

Peterborough Public Library Board Meeting Agenda

September 10, 2019

6:00 p.m.

345 Aylmer Street North

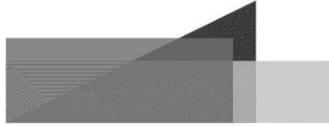
Library Board Room

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8. **Other Business**
9. **Next Meeting - October 8, 2019**
10. **Adjournment**



Peterborough Public Library

To: Library Board of Trustees

From: Jennifer Jones, Library CEO

Meeting Date: September 10, 2019

Subject: Report PPL19-034
Community Guest – Curve Lake First Nation Cultural Centre

Purpose

A report to provide the new Peterborough Public Library Board of Trustees an opportunity to view a Truth and Reconciliation video from the Curve Lake First Nation Cultural Centre.

Recommendation

That the Library Board approves the recommendation as outlined in Report PPL19-034 dated September 10, 2019, of the Library CEO as follows:

That the report and presentation be received for information.

Budget and Financial Implications

There are no budget or financial implications resulting from the approval of the recommendation of this report.

Background

A representative from the Curve Lake First Nation Cultural Centre will attend the September 10, 2019 Library Board meeting to present and provide a viewing of a Truth and Reconciliation video to the Library Board.

Submitted by,

Jennifer Jones
Library CEO

Contact Name:
Jennifer Jones
Library CEO
Phone: 705- 745-5382 Ext.2370
Fax : 705-745-8958
E-Mail: jjones@peterborough.ca



Peterborough Public Library

To: Peterborough Public Library Board of Trustees

From: Jennifer Jones, Library CEO

Meeting Date: September 10, 2019

Subject: Report PPL19-035
Auditor's Report

Purpose

A report to inform the Library Board of the Audited 2018 financial statements.

Recommendation

That the Library Board approve the recommendation outlined in Report PPL19-035 dated September 10, 2019 of the Library CEO, as follows:

That the 2018 audited financial statements and verbal report on the status of the Library accounts by the Auditor be received for information.

Budget and Financial Implications

There is no budget or financial implication resulting from the approval of the recommendation of this report.

Background

A representative from the Library's Auditor will attend the Library Board meeting on September 10, 2019 to provide a verbal report regarding the status of the 2018 Library financial audit (see Appendix A and B).

Submitted by,

Jennifer Jones
Library CEO

Contact Name:
Jennifer Jones
Library CEO
Phone: 705- 745-5382 Ext.2370
Fax : 705-745-8958
E-Mail: jjones@peterborough.ca

Attached:

Appendix A – 2018 Auditor Letter
Appendix B – 2018 Audited Library Financials



September 10, 2019

Members of the Board of Directors
Peterborough Public Library Board
345 Aylmer St N
Peterborough, Ontario
K9J 3V7

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

Re: Audit of the Financial Statements of the Peterborough Public Library Board

Dear Members of the Board of Directors:

We have been engaged to express an audit opinion on the financial statements of the Peterborough Public Library Board ("the Organization") for the year ended December 31, 2018. We have substantially completed our audit and are pleased to report on the following items.

The purpose of this report is to summarize certain aspects of the audit that we believe to be of interest to the Board of Directors. This report should be read in conjunction with the draft financial statements and our report thereon.

Auditor Independence

Canadian Auditing Standards ("CAS") require communications with audit committees, or other appropriate parties responsible for governance, at least annually, regarding all relationships between the Organization and our Firm that, in our professional judgement, may reasonably be thought to bear on our independence.

Through our planning process, we identify any potential independence threats and communicate any concerns we identify. The Organization, management and the Board of Directors have a proactive role in this process, and are responsible for understanding the independence requirements applicable to the Organization and its auditor. You must also bring to our attention any changes in the threshold status of the Organization, any concerns you may have, or any knowledge of situations or relationships between the Organization, management, personnel (acting in an oversight or financial reporting role) and our Firm, its partners/principals and audit team personnel that may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario) and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) economic dependence on a client; and
- (e) provision of services in addition to the audit engagement.

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Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

Peterborough

Courice

Lindsay

Cobourg



In accordance with our professional requirements, we advise you that we are not aware of any relationships between the Organization and our Firm that, in our professional judgement, may reasonably be thought to bear on our independence.

Accordingly, we hereby confirm that our audit engagement team, our Firm and the other Baker Tilly Canada offices are independent with respect to the Organization within the meaning of the Code of Professional Conduct Rule 204 of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

Our Responsibilities as Auditor

As stated in the engagement letter, our responsibility as auditor of your Organization is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Organization in accordance with Canadian Public Sector Accounting Standards.

An audit is performed to obtain reasonable but not absolute assurance as to whether the financial statements are free of material misstatement. Due to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the financial statements will not be detected (particularly intentional misstatements concealed through collusion), even though the audit is properly planned and performed.

Our audit includes:

- Assessing the risk that the financial statements may contain material misstatements that, individually or in the aggregate, are material to the financial statements taken as a whole;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used, and their application;
- Assessing the significant estimates made by management;
- Concluding 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; and
- Evaluating 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.

As part of our audit, we will obtain a sufficient understanding of the business and internal control structure of the Organization to plan the audit. This will include management's assessment of:

- The risk that the financial statements may be materially misstated as a result of fraud and error; and
- The internal controls put in place by management to address such risks.

The engagement team undertakes a documented planning process prior to commencement of the audit to identify concerns, addresses independence considerations, assesses the engagement team requirements, and plans the audit work and timing.

An audit does not relieve management or those responsible for governance of their responsibilities for the preparation of the Organization's financial statements.



Board of Directors' Responsibilities

The Board of Directors' role is to act in an objective, independent capacity as a liaison between the auditor and management to ensure the auditor has a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

The Board of Directors' responsibilities include:

- Being available to assist and provide direction in the audit planning process when and where appropriate;
- Meeting with the auditor as necessary and prior to release and approval of financial statements to review audit, disclosure and compliance issues;
- Where necessary, reviewing matters raised by the auditor with appropriate levels of management, and reporting back to the auditor their findings;
- Making known to the auditor any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements that are known to them, where such matters may impact the financial statements or Independent Auditor's Report;
- Providing guidance and direction to the auditor on any additional work the auditor feels should be undertaken in response to issues raised or concerns expressed;
- Making such enquiries as appropriate into the findings of the auditor with respect to corporate governance, management conduct, cooperation, information flow and systems of internal controls; and
- Reviewing the draft financial statements prepared by management, including the presentation, disclosures and supporting notes and schedules, for accuracy, completeness and appropriateness, and recommend the draft financial statements be passed to Council for approval.

