

Kenora Public Library
Financial Statements
December 31, 2023

**Kenora Public Library
Contents**

For the year ended December 31, 2023

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Management's Responsibility

To the Board of Kenora Public Library:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The council of The Corporation of the City of Kenora is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the council of The Corporation of the City of Kenora to audit the financial statements and report directly to the members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.



Head Librarian

To the Members of Kenora Public Library:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Kenora Public Library (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, change in net financial 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, 2023, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many charitable organizations, the Kenora Public Library derives revenue from donations and fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Library and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, surplus (deficit), and cash flows from operations for the years ended December 31, 2023 and December 31, 2022 and assets and net assets as at December 31, 2023 and December 31, 2022. The audit opinion on the financial statements for the year ended December 31, 2022 was qualified accordingly because of the possible effects of the limitation in scope.

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

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained management's annual report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 public sector accounting standards, 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.

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.

Kenora, Ontario

January 22, 2026

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Kenora Public Library
Statement of Financial Position
As at December 31, 2023

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash	770	1,565
Temporary investments (Note 4)	23,926	22,850
Accounts receivable	2,849	2,310
Due from The Corporation of the City of Kenora (Note 5)	594,064	555,745
Restricted cash (Note 3)	14,067	13,402
	635,676	595,872
Liabilities		
Accounts payable (Note 6)	63,332	40,080
Deferred revenue (Note 7)	28,981	28,198
Employee future benefits payable (Note 9)	206,753	200,142
	299,066	268,420
Net financial assets	336,610	327,452
Commitments (Note 10)		
Non-financial assets		
Tangible capital assets (Note 11)	136,020	145,306
Prepaid expenses	417	860
Total non-financial assets	136,437	146,166
Accumulated surplus (Note 12)	473,047	473,618

Approved on behalf of the Board



Director



Director

Kenora Public Library

Statement of Operations and Accumulated Surplus

For the year ended December 31, 2023

	2023 Budget (Note 15) (Unaudited)	2023	2022
Revenue			
The Corporation of the City of Kenora (Note 5)	715,268	690,268	668,456
Province of Ontario	35,583	35,583	35,583
Donations and other income	3,000	19,528	22,354
Dolly Parton Imagination Library (Note 7)	-	12,825	13,562
Room rental	13,642	13,644	13,440
Memberships	8,000	7,553	6,945
Industry Canada	-	4,340	6,930
Fines	8,100	4,031	3,987
Photocopies	5,000	4,420	3,013
Proceeds from used and unreturned books	3,000	1,369	2,821
Fundraising	-	862	697
	791,593	794,423	777,788
Expenses			
Advertising	2,000	30	806
Amortization	48,777	48,777	48,245
Audit fees	8,136	10,166	7,810
Bad debts (recoveries)	-	98	(113)
Bank charges and interest	1,000	1,259	1,309
Books	32,010	15,817	17,727
Cleaning	20,500	21,569	23,793
Contracted services	28,600	3,936	5,235
Dolly Parton Imagination Library expenses	-	12,825	13,562
Equipment and supplies	4,670	983	2,330
Equipment rental	3,200	4,410	192
Insurance	7,328	7,703	5,854
Materials	13,333	10,475	12,207
Miscellaneous	2,700	8,433	3,963
Periodicals	3,500	3,434	3,289
Repairs and maintenance	13,000	14,433	14,896
Salaries and benefits	560,626	582,420	516,781
Technology	12,500	2,594	5,384
Telephone and utilities	32,000	32,065	29,582
Travel	7,000	4,396	3,022
	800,880	785,823	715,874
Surplus (deficit) before other items	(9,287)	8,600	61,914
Other items			
Transfer to Kenora and Lake of the Woods Regional Community Foundation (Note 14)	-	(9,171)	(3,006)
	(9,287)	(571)	58,908
Accumulated surplus, beginning of year	473,618	473,618	414,710
	464,331	473,047	473,618

The accompanying notes are an integral part of these financial statements

Kenora Public Library
Statement of Change in Net Financial Assets
For the year ended December 31, 2023

	2023 Budget (Note 15)	2023	2022
Surplus (deficit)	(9,287)	(571)	58,908
Acquisition of tangible capital assets	(39,490)	(39,490)	(73,478)
Amortization of tangible capital assets	48,777	48,777	48,245
Use of prepaid expenses	-	442	853
Increase in net financial assets	-	9,158	34,528
Net financial assets, beginning of year	327,452	327,452	292,924
Net financial assets, end of year	327,452	336,610	327,452

