

Financial Statements of

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Year ended December 31, 2019

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

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INDEPENDENT AUDITORS' REPORT

To the Chairperson and Members of The County of Prince Edward Public Library Board

Opinion

We have audited the financial statements of The County of Prince Edward Public Library Board ("the Entity"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

April 23, 2020

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets:		
Cash	\$ 1,179,919	\$ 936,800
Accounts receivable	169,283	49,366
	1,349,202	986,166
Financial liabilities:		
Accounts payable and accrued liabilities	152,066	156,406
Deferred revenue (note 3)	854,853	511,731
	1,006,919	668,137
Net financial assets	342,283	318,029
Non-financial assets:		
Tangible capital assets (note 8)	456,994	448,898
Prepaid expenses	8,176	11,095
	465,170	459,993
Commitments (note 7)		
Subsequent event and contingencies (note 12)		
Accumulated surplus (note 4)	\$ 807,453	\$ 778,022

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

On behalf of the Board:

Sharon Jones
DEVON A. JONES Board Chair

Barbara Sweet
BARBARA SWEET Chief Executive Officer

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	Budget 2019 <small>(note 6)</small>	Actual 2019	Actual 2018
Revenue:			
Government transfers (note 9)	\$ 1,289,202	\$ 1,289,335	\$ 1,281,332
Archives	3,000	9,370	3,670
Desk revenue	14,000	20,768	24,294
Donations and fundraising	15,000	15,913	11,954
Interest and other	14,500	22,567	13,165
	1,335,702	1,357,953	1,334,415
Expenses:			
Wages and benefits	993,302	927,610	930,211
Amortization	-	84,576	91,520
Repairs and maintenance	80,000	99,975	91,280
Utilities and telephone	71,400	67,141	66,975
Programming and publicity	15,000	34,116	39,400
Licensing	27,500	34,788	32,464
Office supplies and equipment rental	15,000	20,847	20,452
Mileage	12,000	9,535	11,904
Computers, furnishings and equipment	15,000	15,902	11,676
Insurance	5,500	7,366	6,826
Professional fees	10,500	10,407	8,537
Archives	4,000	9,544	5,687
Miscellaneous	1,500	511	675
Training and seminars	5,000	4,958	3,928
Periodicals	5,000	5,246	5,415
	1,260,702	1,332,522	1,326,950
Excess of revenue over expenses before the undernoted item	75,000	25,431	7,465
Other income related to capital:			
Transfer from trust funds	-	4,000	4,000
Annual surplus	75,000	29,431	11,465
Accumulated surplus, beginning of year		778,022	766,557
Accumulated surplus, end of year		\$ 807,453	\$ 778,022

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

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Statement of Changes in Net Financial Assets

Year ended December 31, 2019, with comparative information for 2018

		Budget 2019		Actual 2019		Actual 2018
		(note 6)				
Annual surplus	\$	75,000	\$	29,431	\$	11,465
Amortization of tangible capital assets		(75,000)		84,576		91,520
Acquisition of tangible capital assets		-		(92,672)		(103,214)
Acquisition of prepaid expenses		-		(8,176)		(11,095)
Use of prepaid expenses		-		11,095		9,023
Change in net financial assets		-		24,254		(2,301)
Net financial assets, beginning of year		-		318,029		320,330
Net financial assets, end of year	\$	-	\$	342,283	\$	318,029

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

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 29,431	\$ 11,465
Amortization, which does not involve cash	84,576	91,520
Change in non-cash operating capital:		
Accounts receivable	(119,917)	36,361
Prepaid expenses	2,919	(2,072)
Accounts payable and accrued liabilities	(4,340)	16,837
Deferred revenue	343,122	300,027
Net change in cash from operating activities	335,791	454,138
Capital activities:		
Acquisition of tangible capital assets	(92,672)	(103,214)
Increase in cash	243,119	350,924
Cash, beginning of year	936,800	585,876
Cash, end of year	\$ 1,179,919	\$ 936,800

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

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2019

1. Significant accounting policies:

The financial statements of The County of Prince Edward Public Library Board (the "Library Board"), a registered charity and a local board of the Corporation of the County of Prince Edward, are the representation of management prepared in accordance with Canadian public sector accounting standards ("PSAS"). Significant aspects of the accounting policies adopted by the Library Board are as follows:

(a) Reporting entity:

- (i) These statements reflect the assets, liabilities, revenue and expenses of the Library Board and include current, capital and reserve activities.
- (ii) Trust Funds and their related operations administered by the Library Board are not reflected in these financial statements but are reported separately on the "Trust Fund Statement of Financial Position and Trust Fund Statement of Financial Activities and Changes in Fund Balance".