Audit Approach

Outlined below are certain aspects of our audit approach which are intended to help you in discharging your oversight responsibilities. Our general approach to the audit of the Peterborough Public Library Board is to assess the risks of material misstatement in the financial statements and then respond by designing audit procedures.

Independent Auditor's Report

We expect that our Independent Auditor's Report will be modified as follows:

The Peterborough Public Library derives revenue from donations and user charges, the completeness of which is not susceptible of satisfactory audit evidence. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Peterborough Public Library and we were not able to determine whether any adjustments might be necessary to the revenues, annual surplus, assets and accumulated surplus.

We expect that our Independent Auditor's Report will include an Other Matter paragraph. The proposed wording is as follows:

The financial statements of the Organization as at and for the year ended December 31, 2017 were audited by Collins Barrow Kawartha LLP, which became Baker Tilly KDN LLP effective January 10, 2019.



Our Independent Auditor's Report will be dated no earlier than the date on which we have obtained sufficient appropriate audit evidence on which to base our audit opinion on the financial statements, including evidence that all the statements and disclosures that comprise the financial statements have been prepared and the Board of Directors has approved the financial statements.

Illegal Acts, Fraud, Intentional Misstatements and Errors

Our auditing procedures, including tests of your accounting records, were limited to those considered necessary in the circumstances and will not necessarily disclose all illegal acts should any exist. Under CAS, we consider the Organization's control environment, governance structure, circumstances encountered during the audit and the potential likelihood of fraud and illegal acts occurring.

These procedures are not designed to test for fraudulent or illegal acts, nor will they necessarily detect such acts or recognize them as such, even if the effect on the financial statements is material. However, should we become aware that an illegal or possibly illegal act or act of fraud may have occurred, other than one considered clearly inconsequential, we will communicate directly to the Board of Directors.

It is management's responsibility to detect and prevent illegal action. If such acts are discovered or the Board of Directors members become aware of circumstances under which the Organization may have been involved in fraudulent, illegal or regulatory non-compliance situations, such circumstances must be disclosed to us.

Testing during our audit did not reveal any illegal, improper or questionable payments or acts, nor any acts committed with the intent to deceive, involving either misappropriation of assets or misrepresentation of assets or misrepresentation of financial information.

Related Party Transactions

During our audit, we conduct various tests and procedures to identify transactions considered to involve related parties. Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management, members of Council and their immediate family members and companies with which these individual have an economic interest.

All related party transactions that were identified during the audit have been represented by management to have been disclosed in the notes to financial statements, recorded in accordance with Canadian Public Sector Accounting Standards, and have been reviewed with you.

Management has advised that no other related party transactions have occurred that have not been disclosed to us. The Board of Directors is required to advise us if it is aware of or suspects any other related party transactions have occurred, which have not been disclosed in the financial statements.

Significant Accounting Principles and Policies

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The significant accounting principles and policies are disclosed in the notes to the financial statements.

The accounting policies adopted may be acceptable policies under Canadian Public Sector Accounting Standards; however, alternative policies may also be acceptable under Canadian Public Sector Accounting Standards. The Organization and the Board of Directors have a responsibility to not adopt extreme or inappropriate interpretations of Canadian Public Sector Accounting Standards that may have inappropriate or misleading results. Alternative policies, if adopted, may produce significant changes in the reported results of the operations, financial position and disclosures of the Organization.



The Board of Directors has a responsibility to review the accounting policies adopted by the Organization, and where alternative policies are available, make determinations as to the most appropriate policies to be adopted in the circumstances. If members of the Board of Directors believe that the adoption or change in accounting policy may produce an inappropriate or misleading result in financial reporting or disclosure, this concern must be discussed with management and us.

As described in the notes to the financial statements, the Organization has adopted the following:

3320 Contingent Assets, 3380 Contractual Rights, 2200 Related Party Disclosures and 3420 Inter-Entity Transactions.

Accounting Estimates

Management is responsible for the accounting estimates included in the financial statements. Estimates and the related judgements and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditor is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

Risk-based

Our risk-based approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the financial statements to an appropriately low level. This means that we focus our audit work on higher risk areas that have a higher risk of being materially misstated.

Materiality

Materiality is used throughout the audit and in particular when:

- a) Identifying and assessing risk of material misstatement;
- b) Determining the nature, timing and extent of further audit procedures; and
- c) Evaluating the effect of uncorrected misstatements, if any, on the financial statements and in forming an opinion on the auditor's report.

Materiality is defined as:

Materiality is the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision. Materiality is a matter of professional judgement in the particular circumstances.



We used an overall materiality of \$90,000 and a performance materiality of \$76,500. The overall materiality for last year's audit was \$90,000 and the performance materiality was \$76,500.

Audit Procedures

The objective of the tests of controls is to evaluate whether certain controls operated effectively. The objective of the tests of details is to detect material misstatements in the account balances and transaction streams. Substantive analytical procedures are used to identify differences between recorded amounts and predictable expectations in larger volumes of transactions over time.

In response to our risk assessment and based on our understanding of internal controls, we adopted a combined approach for the audit.

Evaluation of Internal Controls

Audits include a review and evaluation of the system of internal controls to assist in determining the level of reliance that may or should be placed on the system in assessing the nature and extent of audit procedures to be undertaken.

There are no significant internal control matters that we wish to bring to your attention.

Written Representations Requested From Management

As part of our audit, we request that management prepare a letter to us to re-affirm various representations that they have provided to us and we have relied upon. A copy of this letter is attached for your convenience.

Significant Misstatements

In the course of our audit, we have not found any material misstatements or unadjusted items that, in aggregate, exceed materiality thresholds established for the audit, nor have we found significant misstatements that would likely cause future financial statements to be materially misstated.

Uncorrected Misstatements

In the course of our audit, we have not identified any uncorrected financial statement misstatements.

