

MANITOBA LIBRARY ASSOCIATION INC.

WINNIPEG, MB

AUGUST 31, 2025

Independent Auditor's Report

To the Board Members of;
MANITOBA LIBRARY ASSOCIATION INC.

Opinion

We have audited the accompanying financial statements of Manitoba Library Association Inc., which comprise the balance sheet as at August 31, 2025, and the statements of revenue and expenditure, changes in net 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2025, 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 Auditors' 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 opinion.

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 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 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.

Auditors' 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 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 Manitoba Library Association Inc.'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 Manitoba Library Association Inc.'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 Manitoba Library Association Inc. 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.

November 24, 2025
Winnipeg, Manitoba



Chartered Professional Accountants Inc

MANITOBA LIBRARY ASSOCIATION INC.

BALANCE SHEET

AS AT AUGUST 31

	2025	2024
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	273,550	330,190
Short-term investment <i>(note 3)</i>	-	5,639
Accounts receivable <i>(note 4)</i>	5,327	2,161
Prepaid expenses	143	143
	<u>279,020</u>	<u>338,133</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	4,790	5,550
Deferred income <i>(note 5)</i>	15,000	106,100
	<u>19,790</u>	<u>111,650</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>259,230</u>	<u>226,483</u>
	<u>279,020</u>	<u>338,133</u>

Approved on Behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

MANITOBA LIBRARY ASSOCIATION INC.**STATEMENT OF REVENUE AND EXPENDITURE****FOR THE YEAR ENDED AUGUST 31**

	2025	2024
	\$	\$
REVENUE		
Conferences	57,294	-
Donations	5,319	5,398
Grant revenue	6,100	7,000
Memberships	8,019	7,262
Miscellaneous	2,812	697
Partnerships	1,877	2,199
Province of Manitoba - Sport, Culture, & Heritage	100,000	100,000
Rental income	928	2,038
Winnipeg Foundation grant	-	7,154
	<u>182,349</u>	<u>131,748</u>
EXPENDITURE		
Advertising and promotion	-	66
Awards and scholarships	191	39
Bad debts	800	-
Cloud computing	2,666	5,050
Conferences and meetings	63,481	-
Contracted services	-	35,879
Insurance	1,952	1,653
Interest and service charges	134	533
Miscellaneous	-	3,330
Office and sundry	1,514	5,066
Professional fees	4,717	3,745
Rent	4,095	3,684
Salaries and benefits	62,960	17,933
Special projects	1,621	4,384
Subcommittees and interest groups	5,471	3,865
	<u>149,602</u>	<u>85,227</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>32,747</u>	<u>46,521</u>

The accompanying notes are an integral part of these financial statements

MANITOBA LIBRARY ASSOCIATION INC.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended August 31	
	2025	2024
	Total	Total
	\$	\$
NET ASSETS		
Balance, beginning of year	226,483	179,962
Excess of revenue over expenditure	<u>32,747</u>	<u>46,521</u>
Balance, end of year	<u><u>259,230</u></u>	<u><u>226,483</u></u>

The accompanying notes are an integral part of these financial statements

MANITOBA LIBRARY ASSOCIATION INC.

STATEMENT OF CASH FLOWS

	Year Ended August 31	
	2025	2024
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenditure for the year	32,747	46,521
Net changes in non-cash working capital affecting operations <i>(note 8)</i>	<u>(89,387)</u>	<u>90,106</u>
	<u>(56,640)</u>	<u>136,627</u>
INCREASE (DECREASE) IN CASH RESOURCES	(56,640)	136,627
CASH RESOURCES, BEGINNING OF YEAR	<u>330,190</u>	<u>193,563</u>
CASH RESOURCES, END OF YEAR	<u><u>273,550</u></u>	<u><u>330,190</u></u>

The accompanying notes are an integral part of these financial statements

MANITOBA LIBRARY ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

1. PURPOSE OF ORGANIZATION

Manitoba Library Association ("MLA") is a not-for-profit organization that provides leadership in the promotion, development and support of library and information services in Manitoba for the benefit of MLA members, the library community, and the citizens of Manitoba.

Under the Income Tax Act for Canada, the corporation qualifies as a charity and is exempt from income tax under Section 149 (1).

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the organization.

a) REVENUE RECOGNITION

The organization uses the deferral method of accounting for contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Membership dues are recognized in the period that they relate and when collection is reasonably assured.

Conference revenues are recognized when the events are presented and when collection is reasonably assured. Amounts received prior to the events occurring are recorded as deferred revenue.

The organization recognizes grant revenue when they are fixed or determinable and collection is reasonably assured.

Rental income, donations, fundraising and other revenue are recognized when delivery has occurred, the price is fixed or determinable and when collection is reasonably assured.

b) MEASUREMENT UNCERTAINTY

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, the organization makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as impairment of long-lived assets.

MANITOBA LIBRARY ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

c) TANGIBLE CAPITAL ASSETS

Operating assets of a capital nature, furniture and equipment and library collections are charged to operations in the year of acquisition. Accordingly, amortization is not provided for these items in the accounts. Assets expensed in Office and sundry in these financial statements in the current year is \$Nil (2024: \$3,042).

d) FINANCIAL INSTRUMENTS

Initial and subsequent measurement

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash, trade and other accounts receivable, and notes receivable. Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities reported as financial liabilities.

e) Cloud Computing Arrangements

The organization has chosen to apply the simplification approach to account for expenditures in a cloud computing arrangement with the scope of the Guideline. Expenditures in the arrangement are treated as the supply of services; expenditures related to the elements in the cloud computing arrangement are recorded as an expense as incurred. The organization recognizes the expenditure as an expense when it receives the services. When payment for the delivery of the services has been made in advance of the organization receiving the services, the prepayment may be recognized as an asset.

3. SHORT-TERM INVESTMENT

	<u>2025</u>	<u>2024</u>
	\$	\$
GIC bearing interest at 5.05%, maturing June 2025	-	5,639
	<u> </u>	<u> </u>

4. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
	\$	\$
Goods and Services Tax receivable	2,370	1,365
Other	3,757	796
Allowance for doubtful accounts	(800)	-
	<u>5,327</u>	<u>2,161</u>

MANITOBA LIBRARY ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

5. DEFERRED INCOME

	<u>2025</u>	<u>2024</u>
	\$	\$
Province of Manitoba	-	103,600
Human Rights Internet grant	-	2,500
Indigenous Youth Roots	15,000	-
	<u>15,000</u>	<u>106,100</u>

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk.

7. COMPARATIVE FIGURES

The comparative figures have been reclassified to conform with the current year presentation.

8. CASH FLOW STATEMENT

	<u>2025</u>	<u>2024</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Short-term investment	5,639	(259)
Accounts receivable	(3,166)	1,368
Prepaid expenses	-	1,017
Accounts payable and accrued liabilities	(760)	(10,238)
Deferred income	(91,100)	98,218
	<u>(89,387)</u>	<u>90,106</u>

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REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC