

EVERGREEN REGIONAL LIBRARY

GIMLI, MB

DECEMBER 31, 2021

Independent Auditors' Report

To the Members of;
Evergreen Regional Library

Opinion

We have audited the accompanying financial statements of Evergreen Regional Library, which comprise the balance sheet as at December 31, 2021, and the statements of revenue and expenditure, 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 Evergreen Regional Library as at December 31, 2021, 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 Auditors' 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 these 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 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.

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

Auditors' 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 auditors' 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 Evergreen Regional Library'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 Evergreen Regional Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Evergreen Regional Library 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.

Reid & Miller

April 19, 2022
Winnipeg, Manitoba

Chartered Professional Accountants Inc.

EVERGREEN REGIONAL LIBRARY

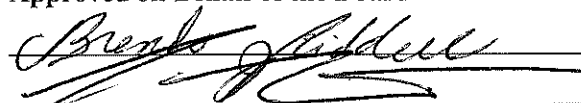

BALANCE SHEET

AS AT DECEMBER 31

	2021	2020
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	121,192	83,500
Accounts receivable	1,384	825
Prepaid expenses	1,748	1,748
	<u>124,324</u>	<u>86,073</u>
TANGIBLE CAPITAL ASSETS (note 3)	<u>1,567</u>	<u>2,642</u>
	<u><u>125,891</u></u>	<u><u>88,715</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,999	3,694
Due to government agencies	3,742	4,002
Deferred revenue	23,625	8,209
	<u>31,366</u>	<u>15,905</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	53,918	55,860
INVESTMENT IN CAPITAL ASSETS	1,567	2,642
INTERNALLY RESTRICTED FUNDS (note 5)	39,040	14,308
	<u>94,525</u>	<u>72,810</u>
	<u><u>125,891</u></u>	<u><u>88,715</u></u>

COMMITMENTS (note 9)

Approved on Behalf of the Board

 Director
 Director

The accompanying notes are an integral part of these financial statements

EVERGREEN REGIONAL LIBRARY
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31

	2021 \$ Budget (unaudited)	2021 \$ Actual	2020 \$ Actual
REVENUE			
Municipal grants			
Town of Arborg	12,628	12,628	12,628
Municipality of Bifrost-Riverton	34,625	34,625	34,624
Rural Municipality of Gimli	63,355	63,355	63,355
Donations and fundraising	2,500	3,010	2,913
Federal Government grant	-	-	3,078
Provincial Government			
Collection development grant	16,500	16,500	16,500
Operating grant	91,724	91,724	91,724
Rural library technology sustainability grant	8,209	8,209	8,224
Bridge funding	-	15,000	5,000
Library generated revenue			
Books and videos	-	868	779
Fines and sundry	2,000	716	514
Internet	700	670	735
Memberships	1,400	1,750	1,410
Other	5,000	543	831
	<u>238,641</u>	<u>249,598</u>	<u>242,315</u>
EXPENDITURE			
Books and online costs	34,500	33,970	30,007
Equipment and furniture	1,000	-	3,631
Insurance, licences and fees	4,300	4,404	4,084
Miscellaneous	300	733	-
Office and sundry	8,000	6,530	6,510
Professional fees	4,500	5,305	4,846
Rent	24,565	24,565	24,565
Repairs and maintenance	2,300	1,160	871
Salaries and benefits	138,375	137,596	135,009
Telephone	2,900	2,347	2,612
Technology support	12,000	9,241	9,671
Travel	1,200	955	977
	<u>233,940</u>	<u>226,806</u>	<u>222,783</u>
EXCESS OF REVENUE OVER EXPENDITURE BEFORE AMORTIZATION	4,701	22,792	19,532
AMORTIZATION			
Amortization	-	1,075	1,076
EXCESS OF REVENUE OVER EXPENDITURE	<u>4,701</u>	<u>21,717</u>	<u>18,456</u>

The accompanying notes are an integral part of these financial statements

EVERGREEN REGIONAL LIBRARY

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31

	Internally Restricted Funds	Investment in capital assets	Unrestricted net assets	2021 Total \$	2020 Total \$
NET ASSETS					
Balance, beginning of year	14,308	2,642	55,858	72,808	54,354
Excess of revenue over expenditure	2,928	(1,075)	19,864	21,717	18,456
Contributions to restricted funds	<u>21,804</u>	<u>-</u>	<u>(21,804)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u><u>39,040</u></u>	<u><u>1,567</u></u>	<u><u>53,918</u></u>	<u><u>94,525</u></u>	<u><u>72,810</u></u>