(b) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Government transfers:

Government transfers are recognized in the period in which the events giving rise to the transfers occur, providing the transfers are authorized, eligibility criteria are met, and reasonable estimates of the amounts can be made.

(d) Deferred revenue:

Deferred revenue represents amounts which have been collected for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal period in which the services are performed or the related expenses incurred.

(e) Pledges:

The Library Board records donations when received.

(f) 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 COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(g) Tangible capital assets:

Tangible capital assets are recorded at cost, or at an estimated cost using valuation techniques if historic costs are not available. Cost 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 is amortized on a straight-line basis over their estimated useful lives. Land and buildings remain assets of the Corporation of the County of Prince Edward and are not included in these financial statements.

(i) Asset categories and estimated useful lives:

Asset	Useful Life
Leasehold improvements	30 years
Shelving, furniture and equipment	20 to 30 years
Computer hardware and software	5 years
Books	7 years

(ii) Contribution 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. Similarly, transfer of assets to third parties is recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) Works of art:

Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

(iv) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all 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 lease payments are charged to expenses as incurred.

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(h) 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 period. Actual results could differ from these estimates.

2. Financial instruments:

The Library Board's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities and are carried at cost. Unless otherwise noted, it is management's opinion that the Library Board is not exposed to significant credit, liquidity or market risks arising from these financial instruments. The fair value of the Library Board's financial instruments approximates their carrying value due to their short-term nature.

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

3. Deferred revenue:

	Balance at December 31, 2018	Additions	Transfers to income	Balance at December 31, 2019
Province of Ontario:				
Library Strategic Development Fund	\$ 11,842	\$ -	\$ -	\$ 11,842
Pay equity	6,954	-	-	6,954
Heritage Organization Development Grant	1,545	-	-	1,545
Stark	3,296	-	3,296	-
Government of Canada:				
MTC Capacity Grant	-	-	-	-
SOLS Internet Connectivity	5,037	19,714	5,000	19,751
County of Prince Edward	8	1,173,959	1,173,959	8
Donations:				
Children's programming	1,000	-	-	1,000
Wellington Project	7,720	6,995	-	14,715
Consecon Project	20,325	6,800	3,700	23,425
Ameliasburgh Project	1,100	1,000	-	2,100
Bloomfield Project	1,000	1,000	-	2,000
Milford Project	6,499	2,321	3,978	4,842
Picton Project	341,412	223,159	8,732	555,839
Archives Project	3,022	7,810	-	10,832
Music lending library	971	-	971	-
Private grants Picton Addition:				
John Parrott Foundation	100,000	100,000	-	200,000
Total	\$ 511,731	\$ 1,542,758	\$ 1,199,636	\$ 854,853

4. Accumulated surplus:

The accumulated surplus consists of the following:

	2019	2018
Equity in tangible capital assets	\$ 456,994	\$ 448,898
Reserves - emergency reserves	39,457	31,321
Reserve funds - estate reserves	249,114	241,022
Unrestricted surplus	61,888	56,781
	\$ 807,453	\$ 778,022

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

4. Accumulated surplus (continued):

Reserves and reserve funds consist of the following:

	Balance at December 31, 2018	Interest earned on reserve funds	Contributions to/from operations	Balance at December 31, 2019
Reserves - emergency reserves	\$ 31,321	\$ 2,136	\$ 6,000	\$ 39,457
Reserve funds - estate reserves	241,022	12,092	(4,000)	249,114

5. Trust funds:

Trust funds administered by the Library Board amount to \$7,431 (2018 - \$15,175) as at December 31, 2019.

6. Budget figures:

The approved current fund budget for 2019 is reflected on the Statement of Operations and Accumulated Surplus. Amortization was not contemplated in development of the budget and, as such, has not been included.

	2019 Budget
Reported on the statement of operations:	
Operating revenue	\$ 1,335,702
Operating expenses	1,260,702
Total budgeted surplus reported on financial statements	75,000
Budget not reported on the statement of operations:	
Capital acquisitions	75,000
Total budgeted surplus not reported on financial statements	\$ -

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

7. Commitments:

The Library Board has entered into a commitment for office equipment. The minimum payments under this lease is as follows:

	\$	
2020		3,600
2021		3,600
2022		3,600
2023		1,800
	\$	12,600

8. Tangible capital assets:

Cost	Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019
Leasehold improvements	\$ 78,973	\$ -	\$ -	\$ 78,973
Shelving, furniture and equipment	165,830	-	-	165,830
Computer hardware and software	138,174	-	-	138,174
Books	820,463	92,672	-	913,135
Total	\$ 1,203,440	\$ 92,672	\$ -	\$ 1,296,112

