

**BIBLIOTHEQUE ST. JOACHIM**  
**Financial Statements**  
**Year Ended December 31, 2018**

**BIBLIOTHEQUE ST. JOACHIM**  
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**Year Ended December 31, 2018**

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# ***Pro Vue Business Group***

CHARTERED PROFESSIONAL ACCOUNTANTS Inc / COMPTABLES PROFESSIONNELS AGRÉÉS Inc.

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## **INDEPENDENT AUDITOR'S REPORT**

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To the Directors of Bibliotheque St. Joachim

### *Opinion*

We have audited the financial statements of Bibliotheque St. Joachim (the Organization), which comprise the statement of financial position as at December 31, 2018, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, 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.

### *Basis for Opinion*

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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*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.



**BIBLIOTHEQUE ST. JOACHIM**  
**Statement of Financial Position**  
**December 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,871	\$ -
Accounts receivable	4,210	3,110
	6,081	3,110
CAPITAL ASSETS <i>(Note 5)</i>	12,298	6,415
<b>TOTAL ASSETS</b>	\$ 18,379	\$ 9,525
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ -	\$ 2,448
Accounts payable	2,100	2,101
<b>TOTAL LIABILITIES</b>	2,100	4,549
<b>NET ASSETS</b>		
General fund	3,981	(1,439)
Capital asset fund	12,298	6,415
	16,279	4,976
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 18,379	\$ 9,525

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See notes to financial statements

**BIBLIOTHEQUE ST. JOACHIM**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2018**

	2018	2017
<b>REVENUES</b>		
Grants (Note 6)	\$ 119,090	\$ 104,473
Miscellaneous income	2,646	3,005
	<b>121,736</b>	<b>107,478</b>
<b>EXPENDITURES</b>		
Advertising and promotion	931	1,082
Amortization	3,074	1,604
Bad debt recovery	-	(621)
Books and library supplies	18,947	19,703
Electronic equipment	-	437
Employee benefits	650	-
Interest and bank charges	6	-
Library programs	2,178	1,398
Memberships	-	65
Miscellaneous expenses	983	1,157
Office	4,262	4,168
Professional fees	2,057	1,987
Repairs and maintenance	1,194	2,100
Salaries and wages	71,606	70,216
Technical support	3,000	2,000
Telephone	807	765
Training	389	-
Travel	818	653
	<b>110,902</b>	<b>106,714</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>10,834</b>	<b>764</b>
<b>OTHER INCOME</b>		
Interest income	469	317
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 11,303</b>	<b>\$ 1,081</b>

**BIBLIOTHEQUE ST. JOACHIM**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2018**

	General Fund	Capital Asset Fund	<b>2018</b>	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ (1,439)	\$ 6,415	<b>\$ 4,976</b>	\$ 3,895
TRANSFER FROM GENERAL FUND	(5,883)	5,883	-	-
EXCESS OF REVENUES OVER EXPENDITURES	11,303	-	<b>11,303</b>	1,081
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,981</b>	<b>\$ 12,298</b>	<b>\$ 16,279</b>	<b>\$ 4,976</b>

**BIBLIOTHEQUE ST. JOACHIM**  
**Statement of Cash Flows**  
**Year Ended December 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 11,303	\$ 1,081
Item not affecting cash:		
Amortization of capital assets	3,074	1,604
	<b>14,377</b>	2,685
Changes in non-cash working capital	<b>(1,100)</b>	(24,508)
Cash flow from (used by) operating activities	<b>13,277</b>	(21,823)
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<b>(8,958)</b>	(4,565)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>4,319</b>	(26,388)
Cash (deficiency) - beginning of year	<b>(2,448)</b>	23,940
<b>CASH (DEFICIENCY) - END OF YEAR</b>	<b>\$ 1,871</b>	\$ (2,448)
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ (469)	\$ (317)
Interest paid	\$ 4	\$ -
Income taxes paid	\$ -	\$ -
<b>CASH (DEFICIENCY) CONSISTS OF:</b>		
Cash	\$ 1,871	\$ -
Bank indebtedness	-	(2,448)
	<b>\$ 1,871</b>	<b>\$ (2,448)</b>

See notes to financial statements



**BIBLIOTHEQUE ST. JOACHIM**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

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1. DESCRIPTION OF OPERATIONS

The organization is a public library supported by the R.M. of La Broquerie and the Province of Manitoba. The organization serves all the people of the above municipality by operating a library in the town of La Broquerie.

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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).

Fund accounting

Bibliothèque St. Joachim follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to Bibliothèque St. Joachim's capital assets and building expansion campaign.

Capital assets

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

Furniture and fixtures	20%	declining balance method
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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. All purchases of electronic equipment is expensed in the year of purchase.

Government grants

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

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**BIBLIOTHEQUE ST. JOACHIM**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

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

Revenue recognition

Bibliothèque St. Joachim 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. Endowment contributions are recognized as direct increases in net assets.

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.

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.

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. FINANCIAL INSTRUMENTS

It is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

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4. ECONOMIC DEPENDENCE

The organization is dependent on the political and financial support of the Rural Municipality of La Broquerie in order to receive financing from the Province of Manitoba.

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**BIBLIOTHEQUE ST. JOACHIM**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

5. CAPITAL ASSETS

	Cost	Government Assistance	Accumulated amortization	2018 Net book value
Furniture and fixtures	\$ 28,076	\$ 4,000	\$ 11,778	\$ 12,298

  

	Cost	Government Assistance	Accumulated amortization	2017 Net book value
Furniture and fixtures	\$ 19,118	\$ 4,000	\$ 8,703	\$ 6,415

6. GRANTS

	2018	2017
Province of Manitoba	\$ 58,146	\$ 50,683
Rural Municipality of LaBroquerie	51,646	45,000
Summer employment program	3,487	3,324
Province of Manitoba-Technology grant	3,107	3,185
Canada's Youth at Work	2,704	2,281
	\$ 119,090	\$ 104,473