Significant Unusual Transactions

We are not aware of any significant transactions entered into by the Organization that you should be informed about.

**Disagreements with Management**

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the Organization's financial statements or auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgements for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report.

In the course of our audit, we did not have any significant disagreements with management, nor were we under any significant time pressures or poor working conditions. We are not aware of any cause for concern as to management's attitude, competence or credibility with respect to matters affecting the financial statements.

Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of the Board of Directors.

Management Letter

During our audit, we did not note any significant issues on internal controls to report to management.

Conclusion

We wish to express our appreciation for the co-operation we received during the audit from the Organization's management.

Should any member of the Board of Directors wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Yours very truly,

Baker Tilly KDN LLP

A handwritten signature in cursive script, appearing to read "Joanna Park".

Joanna Park, CPA, CA
Partner



Schedule of Uncorrected Misstatements

Description of Misstatement	Proposed Adjustments Dr (Cr)				
	Statement of Income		Balance Sheet		
	Identified Misstatements	Likely Aggregate Misstatements	Assets	Liabilities	Opening Equity
a) Totals		-	-	-	-
b) Misstatements corrected by management		-	-	-	-
c) Likely aggregate misstatements net of corrections (a - b)		-	-	-	-
d) Effect of unadjusted misstatements from previous year's errors		-	-	-	-
e) Aggregate likely misstatements (c + d)		-	-	-	-
f) Final overall materiality		90,000	90,000	90,000	90,000
g) Amount remaining for further possible misstatement (f - e)		90,000	90,000	90,000	90,000

Peterborough Public Library Board
345 Aylmer St N
Peterborough, Ontario
K9J 3V7

September 10, 2019

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, Ontario
K9J 2V4
Canada
Attention: Joanna Park, CPA, CA

Dear Madam:

This representation letter is provided in connection with your audit of the financial statements of Peterborough Public Library Board for the year ended December 31, 2018 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

We confirm that:

Financial statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 6, 2019 for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards; in particular, the financial statements are fairly presented in accordance therewith.
2. That these financial statements, which have been prepared on a going concern basis, assumes that the organization will be able to meet its commitments, continue its operations and realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to carrying value of assets and liabilities that may be necessary should the organization be unable to achieve sufficient cash flows to continue as a going concern. Such adjustments could be material. The organization's ability to continue on as a going concern is dependent on its ability to achieve cash flows from operations and arrange additional financing. There is no assurance that this financing or cash flows from operations will be available to the organization and, accordingly, there is doubt about the organization's ability to continue as a going concern.
3. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
4. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards.
5. There have been no events subsequent to the date of the financial statements up to the date hereof that would require recognition or disclosure in the financial statements. Furthermore, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and the related notes.
6. Unrecorded adjustments at year end are trivial in amount and nature, therefore the effects of unrecorded adjustments are, both individually and in the aggregate, immaterial to the financial statements.

7. The accounting policies selected and the application thereof is appropriate, including those for complex areas of accounting and areas involving management's judgement and estimates, for example, revenue recognition, fair value measurements, transfers of receivables, hedging relationships and consolidation of variable interest entities.
8. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
9. We are aware of the environmental laws and regulations that impact on our organization and we are in compliance. There are no known environmental liabilities that have not been accrued for or disclosed in the financial statements.
10. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
11. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
12. There are no derivative or off-balance sheet financial instruments held at year end.
13. We have made the appropriate determination, accounting and disclosure in the financial statements of the costs, assets and obligations associated with employee future benefits.
14. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
15. The organization has satisfactory title to all assets, and there are no liens or encumbrances on the organization's assets.

Information provided

16. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
17. All transactions have been recorded in the accounting records and are reflected in the financial statements.
18. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
19. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.

20. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
21. We have disclosed to you, and the organization has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debts.
22. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
23. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
24. The minute books of the organization are a complete record of all meetings and resolutions of the organization throughout the year and to the present date.

Yours very truly,

Jennifer Jones

Darren Hancock

PETERBOROUGH PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2018

Draft September 4, 2019

PETERBOROUGH PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Peterborough Public Library Board

Qualified Opinion

We have audited the financial statements of the Peterborough Public Library Board (the Organization), which comprise the statement of financial position as at December 31, 2018, the statements of operations and accumulated surplus, change in net financial assets/(liabilities) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many library boards, the Organization derives revenue from user charges and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to revenue, annual surplus (deficit), assets and accumulated surplus.

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 qualified opinion.

Other Matter

The financial statements of the Organization as at and for the year ended December 31, 2017 were audited by Collins Barrow Kawartha LLP, which became Baker Tilly KDN LLP effective January 10, 2019.

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.

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 10, 2019

PETERBOROUGH PUBLIC LIBRARY BOARD

STATEMENT OF FINANCIAL POSITION At December 31, 2018

	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash	2,117,207	1,889,782
Accounts receivable		
City of Peterborough	-	570,705
Other	42,184	26,965
TOTAL FINANCIAL ASSETS	2,159,391	2,487,452
LIABILITIES		
Accounts payable and accrued liabilities	524,869	2,211,124
Deferred revenue	-	10,902
Employee future benefits (note 2)	186,300	180,433
Long term debt (notes 3 and 4)	-	8,291,225
Payable to City of Peterborough	55,115	-
TOTAL LIABILITIES	766,284	10,693,684
NET FINANCIAL ASSETS/(LIABILITIES)	1,393,107	(8,206,232)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 5)	2,699,388	12,171,595
Prepaid expenses	61,087	133,234
TOTAL NON-FINANCIAL ASSETS	2,760,475	12,304,829
ACCUMULATED SURPLUS (note 8)	4,153,582	4,098,597

