

Financial Statements of

**THE COUNTY OF
PRINCE EDWARD
PUBLIC LIBRARY BOARD**

Year ended December 31, 2021

Financial Statements of

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Year ended December 31, 2021

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

| | Page |
|---|------|
| Independent Auditors' Report | 1 |
| Statement of Financial Position | 4 |
| Statement of Operations and Accumulated Surplus | 5 |
| Statement of Changes in Net Financial Assets | 6 |
| Statement of Cash Flows | 7 |
| Notes to Financial Statements | 8 |
| Trust Funds | |
| Independent Auditors' Report | 16 |
| Statement of Financial Position | 19 |
| Statement of Financial Activities and Changes in Fund Balance | 20 |
| Notes to Financial Statements | 21 |



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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, 2021
- 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, 2021, 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 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 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.



Page 3

- 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 28, 2022

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2021, with comparative information for 2020

| | 2021 | 2020 (Recast note 12) |
|--|-------------------|-----------------------------|
| Financial assets: | | |
| Cash | \$ 2,002,877 | \$ 1,730,559 |
| Accounts receivable | 178,404 | - |
| | 2,181,281 | 1,730,559 |
| Financial liabilities: | | |
| Accounts payable and accrued liabilities | 180,319 | 132,073 |
| Deferred revenue (note 3) | 1,641,083 | 1,190,131 |
| | 1,821,402 | 1,322,204 |
| Net financial assets | 359,879 | 408,355 |
| Non-financial assets: | | |
| Tangible capital assets (note 8) | 407,774 | 431,456 |
| Prepaid expenses | 4,852 | 14,012 |
| | 412,626 | 445,468 |
| Commitments (note 7) | | |
| Accumulated surplus (note 4) | \$ 772,505 | \$ 853,823 |

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

On behalf of the Board:

Devon A. Jones Board Chair Devon A. Jones

Barbara Sweet Chief Executive Officer Barbara Sweet.

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

| | Budget 2021 (note 6) | Actual 2021 | Actual 2020 (Recast note 12) |
|--|----------------------------|-------------------|---------------------------------------|
| Revenue: | | | |
| Government transfers (note 9) | \$ 1,339,318 | \$ 1,357,800 | \$ 1,313,345 |
| Archives | 4,000 | 5,880 | 14,503 |
| Desk revenue | 15,000 | 23,411 | 21,958 |
| Donations and fundraising | 17,000 | 16,911 | 1,695 |
| Interest and other | 17,000 | 15,285 | 15,706 |
| | <u>1,392,318</u> | <u>1,419,287</u> | <u>1,367,207</u> |
| Expenses: | | | |
| Wages and benefits | 1,033,318 | 1,041,835 | 909,949 |
| Repairs and maintenance | 85,000 | 105,458 | 78,640 |
| Amortization | — | 98,764 | 94,857 |
| Lending materials: downloads, DVDs and periodicals | — | 77,851 | 72,250 |
| Utilities and telephone | 78,000 | 67,593 | 63,636 |
| Licensed software and support fees | 27,500 | 32,349 | 33,748 |
| Office supplies and equipment rental | 15,000 | 25,109 | 19,818 |
| Programming and publicity | 15,000 | 16,894 | 10,853 |
| Mileage | 12,000 | 9,546 | 6,505 |
| Professional fees | 12,000 | 6,614 | 9,591 |
| Computers, furnishings and equipment | 15,000 | 6,611 | 6,240 |
| Insurance | 5,500 | 4,907 | 7,366 |
| Archives | 4,000 | 3,912 | 4,750 |
| Training and seminars | 5,000 | 2,259 | 2,490 |
| Miscellaneous | — | 903 | 144 |
| | <u>1,307,318</u> | <u>1,500,605</u> | <u>1,320,837</u> |
| Annual surplus (deficit) | 85,000 | (81,318) | 46,370 |
| Accumulated surplus, beginning of year: | | | |
| As previously stated | | 918,396 | 807,453 |
| Correction of error (note 12) | | (64,573) | — |
| Accumulated surplus, beginning of year, as recasted | | <u>853,823</u> | <u>807,453</u> |
| Accumulated surplus, end of year | | \$ 772,505 | \$ 853,823 |

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, 2021, with comparative information for 2020

| | | Budget 2021 (note 6) | Actual 2021 | Actual 2020 (Recast note 12) |
|--|-----------|----------------------------|-------------------|---------------------------------------|
| Annual surplus (deficit) | \$ | 85,000 | \$ (81,318) | \$ 46,370 |
| Amortization of tangible capital assets | | - | 98,764 | 94,857 |
| Acquisition of tangible capital assets | | (85,000) | (75,082) | (69,319) |
| Acquisition of prepaid expenses | | - | (4,852) | (14,012) |
| Use of prepaid expenses | | - | 14,012 | 8,176 |
| Change in net financial assets | | - | (48,476) | 66,072 |
| Net financial assets, beginning of year | | - | 408,355 | 342,283 |
| Net financial assets, end of year | \$ | - | \$ 359,879 | \$ 408,355 |

