

LACOMBE PUBLIC LIBRARY

FINANCIAL STATEMENTS

DECEMBER 31, 2013

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Auditors' Report

To the Shareholders
Lacombe Public Library

We have audited the statement of financial position of Lacombe Public Library as at December 31, 2013 and the Statement of Financial Activities and Statement of Change in Financial Position for the year then ended. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the library as at December 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**LACOMBE PUBLIC LIBRARY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013**

	2013	2012
ASSETS		
Cash (Note 2)	\$ 138,515	\$ 215,736
Accounts receivable		
Parkland Regional Library Allotment	864	5,399
Other accounts receivable	17,944	9,096
Prepaid Expenses	3,709	4,794
	161,032	235,025
PHYSICAL ASSETS		
Equipment, at Cost	129,021	63,148
	290,053	298,173
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued AP & Liabilities		
Trade Accounts Payable (Note 3)	83,143	57,552
Deferred Revenue	864	5,399
	84,007	62,951
NET ASSETS		
Unrestricted Assets	77,026	172,074
Equity in Fixed Assets	129,021	63,148
	206,046	235,222
	\$ 290,053	\$ 298,173

Approved on Behalf of the Board

_____ Chairman

_____ Treasurer

The accompanying notes are an integral part of these financial statements.

**LACOMBE PUBLIC LIBRARY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget	2013	2012
REVENUE			
Grants			
Alberta Cultural Grant	\$ 63,945	\$ 63,945	\$ 63,945
Parkland Regional Library	25,025	29,833	32,490
City of Lacombe	220,604	220,605	217,558
City of Lacombe - In Kind	265,000	245,000	262,056
Other Provincial	7,444	4,970	3,542
Book Bag Sales	4,000	8,507	4,561
Donations and Gifts in Kind	2,000	11,447	13,067
Fines	11,000	11,411	10,382
Interest	500	875	681
Memberships	20,500	23,275	25,246
Other	3,050	2,703	2,280
Photocopies, printing and faxes	7,000	8,746	8,410
Proctor Fees	2,000	4,737	3,428
Parkland Regional Library Allotment	26,072	22,786	26,073
Program Registrations	3,300	3,440	6,608
Total revenue	661,440	662,280	680,327
OPERATING EXPENSES			
Advertising	3,000	3,227	2,126
Accounting	10,000	12,567	9,450
Board Expenses	6,000	6,739	3,427
Books	25,025	29,833	32,490
Building Lease - In Kind	265,000	245,000	262,056
Donated Materials - In-Kind	-	-	-
Fines	1,500	2,277	1,842
Furnishings	-	-	-
Interest and Bank Charges	1,300	2,098	1,515
Membership fees	1,000	783	595
Office Expenses	29,000	35,248	25,347
Professional Development	2,500	648	1,286
Program and Internet Expenses	16,100	13,186	15,134
Subscriptions	13,500	20,383	15,136
Telephone	4,200	7,131	4,886
Travel	3,000	5,141	2,897
Wages & Benefits	280,315	292,343	252,918
Loss (Gain) on Disposal of Tangible Capital Assets	-	14,854	7,915
Total expense	661,440	691,458	639,020
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ (29,178)	\$ 41,307

The accompanying notes are an integral part of these financial statements.

**LACOMBE PUBLIC LIBRARY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Unrestricted	Invested in Physical Assets	Total	2012
BALANCE - BEGINNING OF YEAR	\$ 172,074	\$ 63,148	\$ 235,222	\$ 193,915
Purchases of Capital Assets	(80,725)	80,725	-	-
Excess of Revenues over Expenses	(14,323)	(14,853)	(29,178)	41,307
BALANCE - END OF YEAR	\$ 77,026	\$ 129,020	\$ 206,046	\$ 235,222

The accompanying notes are an integral part of these financial statements.

**LACOMBE PUBLIC LIBRARY
STATEMENT OF CHANGE IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
OPERATING ACTIVITIES		
Excess (Deficit) of Revenues over Expenses	\$ (29,178)	\$ 41,308
Non-cash items included in excess of revenues over expenses:		
Loss on Disposal of Capital Assetes	14,853	7,915
Accounts Receivable	(4,312)	13,259
Prepaid Expenses	1,085	1,602
Net changes in non-cash working capital balances:		
Accounts Payable	25,591	(632)
Deferred Revenue	(4,535)	(6,780)
	3,504	56,672
INVESTING ACTIVITIES		
Purchase of Physical Assets	(80,725)	(8,910)
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(77,221)	47,762
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	215,736	167,974
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 138,515	\$ 215,736

The accompanying notes are an integral part of these financial statements.

LACOMBE PUBLIC LIBRARY
Notes to the Financial Statements
For the Year Ended December 31, 2013

1. Significant Accounting Policies

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.

a. 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.

b. Budget Amounts

The budget amounts presented on the statement of financial activities are taken from the Library's annual budget prepared in January 2013

c. Basis of Accounting

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

d. 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.

e. 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 those estimates.

LACOMBE PUBLIC LIBRARY
Notes to the Financial Statements
For the Year Ended December 31, 2013

1. Significant Accounting Policies continued

f. 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.

g. 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 fair value can be reasonably estimated.

h. Capital Disclosures

The organization considers its capital to be its restricted and unrestricted net assets. Its restricted net assets consist of amounts for future expansion and amounts invested in capital assets. The organization's objectives 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.

i. 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 are reported at cost or amortized less impairment if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transactions 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.

LACOMBE PUBLIC LIBRARY
Notes to the Financial Statements
For the Year Ended December 31, 2013

2. CASH AND TEMPORARY INVESTMENTS

	<u>2013</u>	<u>2012</u>
Cash	\$ 400	\$ 400
Current Bank Account	<u>138,115</u>	<u>215,336</u>
	<u>\$ 138,515</u>	<u>\$ 215,736</u>

3. TRADE PAYABLES

Trade Payables included \$57,307 (2012 - \$42,820) of amounts payable to the City of Lacombe.

4. ECONOMIC DEPENDENCE

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

5. APPROVAL OF FINANCIAL STATEMENTS

Board and management have approved these financial statements.
