

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

Financial Statements

March 31, 2026

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

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Year Ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of Pictou-Antigonish Regional Library Board

Opinion

We have audited the financial statements of Pictou-Antigonish Regional Library Board (the "organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenditures, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 organization in accordance with 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 ASNPO, 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.

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.

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Independent Auditor's Report to the Members of Pictou-Antigonish Regional Library Board (*continued*)

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 organization'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 organization'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 organization 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.

New Glasgow, Nova Scotia
June 11, 2026

Chartered Professional Accountants

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

Statement of Revenues and Expenditures

Year Ended March 31, 2026

	Budget 2026	Admin Ops	Special Project Ops	Total Actual 2026	Total Actual 2025
Revenue					
Grants (Note 5)	\$ 2,125,058	\$ 2,125,058	\$	\$ 2,125,058	\$ 2,032,763
Special Projects (Note 13)			313,942	313,942	598,483
Administration revenue	112,369	50,516		50,516	37,088
Donations and fundraising (Note 6)		27,382	4,814	32,196	108,974
Book sales and photocopies		43,119		43,119	39,010
	<u>2,237,427</u>	<u>2,246,075</u>	<u>318,756</u>	<u>2,564,831</u>	<u>2,816,318</u>
Expenses					
Operations					
Advertising, promotion and other	2,000	1,159		1,159	59
Audit, legal and other fees	9,907	11,424	20,818	32,242	20,000
Automated system	43,873	39,828		39,828	38,850
Employee benefits	303,704	295,566		295,566	280,964
Equipment maintenance	15,464	30,298		30,298	23,740
Insurance	27,380	25,958		25,958	25,803
Interest and bank charges	5,698	9,071		9,071	10,462
Interest on long term debt		2,720		2,720	4,211
Library materials	106,000	131,377		131,377	205,866
Programming	10,000	6,354		6,354	4,511
Salaries and wages	1,541,786	1,616,825	100,468	1,717,293	1,567,052
Shipping		14,848		14,848	14,287
Supplies	33,615	41,661	188,860	230,521	276,748
Travel and meetings	5,000	11,468	7,611	19,079	11,301
Vehicle operation	20,000	28,606		28,606	31,258
	<u>2,124,427</u>	<u>2,267,163</u>	<u>317,757</u>	<u>2,584,920</u>	<u>2,515,112</u>
Building costs					
Building repairs and maintenance	1,000	9,202		9,202	3,941
Telephone	9,000	14,182		14,182	9,149
Rental	73,000	72,036		72,036	72,333
Janitorial services	10,000	15,495		15,495	19,139
	<u>2,217,427</u>	<u>2,378,078</u>	<u>317,757</u>	<u>2,695,835</u>	<u>2,619,674</u>
Excess revenue (expenses)	\$ 20,000	\$ (132,003)	\$ 999	\$ (131,004)	\$ 196,644

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

Statement of Changes in Net Debt

Year Ended March 31, 2026

	Budget	Unrestricted Actual Admin Ops	Unrestricted Actual Special Project Ops	Invested in Capital Assets	Total 2026	Total 2025
Net debt - beginning of year	\$	\$ (339,655)	\$ 55,731	\$ 97,401	\$ (186,523)	\$ (205,388)
Excess revenue (expenses)	20,000	(132,003)	999		(131,004)	196,644
Amortization of capital assets				(25,382)	(25,382)	(33,837)
Purchase of capital assets - Admin Ops	(3,000)					
Purchase of capital assets - Special Project Ops						(143,935)
Gain (loss) on disposal of capital assets						(7)
Repayment of long term debt	(17,000)	(15,335)		15,335		
Change in net assets for year		(147,338)	999	(10,047)	(156,386)	18,865
Net debt - end of year	\$	\$ (486,993)	\$ 56,730	\$ 87,354	\$ (342,909)	\$ (186,523)

