

**THE CORPORATION OF THE TOWN OF COBALT**

**COBALT PUBLIC LIBRARY BOARD**

**DISTRICT OF TIMISKAMING**

**YEAR ENDED DECEMBER 31, 2022**

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the Town of Cobalt - Cobalt Public Library Board are the responsibility of the Corporation of the Town of Cobalt - Cobalt Public Library Board's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation of the Town of Cobalt - Cobalt Public Library Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Kemp Elliott & Blair LLP, independent external auditors appointed by the Corporation of the Town of Cobalt - Cobalt Public Library Board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation of the Town of Cobalt - Cobalt Public Library Board's financial statements.



Steven Dalley  
Clerk-Treasurer

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Town of Cobalt:

### Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Cobalt - Cobalt Public Library Board, which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, change in net financial assets, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Town of Cobalt - Cobalt Public Library Board as at December 31, 2022, and the results of its operations, change in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

### 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 Consolidated Financial Statements* section of our report. We are independent of the Corporation of The Town of Cobalt - Cobalt Public Library Board 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is responsible for assessing the Corporation of The Town of Cobalt - Cobalt Public Library Board'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 Corporation of The Town of Cobalt - Cobalt Public Library Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation of The Town of Cobalt - Cobalt Public Library Board's financial reporting process.

### Auditors' Responsibilities for the Audit of the Consolidated 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 the Corporation of The Town of Cobalt - Cobalt Public Library Board'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 Corporation of The Town of Cobalt - Cobalt Public Library Board'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 the Corporation of The Town of Cobalt - Cobalt Public Library Board 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.

Kemp Elliott & Blair LLP

Licensed Public Accountants  
New Liskeard, Ontario  
July 18, 2023

*Kemp Elliott & Blair LLP*  
Chartered Professional Accountants

**THE CORPORATION OF THE TOWN OF COBALT**

**COBALT PUBLIC LIBRARY BOARD**

**STATEMENT OF FINANCIAL POSITION**


**AS AT DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 61,085	\$ 48,892
Accounts receivable	4,659	3,206
	<u>65,744</u>	<u>52,098</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>3,239</u>	<u>3,983</u>
<b>NET FINANCIAL ASSETS</b>	62,505	48,115
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets – note 5	<u>139,410</u>	<u>150,249</u>
<b>ACCUMULATED SURPLUS – note 4</b>	<u>\$ 201,915</u>	<u>\$ 198,364</u>

The accompanying notes form an integral part of these financial statements.

On behalf of Council:

  
 \_\_\_\_\_  
 Mayor

  
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 Clerk-Treasurer

# THE CORPORATION OF THE TOWN OF COBALT

## COBALT PUBLIC LIBRARY BOARD

### STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
<b>REVENUES</b>		
Grants – Provincial	\$ 6,242	\$ 6,242
Grants – Federal	15,019	16,976
Grants – Other	49,325	34,996
Grants – Federal gas tax	-	12,313
Municipal contribution – Town of Cobalt	33,709	42,229
Municipal contribution – Township of Coleman	2,000	1,998
Fees, donations and fundraising activities	2,451	275
Total revenues	<u>108,746</u>	<u>115,029</u>
<b>EXPENDITURES</b>		
Wages and benefits	67,386	65,416
Amortization	10,839	10,839
Books	3,242	5,502
Utilities	7,753	6,288
Other supplies	9,906	2,905
Insurance	2,250	2,092
Interest and penalties	656	687
Maintenance and repairs	3,112	2,213
Miscellaneous	51	351
Total expenditures	<u>105,195</u>	<u>96,293</u>
<b>ANNUAL SURPLUS</b>	3,551	18,736
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>198,364</u>	<u>179,628</u>
<b>ACCUMULATED SURPLUS, END OF YEAR – note 4</b>	<u>\$ 201,915</u>	<u>\$ 198,364</u>

The accompanying notes form an integral part of these financial statements.