EVERGREEN REGIONAL LIBRARY**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31**

	2021	2020
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenditure for the year	21,717	18,456
Items not affecting cash:		
Amortization	1,075	1,076
	<u>22,792</u>	<u>19,532</u>
Net changes in non-cash working capital affecting operations (<i>note 10</i>)	14,900	405
	<u>37,692</u>	<u>19,937</u>
INCREASE IN CASH RESOURCES	37,692	19,937
CASH RESOURCES, BEGINNING OF YEAR	<u>83,500</u>	<u>63,563</u>
CASH RESOURCES, END OF YEAR	<u><u>121,192</u></u>	<u><u>83,500</u></u>

EVERGREEN REGIONAL LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. NATURE OF ACTIVITIES

Evergreen Regional Library is a local not for profit organization servicing the Rural Municipality of Gimli, Municipality of Bifrost-Riverton, and the Town of Arborg and is exempt from income tax under subsection 149 (1)(f) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the organization have been prepared in accordance with Canadian accounting standards for not for profit organizations. Outlined below are those policies considered particularly significant for the organization.

a) MEASUREMENT UNCERTAINTY

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, the organization makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items.

b) REVENUE RECOGNITION

The organization uses the deferral method of accounting for contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Revenue from fees, government subsidies, operating grants and other fees for service; are recognized when there is persuasive evidence that an arrangement exists, the price is fixed or determinable, and collection is reasonably assured.

Unearned revenue represents other unused grants which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

c) INVESTMENTS

Investments are initially recorded at fair value at the date of acquisition.

EVERGREEN REGIONAL LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

d) TANGIBLE CAPITAL ASSETS

Purchased capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives.

	Method	Rate
Computer equipment	straight line	5 years
Equipment and furniture	straight line	10 years

e) CONTRIBUTED SERVICES

Volunteers contribute a significant number of hours per year to assist the organization in carrying out its operations. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

f) FINANCIAL INSTRUMENTS

Initial and subsequent measurement

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred. Financial assets measured at amortized cost on a straight-line basis include cash, and trade and other accounts receivable. Financial liabilities measured at amortized cost on a straight-line basis include the accounts payable, and wages payable reported as financial liabilities.

3. TANGIBLE CAPITAL ASSETS

	2021			2020		
	\$			\$		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
Computer equipment	22,970	22,420	550	22,970	22,145	825
Equipment and furniture	9,485	8,468	1,017	9,485	7,668	1,817
	<u>32,455</u>	<u>30,888</u>	<u>1,567</u>	<u>32,455</u>	<u>29,813</u>	<u>2,642</u>

4. BANK INDEBTEDNESS

The organization has obtained an operating line of credit from the CIBC to a maximum of \$20,000. Interest is charged monthly. As at year end the line of credit was not utilized.

EVERGREEN REGIONAL LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

5. INTERNALLY RESTRICTED FUNDS

The Board of Directors can internally restrict net assets stipulating that these net assets be used for a specific purpose. These internally restricted net assets amounts are not available for other purposes without approval by the Board of Directors.

	Arborg Reserve	Gimli Ethnic and special projects Reserve	Riverton Reserve	Contingency	2021 \$	2020 \$
Balance, beginning of year	433	2,403	1,472	10,000	14,308	13,716
Income earned	54	-	5	-	59	2
Donations and grants	-	2,974	-	-	2,974	898
Distributions	-	-	(105)	-	(105)	-
Transfers to unrestricted	-	-	-	21,804	21,804	(308)
Balance, end of year	487	5,377	1,372	31,804	39,040	14,308

6. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit, liquidity, or market risks arising from these financial instruments.

7. BUDGET INFORMATION

Budget information presented in the Statement of Revenue and Expenditure have not been subject to audit; the budget numbers are presented for information purposes only.

8. ECONOMIC DEPENDENCE

The organization is dependent on the Province of Manitoba - Public Library Services grants and the Rural Municipality Funding Partners grants for funding which is essential to its continuing operations.

9. COMMITMENTS

The organization has entered into a five year lease agreement with the Rural Municipality of Gimli for the premises located at 65 1st Avenue in Gimli Manitoba. Lease payments are \$13,140 per annum ending December 31, 2023.

EVERGREEN REGIONAL LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

10. CASH FLOW STATEMENT

	2021	2020
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	(559)	(246)
Prepaid expenses	-	(887)
Accounts payable and accrued liabilities	303	191
Deferred revenue	15,416	(15)
Due to government agencies	(260)	1,362
	<u>14,900</u>	<u>405</u>



REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC