

**Aurora Public Library Board**  
**Financial Statements**  
**For the year ended December 31, 2022**

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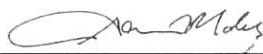
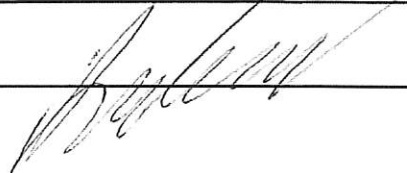
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**Aurora Public Library Board  
Statement of Financial Position**

December 31	2022	2021
<b>Financial assets</b>		
Cash	\$ 67,003	\$ 20,532
Receivable from the Corporation of the Town of Aurora (note 2)	<u>803,001</u>	<u>466,064</u>
	<u>870,004</u>	<u>486,596</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	345,835	166,205
Employee benefits liabilities (note 4)	<u>129,275</u>	<u>108,848</u>
	<u>475,110</u>	<u>275,053</u>
<b>Net financial assets</b>	<u>394,894</u>	<u>211,543</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 5)	3,127,982	3,331,166
Prepaid expenses	<u>-</u>	<u>5,975</u>
<b>Accumulated surplus (note 6)</b>	<u>\$ 3,522,876</u>	<u>\$ 3,548,684</u>

On behalf of the Board

  
 \_\_\_\_\_ Aurora Public Library Board Chair  
  
 \_\_\_\_\_ Chief Executive Officer

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**Aurora Public Library Board**  
**Statement of Operations and Accumulated Surplus**

For the year ended December 31	Budget 2022 (note 7)	2022	2021
<b>Revenue</b>			
Town of Aurora funding	\$ 3,934,100	\$ 3,934,100	\$ 3,896,100
Provincial operating grants	45,425	45,422	45,422
Fines and user fees	2,600	10,437	3,267
Interest and other	1,000	22,780	31,817
	3,983,125	4,012,739	3,976,606
<b>Expenses</b>			
Salaries and employee benefits	3,024,515	2,940,109	2,693,155
Services and rent	234,060	184,908	237,843
Materials and supplies	355,550	384,591	382,241
Amortization	528,939	528,939	545,050
	4,143,064	4,038,547	3,858,289
<b>Annual surplus (deficit)</b>	(159,939)	(25,808)	118,317
<b>Accumulated surplus, beginning of year</b>		3,548,684	3,430,367
<b>Accumulated surplus, end of year</b>		\$ 3,522,876	\$ 3,548,684

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**Aurora Public Library Board**  
**Statement of Change in Net Financial Assets (Debt)**

For the year ended December 31	Budget 2022	2022	2021
	(note 7)		
Annual surplus (deficit)	\$ (159,939)	\$ (25,808)	\$ 118,317
Amortization of tangible capital assets	528,939	528,939	545,050
Acquisition of tangible capital assets	(325,755)	(325,755)	(304,159)
Change in prepaid expenses	5,975	5,975	-
<b>Change in net financial assets</b>	<b>49,220</b>	<b>183,351</b>	<b>359,208</b>
<b>Net financial assets (debt), beginning of year</b>	<b>211,543</b>	<b>211,543</b>	<b>(147,665)</b>
<b>Net financial assets, end of year</b>	<b>\$ 260,763</b>	<b>\$ 394,894</b>	<b>\$ 211,543</b>

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**Aurora Public Library Board**  
**Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ (25,808)	\$ 118,317
Non-cash charges to operations:		
Amortization	528,939	545,050
Changes in non-cash operating working capital:		
Receivable from the Corporation of the Town of Aurora	(336,937)	(426,924)
Other receivables	-	19,081
Accounts payable and accrued liabilities	179,630	29,498
Employee benefits liabilities	20,427	16,320
Prepaid expenses	5,975	-
<b>Total Operating Transactions</b>	<b>372,226</b>	<b>301,342</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(325,755)	(304,159)
<b>Increase (Decrease) in cash</b>	<b>46,471</b>	<b>(2,817)</b>
Cash, beginning of year	20,532	23,349
Cash, end of year	\$ 67,003	\$ 20,532

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**Aurora Public Library Board**  
**Notes to the Financial Statements**

**December 31, 2022**

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**1. Summary of Significant Accounting Policies**

**(a) Management's Responsibility**

The financial statements of the Aurora Public Library Board (the "Board") are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The Board is a registered charity and as such, is exempt from income tax under the Canadian Income Tax Act, and may issue income tax receipts to donors. Its primary role is to provide library services to the general public.

**(b) Basis of Accounting**

Revenue and expenses are reported on the accrual basis of accounting whereby revenue is recognized as it is earned and measurable; and expenses are recognized in the period that goods and services are acquired, a liability is incurred, or transfers are due.

**(c) Revenue Recognition**

Revenues are recognized as follows:

- a) Grants
  - Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled.
  - Unconditional grant revenue is recognized when monies are receivable.
- b) Fine and user fee revenue is recognized in the period in which it is collected.
- c) Interest and other income is recognized in the period it is earned.