The accompanying notes are an integral part of these financial statements

PETERBOROUGH PUBLIC LIBRARY BOARD

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
REVENUES			
Grants			
City of Peterborough	2,878,646	3,019,386	3,489,752
Province of Ontario	132,806	143,708	141,802
User charges (note 9)	111,650	112,083	79,773
Interest	-	51,012	28,888
Donations	450	88,941	5,499
Peterborough Public Library Foundation capital donation	-	25,000	250,000
Debt and accrued interest forgiven (note 4)	-	10,383,475	-
TOTAL REVENUES	3,123,552	13,823,605	3,995,714
EXPENSES			
Salaries and wages	2,327,651	2,176,375	2,040,337
Processing materials and supplies	70,272	45,629	37,822
Support services	104,256	87,276	71,483
Property	100,342	857,783	473,561
Amortization	488,608	642,234	488,608
Interest on long term debt	-	-	116,223
Loss on disposal of tangible capital assets (note 4)	-	9,959,323	-
TOTAL EXPENSES	3,091,129	13,768,620	3,228,034
ANNUAL SURPLUS	<u>32,423</u>	54,985	767,680
ACCUMULATED SURPLUS - beginning of year		4,098,597	3,330,917
ACCUMULATED SURPLUS - end of year		4,153,582	4,098,597

The accompanying notes are an integral part of these financial statements

PETERBOROUGH PUBLIC LIBRARY BOARD

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES) For the Year Ended December 31, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
ANNUAL SURPLUS	32,423	54,985	767,680
Amortization of tangible capital assets	488,608	642,234	488,608
Purchase of tangible capital assets	(4,439,053)	(1,129,350)	(7,718,376)
Loss on disposal of tangible capital assets	-	9,959,323	-
Change in prepaid expenses	-	72,147	26,920
CHANGE IN NET FINANCIAL ASSETS/(LIABILITIES)	(3,918,022)	9,599,339	(6,435,168)
NET FINANCIAL ASSETS/(LIABILITIES)			
- beginning of year	(8,206,232)	(8,206,232)	(1,771,064)
NET FINANCIAL ASSETS/(LIABILITIES) - end of year	(12,124,254)	1,393,107	(8,206,232)

The accompanying notes are an integral part of these financial statements

PETERBOROUGH PUBLIC LIBRARY BOARD

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2018

	2018	2017
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	54,985	767,680
Items not involving cash		
Amortization of tangible capital assets	642,234	488,608
Loss on disposal of tangible capital assets	9,959,323	-
Debt forgiven	(10,335,225)	-
Change in employee future benefits	5,867	4,241
Change in non-cash assets and liabilities		
Accounts receivable		
City of Peterborough	570,705	1,560,116
Other accounts receivable	(15,219)	107,842
Prepaid expenses	72,147	26,920
Accounts payable and accrued liabilities	(1,686,255)	1,074,392
Deferred revenue	(10,902)	10,902
Payable to City of Peterborough	55,115	-
Net change in cash from operating activities	(687,225)	4,040,701
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,129,350)	(7,718,376)
FINANCING ACTIVITIES		
Proceeds of debenture issue	2,044,000	5,475,900
Debt principal repayments	-	(148,175)
Net change in cash from financing activities	2,044,000	5,327,725
NET CHANGE IN CASH	227,425	1,650,050
CASH - beginning of year	1,889,782	239,732
CASH - end of year	2,117,207	1,889,782

The accompanying notes are an integral part of these financial statements

PETERBOROUGH PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2018

NATURE OF ORGANIZATION

The Peterborough Public Library Board is a local board of the Corporation of the City of Peterborough. The organization provides library service to the residents of the City of Peterborough and surrounding areas.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

(b) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Government funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Other revenue

User charges are recognized as revenue in the year the goods and services are provided.

Interest income is recorded when earned.

Donations are recognized as revenue as received.

All other revenue is recorded when earned.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	30 to 50 years
Buildings	10 to 50 years
Books and other materials	7 years
Furniture and fixtures	4 to 15 years

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

PETERBOROUGH PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the organization's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates; and
- The values of employee future benefits depend on certain actuarial and economic assumptions.

(e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(f) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(g) Reserves

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

(h) Trust Funds

Trust funds and their related operations administered by the Board are not included in these financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(i) Inter-Entity Transactions

The Library is a Board of the City of Peterborough and is consolidated with the City's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Board.

PETERBOROUGH PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2018

2. EMPLOYEE FUTURE BENEFITS

The Board provides certain employee benefits which will require payment in future periods. An actuarial valuation of these liabilities has been performed and the amounts are recorded in the Statement of Financial Position.

The following table sets out the results for the plans as at December 31, 2018:

	2018	2017
	\$	\$
Accrued benefit obligation, beginning of year	162,597	162,398
Actuarial (gain)/loss	(200)	-
Current cost	3,403	3,961
Interest cost	5,700	7,151
Benefit payments	(16,200)	(10,913)
Accrued benefit obligation, end of year	155,300	162,597
Unamortized actuarial gain	31,000	17,836
Accrued benefit liability, end of year	186,300	180,433

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimate. The following represents the more significant actuarial assumptions made:

	Employee Future Benefits %
Extended Health Care (EHC) trend rate	
-Initial	5.94%
	(2017 - 4.33%)
-Ultimate	4%
	(2017 - 4%)
-Year ultimate reached	2038
	(2017 - 2018)
Expected level of salary increases	3%
	(2017 - 3%)
Interest discount rate	3.60%
	(2017 - 4.25%)

Retirement Benefits

Full-time employees of the Board are provided with Health Care and Dental Benefits. Certain benefits are also provided in early retirement if the retiree is eligible to receive an OMERS pension. The benefits cease on the retiree's 65th birthday.

PETERBOROUGH PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2018

2. EMPLOYEE FUTURE BENEFITS, continued

Life Insurance

Full-time employees of the Board are provided with Life Insurance of two times their salary while they are active employees. The coverage terminates at retirement. However, the member is provided with the option to continue the Life Insurance at a reduced amount until death and the member pays the required premium.

