



Staff Report

To: Warden Mitch Twolan
Members of the Bruce County Public Library Board

From: Bettyanne Cobean
Director of Corporate Services

Date: June 17, 2019

Re: Library Board Financial Statements 2018 Audited Results

Recommendation:

The Library Board Financial Statements 2018 Audited Results Report is for information.

Background:

Attached is the Statement of Revenue and Expenditures for the fiscal period 2018. The audited Library Board Financial Statements for the same period are also included as prepared by BDO and presented to the County's Corporate Services Committee by the Managing Partner, Traci Smith as part of the County's consolidated 2018 audit.

BDO states that *"In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the County of Bruce Library Board as at December 31, 2018 and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards."*

2018 operations ended with a \$68,493 surplus. Savings in salaries and benefits contributed \$53,000 to the surplus. Reduction of the Tara Branch rent created \$7,000 in savings, partially offset by a deficit of \$6,000 in training. Periodicals generated a \$12,000 surplus. Revenues exceeded budget by \$3,000, and as per the Reserve Policy the donations received greater than budget totaling \$5,000 have been transferred to the Donation Reserve. According to approved procedures, the surplus forms part of the corporate surplus/deficit and is not retained for Library purposes.

Members of Council will recall that 2019 is the first year of corporate wide interfund allocations. Prompted by the Accounts Payable Lean Improvement Process, the Finance Division introduced new methodology in the 2019 budget templates. Procedures were created to allocate both facility and administration costs in a consistent method that is easier for all, and with clear accountabilities. This new method required that the 2018 budget be amended for comparison purposes.



Program support, including Human Resources and Corporate Services, is allocated based on Full Time Equivalents, and Facility costs are distributed based on square footage occupied. This impacted the facility costs related to the Lakeshore Hub that were previously costed to the Library and Corporate Services budgets and now part of the Non Departmental budget.

The activity during 2018 related to the reserves is summarized in the attached Reserve Fund Schedule at December 31, 2018.

Note 3 of the Financial Statements outlines the tangible capital assets of the Library Board. The County Library assets total \$3,323,156 based on historical value. Applying the fixed straight-line depreciation, if we were to sell all assets today, the amount would total \$1,434,426. The Library Board assets total 1.0% of the County's total assets as at December 31, 2018.

Based on the most current census and the reported population for Bruce County of 68,147, the 2018 levy, as amended, reflected a \$54.88 per capita cost which does not account for seasonal and out of county users. Assuming a stable population, the comparison for 2019 is an increase to \$56.52 per capita. The County continues to operate with no-user fees for out of county users and earlier this year approved the elimination of internet charges for the public users. The loss of the budgeted revenue of \$5,000 will be absorbed in the yearend results.

Financial/Staffing/Legal/IT Considerations:

There are no staffing, legal or ITS considerations associated with this report. The financial considerations are included in the report for information.

Interdepartmental Consultation:

This report has been shared with the Director of Library Services.

Link to Strategic Goals and Elements:

None identified.

Approved by:

Murray Clarke
Acting Chief Administrative Officer