**(d) Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the employee benefits liabilities, the estimated useful lives of tangible capital assets and valuation of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

**(e) Government Transfers**

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

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**Aurora Public Library Board**  
**Notes to the Financial Statements**

**December 31, 2022**

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**1. Summary of Significant Accounting Policies (continued)**

**(f) Tangible Capital Assets**

Tangible capital assets are non-financial assets that are not generally 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.

Tangible capital assets are recorded at cost, less accumulated amortization. Cost includes all costs directly attributable to acquisition, construction, development or betterment of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset using the following rates:

Library collection	7 years
Equipment	4 - 10 years
Furniture	10 - 20 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Tangible capital assets under construction are not amortized until such time that they are available for productive use.

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that a tangible capital asset no longer contributes to the Board's ability to provide goods and services or that the value of the future economic benefits associated with the tangible capital assets is below the carrying value. Tangible capital assets to be disposed of would be separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer amortized. The tangible capital assets classified as held-for-sale would be presented separately in the appropriate asset section of the statement of financial position. No impairment was identified during the year.

**(g) Non-pension Post-employment Benefits, Compensated Absences & Termination Benefits**

The Board accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The Board has adopted the following valuation methods and assumptions:

- a) Actuarial cost method:  
Accrued benefit obligations are computed using the projected benefit method prorated on service, as defined in PSAB 3250 and PSAB 3255. The objective under this method is to expense each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement. Under this method an equal portion of total estimated future benefit is attributed to each year of service.
- b) Accounting policies:  
Actuarial gains and losses are amortized on a linear basis over the expected average remaining service life ("EARSL") (expected remaining payment period in respect of the retiring allowance) of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of the gain



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**Aurora Public Library Board**  
**Notes to the Financial Statements**

**December 31, 2022**

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or loss. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death or retirement, depending on the benefit value.

**(h) Pension agreements**

The Board makes contributions to the Ontario Municipal Employees' Retirement System ("OMERS"), a multi-employer public sector pension fund, based on the principles of a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees on the basis of predefined retirement age, length of eligible service and rates of remuneration over a fixed period of time.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all participating Ontario employers and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit. Accordingly, contributions made during the year are expensed.

**2. Receivable from the Corporation of the Town of Aurora**

At the end of the year, the amount due from the Corporation of the Town of Aurora ("the Town") is as follows:

	<u>2022</u>	<u>2021</u>
Receivable from the Town	<u>\$ 803,001</u>	<u>\$ 466,064</u>

The Town provides the facilities, including utilities and maintenance for the Board's operations for \$NIL consideration.

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**3. Pension Agreements**

OMERS provides pension services to almost 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 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.

Contributions made by the Board to OMERS in 2022 ranged from 9.0% to 14.6% depending on the level of earnings. As a result, \$212,763 (2021 - \$212,308) was contributed to OMERS for current year services.

**Aurora Public Library Board**  
**Notes to the Financial Statements**

**December 31, 2022**

**4. Employee Benefits Liabilities**

	2022	2021
Post-employment benefits - accrued obligation	\$ 64,950	\$ 59,473
Accrued sick leave	64,325	49,375
	\$ 129,275	\$ 108,848

**Post-employment benefits**

Post-employment benefits are health and dental benefits that are provided to early retirees and employees currently on long-term disability. The Board recognized these post-employment costs as they are earned during the employee's tenure of service.

	2022	2021
Post-employment benefits accrued obligation, beginning of year	\$ 154,644	\$ 146,870
Add: Benefit expense	23,188	21,964
Interest cost	5,524	5,186
Less: Benefits paid for the period	(16,831)	(19,376)
Post-employment benefits accrued obligation, end of year	166,525	154,644
Unamortized actuarial losses	(37,250)	(45,796)
Post-employment benefits - accrued benefit liabilities	\$ 129,275	\$ 108,848

The accrued benefit obligations for the Board's post-employment benefits liability as at December 31, 2021 are based on actuarial valuations for accounting purposes as at December 31, 2019 with projections to December 31, 2022. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are management's best estimates of expected rates of:

	2022	2021
Expected future inflation rates	2.00%	1.75%
Discount on accrued benefit obligations	5.00%	3.50%
Drug costs escalation	6.00%	6.75%
Other health care costs escalation	6.00%	6.75%
Dental costs escalation	4.00%	3.75%

Amortization of actuarial losses during the year was \$8,546 (2021 - \$8,546). The amount of benefits paid during the year was \$11,888 (2021 - \$11,029).