3. LONG TERM DEBT

(a) The balance of long term debt reported on the Statement of Financial Position is made up of the following:

	2018	2017
	\$	\$
Debenture issued by the City of Peterborough on behalf of the Peterborough Public Library to OILC, matures November 1, 2036. The Library portion of this debenture is repayable in semi-annual instalments of \$74,087 plus interest at a rate of 2.79% per annum.	-	2,815,325
Debenture issued by the City of Peterborough on behalf of the Peterborough Public Library to OILC, matures October 16, 2027. The Library portion of this debenture is repayable in semi-annual instalments of \$332,760 plus interest at a rate of 2.99% per annum.	-	3,327,600
Debenture issued by the City of Peterborough on behalf of the Peterborough Public Library to OILC, matures October 16, 2032. The Library portion of this debenture is repayable in semi-annual instalments of \$143,220 plus interest at a rate of 3.27% per annum.	-	2,148,300
	-	8,291,225

4. TRANSFER OF ASSETS AND LONG TERM DEBT FORGIVENESS

During the year, the Board transferred ownership of the land and building to the City of Peterborough. The total cost of the transferred assets was \$11,928,351 with a total accumulated amortization of \$1,992,288. The total net book value transferred and loss on disposal was \$9,959,323. The 2017 long term debt of \$8,291,225 plus additional debt issued in 2018 of \$2,044,000 and the interest accrued at December 31, 2017 of \$48,250 was forgiven during 2018. The total amount forgiven was \$10,383,475.

PETERBOROUGH PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2018

5. TANGIBLE CAPITAL ASSETS

The net book value of the board's tangible capital assets are:

	2018	2017
	\$	\$
General		
Land	-	11,119
Buildings	-	268,729
Land improvements	-	13,095
Books and other materials	1,710,046	1,593,484
Furniture, fixtures and equipment	989,342	101,183
	2,699,388	1,987,610
Assets under construction	-	10,183,985
	2,699,388	12,171,595

For additional information, see the Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2017 - \$Nil) and no interest capitalized (2017 - \$Nil).

6. PENSION AGREEMENTS

Certain employees of the Board are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2018 Annual Report disclosed total actuarial liabilities of \$100,081 million in respect of benefits accrued for service with actuarial assets of \$95,890 million indicating an actuarial deficit of \$4,191 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit.

The organization's required contributions to OMERS in 2018 were \$95,549 (2017 - \$107,606).

7. TRUST FUNDS

Trust funds administered by the Board amounting to \$20,349 (2017 - \$20,353) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Board for the benefit of others, they are not presented as part of the organization's financial position or operations.

PETERBOROUGH PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2018

8. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2018	2017
	\$	\$
Surplus/(Deficit)		
Unfunded employee future benefits	(186,300)	(180,433)
Invested In Capital Assets		
Tangible capital assets - net book value	2,699,388	12,171,595
Long term debt	-	(8,291,225)
Unexpended/(unfunded) capital	252,509	(945,745)
	2,951,897	2,934,625
Surplus	2,765,597	2,754,192
Reserves		
Library system	499,754	586,570
Friends of library	7,822	7,822
Innovation	31,464	30,895
Building maintenance	121,653	119,452
Materials acquisition	138,911	89,149
Peterborough collection	42,357	42,357
Healthy families	4,794	4,794
ESL program	2,885	2,885
Contingency	374,036	321,608
Library friends	47,971	22,717
Other donations	116,338	116,156
Total Reserves	1,387,985	1,344,405
	4,153,582	4,098,597

PETERBOROUGH PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2018

8. ACCUMULATED SURPLUS, continued

	Operating Fund \$	Unfunded Employee Future Benefits \$	Equity in Capital Assets \$	Reserve Funds \$	2018 Total \$
BALANCE - beginning of year	-	(180,433)	2,934,625	1,344,405	4,098,597
Annual Surplus/(Deficit)	814,568	(5,867)	(767,849)	14,133	54,985
Transfers between funds	(814,568)	-	785,121	29,447	-
BALANCE - end of year	-	(186,300)	2,951,897	1,387,985	4,153,582

9. USER CHARGES

User charges are comprised of:

	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
	(Unaudited)		
Fines	63,500	62,796	60,659
Other	500	7,817	375
Memberships	10,000	17,855	8,380
Photocopier charges	2,000	5,340	4,902
Equipment and facility rentals	34,800	16,210	4,897
Microfilm fees	150	505	316
Internet charges	200	-	200
Program revenue	500	1,560	44
	111,650	112,083	79,773

10. BUDGET FIGURES

The budget, approved by the Board, for 2018 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets/(Liabilities). The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

PETERBOROUGH PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2018

11. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following PSA sections which are now effective under the PSA Handbook: 3320 Contingent Assets, 3380 Contractual Rights, 2200 Related Party Disclosures and 3420 Inter-Entity Transactions.

Under Section 3320, a contingent asset is a potential asset that exists at the financial statement date but requires confirmation or disproof at a future date that is not in the control of the public-sector entity. If the contingent asset is deemed to be likely to exist, then this should be disclosed in the notes to the financial statements. Disclosure should include the nature, extent (except in those cases where extent cannot be measured or disclosure would have an adverse effect on the outcome), the reason for any non-disclosure of extent, and when an estimate of the amount has been made, the basis for that estimate. This section has been applied prospectively. The adoption of this standard did not have an impact on the organization's financial statements.

Under Section 3380, a contractual right arises out of a contract or agreement where it will result in the Board having both an asset and future revenue. The contract or agreement must be between two or more parties and be enforceable under contract law. Contractual rights are assets and revenues that will occur in the future due to an enforceable agreement in effect at the financial statement date. If a contractual right exists, it should be disclosed in the notes or schedules to the statements and include descriptions about nature, extent and timing. This section has been applied prospectively. The adoption of this standard did not have an impact on the organization's financial statements.

Section 3240 establishes the standards and requirements on how to account for and Section 2200 establishes the standards and requirements on how to report transactions between public sector entities that comprise the government's reporting entity. These sections have been applied retroactively with restatement of prior periods. The adoption of these standards resulted in additional disclosures on the Board's financial statements.

12. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the City of Peterborough.