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

Statement of Financial Position

March 31, 2026

	2026	2025
ASSETS		
Current		
Cash		
Operating	\$ 2,089	\$ 10,171
One Card Project (Note 11)		276,301
New Glasgow Renovations	500,000	3,668,570
Special Projects and CAP	11,256	10,139
	<u>513,345</u>	3,965,181
Accounts receivable (net of allowance for doubtful accounts - \$nil; 2025 - \$nil)	16,366	17,840
Prepaid expenses	27,718	22,460
HST receivable	20,939	27,406
	<u>578,368</u>	4,032,887
Capital assets (Note 3)	<u>81,840</u>	107,222
	<u>\$ 660,208</u>	\$ 4,140,109
LIABILITIES		
Current		
Bank indebtedness (Note 4)	\$ 51,067	\$ 4,066,349
Accounts payable and accruals (Note 7)	617,617	15,335
Current portion of long term debt (Note 9)	9,690	217,461
Deferred revenue (Note 8)	306,946	
	<u>985,320</u>	4,299,145
Long term debt (Note 9)	<u>17,797</u>	27,487
	<u>1,003,117</u>	4,326,632
NET ASSETS		
Unrestricted		
Admin Ops	(486,993)	(339,655)
Special Project Ops	56,730	55,731
	<u>(430,263)</u>	(283,924)
Investment in capital assets	<u>87,354</u>	97,401
	<u>(342,909)</u>	(186,523)
	<u>\$ 660,208</u>	\$ 4,140,109

ON BEHALF OF THE BOARD

_____ Director

_____ Director

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

**Statement of Cash Flows
Year Ended March 31, 2026**

	2026	2025
Operating activities		
Excess revenue (expenses)	\$ (131,004)	\$ 196,644
Changes in non-cash working capital:		
Accounts receivable	1,474	(11,800)
Accounts payable and accruals	(3,448,732)	3,644,079
Deferred revenue	89,485	49,326
Prepaid expenses	(5,258)	385
HST receivable	6,467	(7,019)
	<u>(3,356,564)</u>	3,674,971
	<u>(3,487,568)</u>	3,871,615
Investing activities		
Additions to capital assets		(143,935)
Proceeds on disposal of capital assets		500
		<u>(143,435)</u>
Financing activity		
Repayment of long term debt	<u>(15,335)</u>	(14,232)
Increase (decrease) in cash flow	(3,502,903)	3,713,948
Cash - beginning of year	3,965,181	251,233
Cash - end of year	\$ 462,278	\$ 3,965,181
Cash consists of:		
Operating	\$ (51,067)	\$ 10,171
One Card Project	2,089	276,301
New Glasgow renovations	500,000	3,668,570
Special Projects and CAP	11,256	10,139
	<u>\$ 462,278</u>	\$ 3,965,181

1. Purpose of the organization

Pictou-Antigonish Regional Library Board (PARL) provides library and other literary services to the Towns and communities of the Counties of Pictou and Antigonish, Nova Scotia. The Library is a non-profit organization and is exempt from income tax.

2. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	20%
Motor vehicles	30%

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Contributed goods and services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Fund accounting

Contributions are recorded under the restricted fund method of accounting.

The unrestricted fund accounts for the organization's program delivery and administrative activities.

The capital fund reports the vehicles and equipment owned by the organization and how these assets are financed. Funds received through capital assistance programs are recorded as additions to the investment in capital assets.

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2. Summary of significant accounting policies (continued)

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of capital assets;
- the estimated useful lives of assets;

Estimates 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 management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

Revenue recognition

Unrestricted contributions are recognized in the operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the expense is incurred. All other restricted contributions are recognized in the appropriate funds.

Investment income is recognized in the fund to which the resources are related. Investment income includes dividends and interest income. Unrealized gains and losses on available-for-sale financial assets are included directly in net assets until the asset is removed from the statement of financial position.

3. Capital assets

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Equipment	\$ 1,566,456	\$ 1,512,179	\$ 54,277	\$ 67,846
Motor vehicles	102,940	75,377	27,563	39,376
	\$ 1,669,396	\$ 1,587,556	\$ 81,840	\$ 107,222

4. Bank indebtedness

The Organization has a bank overdraft available to a maximum of \$101,000 for short term purposes through its financial services agreement. This agreement requires the Organization to pay interest at a rate of prime plus 5% on the balance of overdrawn amounts with the balance being payable upon demand. As at March 31, 2026, \$51,067 was utilized (2025 - \$nil).

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

Notes to Financial Statements

Year Ended March 31, 2026

5. Grants

	Budget	2026	2025
Province of Nova Scotia	\$ 1,518,400	\$ 1,518,400	\$ 1,451,100
Municipality of the County of Pictou	203,498	203,498	195,112
Municipality of the County of Antigonish	136,685	136,685	131,053
The Town of New Glasgow	86,989	86,989	83,406
The Town of Stellarton	43,471	43,471	41,680
The Town of Antigonish	40,489	40,489	38,821
The Town of Pictou	35,294	35,294	33,841
The Town of Westville	34,933	34,933	33,493
The Town of Trenton	25,299	25,299	24,257
	<u>\$ 2,125,058</u>	<u>\$ 2,125,058</u>	<u>\$ 2,032,763</u>