**Aurora Public Library Board**  
Notes to the Financial Statements

December 31, 2022

5. Tangible Capital Assets

	2022				Total
	Library Collection	Equipment	Furniture	Leasehold Improve- ments	
Cost					
Balance, beginning of year	\$2,598,619	\$ 783,523	\$ 971,394	\$2,077,521	\$6,431,057
Add: Additions during the year	224,413	23,403	77,939	-	325,755
Less: Disposals during the year	(352,956)	-	-	-	(352,956)
Balance, end of year	<u>2,470,076</u>	<u>806,926</u>	<u>1,049,333</u>	<u>2,077,521</u>	<u>6,403,856</u>
Accumulated amortization					
Balance, beginning of year	1,620,379	656,332	650,053	173,127	3,099,891
Add: Amortization during the year	308,264	35,965	69,292	115,418	528,939
Less: Disposals during the year	(352,956)	-	-	-	(352,956)
Balance, end of year	<u>1,575,687</u>	<u>692,297</u>	<u>719,345</u>	<u>288,545</u>	<u>3,275,874</u>
Net book value	<u>\$ 894,389</u>	<u>\$ 114,629</u>	<u>\$ 329,988</u>	<u>\$1,788,976</u>	<u>\$3,127,982</u>

**Aurora Public Library Board**  
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**December 31, 2022**

**5. Tangible Capital Assets Continued**

	2021				
	Library Collection	Equipment	Furniture	Leasehold Improve- ments	Total
Cost					
Balance, beginning of year	\$ 2,719,138	\$ 733,208	\$ 964,666	\$ 2,077,521	\$ 6,494,533
Add: Additions during the year	247,116	50,315	6,728	-	304,159
Less: Disposals during the year	(367,635)	-	-	-	(367,635)
Balance, end of year	2,598,619	783,523	971,394	2,077,521	6,431,057
Accumulated amortization					
Balance, beginning of year	1,659,645	620,838	584,284	57,709	2,922,476
Add: Amortization during the year	328,369	35,494	65,769	115,418	545,050
Less: Amortization on disposals	(367,635)	-	-	-	(367,635)
Balance, end of year	1,620,379	656,332	650,053	173,127	3,099,891
Net book value	\$ 978,240	\$ 127,191	\$ 321,341	\$ 1,904,394	\$ 3,331,166

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**Aurora Public Library Board**  
**Notes to the Financial Statements**

**December 31, 2022**

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**6. Accumulated Surplus**

Accumulated surplus is comprised of the following:

	2022	2021
<b>Surpluses</b>		
General revenue	\$ (261,859)	\$ (261,075)
Invested in tangible capital assets	3,127,982	3,331,166
Less: employee benefit liabilities	(129,275)	(108,848)
<b>Total surpluses</b>	<b>2,736,848</b>	<b>2,961,243</b>
<b>Reserves</b>		
General capital reserve	739,810	542,316
Aurora Public Library Board Donation and Bequest Reserve	46,218	45,125
<b>Total reserves</b>	<b>786,028</b>	<b>587,441</b>
<b>Accumulated surplus</b>	<b>\$ 3,522,876</b>	<b>\$ 3,548,684</b>

**Invested in tangible capital assets**

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

**General Capital Reserve**

The Town Council has approved any of the Board's operating surplus in a year to be returned to the Town of Aurora.

**Aurora Public Library Board Donation and Bequest Reserve**

The Board has approved a reserve named "The Aurora Public Library Board Donation and Bequest Reserve" ("ALB Donation & Bequest") for future specified/significant donations and bequests received to support special programs or initiatives outside of the annual operating budget. Funds are transferred from the reserve for approved expenditures. If such funds are not fully expended in the approval year, they are held as Unexpended Funds.

**Library Service Development Charges**

The Town levies, collects and holds development charges, a component of which is specifically to fund expansion of library services to accommodate growth. Allocations from these funds are approved by the Library Board as part of the annual budget process. Currently, the Town holds \$1,611,973 (2021 - \$1,192,847) of the Library Service related development charges in their segregated development charges accounts. This reserve fund is not reflected in these financial statements.

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**Aurora Public Library Board**  
**Notes to the Financial Statements**

**December 31, 2022**

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**7. Budget Reconciliation**

The Budget for 2022 adopted by the Board on October 20, 2021 was prepared on a basis not consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis, while Canadian public sector accounting standards now require financial statements to be prepared on a full accrual basis. Accordingly, the budget expensed all tangible capital expenditures rather than including an amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the 2022 budget adopted by the Board with adjustments as follows:

	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>
Approved net operating funding from the Town of Aurora	\$ 3,934,100	\$ 3,934,100	\$ -
Budgeted grant, fines and user fees	49,025	49,025	-
<b>Total Board approved budget</b>	<b>\$ 3,983,125</b>	<b>\$ 3,983,125</b>	<b>\$ -</b>
<b>Less:</b> capitalized to TCA from operating accounts	-	(189,000)	189,000
transfers to/from other funds	-	(180,000)	180,000
amortization expense	-	528,939	(528,939)
<b>Adjusted budget per the statement of operations</b>	<b>\$ 3,983,125</b>	<b>\$ 4,143,064</b>	<b>\$ (159,939)</b>