

**Lacombe Public Library**  
**Financial Statements**  
**For the year ended December 31, 2018**  
**(Unaudited)**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Shareholders of Lacombe Public Library

We have reviewed the accompanying financial statements of Lacombe Public Library, that comprise the balance sheet as at December 31, 2018 and the statements of financial activities and equity for the year then ended, 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 accounting standards for private enterprises, 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, 2018 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  
April 23, 2019

*BDO Canada LLP*

Chartered Professional Accountants  
Red Deer, Alberta

**Lacombe Public Library**  
**Balance Sheet**  
**(Unaudited)**

December 31

2018

2017

**Financial assets**

Cash	\$ 109,935	\$ 111,977
Accounts receivable		
Accounts receivable	2,895	1,933
Parkland Regional Library Allotment	386	1,853
Prepaid Expenses	1,985	2,457

	<u>115,201</u>	<u>118,220</u>
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Equipment, at Cost

	<u>192,162</u>	<u>191,486</u>
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	<u>307,363</u>	<u>309,706</u>
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**Liabilities and Shareholders' Equity**

Accounts payable and accrued liabilities	57,241	50,777
Deferred revenue	386	1,853

	<u>57,627</u>	<u>52,630</u>
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Unrestricted Assets

	57,574	65,590
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Equity in Fixed Assets

	<u>192,162</u>	<u>191,486</u>
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	<u>249,736</u>	<u>257,076</u>
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	<u>\$ 307,363</u>	<u>\$ 309,706</u>
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Approved on behalf of the Board

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**Lacombe Public Library**  
**Statement of Financial Activities**  
(Unaudited)

<b>For the year ended December 31</b>	Budget 2018	2018	2017
<b>Revenue</b>			
Alberta Cultural Grant	\$ 70,640	\$ 70,640	\$ 70,640
Parkland Regional Library Grant	17,908	16,763	20,848
City of Lacombe Grant	319,560	319,560	297,920
City of Lacombe - In Kind	245,000	261,821	284,654
Other Provincial Grant	-	3,360	3,360
Book Bag Sales	4,000	4,197	3,991
Donations and Gifts in Kind	3,500	14,101	4,012
Fine	8,350	7,150	7,510
Interest	1,500	3,673	2,423
Memberships	20,500	23,759	21,641
Other	1,800	6,878	30,418
Photocopies, printing and faxes	9,200	10,676	10,661
Proctor Fees	4,500	6,690	6,909
Parkland Library Regional Allotment	17,316	17,022	17,316
Program Registrations	7,000	8,887	7,107
<b>Total revenue</b>	<b>730,774</b>	<b>775,177</b>	<b>789,410</b>
<b>Expenses</b>			
Advertising	3,500	2,589	6,812
Accounting	10,000	11,600	11,600
Board Expenses	4,500	6,523	4,759
Books	17,908	16,763	20,848
Building Lease - In Kind	245,000	261,821	284,654
Donated Material - In Kind	4,000	6,706	2,209
Fines	600	79	185
Interest and Bank Charges	1,000	2,047	2,169
Membership Fees	800	180	402
Office Expenses	26,000	23,755	27,196
Professional Development	4,000	3,768	5,632
Program and Internet Expenses	29,600	28,634	22,591
Subscriptions	16,000	19,292	15,023
Telephone	5,500	6,314	5,994
Utilities	6,000	9,578	4,547
Wages & Benefits	356,366	372,898	345,444
Loss on Disposal of Tangible Capital Assets	-	9,970	5,499
<b>Total expenses</b>	<b>730,774</b>	<b>782,517</b>	<b>765,564</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>(7,340)</b>	<b>23,846</b>

**Lacombe Public Library**  
**Statement of Equity**  
**For the year ended 2018**  
**(Unaudited)**

	Unrestricted	Invested in Physical Assets	Total	2017
Balance - Beginning of year	65,590	191,486	257,076	233,230
Purchase of Capital Assets	(10,646)	10,646	-	-
Excess of Revenue over Expenses	2,630	(9,970)	(7,340)	23,846
Balance - End of Year	<u>57,574</u>	<u>192,162</u>	<u>249,736</u>	<u>257,076</u>

**Lacombe Public Library**  
**Statement of Cash Flows**  
(Unaudited)

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
<b>Operating transactions</b>		
Excess of revenue over expenses	\$ (7,340)	\$ 23,846
Non-cash items in excess of revenues over expenses	<b>9,970</b>	5,499
Accounts receivable	<b>505</b>	(220)
Prepaid expenses	472	1,496
Accounts payable and accrued liabilities	<b>6,464</b>	619
Deferred revenue	<b>(1,467)</b>	766
	<b>8,604</b>	32,006
<b>Capital transactions</b>		
Purchase of Physical Assets	<b>(10,646)</b>	(10,011)
	<b>(10,646)</b>	(10,011)
<b>Net change in cash</b>	<b>(2,042)</b>	21,995
<b>Cash, beginning of year</b>	<b>111,977</b>	89,982
<b>Cash, end of year</b>	<b>\$ 109,935</b>	<b>\$ 111,977</b>

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**Lacombe Public Library**  
**Summary of Significant Accounting Policies**  
**(Unaudited)**

**December 31, 2018**

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**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.



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**Lacombe Public Library**  
**Summary of Significant Accounting Policies**  
**(Unaudited)**

**Capital Disclosure**      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.

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**1. DUE TO CITY OF LACOMBE**

Trade Payables included \$36,885 (2017 - \$36,893) of amounts payable to the City of Lacombe.

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**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.

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**3. APPROVAL OF FINANCIAL STATEMENTS**

The Board and Management approved these financial statements.

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