The accompanying notes are an integral part of these financial statements

Kenora Public Library
Statement of Cash Flows
For the year ended December 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(571)	58,908
Non-cash items		
Amortization	48,777	48,245
	48,206	107,153
Changes in working capital accounts		
Accounts receivable	(539)	115
Due from The Corporation of the City of Kenora	(38,319)	(12,840)
Accounts payable	23,252	4,297
Restricted cash	(664)	(998)
Deferred revenue	782	(1,688)
Employee future benefits payable	6,611	(30,983)
Prepaid expenses	442	853
	39,771	65,909
Capital activities		
Purchases of tangible capital assets	(39,490)	(73,478)
Investing activities		
Temporary investments	(1,076)	(385)
Decrease in cash resources	(795)	(7,954)
Cash resources, beginning of year	1,565	9,519
Cash resources, end of year	770	1,565

The accompanying notes are an integral part of these financial statements

Kenora Public Library
Notes to the Financial Statements
For the year ended December 31, 2023

1. Operations

The Kenora Public Library (the "Library") is a municipal unincorporated organization controlled by the Corporation of the City of Kenora located in the Province of Ontario, and provides public library services to residents of the municipality. The Library is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Cash

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Temporary investments

Temporary investments consist of investments in money market funds and are valued at the lower of cost and market value. Market value at December 31, 2023 was \$23,926 (2022 - \$22,850).

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. One half of normal amortization is taken in the year of acquisition.

Assets under construction are not amortized until the asset is available to be put into service.

	<i>Rate</i>
Books and movies	5 years
Equipment	10 years
Software	10 years

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Library determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Pension and other employee future benefits

The Library accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Contributions are expensed as incurred.

The costs of other employee future benefits offered to employees are actuarially determined using the projected benefit method, prorated on service and based on management's best estimates and assumptions. Under this method, the projected post-retirement benefit is deemed to be earned on a pro-rata basis over the years of service in the attribution period commencing at the date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

Vested sick leave is accumulated to a maximum of 200 days, which vests and is payable at a rate of 50% to employees upon retirement. In the event an employee resigns, only 25% of the vested sick leave is paid out

Deferred revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Government transfers

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

Revenue recognition

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when the monies are received.

Membership revenue is recognized when the term of the membership commences and the proceeds have been received.

Fines are recognized for each day that books and magazines are overdue.

General donations and fundraising revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sales of service and other revenues are recognized on an accrual basis.

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Accounts payable and accruals are based on historical charges for unbilled goods and services at year-end. Liabilities for post-employment benefits are determined based on actuarial assessments.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in expenses in the year in which they become known.

Segments

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Library's activities are in only one segment, recreation and culture, and hence there is no additional financial statement disclosure required.

Non-financial assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

Net financial assets (net debt)

The Organization's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the Organization is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Financial instruments

Financial instruments are recorded at either fair value, or cost, or amortized cost at initial recognition. The Organization's financial instruments and measurement basis include:

- Cash includes cash on hand and bank deposits and is reported at fair value.
- Investments consist of money market funds and are reported at cost.
- Accounts receivable are measured at amortized cost less any allowance. Valuation allowances are made to reflect receivables at the lower of cost and net recoverable value when collectability and risk of loss exists. Changes in valuation allowances are recognized in the Statement of Operations and Accumulated Surplus.
- Accounts payable are measured at cost.

All financial instruments are tested for impairment annually, or more frequently when changes in circumstances indicate the financial instrument could be impaired. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and Accumulated Surplus.

Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Kenora Public Library
Notes to the Financial Statements
For the year ended December 31, 2023

3. Restricted cash

	2023	<i>2022</i>
Capital fundraising funds	5,893	5,629
Keewatin donation funds	8,174	7,773
	14,067	13,402

4. Temporary Investments

The temporary investments are part of the capital replacement reserve and consist of investments in money market funds. Market value is equal to book value.

5. Related party transactions

Included in revenue is an operating grant of \$690,268 (2022 - \$668,456) from The Corporation of the City of Kenora. The balance owing by The Corporation of the City of Kenora to the Library at December 31, 2023 was \$594,064 (2022 - \$555,745).

The Corporation of the City of Kenora administers various services on behalf of the Library for no consideration.

The advances are unsecured and non-interest bearing with no fixed terms of repayment.

