The Cumberland Regional Library Board
Financial Statements
March 31, 2026

Contents

For the year ended March 31, 2026

To the Members of The Cumberland Regional Library Board:

Opinion

We have audited the financial statements of The Cumberland Regional Library Board (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and accumulated surplus, changes in net financial 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 March 31, 2026, and the results of its operations, changes in its net financial assets and its cash flows 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 Auditor’s 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 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 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.

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.

Truro, Nova Scotia

MNP LLP

July 20, 2026

Chartered Professional Accountants

The Cumberland Regional Library Board
Cumberland Public Libraries
Statement of Financial Position
As at March 31, 2026

	2026	2025
Financial assets		
Cash and temporary investments	**217,978**	277,729
Accounts receivable	**149,417**	10,372
Investments *(Note 3)*	**71,249**	181,778
Total financial assets	**438,644**	469,879
Liabilities		
Accounts payable and accruals *(Note 4), (Note 6)*	**177,707**	114,290
Deferred revenue *(Note 5)*	**68,214**	104,245
Total financial liabilities	**245,921**	218,535
Net financial assets	**192,723**	251,344
Non-financial assets		
Tangible capital assets *(Note 7)*	**25,984**	35,739
Prepaid expenses	**24,621**	11,658
Total non-financial assets	**50,605**	47,397
Accumulated surplus *(Note 8)*	**243,328**	298,741

Commitment *(Note 12)*

Subsequent event *(Note 14)*

Approved on behalf of the Board

e-Signed by Angel McCormick
2026-07-21 09:07:09:09 ADT
Chair

e-Signed by Carla Black
2026-07-21 09:59:43:43 ADT
Treasurer

The accompanying notes are an integral part of these financial statements

The Cumberland Regional Library Board
Cumberland Public Libraries
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2026

	2026 Budget (Note 9)	**2026**	*2025*
Revenue			
Contributions *(Note 11)*	**1,059,301**	**1,134,701**	1,164,335
Grant revenue	**125,000**	**159,503**	214,689
Donations	**26,000**	**29,142**	23,062
Administration fees	**16,650**	**16,591**	14,452
Fundraising	**8,000**	**6,586**	7,194
Interest income	**3,000**	**5,659**	14,327
Rental income	**-**	**225**	4,825
Other revenue	**1,200**	**4,238**	4,323
	1,239,151	**1,356,645**	1,447,207
Expenses			
Amortization	**-**	**9,755**	17,576
Automation	**25,000**	**22,747**	24,202
Bank charges and interest	**250**	**449**	56
Computer maintenance	**11,000**	**13,063**	11,444
Insurance	**13,600**	**11,158**	13,376
Materials	**45,000**	**67,662**	86,417
Office rent and janitorial services	**34,700**	**33,783**	32,848
Office supplies and expenses	**13,350**	**6,698**	13,447
Payroll fees	**-**	**2,798**	2,593
Postage	**12,000**	**12,128**	10,052
Professional fees	**23,000**	**38,098**	37,865
Program expense	**43,000**	**126,372**	173,010
Repairs and maintenance	**19,800**	**9,895**	16,403
Salaries and benefits	**1,061,400**	**1,045,155**	1,018,372
Staff and board expenses	**9,300**	**12,297**	4,854
	1,311,400	**1,412,058**	1,462,515
Operating deficit	**(72,249)**	**(55,413)**	(15,308)
Accumulated surplus, beginning of year	**298,740**	**298,741**	314,049
Accumulated surplus, end of year	**226,491**	**243,328**	298,741

The accompanying notes are an integral part of these financial statements

The Cumberland Regional Library Board
Cumberland Public Libraries
Statement of Change in Net Financial Assets
For the year ended March 31, 2026

	2026 Budget (Note 9)	***2026***	*2025*
Operating deficit	**(72,249)**	**(55,413)**	(15,308)
Amortization of tangible capital assets	**-**	**9,755**	17,576
Acquisition of prepaid expenses	**-**	**(24,621)**	(11,658)
Use of prepaid expenses	**-**	**11,658**	13,924
Increase (decrease) in net financial assets	**(72,249)**	**(58,621)**	4,534
Net financial assets, beginning of year	**251,344**	**251,344**	246,810
Net financial assets, end of year	**179,095**	**192,723**	251,344

The Cumberland Regional Library Board
Cumberland Public Libraries
Statement of Cash Flows
For the year ended March 31, 2026

	2026	*2025*
Operating activities		
Operating deficit	**(55,413)**	(15,308)
Non-cash items		
Amortization	**9,755**	17,576
	(45,658)	2,268
Changes in working capital accounts		
Accounts receivable	**(139,045)**	351
Accounts payable and accruals	**63,417**	11,674
Deferred revenue	**(36,031)**	(97,417)
Prepaid expenses	**(12,963)**	2,266
	(170,280)	(80,858)
Investing activities		
Purchase of investments	**-**	(181,778)
Redemption of investments	**110,529**	59,000
	110,529	(122,778)
Decrease in cash resources	**(59,751)**	(203,636)
Cash resources, beginning of year	**277,729**	481,365
Cash resources, end of year	**217,978**	277,729

1. Incorporation and nature of the organization

The Cumberland Regional Library Board (operating as Cumberland Public Libraries) is a not-for-profit organization incorporated provincially under the Libraries Act of Nova Scotia. Under this Act, the library operates public libraries in communities throughout Cumberland County and is responsible for the delivery of public library services as defined by the Provincial Librarian. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalents include cash and term deposits with maturities of three months of less.

Investments

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Investments with prices not quoted in an active market include guaranteed investment certificates.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution plus all costs directly attributable to the acquisition.