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, 2021, with comparative information for 2020

| | 2021 | 2020 |
|--|--------------|---------------------|
| | | (Recast note 12) |
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus (deficit) | \$ (81,318) | \$ 46,370 |
| Amortization, which does not involve cash | 98,764 | 94,857 |
| Change in non-cash operating capital: | | |
| Accounts receivable | (178,404) | 169,283 |
| Prepaid expenses | 9,160 | (5,836) |
| Accounts payable and accrued liabilities | 48,246 | (19,993) |
| Deferred revenue | 450,952 | 335,278 |
| Net change in cash from operating activities | 347,400 | 619,959 |
| Capital activities: | | |
| Acquisition of tangible capital assets | (75,082) | (69,319) |
| Increase in cash | 272,318 | 550,640 |
| Cash, beginning of year | 1,730,559 | 1,179,919 |
| Cash, end of year | \$ 2,002,877 | \$ 1,730,559 |

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, 2021

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, 2021

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, 2021

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, 2021

3. Deferred revenue:

| | Balance at December 31, 2020 | Additions | Transfers to income | Balance at December 31, 2021 |
|---|------------------------------------|-------------------|------------------------|------------------------------------|
| Government funding: | | | | |
| Library Strategic Development Fund | \$ 11,842 | \$ — | \$ — | \$ 11,842 |
| Pay equity | 6,954 | — | — | 6,954 |
| Heritage Organization Development Grant | 4,635 | 1,545 | 1,545 | 4,635 |
| SOLS Internet Connectivity | 14,751 | 10,485 | 5,000 | 20,236 |
| Seniors accessibility | — | 13,400 | 13,400 | — |
| Province of Ontario inclusive grant | — | 16,750 | 1,046 | 15,704 |
| Donations: | | | | |
| Children's programming | 1,000 | — | 1,000 | — |
| Wellington Project | 18,390 | 100 | — | 18,490 |
| Consecon Project | 32,768 | 10,080 | 3,510 | 39,338 |
| Ameliasburgh Project | 3,200 | 50 | — | 3,250 |
| PEC Community Foundation | 7,500 | — | 7,500 | — |
| Bloomfield Project | 3,000 | — | — | 3,000 |
| Milford Project | 5,842 | — | — | 5,842 |
| Picton Project | 869,360 | 299,179 | — | 1,168,539 |
| Archives Project | 4,439 | 8,523 | 1,545 | 11,417 |
| Discover Youth Huff grant | 6,450 | 3,386 | 3,000 | 6,836 |
| Private grants Picton Addition: | | | | |
| John Parrott Foundation | 200,000 | 25,000 | — | 225,000 |
| Commonwealth LEAF grant | — | 100,000 | — | 100,000 |
| Total | \$ 1,190,131 | \$ 488,498 | \$ 37,546 | \$ 1,641,083 |

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Accumulated surplus:

The accumulated surplus consists of the following:

| | 2021 | 2020 (Recast note 12) |
|-----------------------------------|-------------------|-----------------------------|
| Equity in tangible capital assets | \$ 407,774 | \$ 431,456 |
| Reserves - emergency reserves | 42,310 | 40,935 |
| Reserve funds - estate reserves | 265,260 | 257,477 |
| Unrestricted surplus | 57,161 | 123,955 |
| | \$ 772,505 | \$ 853,823 |

Reserves and reserve funds consist of the following:

| | Balance at December 31, 2020 | Interest earned on reserve and reserve funds | Contributions to/from operations | Balance at December 31, 2021 |
|---------------------------------|------------------------------------|---|--|------------------------------------|
| Reserves - emergency reserves | \$ 40,935 | \$ 1,375 | \$ - | \$ 42,310 |
| Reserve funds - estate reserves | 257,477 | 7,783 | - | 265,260 |

5. Trust funds:

Trust funds administered by the Library Board amount to \$7,581 (2020 - \$7,517) as at December 31, 2021.

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2021

6. Budget figures:

The approved current fund budget for 2021 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.

| | 2021 budget |
|--|--------------|
| Reported on the statement of operations: | |
| Operating revenue | \$ 1,392,318 |
| Operating expenses | 1,307,318 |
| Total budgeted surplus reported on financial statements | 85,000 |
| Budget not reported on the statement of operations: | |
| Capital acquisitions | 85,000 |
| Total budgeted surplus not reported on financial statements | \$ - |

7. Commitments:

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

| | |
|------|-----------------|
| 2022 | \$ 3,600 |
| 2023 | 1,800 |
| | \$ 5,400 |