Kenora Public Library
Notes to the Financial Statements
For the year ended December 31, 2023

6. Accounts payable

	2023	2022
Sundry payables	56,842	32,804
OMERS	6,490	7,276
	63,332	40,080

7. Deferred Revenue

	2023	2022
Keewatin Donations		
Opening balance	7,773	7,601
Externally restricted investment income	401	172
	8,174	7,773
Dolly Parton Imagination Library		
Opening balance	19,222	21,082
Contributions received	14,410	11,702
Revenue recognized	(12,825)	(13,562)
	20,807	19,222
Teen Advisory Group		
Opening balance	1,203	1,203
Revenue recognized	(1,203)	-
	-	1,203
	28,981	28,198

The Keewatin Donations Fund was established from funds provided in December 2009. The funds are to be used to offset costs associated with the purchase of books and materials, technology upgrades and other initiatives outside of day-to-day operating expenses at the Keewatin Branch Library.

The Dolly Parton Imagination Library deferred contributions represents funds to be used to offset costs associated with the Dolly Parton Imagination Library program.

The Teen Advisory Group deferred contributions represents funds to be used to offset costs associated with the Teen Advisory Group program.

8. Pension plan

The Library, through The Corporation of the City of Kenora, makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of its staff. This plan is a defined contribution plan. The amount contributed to OMERS for 2023 was \$39,079 (2022 - \$39,947) and is included in salaries and benefits. For employees who have a normal retirement age of 65, contributions are 9% of employees' salary up to \$66,600 and 14.6% thereafter.

Because OMERS is a multi-employer pension plan, the Library does not recognize any share of the pension plan deficit of \$7 billion (2022 - deficit of \$6 billion) based on the fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipalities and their employees.

9. Employee future benefits

The policies of the Kenora Public Library allow for the accumulation of vested sick leave to a maximum of 200 days for certain employees. On retirement 50% of the vested sick leave is payable to the employee, and on resignation 25% of the vested sick leave is payable to the employee. The amount reported represents the 50% payable on retirement.

The Kenora Public Library, through The Corporation of the City of Kenora, pays certain health and dental benefits on behalf of its retired employees. The Library recognizes these post-retirement costs in the period in which the employees rendered the services. As well, the Library provides for the accumulation of unused sick days to be banked.

Information about the Kenora Public Library's employee future benefits is as follows:

	2023	2022
Vested sick leave		
Liability as at December 31	66,794	69,654
<hr/>		
Post-retirement and sick leave benefits		
Accrued benefit liability at January 1	130,488	162,064
Actuarial adjustment to opening balance	1,674	(40,984)
Expense for the year as determined by actuarial valuation using a 4.30% (2022 - 2.20%) discount rate	7,797	9,408
<hr/>		
	139,959	130,488
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	206,753	200,142
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The accrued benefit liability for employee future benefits as at December 31, 2023 is based on an actuarial valuation prepared as at December 31, 2023. The main actuarial assumptions employed for the valuation of employee future benefits are as follows:

- a) Interest (discount) rate:
 The obligations as at December 31, 2023 of the present value of future liabilities and the expense for the 12 months ended December 31, 2023 were determined using a discount rate of 4.30%.
- b) Medical costs:
 Medical costs were assumed to increase 5.27% per year to 2026 and between 3.57% and 5.16% per year thereafter.
- c) Dental costs:
 Dental costs were assumed to increase 5.00% per year to 2026 and between 3.57% and 4.95% per year thereafter.
- d) Salary and wage rates:
 Salary and wage rates were assumed to increase at 2.50% per year.

10. Commitments

The Library has entered into the following long-term commitments:

- Office equipment lease with annual payments of \$2,326 to September 2026.
- Lease agreement where the Library is committed to providing a designated space for operations and access to the building in exchange for monthly payments plus HST starting January 1, 2024 until December 31, 2029. The annual payments under the agreement in each of the next five years are as follows:

2024	13,846
2025	14,538
2026	14,829
2027	15,126
2028	15,428

Kenora Public Library
Notes to the Financial Statements

For the year ended December 31, 2023

11. Tangible capital assets

	Opening Cost	Additions	Disposals	Ending Cost	Opening Accumulated Amortization	Amortization	Adjustment on Disposal	Ending Accumulated Amortization	2023 Net book value
Books & movies	258,054	39,490	43,014	254,530	150,934	42,586	43,015	150,505	104,025
Equipment	59,978	-	1,062	58,916	45,390	3,707	1,062	48,035	10,881
Software	24,840	-	-	24,840	1,242	2,484	-	3,726	21,114
	342,872	39,490	44,076	338,286	197,566	48,777	44,077	202,266	136,020