When conditions indicate that a tangible capital asset no longer contributes to the Organization’s ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the Organization reduces the cost of the asset to reflect the decline in it’s value. Write-downs of tangible capital assets are not reversed.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	***Rate***
Vehicles	declining balance	30 %
Equipment	declining balance	20 %
Computers	declining balance	55 %

Contributed 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 serviced cannot be reasonably determined and are therefore not reflected in these statements. Donated materials are recorded at one-half of the current value.

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies

When the Organization determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government Transfers

The Organization recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Organization recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The Organization recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the Organization records externally restricted inflows in deferred revenue.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Accruals are recognized based on management's best estimate of obligations existing at the financial statement date.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses while interest income is recognized in the statement of operations. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating operating deficit. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Net financial assets

The Organization's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Organization is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

3. Investments

	2026	*2025*
Measured at cost:		
Guaranteed Investment Cert A bearing interest at 4.97%, matured July 2025	**-**	111,380
Guaranteed Investment Cert A bearing interest at 4.71%, matures July 2026	**71,249**	70,398
	71,249	181,778

4. Accounts payable and accruals

	2026	*2025*
Trade payables and accruals	**102,791**	17,500
Payroll accrual	**5,383**	27,192
Provision for accumulated sick time	**55,999**	55,999
Payroll source deductions payable	**13,534**	13,599
	177,707	114,290

5. Deferred revenue

	2026	*2025*
Balance, beginning of year	**104,245**	201,662
Amounts received during the year:		
Province of Nova Scotia	**143,146**	84,933
Wage Grant	**8,876**	4,652
Province of Nova Scotia bridge financing	**37,700**	37,700
Dr. and Mrs. H.E Christie Community Foundation	**-**	14,000
Other	**9,150**	13,688
	303,117	356,635
Less: amounts recognized as revenue during the year		
Grants	**(10,591)**	(31,460)
Province of Nova Scotia	**(224,312)**	(220,930)
	68,214	104,245

6. Provision for accumulated sick time

The Organization provides employees a maximum of 150 days sick leave. Sick day credits accumulate at 1 1/2 days per month less time used to the maximum. A cash equivalent of 25% of accumulated sick leave will be paid to employees on retirement or resignation of an employee with 10 years of continuous service. The financial statement liability reflects 25% of the total accumulated sick time.

7. Tangible capital assets

	Cost	Additions	Disposals	Accumulated amortization	2026 Net book value
Vehicles	**45,148**	-	-	**40,633**	**4,515**
Equipment	**37,730**	-	-	**27,176**	**10,554**
Computers	**83,948**	-	-	**79,709**	**4,239**
Artwork	**6,676**	-	-	-	**6,676**
	173,502	-	-	**147,518**	**25,984**

	Cost	Additions	Disposals	Accumulated amortization	2025 Net book value
Vehicles	45,148	-	-	38,698	6,450
Equipment	37,730	-	-	24,538	13,192
Computers	83,948	-	-	74,527	9,421
Artwork	6,676	-	-	-	6,676
	173,502	-	-	137,763	35,739

8. Accumulated surplus

	2026	2025
Reserve funds		
Van	**56,427**	55,359
Capital	**1,390**	111,380
Automation	**71,249**	70,398
Operating	**90,408**	88,525
Endowment	**13,876**	13,617
	233,350	339,279
Investments in capital assets	**19,308**	29,063
Investment in artwork	**6,676**	6,676
General fund	**(16,006)**	(76,277)
	9,978	(40,538)
	243,328	298,741

9. Budget information

The disclosed budget information has been approved by the Board of Directors of the The Cumberland Regional Library Board at the board meeting held on June 24, 2025.

10. Financial Instruments

The Organization as part of its operations carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The Organization is exposed to credit risk from the possibility that the contributors to the Organization will be unable to fulfil their obligations.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Organization is exposed to interest rate cash flow and price risk with respect to its short-term investments.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Organization enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

11. Percentage of participation for each municipal unit

	%	*2026*	*%*	*2025*
Town of Amherst	**8**	**87,299**	**9**	**108,004**
Municipality of Cumberland	**16**	**186,267**	**20**	**230,446**
Town of Oxford	**1**	**10,335**	**1**	**12,785**
Province of Nova Scotia	**75**	**850,800**	**70**	**813,100**
	100	**1,134,701**	**100**	**1,164,335**

12. Commitment

The Organization has entered into a lease agreement for its office premises and janitorial services, which expired on March 31, 2025 with option to extend 2 years with annual increases by annual average change in consumer price index for its office premises and janitorial services.

The monthly lease payment for the office premises and janitorial services is $2,815 plus HST.

13. Economic dependence

The Organization's primary sources of revenue are from the Town of Amherst, Town of Oxford, Municipality of Cumberland and the Province of Nova Scotia. The grant funding can be cancelled if the Organization does not observe certain established guidelines. The Organization's ability to continue viable operations is dependent upon maintaining this funding. As at the date of these financial statements, the Organization believes that it is in compliance with the guidelines.

Funding levels within the Nova Scotia public library system have not kept pace with rising operating costs. As a result, the Organization may be required to reduce services, programming, collections, operating hours, or other expenditures if funding is not sufficient to meet future cost increases. At this time, management is unable to determine the extent to which this may impact future operations and financial sustainability.

14. Subsequent event

Subsequent to March 31, 2026, employees of the Organization voted to unionize. The Organization expects to incur approximately $20,000 to $30,000 in professional fees in connection with the unionization process. As the unionization process was not completed as at year-end, no impact has been recognized in the March 31, 2026 financial statements.