**THE CORPORATION OF THE TOWN OF COBALT**

**COBALT PUBLIC LIBRARY BOARD**

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 3,551</b>	<b>\$ 18,736</b>
Amortization of tangible capital assets	10,839	10,839
Acquisition of tangible capital assets	<u>-</u>	<u>(17,619)</u>
Increase in net financial assets	14,390	11,956
Net financial assets, beginning of year	<u>48,115</u>	<u>36,159</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 62,505</b>	<b>\$ 48,115</b>

The accompanying notes form an integral part of these financial statements.

# THE CORPORATION OF THE TOWN OF COBALT

## COBALT PUBLIC LIBRARY BOARD

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2022

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#### 1. Significant accounting policies

##### Basis of accounting

The activities of the Library Board are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

##### 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 Assets for the year.

##### Tangible capital assets

Tangible capital assets are recorded at cost, 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 are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Equipment	25 years

A full year of amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available.

The Library has no capitalization threshold for land and buildings, and a capitalization threshold of \$2,500 for all other assets. Individual assets of lesser value may be capitalized if they are pooled, or because, collectively, they have significant value.

#### 2. Cash flows

Required cash flow information is readily available from the statement of operations.

#### 3. Budget figures

The Library Board does not prepare its budget in the same format as the financial statements and so no budget information is disclosed.

#### 4. Accumulated surplus

Reserves represent an appropriation of surplus for a specific purpose, determined by Council, are non-statutory and subject to change by Council at any time.

	<u>2022</u>	<u>2021</u>
Reserves and surpluses		
Donation reserve	\$ 18,075	\$ 18,075
General surplus	44,430	30,040
Net financial assets	<u>62,505</u>	<u>48,115</u>
Non-financial assets		
Invested in tangible capital assets	<u>139,410</u>	<u>150,249</u>
<b>Accumulated surplus</b>	<b><u>\$ 201,915</u></b>	<b><u>\$ 198,364</u></b>



# THE CORPORATION OF THE TOWN OF COBALT

## COBALT PUBLIC LIBRARY BOARD

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2022

#### 5. Schedule of tangible capital assets

	Opening Cost	Additions	Ending Cost	Opening Accumulated Amortization	Current Amortization	Ending Accumulated Amortization	Net Assets 2022	Net Assets 2021
<b>General</b>								
Buildings	\$ 392,711	\$ -	\$ 392,711	\$ 270,916	\$ 7,854	\$ 278,770	\$ 113,941	\$ 121,795
Equipment	47,903	-	47,903	19,449	2,985	22,434	25,469	28,454
<b>Total</b>	<b>\$ 440,614</b>	<b>\$ -</b>	<b>\$ 440,614</b>	<b>\$ 290,365</b>	<b>\$ 10,839</b>	<b>\$ 301,204</b>	<b>\$ 139,410</b>	<b>\$ 150,249</b>

#### 6. Prior period adjustment

The comparative figures have been retroactively restated to correct an error which occurred in 2021. The library overestimated the penalties and interest accrual related to late payments of payroll remittances by \$5,222. As a result, December 31, 2021 figures, presented for comparative purposes, have been restated from those previously reported as follows:

	As Previously Reported	Increase (Decrease)	As restated
<b>Statement of Financial Position</b>			
Accounts payable and accrued liabilities	\$ 9,205	\$ (5,222)	\$ 3,983
Net financial assets	42,893	5,222	48,115
Accumulated surplus	193,142	5,222	198,364
<b>Statement of Change in Net Financial Assets</b>			
Annual surplus	13,514	5,222	18,736
Increase in net financial assets	6,734	5,222	11,956
Balance, end of year	42,893	5,222	48,115
<b>Statement of Operations</b>			
Bank charges	5,909	(5,222)	687
Annual surplus	13,514	5,222	18,736
Accumulated surplus	193,142	5,222	198,364