

**LACOMBE PUBLIC LIBRARY**

**Financial Statements**

**Year Ended December 31, 2014**

LACOMBE PUBLIC LIBRARY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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## REVIEW ENGAGEMENT REPORT

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To the Board Members of Lacombe Public Library

We have reviewed the statement of financial position of Lacombe Public Library as at December 31, 2014 and the statements of financial activities, change in net assets and financial position. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

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 are not, in all material respects, in accordance with Canadian public sector accounting standards for not-for-profit organizations.

*BDO Canada LLP*

Red Deer, Alberta  
March 24, 2015

Chartered Accountants

**LACOMBE PUBLIC LIBRARY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014**

	<b>2014</b>	2013
<b>ASSETS</b>		
Cash	<b>\$ 119,743</b>	\$ 138,515
Accounts receivable		
Parkland Regional Library Allotment	-	864
Other accounts receivable	<b>3,853</b>	17,944
Prepaid Expenses	<b>2,379</b>	3,709
	<b>125,975</b>	161,032
Equipment, at Cost	<b>130,940</b>	129,021
	<b>256,915</b>	290,052
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accrued AP & Liabilities		
Trade Accounts Payable	<b>43,296</b>	83,143
Deferred Revenue	-	864
	<b>43,296</b>	84,006
Unrestricted Assets	<b>82,680</b>	77,027
Equity in Fixed Assets	<b>130,940</b>	129,021
	<b>213,620</b>	206,046
	<b>\$ 256,916</b>	\$ 290,052

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, 2014**

	Budget	2014	2013
<b>REVENUE</b>			
Recreation & Culture			
Alberta Cultural Grant	\$ 63,945	\$ 63,945	\$ 63,945
Parkland Regional Library	25,025	23,705	29,833
City of Lacombe	238,215	238,215	220,605
City of Lacombe - In Kind	245,000	254,565	245,000
Other Provincial	-	-	4,970
Book Bag Sales	4,000	6,089	8,507
Donations and Gifts in Kind	2,000	11,929	11,447
Fines	11,000	9,998	11,411
Interest	500	1,453	875
Memberships	20,500	23,269	23,275
Other	3,750	2,210	2,703
Photocopies, printing and faxes	7,000	9,271	8,746
Proctor Fees	3,000	5,279	4,737
Parkland Regional Library Allotment	23,000	22,236	22,786
Program Registrations	3,300	3,515	3,440
	<b>650,235</b>	<b>675,679</b>	<b>662,280</b>
<b>OPERATING EXPENSES</b>			
Advertising	3,000	3,643	3,227
Accounting	12,000	11,405	12,567
Board Expenses	4,000	4,660	6,739
Books	25,025	23,743	29,833
Building Lease - In Kind	245,000	254,565	245,000
Donated Materials - In-Kind	-	-	-
Fines	1,500	1,600	2,277
Furnishings	-	-	-
Interest and Bank Charges	1,300	1,458	2,098
Membership fees	1,000	563	783
Office Expenses	23,500	24,749	35,248
Professional Development	1,000	1,105	648
Program and Internet Expenses	16,100	16,442	13,186
Subscriptions	14,000	18,068	20,383
Telephone	5,400	8,725	7,131
Travel	3,000	3,114	5,141

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

**LACOMBE PUBLIC LIBRARY  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budget	<b>2014</b>	2013
Wages & Benefits	294,410	<b>291,401</b>	292,343
Loss (Gain) on Disposal of Tangible Capital Assets	-	<b>2,865</b>	14,854
	650,235	<b>668,106</b>	691,458
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ 7,573</b>	<b>\$ (29,178)</b>

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, 2014**

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	Unrestricted	Invested in Physical Assets	Total	2013
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 77,026	\$ 129,020	\$ 206,046	\$ 235,222
Purchases of Capital Assets	(4,785)	4,785	-	-
Excess of Revenues over Expenses	10,439	(2,865)	7,573	(29,178)
<b>BALANCE - END OF YEAR</b>	<b>\$ 82,680</b>	<b>\$ 130,941</b>	<b>\$ 213,621</b>	<b>\$ 206,045</b>

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, 2014**

	<u>2014</u>	<u>2013</u>
<b>OPERATING ACTIVITIES</b>		
Excess (Deficit) of Revenues over Expenses	\$ 7,574	\$ (29,178)
Non-cash items included in excess of revenues over expenses:		
Loss on Disposal of Capital Assetes	2,865	14,853
Accounts Receivable	14,956	(4,312)
Prepaid Expenses	1,330	1,085
Net changes in non-cash working capital balances:		
Accounts Payable	(39,847)	25,591
Deferred Revenue	(864)	(4,535)
	<u>(13,986)</u>	<u>3,504</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of Physical Assets	(4,785)	(80,725)
<b>FINANCING ACTIVITIES</b>		
<b>CAPITAL ACTIVITIES:</b>		
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>(18,771)</b>	<b>(77,221)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>138,515</b>	<b>215,736</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 119,744</u></b>	<b><u>\$ 138,515</u></b>

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, 2014**

**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.

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**b. Budget Amounts**

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

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**c. Basis of Accounting**

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

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**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.

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**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, 2014**

**1. Significant Accounting Policies continued**

**e. Use of Estimates continued**

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**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.

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**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.

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**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.

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**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.

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**2. CASH AND TEMPORARY INVESTMENTS**

**2014**                      **2013**

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**LACOMBE PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2014**

**2. CASH AND TEMPORARY INVESTMENTS continued**

	<u>2014</u>	<u>2013</u>
Cash	\$ 400	\$ 400
Current Bank Account	<u>119,343</u>	<u>138,115</u>
	<u>\$ 119,743</u>	<u>\$ 138,515</u>

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**3. DUE TO CITY OF LACOMBE**

Trade Payables included \$26,006 (2013 - \$57,307) 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.

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**5. APPROVAL OF FINANCIAL STATEMENTS**

Board and management have approved these financial statements.

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