As part of the budgeting process, the City approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

In addition, the following services are provided to the Board by the City at no cost:

- Accounting and administrative services
- Rental of buildings

All balances with the City of Peterborough have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

PETERBOROUGH PUBLIC LIBRARY BOARD

SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2018

	General					Assets Under Construction \$	Totals \$
	Land \$	Buildings \$	Land improvements \$	Books and other materials \$	Furniture, fixtures and equipment \$		
COST							
Balance, beginning of year	11,119	2,241,595	32,517	3,549,817	364,466	10,183,985	16,383,499
Add: additions during the year	-	-	-	568,936	560,415	-	1,129,351
Less: disposals during the year	11,119	11,884,715	32,517	434,003	58,749	-	12,421,103
Internal transfers	-	9,643,120	-	-	540,865	(10,183,985)	-
Balance, end of year	-	-	-	3,684,750	1,406,997	-	5,091,747
ACCUMULATED AMORTIZATION							
Balance, beginning of year	-	1,972,866	19,422	1,956,333	263,283	-	4,211,904
Add: additions during the year	-	-	-	452,374	189,860	-	642,234
Less: disposals during the year	-	1,972,866	19,422	434,003	35,488	-	2,461,779
Balance, end of year	-	-	-	1,974,704	417,655	-	2,392,359
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	-	-	1,710,046	989,342	-	2,699,388

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Peterborough Public Library Board

Opinion

We have audited the financial statements of the Trust Funds of the Peterborough Public Library Board (the Trust Funds), which comprise the statement of financial position as at December 31, 2018, the statement of continuity 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 Trust Funds as at December 31, 2018, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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 Trust Funds 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.

Other Matter

The financial statements of the Trust Funds as at and for the year ended December 31, 2017 were audited by Collins Barrow Kawarthas LLP, which became Baker Tilly KDN LLP effective January 10, 2019.

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 Trust Funds' 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 Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' 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 Trust Funds' 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 Trust Funds' 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 Trust Funds 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.

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 10, 2019

PETERBOROUGH PUBLIC LIBRARY BOARD

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2018

	Nichols Endowment \$	Morrow Trust \$	2018 Total \$	2017 Total \$
FINANCIAL ASSETS				
Cash	15,547	5,182	20,729	20,583
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Peterborough Public Library	285	95	380	230
FUND BALANCES				
	15,262	5,087	20,349	20,353
	15,547	5,182	20,729	20,583

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2018

	Nichols Endowment \$	Morrow Trust \$	2018 Total \$	2017 Total \$
BALANCES - beginning of year	15,265	5,088	20,353	20,349
RECEIPTS				
Interest earned	282	94	376	233
EXPENSES				
Transfer to current operations	285	95	380	229
BALANCES - end of year	15,262	5,087	20,349	20,353

The accompanying notes are an integral part of these financial statements

PETERBOROUGH PUBLIC LIBRARY BOARD

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 and are based on management's best information and judgment. Actual results could differ from these estimates.

Draft September 2019

Peterborough Public Library Board Minutes City of Peterborough

June 4, 2019

Present Amy Bowen
 Councillor Clarke
 Barb Connor
 Leigh McEachran
 Dan Moloney
 Gillian Sandeman
 Jayne White
 Leslie Woolcott, Chair

Regrets Councillor Akapo

Staff Karen Bisschop, Information Services Librarian
 Natalie Garnett, Deputy Clerk
 Jennifer Jones, Library CEO

Call to Order

The Chair called the meeting to order at 6:01 p.m.

Confirmation of Minutes

Moved by Councillor Clarke

That the minutes of the May 14, 2019 meeting be approved as amended.

Carried

Disclosure of Pecuniary Interest

There were no disclosures of Pecuniary Interest.

Consent Agenda

No items were passed as part of the Consent Agenda.

Reports and Communications

Information Services Librarian - Guest Presentation

Report PPL19-026

Karen Bisschop, Information Services Librarian, provided a presentation.

Moved by Jayne White

That the Library Board approves the recommendation as outlined in Report PPL19-026 dated June 4, 2019, of the Library CEO as follows:

That Report PPL19-026 be received for information.

Carried

Updates from the Foundation and Friends of the Library

Report PPL19-027

Moved by Dan Moloney

That the Library Board approve the recommendations outlined in Report PPL19-027, dated June 4, 2019, of the Library CEO, as follows:

- a) **That the report on the status of the Foundation by Jayne White be received for information; and**
- b) **That a verbal report to inform the Library Board on the status of the Friends of the Peterborough Public Library by Barb Connor be received for information.**

Carried

Library Board Goals

Report PPL19-029

The Board agreed to four main goals: Service Review, Policy and By-law Review, CEO Performance Review, and Strategic Plan Maintenance and Refresh/Community Partnership Development.

Moved by Leigh McEachran

That the Library Board approve the recommendations as outlined in Report PPL19-029 dated June 4, 2019, of the Library CEO as follows:

- a) **That Report PPL19-029 be received for information; and,**
- b) **That the Board approve the revised goals for their term.**

Carried

Policy Sub-Committee - update

Report PPL19-030

Amy Bowen and Dan Moloney provided an update on the work of the Policy Sub-Committee.

Moved by Gillian Sandeman

That the Library Board approve the recommendations as outlined in Report PPL19-030 dated June 4, 2019, of the Library CEO as follows:

That Report PPL19-030 be received for information.

Carried

Library CEO Report June 2019

Report PPL19-028

Moved by Amy Bowen

That the Library Board approves the recommendation as outlined in Report PPL19-028 dated June 4, 2019, of the Library CEO as follows:

That Report PPL19-028 be received for information.

Carried

Other Business

There were no items of Other Business.

Next Meeting - September 10, 2019

Adjournment

Moved by Jayne White

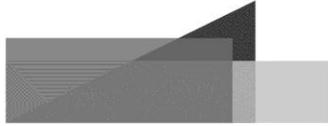
That the meeting adjourn at 7:45 p.m.

Carried

Natalie Garnett

Deputy Clerk

Leslie Woolcott, Chair



Peterborough Public Library

To: Peterborough Public Library Board of Trustees

From: Jennifer Jones, Library CEO

Meeting Date: September 10, 2019

Subject: Report PPL19-032
Updates from the Foundation and Friends of the Library

Purpose

A report to inform the Library Board on the status of the Peterborough Public Library Foundation and the Friends of the Peterborough Public Library.

Recommendations

That the Library Board approve the recommendations outlined in Report PPL19-032, dated September 10, 2019, of the Library CEO, as follows:

- a) That the report on the status of the Foundation by Jayne White be received for information; and
- b) That a verbal report to inform the Library Board on the status of the Friends of the Peterborough Public Library by Barb Connor be received for information.

Budget and Financial Implications

There are no budget or financial implications associated with the recommendations of this report.