6. Donations

	2026	2025
Donations	\$ 23,019	\$ 99,782
Maria C. Stewart Trust	4,363	4,240
Special Projects	4,814	4,952
	<u>\$ 32,196</u>	<u>\$ 108,974</u>

7. Accounts payable and accruals

	2026	2025
Trade payables and accruals	\$ 115,528	\$ 63,478
Deferred payables	500,000	3,726,570
One Card Project (Note 11)	2,089	276,301
	<u>\$ 617,617</u>	<u>\$ 4,066,349</u>

8. Deferred revenue

	2026	2025
Friends of Antigonish Library (FOAL) (Note 13)	\$ 1,481	\$
CAP sites (Note 13)	3,575	9,402
Other various projects (Note 13)	301,890	140,759
Total Special Projects	306,946	150,161
Province of Nova Scotia		67,300
	<u>\$ 306,946</u>	<u>\$ 217,461</u>

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

Notes to Financial Statements

Year Ended March 31, 2026

9. Long term debt

	2026	2025
Term loan bearing interest at 7.29% per annum, repayable in monthly blended payments of \$663. The loan matures on May 25, 2026 and is secured by vehicle with a net book value of \$7,287.	\$ 1,298	\$ 8,860
Term loan bearing interest at 7.69% per annum, repayable in monthly blended payments of \$388. The loan matures on February 5, 2029 and is secured by vehicle with a net book value of \$19,764.	26,189	33,962
	27,487	42,822
Amounts payable within one year	(9,690)	(15,335)
	\$ 17,797	\$ 27,487
Principal repayment terms are approximately:		
2027	\$ 9,690	
2028	9,059	
2029	8,738	
	\$ 27,487	

10. Financial instruments

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2026.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. In order to reduce its credit risk, the organization has a planning and budgeting process in place to help determine the funds required to support the normal operating requirements on an ongoing basis. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

Notes to Financial Statements

Year Ended March 31, 2026

11. One Card Project

The Organization is in receipt of funds from the Province of Nova Scotia and other public library branches in the Province to provide support to the library branches within Nova Scotia. The expenditures that are incurred to provide this support are drawn upon these funds as per the schedule below.

	<u>2026</u>	<u>2025</u>
Funding		
Deferred funding, beginning	\$ 276,301	\$ 275,738
Current year funds received	348,415	340,093
Deferred funding, ending	<u>(282,146)</u>	<u>(276,301)</u>
	342,570	339,530
Expenditures		
Admin	1,210	100
Advertising	300	2,921
Bank charges	125	139
Meeting and travel		1,454
Professional fees	264,843	259,428
Programming		3,000
Software	73,472	72,488
Supplies	2,620	
	<u>342,570</u>	<u>339,530</u>
Net surplus (deficit)	<u>\$</u>	<u>\$</u>
Assets and liabilities		
One Card project bank	\$ 2,089	\$ 276,301
Prepaid expenses	356,905	
Trade accounts payable	(76,848)	
Deferred revenue	<u>(282,146)</u>	<u>(276,301)</u>

12. Pension plan

The Organization has contributed \$61,619 (2025 - \$54,023) to the employee's defined contribution plan for the year ended March 31, 2026.

PICTOU-ANTIGONISH REGIONAL LIBRARY BOARD

Notes to Financial Statements

Year Ended March 31, 2026

13. Special Projects

The revenue for the following special projects has been presented separately in the Statement of Operations while the expenses form part of the overall operations expenses on Page 3. The capital asset purchases are shown as part of the Statement of Changes in Net Assets per Page 4.

	Friends of Antigonish Library (FOAL) Funds	CAP Funds	Other Various Projects	Pictou Library	2026	2025
Revenue						
Deferred funding, beginning	\$	\$ 9,402	\$ 136,602	\$ 4,157	\$ 150,161	\$ 100,835
Current year funds received	6,295	19	461,966	7,261	475,541	652,761
Deferred funding, ending	(1,481)	(3,575)	(301,890)		(306,946)	(150,161)
Income, current year	4,814	5,846	296,678	11,418	318,756	603,435
Expenses						
Library materials						100,000
Professional fees			20,818		20,818	9,989
Salaries and benefits	1,510		98,958		100,468	98,486
Supplies	3,304	5,321	168,425	11,810	188,860	248,051
Travel			7,611		7,611	5,044
Total expenditures	4,814	5,321	295,812	11,810	317,757	461,570
Capital assets						
Purchases						143,935
Net surplus (deficit)	\$	\$ 525	\$ 866	\$ (392)	\$ 999	\$ (2,070)