	Opening Cost	Additions	Disposals	Ending Cost	Opening Accumulated Amortization	Amortization	Adjustment on Disposal	Ending Accumulated Amortization	2022 Net book value
Books & movies	242,209	45,065	29,220	258,054	137,352	42,803	29,221	150,934	107,120
Equipment	67,964	11,073	19,059	59,978	60,248	4,200	19,058	45,390	14,588
Software	7,500	17,340	-	24,840	-	1,242	-	1,242	23,598
	317,673	73,478	48,279	342,872	197,600	48,245	48,279	197,566	145,306

Kenora Public Library
Notes to the Financial Statements
For the year ended December 31, 2023

12. Accumulated surplus

The investment in tangible capital assets represents amounts already spent and invested in collections and other non-financial assets.

The General Fund reports the Library's day-to-day operating activities and unrestricted funds.

Restricted funds represent funds set aside by Board resolution for specific purposes. The following is a description of the Library's restricted funds:

The capital replacement fund was established specifically for the purchase of capital assets. The use of its surplus is restricted to expenditures of this nature and is subject to Board approval.

Activities in these funds during the year were as follows:

	2023	2022
Invested in Capital Assets		
Fund balance, beginning of year	145,306	120,073
Capital (net)	(9,286)	25,233
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Fund balance, end of year	136,020	145,306
<hr/>		
General		
Fund balance, beginning of year	299,835	267,372
Excess of revenue (expenses)	6,562	60,702
Change in capital assets	9,286	(25,233)
Transfer to Kenora & Lake of the Woods Regional Community Foundation (Note 14)	(9,171)	(3,006)
<hr/>		
Fund balance, end of year	306,512	299,835
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Capital Replacement		
Fund balance, beginning of year	28,477	27,265
Excess of revenue (expenses)	2,038	1,212
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Fund balance, end of year	30,515	28,477
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Accumulated surplus	473,047	473,618

13. Economic dependence

Approximately 87% (2022 - 86%) of revenue was received from The Corporation of the City of Kenora. The continuance of operations is dependent upon this funding.

Kenora Public Library
Notes to the Financial Statements
For the year ended December 31, 2023

14. Kenora and Lake of the Woods Regional Community Foundation

The Library has established a charitable agency endowment fund from donation funds with the Kenora & Lake of the Woods Regional Community Foundation, which allows the Library to set up a fund without the responsibility of investment management. In 2009, a bequest of \$25,000 was matched by an anonymous donor to create the \$50,000 fund. Income from this endowment fund will continue in perpetuity and will be used by the Library as an annualized source of program funding. The fund is not controlled by the Kenora Public Library and has not been included in the statement of financial position nor have the operations been included in the statement of operations. The market value of the fund on December 31, 2023 was \$115,099, (2022 - \$103,208), including donations of \$525 (2022 - \$9,024) deposited to the fund during the year plus fund gain of \$15,861 (2022 - loss \$14,630), grants of \$3,150 (2022 - \$5,212), and fees of \$1,345 (2022 - \$1,286). During the year the Library made a contribution of \$9,171 (2022 - \$3,006), which was received by the Community Foundation subsequent to year end.

15. Budget information

The budget approved by the board of directors was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the budgets approved by the board with adjustments as follows:

	2023	2022
Budget surplus (deficit) approved by the Board	-	-
Add: Capital expenditures	39,490	56,138
Less: Amortization	(48,777)	(48,245)
	(9,287)	7,893

16. Change in accounting policy

Effective January 1, 2023, the Organization adopted the following Public Sector Accounting Handbook Standards (PS) concurrently and prospectively: PS 1201: Financial Statement Presentation, PS 2601: Foreign Currency Transaction, PS 3041: Portfolio Investments, PS 3450: Financial Instruments and PS 3280: Asset Retirement Obligations.

The adoption of the above standards did not result in any changes to the financial statements.

17. Financial Instruments

The Organization as part of its operations carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The Organization manages its credit risk by monitoring and evaluating receivables and investments. If the evaluations indicate the other party may be unable to meet their obligations, the Organization will recognize an allowance for doubtful accounts. The Organization has determined that there are no significant concentrations of credit risk.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Organization is exposed to liquidity risk on its accounts payable and accrued liabilities. The Organization manages the exposure to liquidity risk through budgeting, cashflow monitoring and forecasting to ensure sufficient funds required for normal operating requirements on an on-going basis.

There have not been any changes from the prior year in the Organization's exposure to risks or the policies, procedures or methods it uses to manage and measure risks.