The Library Board has entered into a commitment for leasing of premises related to the Picton branch expansion. The minimum payments under this lease is as follows:

| | |
|------|----------|
| 2022 | \$ 4,172 |
|------|----------|

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Tangible capital assets:

| Cost | Balance at December 31, 2020 (recast note 12) | Additions | Disposals | Balance at December 31, 2021 |
|-----------------------------------|---|------------------|-------------|------------------------------------|
| Leasehold improvements | \$ 78,973 | \$ — | \$ — | \$ 78,973 |
| Shelving, furniture and equipment | 168,891 | 14,446 | — | 183,337 |
| Computer hardware and software | 174,269 | 14,642 | — | 188,911 |
| Books | 943,298 | 45,994 | — | 989,292 |
| Total | \$ 1,365,431 | \$ 75,082 | \$ — | \$ 1,440,513 |

| Accumulated amortization | Balance at December 31, 2020 (recast note 12) | Amortization | Disposals | Balance at December 31, 2021 |
|-----------------------------------|---|------------------|-------------|------------------------------------|
| Leasehold improvements | \$ 18,172 | \$ 2,840 | \$ — | \$ 21,012 |
| Shelving, furniture and equipment | 85,606 | 7,897 | — | 93,503 |
| Computer hardware and software | 122,393 | 9,985 | — | 132,378 |
| Books | 707,804 | 78,042 | — | 785,846 |
| Total | \$ 933,975 | \$ 98,764 | \$ — | \$ 1,032,739 |

| | Net book value 2020 (recast note 12) | Net book value 2021 |
|-----------------------------------|--|---------------------------|
| Land and leasehold improvements | \$ 60,801 | \$ 57,961 |
| Shelving, furniture and equipment | 83,285 | 89,834 |
| Computer hardware and software | 51,876 | 56,533 |
| Books | 235,494 | 203,446 |
| Total | \$ 431,456 | \$ 407,774 |

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2021

9. Government transfers:

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

| | Budget 2021 (note 6) | Actual 2021 | Actual 2020 |
|-----------------------------------|----------------------------|----------------|----------------|
| 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 |
| Other | 15,000 | 41,263 | 20,000 |
| Wage subsidy | — | 2,219 | 4,388 |
| County of Prince Edward: | | | |
| Operating | 1,224,075 | 1,224,075 | 1,198,714 |
| Transfer from development charges | 7,000 | 7,000 | 7,000 |
| | \$ 1,329,318 | \$ 1,357,800 | \$ 1,313,345 |

10. Related party transactions:

The Library Board receives funds from the Corporation of the County of Prince Edward for operating and capital purposes. In 2021, the Library Board made disbursements for the Picton branch expansion capital project where costs were fully recovered from Corporation of the County of Prince Edward as this project is for 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 \$166,562 (2020 - \$Nil) related to these recoveries.

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2021

11. Impact of COVID-19 pandemic:

In March 2020, 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 at various times throughout fiscal 2020 and 2021 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

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the report which provide additional evidence relating to conditions that existed as at year end. Management has assessed the financial impacts summarized above at this time and determined there to be no current year financial effect.

12. Recast of comparative information:

During the year, management became aware that the Library Board's tangible capital assets were incorrectly reported in the fiscal 2020 year. The impact of the correction has been recorded retroactively.

| | 2021 | 2020 |
|--|-------------------|-------------------|
| Accumulated surplus, beginning of year, as previously reported | \$ 918,396 | \$ 807,453 |
| To correct errors in relation to: | | |
| Overstatement of tangible capital assets | (64,573) | - |
| Accumulated surplus, beginning of year, as recasted | \$ 853,823 | \$ 807,453 |

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2021

12. Recast of comparative information (continued):

| | 2020 |
|--|------------------|
| Annual surplus, as previously reported | \$ 110,943 |
| To correct errors in relation to: | |
| Overstatement of amortization expense | 4,967 |
| Understatement of lending materials: downloads, DVDs and periodicals expense | (69,540) |
| | (64,573) |
| Annual surplus, as recasted | \$ 46,370 |

| | 2020 |
|--|-------------------|
| Tangible capital assets, as previously reported | \$ 496,029 |
| To correct errors in relation to: | |
| Overstatement of amortization expense | 4,967 |
| Understatement of lending materials: downloads, DVDs and periodicals expense | (69,540) |
| | (64,573) |
| Tangible capital assets, as recasted | \$ 431,456 |



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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, 2021
- 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, 2021, 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 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 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.



Page 20

- 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 28, 2022

THE COUNTY OF PRINCE EDWARD PUBLIC LIBRARY BOARD

Trust Fund
Statement of Financial Position

December 31, 2021, with comparative information for 2020

| | 2021 | 2020 |
|---------------------|----------|----------|
| Assets | | |
| Cash | \$ 7,581 | \$ 7,517 |
| Fund Balance | | |
| Fund balance | \$ 7,581 | \$ 7,517 |

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, 2021, with comparative information for 2020

| | 2021 | 2020 |
|---------------------------------------|-----------------|-----------------|
| Balance, beginning of year | \$ 7,517 | \$ 7,431 |
| Revenue: | | |
| Interest received | 64 | 86 |
| Expenditures: | | |
| Transfer to library operating account | - | - |
| Balance, end of year | \$ 7,581 | \$ 7,517 |

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, 2021

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.