Accumulated amortization	Balance at December 31, 2018	Amortization	Disposals	Balance at December 31, 2019
Leasehold improvements	\$ 12,494	\$ 2,839	\$ -	\$ 15,333
Shelving, furniture and equipment	70,575	7,485	-	78,060
Computer hardware and software	113,183	3,394	-	116,577
Books	558,290	70,858	-	629,148
Total	\$ 754,542	\$ 84,576	\$ -	\$ 839,118

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

8. Tangible capital assets (continued):

	Net book value 2018	Net book value 2019
Land and leasehold improvements	\$ 66,479	\$ 63,640
Shelving, furniture and equipment	95,255	87,770
Computer hardware and software	24,991	21,597
Books	262,173	283,987
Total	\$ 448,898	\$ 456,994

9. Government transfers:

Government transfers consist of revenue from various funding agencies as follows:

	Budget 2019 (note 6)	Actual 2019	Actual 2018
Government transfers operating:			
Province of Ontario:			
Operating	\$ 50,427	\$ 50,427	\$ 50,427
Pay equity funding	27,816	27,816	27,816
SOLS public internet access	5,000	5,000	5,000
Museum and Technology Fund	-	-	6,856
Other	15,000	18,179	5,837
Wage subsidy	10,000	6,954	21,789
County of Prince Edward:			
Operating	1,173,959	1,173,959	1,143,156
Transfer from development charges	7,000	7,000	7,000
	1,289,202	1,289,335	1,267,881
County of Prince Edward: Capital	-	-	13,451
	\$ 1,289,202	\$ 1,289,335	\$ 1,281,332

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

10. Adoption of new accounting policies:

On January 1, 2019, the Library Board adopted Canadian public sector accounting standard PS 3430 Restructuring transactions.

The adoption of this standard did not result in an accounting policy change for the Library Board, and did not result in any adjustments to the financial statements as at January 1, 2019.

11. Related party transactions:

The Library Board receives funds from the Corporation of the County of Prince Edward for operating and capital purposes. In 2019, the Library Board made disbursements for three capital projects where costs were fully recovered from Corporation of the County of Prince Edward as these projects were enhancements to the actual buildings in Consecon, Wellington and Picton that are recorded in the books and records as tangible capital assets of the Corporation of the County of Prince Edward. Included in accounts receivable is \$115,843 (2018 - \$24,267) related to these recoveries.

12. Subsequent event and contingencies:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the Library Board has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic.

- Closure of branches from March 25, 2020 to the date of the auditor's report based on public health recommendations
- Mandatory working from home requirements for those able to do so
- Movement of programs and services to online offerings and classes, where applicable

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.



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INDEPENDENT AUDITORS' REPORT

To the Chairperson and Members of The County of Prince Edward Public Library Board

Opinion

We have audited the trust fund financial statements of The County of Prince Edward Public Library Board (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of financial activities and changes in fund balance for the year then ended
- and notes to the trust fund financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of financial activities 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 Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

April 23, 2020

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Trust Fund
Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Cash	\$ 7,431	\$ 11,175
Fund Balance		
Fund balance	\$ 7,431	\$ 11,175

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

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Trust Fund
Statement of Financial Activities and Changes in Fund Balance

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Balance, beginning of year	\$ 11,175	\$ 14,897
Revenue:		
Interest received	256	278
Expenditures:		
Transfer to library operating account	4,000	4,000
Balance, end of year	\$ 7,431	\$ 11,175

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

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Trust Fund
Notes to Financial Statements

Year ended December 31, 2019

1. Significant accounting policies:

The financial statements of the Trust Fund of The County of Prince Edward Public Library Board are prepared by management in accordance with Canadian public sector accounting standards.

(a) Basis for accounting:

Revenue and expenditures are recorded on an accrual basis of accounting.

The accrual basis recognizes revenue in the period in which the transactions or events occurred and are measurable. Expenditures are recognized in the period in which they are incurred and measurable and a legal obligation to pay is created.

(b) 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 expenditures during the period. Actual results could differ from those estimates.

2. Statement of cash flows:

A statement of cash flows has not been included in these financial statements as the information is readily determinable.

3. Adoption of new accounting policies:

On January 1, 2019, the Trust Fund of The County of Prince Edward Public Library Board adopted Canadian public sector accounting standard PS 3430 Restructuring transactions.

The adoption of this standard did not result in an accounting policy change for the Trust Fund of The County of Prince Edward Public Library Board, and did not result in any adjustments to the financial statements as at January 1, 2019.