

**FEDERATION OF ONTARIO PUBLIC LIBRARIES/
FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO**

FINANCIAL STATEMENTS
DECEMBER 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members,
FEDERATION OF ONTARIO PUBLIC LIBRARIES:

Opinion

We have audited the financial statements of FEDERATION OF ONTARIO PUBLIC LIBRARIES ("the Entity"), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, operations 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 Entity as at December 31, 2023, 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 Entity 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.

Other matter

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unqualified on those financial statements on March 17, 2023.

Responsibilities of management and those charged with governance 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.

OHCI LLP.

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

April 15, 2024

**FEDERATION OF ONTARIO PUBLIC LIBRARIES /
 FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE
 L'ONTARIO**

STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2023

	2023		2022
CURRENT ASSETS			
Cash (note 2)	\$ 63,226	\$	34,114
Cash - internally restricted - internal (note 1)	104,717		83,683
Accounts receivable	2,086		125
Prepaid expenses	9,246		1,402
	<u>\$ 179,275</u>	<u>\$</u>	<u>119,324</u>
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 38,895	\$	16,669
Deferred revenue	150		150
	<u>39,045</u>		<u>16,819</u>
Net assets			
Internally restricted reserve (note 1)	104,716		83,682
Unrestricted	35,514		18,823
	<u>140,230</u>		<u>102,505</u>
	<u>\$ 179,275</u>	<u>\$</u>	<u>119,324</u>

Approved on behalf of the Board

Approved on behalf of the Board

**FEDERATION OF ONTARIO PUBLIC LIBRARIES/
FEDERATION OF ONTARIO PUBLIC LIBRARIES**

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023		2022
INTERNALLY RESTRICTED RESERVE			
Balance - beginning of year	\$ 83,682	\$	-
Transfer from unrestricted assets	21,034		83,682
Balance - end of year	\$ 104,716	\$	83,682
UNRESTRICTED NET ASSETS			
Balance - beginning of year	\$ 18,823	\$	67,496
Net revenue (expenditure) for the year	37,725		35,009
Transfer to internally restricted	(21,034)		(83,682)
Balance - end of year	\$ 35,514	\$	18,823

**FEDERATION OF ONTARIO PUBLIC LIBRARIES /
FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO**

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023 (unaudited)	2023	2022
REVENUE			
Membership fees	\$ 285,025	279,775	233,400
Interest	-	3,913	2,168
Other income	-	662	1,169
	285,025	284,350	236,737
EXPENDITURE			
Office consultants and staff	139,400	144,175	115,978
Public relations and contract services	37,400	37,100	34,190
Marketing and promotion	17,750	22,129	16,177
Audit and accounting	6,800	6,271	13,736
Board expenses	12,200	10,591	8,525
Administration	6,700	8,316	-
Membership	3,400	3,753	3,566
Telecommunications	200	5,814	4,030
Office equipment and supplies	3,500	2,810	3,133
Working groups	-	3,288	-
Insurance	1,700	1,906	1,688
Bank charges and interest	7,115	472	705
	236,165	246,625	201,728
NET REVENUE (EXPENDITURE) FOR THE YEAR	\$ 48,860	\$ 37,725	\$ 35,009

**FEDERATION OF ONTARIO PUBLIC LIBRARIES /
FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
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CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue (expenditure) for the year	\$ 37,725	\$ 35,009
Changes in non-cash working capital items:		
Accounts receivable	(1,961)	(125)
Prepaid expenses	(7,844)	786
Accounts payable and accrued liabilities	22,226	(12,699)
Deferred revenue	-	(110,235)
	<hr/>	<hr/>
	50,146	(87,264)
INVESTING ACTIVITIES		
Change in investments	-	92,697
	<hr/>	<hr/>
CHANGE IN CASH FOR THE YEAR	50,146	5,433
Cash beginning of the year	117,797	112,364
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CASH END OF YEAR	\$ 167,943	\$ 117,797
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FEDERATION OF ONTARIO PUBLIC LIBRARIES / FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

The Federation of Ontario Public Libraries / Fédération des Bibliothèques Publiques de l'Ontario is incorporated without share capital under the laws of the Province of Ontario and qualifies as a nonprofit public libraries and the communities they serve by educating the public on the role of public libraries to governments and other public and private sector bodies. As a registered not for profit, the Federation is not subject to income tax.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Revenue recognition

The Federation 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 and/or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured

Membership fees are recognized as earned over the term of the membership. Membership terms are on a calendar year-basis. Memberships paid in advance of the next fiscal year are recorded as deferred revenue.

b) Internally restricted net assets

As reflected in the statement of changes in net assets, the Federation has internally restricted the use of net assets. This fund is invested in a high interest savings account for use at the Board discretion.

c) Financial instruments

Financial instruments, including cash, investments, accounts receivable, accounts payable and accrued liabilities are recorded at fair value on initial recognition and then subsequently at cost or amortized cost, unless management has elected to carry them at fair value. The Federation has not elected to carry any of its financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred or acquisition and financing costs.

Financial assets are assessed for indicators of impairment annually at the year/period end date. If there is an indicator of impairment, the Federation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized by selling the financial asset or the amount the Federation expects to realize by exercising its right to any collateral held to secure repayment of the asset. If events or circumstances change in a future period, an impairment loss can be reversed to the extent of the improvement, but not exceeding the initial carrying value.

FEDERATION OF ONTARIO PUBLIC LIBRARIES / FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

e) Tangible capital assets

The Federation's policy is to expense tangible capital assets in the year acquired.

2. BANK CREDIT FACILITY

The Federation has \$10,000 deposited as security against the Federation credit card facility.

3. TANGIBLE CAPITAL ASSETS

During the year, the organization purchased \$2,095 of tangible capital assets.

4. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

Interest rate risk

Cash represents amounts on deposit with financial institutions, earning interest at market rates. The Federation manages its exposure to its interest rate risk by maximizing the interest income earned on temporary excess funds while maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest do not have a significant impact on the Federation's results of operations.

Credit risk

Credit risk arises from the possibility that a member will default on its financial obligations. The Federation minimizes this risk via regular review of unpaid accounts. The Federation does not have a significant concentration of credit risk with any one member.

Credit risk associated with cash is minimized substantially by ensuring that it is held in a major financial institution, while excess funds are invested in secure instruments such as guaranteed investment certificates.

Liquidity risk

Liquidity risk is the risk that the Federation will not be able to meet a demand for cash or fund its obligations as they come due. It also includes the risk of the Federation not being able to liquidate assets in a timely manner at a reasonable price. The Federation meets its liquidity requirements by preparing and monitoring an annual financial budget and maintaining its excess cash in investments that are highly liquid instruments.