Background

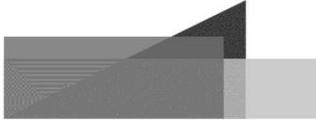
Jayne White, from the Library Foundation Board, will attend the Library Board meeting on September 10, 2019, to provide a verbal update on the current status of the Library Foundation Board.

Barb Connor, co-chair of the Friends of the Library, will attend the Library Board meeting on September 10, 2019, to provide a verbal update on the current status of the Friends of the Library.

Submitted by,

Jennifer Jones
Library CEO

Contact Name:
Jennifer Jones
Library CEO
Phone: 705- 745-5382 Ext.2370
Fax : 705-745-8958
E-Mail: jjones@peterborough.ca



Peterborough Public Library

To: Library Board of Trustees
From: Jennifer Jones, Library CEO
Meeting Date: September 10, 2019
Subject: Report PPL19-031
Library CEO Report September 2019

Purpose

A report to inform the Library Board of Trustees on general matters concerning Library operations and services.

Recommendation

That the Library Board approves the recommendation as outlined in Report PPL19-031 dated September 10, 2019, of the Library CEO as follows:

That the report be received for information.

Budget and Financial Implications

There are no budget or financial implications resulting from the approval of the recommendation of this report.

Background

Art in the Library

In August, the Library featured works of local artist Jeffery Macklin / Jackson Creek Press in the Upper Lobby. September will see paintings displayed in the lower lobby by Suzanne Moreau entitled "People in the Workplace".

Cafe update

The Library has found a provider to deliver café services and has been moving towards setting up and establishing those services. The legal documents have been drafted, furniture and fixtures have arrived, and we are waiting on plumbing hookup to proceed. The final step will be a public health inspection before café services are launched-- hopefully in late September or early October.

Library Commons update

Work on the Library Commons (corner of Simcoe and Aylmer Streets) has been completed. The public art piece “Your Story” has been installed and the official ribbon cutting ceremony took place on September 5, 2019.

Visiting Library Service(VLS)/CELA

In July, staff visited Royal Gardens Retirement home and met with Fairhaven’s activity director to review the current service we provide them. There are currently 65 registered VLS patrons, and we working to add more eligible members to the program. Another outreach presentation is scheduled in September at Fairhaven for interested residents.

e-books

After much deliberation, the Library has chosen to leave our current ebook platform OverDrive in favour of cloudLibrary. This new platform promises decreased wait times for holds, longer loan periods (3 weeks) and more current material available. It is a more cost-effective platform, allowing us to purchase more ebooks with the cost savings. Another advantage is that our patrons will have access to other participating library’s collections through cloudLink – an e-book interlibrary loan system.

We have begun preparations for a soft launch of the cloudLibrary platform on September 18, 2019 with a goal of withdrawing from OverDrive by the end of 2019. Some of the keys to a successful launch and withdrawal from OverDrive include staff training and awareness as well as communicating the change to many of our OverDrive users. We have sent email notification to over 3,800 addresses – individuals who have used the service in the last year and/or have current holds through OverDrive. We have just under 70 patrons to contact via telephone. We also have scheduled public information sessions and will have tech-one-on-one sessions for those needing more assistance. In addition to working on marketing and communications pieces for web site, social media and print literature, staff are also busy establishing a robust opening-day collection for adults, teens and children.

Programming & Statistics

There were 31 Adult programs that took place between June, July and August, with a total of 480 participants. Adult programming usually slows down over the summer, as vacation season begins, and the focus is often on Children’s activities and events.

Summer at the Library means the arrival of the TD Summer Reading Club. This was another banner year for our Children's area staff. The Club was launched with a special story time, a special Friend's of the Library book sale of children's materials and face painting. This year's theme was "The Natural World" and staff planned 30 programs, that were attended by 1637 people. 320 children registered in the program this year and read a total of 3331 books.

The Children's area was also fortunate to host *Dewey and the Decimals*, a Betta fish in a community aquarium on loan to us for July from Kawartha Aquarium Services.

The Club ended on August 27 with festivities, prizes, and the unveiling of our new Library Mascot.

The acting Children's Librarian shared the following: "A busy, joyful and amazingly fun summer full of diverse and unique programs for all ages. Reading through the summer brought in so many families – new and old users alike – and made our Children's Services area a hub of activity. I want to acknowledge the contributions of the circulation staff, the info staff, pages, custodial staff, Becky, Chelsea and especially Kelly. Their patience, enthusiasm and support for all that happened over the last two months made for a remarkable summer. Thank you all!"

Here are a few comments from the parent surveys about the Summer Reading Program and programs offered:

"It's just awesome"

"Being challenged to read lots by recording it (and competing with her brother)"

"Checking out her own books and reading over 10 new books each week"

"Coming to the library more often and getting new books. Learning to use the computers"

"The staff are amazing and help my children learn so much"

"Wacky planting was his fav...we have enjoyed watching the plant flower all summer"

"More French story times/programs" (x 3)

"Loved coming to Story Times in the Parks each week"

"All the programs are interesting, inviting and increase intelligence"

"Seeing Peterborough on the bus"

"Continue what you are doing. It helps more kids to enjoy and reading especially in this generation where gadgets and technology are used improperly"

"The library in Peterborough is the best...my children loved coming here!"

Check out the [Events Calendar](#) on the Library website for up to date information about library programs and events.

In the Media (July and August)

My Kawartha:

- <https://www.mykawartha.com/opinion-story/9524481-mental-health-and-addiction-resources-available-at-the-library/>

Submitted by,

Jennifer Jones
Library CEO

Contact Name:

Jennifer Jones

Library CEO

Phone: 705- 745-5382 Ext.2370

Fax : 705-745-8958

E-Mail: jjones@peterborough.ca



Peterborough Public Library

To: Library Board of Trustees

From: Jennifer Jones, Library CEO

Meeting Date: September 10, 2019

Subject: Report PPL19-036
Library Policy Review - Food

Purpose

A report to provide the Library Board with an updated Food Policy.

Recommendations

That the Library Board approve the recommendations as outlined in Report PPL19-036 dated September 10, 2019, of the Library CEO as follows:

That the Food Policy report PPL19-036 be approved.

Budget and Financial Implications

There are no budget or financial implications resulting from the approval of the recommendation of this report.

Background

The last revision to the Food Policy was made in 2006 and last updated in 2008 (see Appendix B). An updated Food Policy is attached for review and approval (see Appendix A).

