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***CORPORATION OF THE
COUNTY OF HALIBURTON
LIBRARY BOARD***

FINANCIAL STATEMENTS

DECEMBER 31, 2010

Bracebridge

F. Glenn Gordon, C.A.
G. Howard Fleming, B.A., C.A.

Parry Sound

Stephen L. Gingrich, C.A., CFP
Brandy L. Harris, B.ACC., C.A.

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***CORPORATION OF THE COUNTY OF
HALIBURTON
LIBRARY BOARD***
FINANCIAL REPORT
DECEMBER 31, 2010

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AUDITORS' REPORT

**To the Members of Library Board, Council, Inhabitants
and Ratepayers of The Corporation of The County of
Haliburton**

We have audited the Statement of Financial Position of the Library Board of the Corporation of the County of Haliburton as at December 31, 2010 and the Statements of Operations for the year then ended. These Financial Statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted Canadian auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation.

In our opinion, these Financial Statements present fairly, in all material respects, the financial position of the Library Board as at December 31, 2010, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted Canadian accounting principles.

Gordon Gingrich Harris & Flemming

Gordon, Gingrich, Harris & Flemming
Chartered Accountants
Licensed Public Accountants
Bracebridge, Ontario
February 12, 2011

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**CORPORATION OF THE COUNTY OF HALIBURTON
LIBRARY BOARD**

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	Actual 2010	Actual 2009
FINANCIAL ASSETS		
Cash	\$ 400	\$ 400
<u>Due from County of Haliburton</u>	<u>66,263</u>	<u>59,347</u>
Net Financial Assets	\$ 66,663	\$ 59,747
NON-FINANCIAL ASSETS		
<u>Tangible Capital Assets</u>	<u>314,824</u>	<u>310,719</u>
Accumulated Surplus (Note 5)	\$ 381,487	\$ 370,466

The accompanying notes are an integral part of these Financial Statements.

CORPORATION OF THE COUNTY OF HALIBURTON
LIBRARY BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget 2010	Actual 2010	Actual 2009
REVENUES			
County of Haliburton	\$ 545,200	\$ 545,200	\$ 483,371
Province of Ontario Grants	110,000	110,000	110,000
Other Grants	10,000	10,353	10,353
Rentals, Sales and Miscellaneous	6,200	12,075	3,104
Other	1,000	19,407	21,247
Total Revenue	\$ 672,400	\$ 697,035	\$ 628,075
EXPENDITURES			
<i>Current</i>			
Salaries and Benefits	\$ 499,500	\$ 507,349	\$ 400,622
Materials	10,700	20,890	13,825
Library Supplies	12,500	15,098	19,721
Rent	18,600	18,600	19,500
Postage, Transportation, Telephone	15,400	9,214	19,180
Administration and General	30,800	32,477	49,272
Small Capital	0	0	27,568
Automation	7,000	6,245	6,786
Amortization	76,400	76,141	70,329
Total Current Expenditures	\$ 670,900	\$ 686,014	\$ 626,803
Annual Surplus	\$ 1,500	\$ 11,021	\$ 1,272
Accumulated Surplus, Beginning of Year	370,466	370,466	369,194
Accumulated Surplus, End of Year	\$ 371,966	\$ 381,487	\$ 370,466

The accompanying notes are an integral part of these Financial Statements.

**CORPORATION OF THE COUNTY OF HALIBURTON
LIBRARY BOARD**

STATEMENT OF CHANGES IN NET LIBRARY FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Actual 2010	Actual 2009
Annual Surplus	\$ 11,021	\$ 1,272
Acquisition of Tangible Capital Assets	(80,246)	(87,900)
<u>Amortization of Tangible Capital Assets</u>	<u>76,141</u>	<u>70,329</u>
Changes in Net Financial Assets	\$ 6,916	\$ (16,299)
<u>Net Financial Assets, Beginning of Year</u>	<u>59,747</u>	<u>76,046</u>
<u>Net Financial Assets, End of Year</u>	<u>\$ 66,663</u>	<u>\$ 59,747</u>

The accompanying notes are an integral part of these Financial Statements.

CORPORATION OF THE COUNTY OF HALIBURTON
LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the County of Haliburton Library Board are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Library are as follows:

(a) Accrual Basis of Accounting

Revenues and expenditures 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.

(b) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of service. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost which include amounts that are directly attributable to acquisition 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:

<u>Asset</u>	<u>Useful Life - Years</u>
Books	7
Computers	5

No amortization is charged in year of acquisition for books

Half amortization is charged in year of acquisition for computers.

ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

CORPORATION OF THE COUNTY OF HALIBURTON
LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(b) Non-Financial Assets - continued

iii) *Intangible Assets*

Intangible assets and natural resources that have not been purchased are not recognized as assets in the financial statements

iv) *Interest Capitalization*

The County's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of tangible capital assets.

v) *Leases*

Leases are classified as operating or capital leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related payments are charged to expenditures as incurred.

(c) Government Grants

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

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 expenditures during the period. Actual results could differ from these estimates.

CORPORATION OF THE COUNTY OF HALIBURTON
LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

2. CHANGE IN ACCOUNTING POLICIES

The County has implemented Sections 1200 and 2150 of the Public Sector Accounting Board ("PSAB"). Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. Tangible capital assets were formerly expensed as acquired.

Methods used for determining the cost of each major category of tangible capital asset

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The County applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset.

3. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is defined benefit plan, which specifies the amount of retirement benefit to be received by the employee based on the length of service and rates of pay.

The amount contributed in 2010 for current services was \$ 12,079 (2009 – \$ 9,700).

CORPORATION OF THE COUNTY OF HALIBURTON
LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

4. TANGIBLE CAPITAL ASSETS

	2010			2009		
	<u>Books</u>	<u>Computers</u>	<u>Total</u>	<u>Books</u>	<u>Computers</u>	<u>Total</u>
COST						
Beginning, of year	\$ 518,993	\$ 67,523	\$ 586,516	\$ 463,500	\$ 35,116	\$ 498,616
Additions	76,832	3,414	80,246	55,493	32,407	87,900
End of year	\$ 595,825	\$ 70,937	\$ 666,762	\$ 518,993	\$ 67,523	\$ 586,516
ACCUMULATED AMORTIZATION						
Beginning, of Year	\$ 247,450	\$ 28,347	\$ 275,797	\$ 186,452	\$ 19,016	\$ 205,468
Amortization Expense	63,710	12,431	76,141	60,998	9,331	70,329
End of year	\$ 311,160	\$ 40,778	\$ 351,938	\$ 247,450	\$ 28,347	\$ 275,797
Net book value, End of year	\$ 284,665	\$ 30,159	\$ 314,824	\$ 271,543	\$ 39,176	\$ 310,719

CORPORATION OF THE COUNTY OF HALIBURTON
LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

5. ACCUMULATED SURPLUS

Accumulated surplus consists of individual surplus and reserves as follows:

SURPLUS	<u>2010</u>	<u>2009</u>
Invested in Tangible Capital Assets	\$ 314,824	\$ 310,719
Other	17,048	17,047
<u>Reserve Set Aside by Board, Facility Improvements</u>	<u>49,615</u>	<u>42,700</u>
	<u>\$ 381,487</u>	<u>\$ 370,466</u>
