

**The Corporation of the Village  
of Merrickville-Wolford  
Public Library Board  
Financial Statements  
For the year ended December 31, 2012**

# BRENT J. BURNS, CHARTERED ACCOUNTANT

92 STONE STREET NORTH  
GANANOQUE, ONTARIO K7G 1Y2  
TELEPHONE: (613) 382-4731  
TELEFAX: (613) 382-4350

MAIN STREET  
ELGIN, ONTARIO K0G 1E0  
TELEPHONE: (613) 359-6615

## Auditor's Report

**To the Board Members,  
Members of Council  
Inhabitants and Ratepayers of the  
Corporation of the Village of Merrickville-Wolford**

### *Report on the Financial Statements*

I have audited the accompanying financial statements of Merrickville-Wolford Public Library Board, which comprise of the statement of operations as at December 31, 2012 for the year then ended, 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 generally accepted accounting principles, 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*

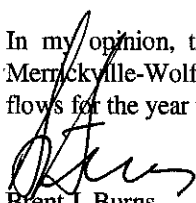
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts of disclosure in the financial statements. The procedures selected depend on the auditor's judgement, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of Merrickville-Wolford Public Library Board as at December 31, 2012 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

  
Brent J. Burns  
Chartered Accountant  
Licensed Public Accountant

Gananoque, Ontario  
May 15, 2013

**The Corporation of the Village  
of Merrickville -Wolford  
Public Library Board  
Statement of Financial Position**

<b>December 31</b>	<b>2012</b>	<b>2011</b>
<b>Financial Assets</b>		
Cash	\$ 8,857	\$ 9,086
Investment	259	259
Accounts receivable	41,137	14,542
Due from Village	-	15,593
	<u>\$ 50,253</u>	<u>\$ 39,480</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,646	\$ 15,123
Due to Village	11,130	-
	<u>15,776</u>	<u>15,123</u>
<b>Net assets</b>	<u>34,477</u>	<u>24,357</u>
Tangible capital assets (Schedule 1)	316,047	336,366
Prepaid expenses	2,458	859
	<u>318,505</u>	<u>337,225</u>
<b>Accumulated Surplus</b>	<u>\$ 352,982</u>	<u>\$ 361,582</u>

**The Corporation of the Village  
of Merrickville -Wolford  
Public Library Board  
Statement of Operations**

<b>For the year ending December 31</b>	<b>2012 Budget</b>	<b>2012 Actual</b>	<b>2011 Actual</b>
<b>Revenue</b>			
Local government grants and transfers - Ontario	\$ 7,716	\$ 9,176	\$ 11,447
- Village	67,220	62,220	62,220
- Other	10,061	6,250	7,766
Other revenue	2,390	6,039	5,385
Donations	1,000	2,240	5,245
<b>Total revenues</b>	<b>\$ 88,387</b>	<b>\$ 85,925</b>	<b>\$ 92,063</b>
<b>Operating expenditures</b>			
Salaries and benefits	53,419	57,443	54,947
Administration	34,968	4,297	30,545
Amortization	-	32,785	31,005
<b>Total expenses</b>	<b>88,387</b>	<b>94,525</b>	<b>116,497</b>
<b>Annual deficit</b>	<b>-</b>	<b>(8,600)</b>	<b>(24,434)</b>
<b>Accumulated surplus - beginning of year</b>	<b>361,582</b>	<b>361,582</b>	<b>386,016</b>
<b>Accumulated surplus - end of year</b>	<b>\$ 361,582</b>	<b>\$ 352,982</b>	<b>\$ 361,582</b>

---

**The Corporation of the Village  
of Merrickville-Wolford  
Public Library Board  
Notes to Financial Statements**

**For the year ended December 31, 2012**

---

**1. Summary of Significant Accounting Policies**

The financial statements of the Merrickville-Wolford Public Library Board are the representation of management prepared in accordance with accounting policies prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

a) **Accrual Basis of Accounting**

Expenditures and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognized revenues in the period in which transactions or events occurred that gave rise to the revenues; expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

b) **Non-financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Debt for the year.

c) **Tangible Capital Assets**

Tangible capital assets are recorded at costs, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements – 15 to 30 years  
Buildings – 20 to 40 years  
Machinery and equipment – 5 to 20 years  
Vehicles – 1 to 20 years  
Roads – 3 to 50 years  
Bridges and structures – 30 years  
Books – 7 years

Cont'd

---

**The Corporation of the Village  
of Merrickville-Wolford  
Public Library Board  
Notes to Financial Statements**

**For the year ended December 31, 2012**

---

c) Tangible Capital Assets (Cont'd)

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Village has a capitalization threshold so that individual Tangible Capital Assets of lesser value than the threshold are expensed.

**Schedule 1**

**The Corporation of the Village of Merrickville-Wolford  
Public Library Board  
Schedule of Tangible Capital Assets**

**For the year ended December 31, 2012**

	Opening Balance at Beginning of Year	Additions	Balance End of Year	Accumulated Amortization Beginning Of Year	Amortization	Accumulated Amortization End of Year	Net Carrying Amount End of Year
Buildings	\$ 331,114	\$ -	\$ 331,114	\$ 35,254	\$ 16,556	\$ 51,810	\$ 279,304
Equipment	44,664	-	44,664	23,165	2,978	26,143	18,521
Books	80,300	12,466	92,766	61,293	13,251	74,544	18,222
	\$ 456,078	\$ 12,466	\$ 468,544	\$ 119,712	\$ 32,785	\$ 152,497	\$ 316,047