Submitted by,

Jennifer Jones
Library CEO

Contact Name:
Jennifer Jones
Library CEO
Phone: 705- 745-5382 Ext.2370
Fax : 705-745-8958
E-Mail: jjones@peterborough.ca

Attached:

Appendix A – Food Policy 2019
Appendix B – Food Policy 2006

Appendix A – Food Policy (2019)**Peterborough Public Library
Food Policy**

The Peterborough Public Library strives to create a welcoming, clean, and comfortable environment for the public. To preserve library resources and protect library facilities, the Peterborough Public Library must regulate the consumption of food and beverages in public areas of the building.

1. Appropriate signs will be posted throughout the Library to clearly indicate those areas where eating and drinking are not permitted.
2. Food and beverages may be consumed in the Board Room, Multipurpose Room, FOL Community Room, Cafe area on the Mezz, and at special events.
3. Snacks may be eaten elsewhere in the library unless signs designate the area as a No Food Area. Appropriate snacks would be considered as those that do not leave stains or have a strong odour.
4. Consuming beverages from lidded containers is permitted in the Library except where signs indicate that food and drink are not permitted.
5. Library staff have the authority to determine if food and beverages meet the criteria outlined above.

Appendix B – Food in the Library (2006)

FOOD IN THE LIBRARY (2006)

1. The Peterborough Public Library strives to create a welcoming, clean, and comfortable environment for the public. To preserve library resources and protect library facilities, the Peterborough Public Library must regulate the consumption of food and beverages in public areas of the building.
2. Appropriate signs will be posted and maintained throughout the Library to clearly explain the Food and Drink Policy & to indicate those areas where eating and drinking are not permitted.
3. Consistent with this goal, the Library has adopted the following guidelines for the consumption of food and beverages in public areas of Library facilities:
 - 3.1 As authorized by the Library Board, food and beverages may be consumed in Library meeting rooms, auditorium, and at special events.
 - 3.2 Snacks may be eaten elsewhere in the library unless signs designate the area as one where food and drink are not allowed.
 - 3.2.1 Snacks that would be considered appropriate are those that do not leave stains or have a strong odour.
 - 3.2.2 Examples of inappropriate food include: pizzas, french fries, spaghetti, chicken or anything else that could be considered a meal.
 - 3.3 Foods other than snacks must be purchased at the Natural Blends Café and may only be consumed in the café.
 - 3.4 Consuming beverages from lidded containers is permitted in the Library except where signs indicate that food & drink are not permitted. Lidded containers include covered coffee, water, soda, juice cups, glass and plastic beverage bottles, and beverage cans.
 - 3.5 Food delivery to the library is prohibited.
 - 3.6 **Absolutely NO food or beverages are permitted in the areas of the computer workstations, copy machines, microfilm-reader printers, AV equipment, Peterborough Collection, or where prohibited by signs.**
 - 3.7 Library staff have the authority to determine if food meets the criteria.

3.8 Library staff have final approval over what beverage containers are allowed in the library and reserve the right to ask patrons to remove their beverages from the library for any reason.

3.9 The success of this policy depends on the patrons cleaning up after themselves and being respectful of others in terms of noise and odour. Food and drink spills, residue, and containers also add to the workload of custodial staff.

Board Approval: Motion 06-06-04
Date: June 20, 2006
Review Date: 2008



Peterborough Public Library

To: Peterborough Public Library Board of Trustees

From: Jennifer Jones, Library CEO

Meeting Date: September 10, 2019

Subject: Report PPL19-037
Shelter Services – Update

Purpose

A report to inform the Library Board of the status of the Emergency Overflow Shelter services in the Library facility.

Recommendation

That the Library Board approve the recommendation outlined in Report PPL19-037 dated September 10, 2019 of the Library CEO, as follows:

That the report be received for information.

Budget and Financial Implications

There is no budget or financial implication resulting from the approval of the recommendation of this report.

Background

On July 17, 2019 an emergency Council meeting was held to look at solutions for addressing the closure of the Warming Room and the Tent City that was developing as a result. That evening, after passing a Council vote, the Library became a temporary emergency overflow shelter location.

This shelter is located on the lower level of the library in the Friends of the Library Community Room (FOL CR), with access to public washrooms and no access to the rest of the library. There are 15-20 cots set up in the room, with each cot provided a tote containing pillows and linens. The shelter runs overnight from 9 p.m. to 8 a.m., which does not affect regular library operations. The shelter is staffed nightly by security, as well as social services and/or trained shelter staff.

The Library was chosen to provide this service as it is a City facility in the downtown core near other available services and resources (e.g. Social Services, other shelters, PARN, etc.) Occupancy, Fire and Safety inspections were completed prior to the shelter being opened on the night of the 17th.

When a guest comes to the emergency overflow shelter, staff follow an intake process. Staff aim to make personal connections, provide resources and options, and help as they are able. Everyone's story is unique and personal. Some guests are better served by being directed to alternative options - a friend's, a more suitable shelter, etc. Sleeping in an emergency shelter is not a good sleep but it does provide a dry, temperature controlled, safe place when that is the only option available to someone.

If any of the shelter guests are banned library patrons, they are welcome to come after 9 p.m. and stay in the shelter overnight (subject to the shelter's rules) but they must be gone before 8 a.m. when the Library opens.

Since the introduction of the shelter, the Library has had a minimum of four people stay, and a maximum of 16. The average number of guests each evening is nine people.

The shelter has created an increase in cleaning and maintenance time for the Library Custodian and his staff. Overall, things have gone well. There has been very little mess or damage to the library. Having the security and shelter staff on site has helped to ensure everyone's safety. Pest prevention protocols have been put into place and additional cleaning duties have been taken on by both shelter staff (laundry) and the custodian (washrooms). Room rentals for the FOL CR have been suspended until the shelter services are no longer needed. Staff are tracking the lost revenue.

At the time of this report, there is no known end date for the shelter services at the Library.

Submitted by,

Jennifer Jones
Library CEO

Contact Name:
Jennifer Jones
Library CEO
Phone: 705- 745-5382 Ext.2370
Fax : 705-745-8958
E-Mail: jjones@peterborough.ca