

Lacombe Public Library
Financial Statements
For the year ended December 31, 2017

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REVIEW ENGAGEMENT REPORT

To the Board Members of Lacombe Public Library

We have reviewed the accompanying financial statements of Lacombe Public Library, that comprise the balance sheet as at December 31, 2017 and the statements of financial activities, equity and cash flows, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

As disclosed in the summary of significant accounting policies, the organization does not amortize its capital assets or capitalize the purchase of books. The effects of this departure from Canadian public sector accounting standards for not-for-profit organizations on the unaudited financial statements have not been determined.

Except for the failure, as described in the preceding paragraph, to record amortization on capital assets or capitalize the purchase of books, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Lacombe Public Library as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Red Deer, Alberta

March 18, 2018

Chartered Professional Accountants

**Lacombe Public Library
Balance Sheet**

	2017	2016
Financial assets		
Cash	\$ 111,977	\$ 89,982
Accounts receivable		
Accounts receivable	1,933	2,479
Parkland Regional Library Allotment	1,853	1,087
Prepaid Expenses	2,457	3,953
	118,220	97,501
 Equipment, at Cost	 191,486	 186,974
	309,706	284,475
Liabilities and Shareholders' Equity		
Accounts payable and accrued liabilities	50,777	50,158
Deferred revenue	1,853	1,087
	52,630	51,245
 Unrestricted Assets	 65,590	 46,256
Equity in Fixed Assets	191,486	186,974
	257,076	233,230
	\$ 309,706	\$ 284,475

Approved on behalf of the Board

Lacombe Public Library
Statement of Financial Activities

For the year ended December 31, 2017	Budget 2017	2017	2016
Revenue			
Alberta Cultural Grant	\$ 70,640	\$ 70,640	\$ 70,640
Parkland Regional Library Grant	25,025	20,848	24,159
City of Lacombe Grant	297,920	297,920	280,980
City of Lacombe - In Kind	245,000	284,654	271,776
Other Provincial Grant	-	3,360	1,596
Book Bag Sales	4,000	3,991	4,635
Donations and Gifts in Kind	3,000	4,012	3,995
Fine	9,000	7,510	8,410
Interest	500	2,423	2,592
Memberships	20,500	21,641	22,325
Other	2,000	30,418	7,807
Photocopies, printing and faxes	9,300	10,661	10,034
Proctor Fees	3,500	6,909	4,770
Parkland Library Regional Allotment	22,944	17,316	22,944
Program Registrations	10,600	7,107	3,289
Total revenue	723,929	789,410	739,952
Expenses			
Advertising	3,000	6,812	4,051
Accounting	8,000	11,600	11,300
Board Expenses	4,500	4,759	4,396
Books	25,025	20,848	24,159
Building Lease - In Kind	245,000	284,654	271,776
Donated Material - In Kind	4,000	2,209	2,478
Fines	1,500	185	212
Interest and Bank Charges	1,200	2,169	2,176
Membership Fees	1,000	402	229
Office Expenses	32,000	27,196	31,701
Professional Development	4,000	5,632	5,575
Program and Internet Expenses	29,400	22,591	19,843
Subscriptions	16,000	15,023	15,879
Telephone	4,785	5,994	7,213
Utilities	5,000	4,547	4,304
Wages & Benefits	339,519	345,444	326,746
Loss on Disposal of Equipment	-	5,499	-
Total expenses	723,929	765,564	732,038
Excess of revenue over expenses	-	23,846	7,914

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Lacombe Public Library
Statement of Equity
For the year ended 2017

	Unrestricted	Invested in Physical Assets	Total	2017
Balance - Beginning of Year	46,256	186,974	233,230	225,316
Purchase of Capital Assets	(10,011)	10,011	-	-
Excess of Revenue over Expenses	29,345	(5,499)	23,846	7,914
Balance - End of Year	<u>65,590</u>	<u>191,486</u>	<u>257,076</u>	<u>233,230</u>

Lacombe Public Library
Statement of Cash Flows

<u>For the year ended December 31, 2017</u>	<u>2017</u>	<u>2016</u>
Operating transactions		
Excess of revenue over expenses	\$ 23,846	\$ 7,914
Non-cash items in excess of revenue over expenses	5,499	-
Changes in non-cash operating balances		
Accounts receivable	(220)	7,937
Prepaid expenses	1,496	816
Accounts payable and accrued liabilities	619	6,187
Deferred revenue	766	(2,238)
	<u>32,006</u>	<u>20,616</u>
Capital transactions		
Purchase of Physical Assets	<u>(10,011)</u>	<u>(13,614)</u>
	<u>(10,011)</u>	<u>(13,614)</u>
Net change in cash	21,995	7,002
Cash, beginning of year	<u>89,982</u>	<u>82,980</u>
Cash, end of year	\$ 111,977	\$ 89,982

Lacombe Public Library
Summary of Significant Accounting Policies

December 31, 2017

**Management's
Responsibility for the
Financial Statements**

The financial statements of the NPO are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations as established by the Public Sector Accounting Board.

Reporting Entity

The Lacombe Public Library is currently operating as Mary C. Moore Library. The Library was established by the City of Lacombe Bylaw #53 and are governed under the authority of the Libraries Act. The Library is registered with Canada Revenue Agency as a charitable organization for the purpose of providing library services.

Budget Amounts

The budget amounts presented on the statement of financial activities are taken from the Lacombe Public Library's annual budget.

Basis of Accounting

The financial statements have been prepared using Canadian public sector accounting standards for not-for-profit organizations.

Revenue Recognition

Service fees and sales of goods are recognized as revenue in the period in which the service is delivered or in which the transactions or events occurred that gave rise to the revenue. The Library follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received, can be reasonably estimated, and collection reasonably assured.

Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenditure during the period. Actual results could differ from these estimates.

Tangible Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of the contribution. Capital assets are not amortized. Purchase of books is recorded as an expense and disclosed in the statement of operations.

Contributed Materials

Contributed Materials which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if the fair value can be reasonably estimated.

Lacombe Public Library
Summary of Significant Accounting Policies

Capital Disclosures The organization considers its capital to be its restricted and unrestricted assets. Its restricted net assets consist of amounts for future expansion and amounts invested in capital assets. The organization's objective when managing its capital are to safeguard its ability to continue as a going concern so it can provide services to its clients and to allow for future expansion. Annual budgets are developed and monitored to ensure the organization's capital is maintained at an appropriate level.

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in the statement of remeasurement gains and losses. All other financial instruments reported at cost or amortized cost less impairment if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

1. DUE TO CITY OF LACOMBE

Trade Payables included \$31,785 (2016 - \$30,608) of amounts payable to the City of Lacombe.

2. ECONOMIC DEPENDENCE

The Lacombe Public Library's operations depend on receiving funding from grants from various agencies and governments. These grants are provided in both cash and in kind.

3. APPROVAL OF FINANCIAL STATEMENTS

The Board and Management approved these financial statements.
