413</b>

	2010 Balance	Excess of revenue over general and administrative expenses	Transfer from capital assets	Transfer to general fund	2011 Balance
General fund	\$ 3,883	\$ 1,657	\$ 79	\$ -	\$ 5,619
Capital assets	8,744	-	-	(79)	8,665
	<b>\$ 12,627</b>	<b>\$ 1,657</b>	<b>\$ 79</b>	<b>\$ (79)</b>	<b>\$ 14,284</b>

The attached notes are an integral part of this financial statement.

**BIBLIOTHEQUE ST. JOACHIM LIBRARY**  
**Statement of Cash Flows**  
**Years Ended December 31, 2012 and December 31, 2011**

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over general and administrative expenses	\$ (2,871)	\$ 1,657
Item not affecting cash:		
Amortization	2,426	2,599
	<b>(445)</b>	4,256
Changes in non-cash working capital:		
Accounts receivable	(968)	(214)
Accounts payable	(2,019)	1,378
Deferred income	-	(4,000)
Capital Asset Deposit	-	1,000
	<b>(2,987)</b>	(1,836)
Cash flow from (used by) operating activities	<b>(3,432)</b>	2,420
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	-	(6,520)
Grants: Furniture and fixtures	-	4,000
Cash flow used by investing activities	-	(2,520)
<b>DECREASE IN CASH FLOW</b>	<b>(3,432)</b>	(100)
Cash - beginning of year	6,931	7,031
<b>CASH - END OF YEAR</b>	<b>\$ 3,499</b>	<b>\$ 6,931</b>

The attached notes are an integral part of this financial statement.



**BIBLIOTHEQUE ST. JOACHIM LIBRARY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2012**

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1. DESCRIPTION OF OPERATIONS

The organization is a public library supported by the R.M. LaBroquerie.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

Bibliothèque St. Joachim Library follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the general fund.

The capital asset fund reports the assets, liabilities, revenues, and expenses related to Bibliothèque St. Joachim Library's capital assets.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

Capital assets

Capital assets are amortized according to the following rates and method:

Furniture and fixtures	20%	declining balance method
Leasehold improvements	20%	straight-line method

Government grants are treated as a reduction of capital asset cost.

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

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**BIBLIOTHEQUE ST. JOACHIM LIBRARY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2012**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue Recognition

The organization recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Financial instruments policy

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.

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3. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the organization adopted Canadian Accounting Standards for Not-for-Profit Organizations (ASNFP). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFP had no impact on net assets as at January 1, 2011 or revenues and expenditures or cash flows for the year ended December 31, 2011 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

- a) The fair values of capital assets at January 1, 2011 have been adopted as their deemed cost.
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**BIBLIOTHEQUE ST. JOACHIM LIBRARY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2012**

**4. FINANCIAL INSTRUMENTS**

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

**5. Grants**

	2012	2011
Province of Manitoba: Matching Grant	\$ 37,601	\$ 37,601
Mr. De La Broquerie	36,000	31,102
Province of Manitoba: Technological Sustainability	3,537	1,316
EMPLOI ÉTÉCANADA	2,800	-
Canada's Youth at Work	2,252	-
Project Site Web	200	-
Octroi - Pac	-	780
	<b>\$ 82,390</b>	<b>\$ 70,799</b>

**6. CAPITAL ASSETS**

	Cost	Government Assistance	Accumulated amortization	2012 Net book value
Furniture and fixtures	\$ 10,062	\$ 4,000	\$ 3,288	\$ 2,774
Leasehold improvements	12,088	3,425	5,198	3,465
	<b>\$ 22,150</b>	<b>\$ 7,425</b>	<b>\$ 8,486</b>	<b>\$ 6,239</b>
	Cost	Government Assistance	Accumulated amortization	2011 Net book value
Furniture and fixtures	\$ 10,062	\$ 4,000	\$ 2,595	\$ 3,467
Leasehold improvements	12,088	3,425	3,465	5,198
	<b>\$ 22,150</b>	<b>\$ 7,425</b>	<b>\$ 6,060</b>	<b>\$ 8,665</b>