

PARKLAND COUNTY LIBRARY BOARD

FINANCIAL STATEMENTS

Year Ended December 31, 2014

PARKLAND COUNTY LIBRARY BOARD

TABLE OF CONTENTS
Year ended December 31, 2014
Unaudited

	<u>Page</u>
Financial Statements	
Statement of Financial Position	1
Statement of Operating and Accumulated Surplus	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Schedule 1 - Accumulated Surplus	5
Schedule 2 - Expenses by Object	6
Notes to Financial Statements	7

PARKLAND COUNTY LIBRARY BOARD

STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

Unaudited

	<u>2014</u>	<u>2013</u>
Financial Assets		
Cash	\$ 262,601	\$ 257,943
Accounts Receivable	-	4,233
	<u>262,601</u>	<u>262,176</u>
Liabilities		
Accounts Payable and Accrued Liabilities	29,858	181
Employee Benefits and Other Liabilities (Note 4)	7,909	22,343
	<u>37,767</u>	<u>22,524</u>
Net Financial Assets	<u>224,834</u>	<u>239,652</u>
Non-Financial Assets		
Tangible Capital Assets (Note 5)	177,927	160,492
Prepaid Expenses	11,200	-
Total Non-Financial Assets	<u>189,127</u>	<u>160,492</u>
Accumulated Surplus (Schedule 1)	<u>\$ 413,961</u>	<u>\$ 400,144</u>

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

ON BEHALF OF THE BOARD

_____ Member

_____ Member

PARKLAND COUNTY LIBRARY BOARD

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2014

Unaudited

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
REVENUES			
Government Transfers (Note 7)	\$ 598,772	\$ 623,350	\$ 588,609
Other Income		\$ 7,566	\$ -
Interest Income		<u>1,243</u>	<u>2,601</u>
Total Revenues	<u>598,772</u>	<u>632,159</u>	<u>591,210</u>
EXPENSES (Schedule 2)			
Entwistle Library	37,867	37,708	41,983
Duffield Library	37,867	39,123	38,555
Keephills Library	37,866	38,979	34,779
Tomahawk Library	37,866	48,222	42,483
Administration	<u>438,761</u>	<u>454,310</u>	<u>448,968</u>
Total Expenses	<u>590,227</u>	<u>618,342</u>	<u>606,768</u>
Excess (Shortfall) of Revenues over Expenses	<u>8,545</u>	<u>13,817</u>	<u>(15,558)</u>
Accumulated Surplus, Beginning of the Year	<u>400,144</u>	<u>400,144</u>	<u>415,702</u>
Accumulated Surplus, End of the Year	<u><u>\$ 408,689</u></u>	<u><u>\$ 413,961</u></u>	<u><u>\$ 400,144</u></u>

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

PARKLAND COUNTY LIBRARY BOARD

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

Year ended December 31, 2014

Unaudited

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
Excess (Shortfall) of Revenues over Expenses	\$ 8,545	\$ 13,817	\$ (15,558)
Acquisition of Tangible Capital Assets	-	(51,480)	(100,855)
Proceeds on Disposal of Tangible Capital Assets	-	-	-
Amortization of Tangible Capital Assets	-	34,045	16,816
Net Loss (Gain) on Disposal of Tangible Capital Assets	<u>-</u>	<u>-</u>	<u>8,364</u>
	<u>-</u>	<u>(17,435)</u>	<u>(75,675)</u>
Acquisition of prepaid expenses	-	(27,300)	-
Use of prepaid expenses	<u>-</u>	<u>16,100</u>	<u>-</u>
	<u>-</u>	<u>(11,200)</u>	<u>-</u>
Change in Net Financial Assets	<u>8,545</u>	<u>(14,818)</u>	<u>(91,233)</u>
Net Financial Assets, Beginning of Year	<u>239,652</u>	<u>239,652</u>	<u>330,885</u>
Net Financial Assets, End of Year	<u><u>\$ 248,197</u></u>	<u><u>\$ 224,834</u></u>	<u><u>\$ 239,652</u></u>

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

PARKLAND COUNTY LIBRARY BOARD

STATEMENT OF CASH FLOWS
Year ended December 31, 2014
Unaudited

	<u>2014</u>	<u>2013</u>
Operating Activities:		
Annual Surplus	<u>\$ 13,817</u>	<u>\$ (15,558)</u>
Items not Involving Cash:		
Amortization of Tangible Capital Assets	34,045	16,816
Loss/(Gain) on Disposal of Tangible Capital Assets	-	8,364
Change in Non Cash Assets and Liabilities:		
Accounts Receivable	4,233	(4,233)
Accounts Payable and Accrued Liabilities	29,677	(21,980)
Employee Benefits and Other Liabilities	(14,434)	22,343
Prepaid Expenses	<u>(11,200)</u>	<u>-</u>
Net Change in Cash from Operating Activities	56,138	5,752
Capital Activities		
Acquisition of Tangible Capital Assets	<u>(51,480)</u>	<u>(100,855)</u>
Net Change in Cash from Capital Activities	(51,480)	(100,855)
Net Change in Cash and Cash Equivalents	<u>4,658</u>	<u>(95,103)</u>
Cash and Cash Equivalents, Beginning of Year	<u>257,943</u>	<u>353,046</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 262,601</u></u>	<u><u>\$ 257,943</u></u>

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

PARKLAND COUNTY LIBRARY BOARD

SCHEDULE 1 - ACCUMULATED SURPLUS

Year ended December 31, 2014

Unaudited

	Budget	Unrestricted Surplus/ (Deficit)	Restricted Surplus	Equity in TCA	Accumulated Surplus
Balance, Beginning of Year	\$ 400,144	\$ 41,505	\$ 198,147	\$ 160,492	\$ 400,144
Adjustments:					
Annual Surplus	8,545	13,817	-	-	13,817
Restricted Funds Used for Operations	-	(13,800)	13,800	-	-
Restricted Funds Used for TCA	-	-	-	-	-
Current Year Funds Used for TCA	-	(51,480)	-	51,480	-
Disposals of TCA	-	-	-	-	-
Annual Amortization	-	34,045	-	(34,045)	-
Total Net Adjustment:	<u>8,545</u>	<u>(17,418)</u>	<u>13,800</u>	<u>17,435</u>	<u>13,817</u>
Balance, End of Year	<u><u>\$ 408,689</u></u>	<u><u>\$ 24,087</u></u>	<u><u>\$ 211,947</u></u>	<u><u>\$ 177,927</u></u>	<u><u>\$ 413,961</u></u>

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

PARKLAND COUNTY LIBRARY BOARD

SCHEDULE 2 - EXPENSES BY OBJECT Year ended December 31, 2014 Unaudited

Segmented information has been identified based upon locations of service provided by the Board. Board services are provided by location and their activities are reported by the functional area in the body of the financial statements. Certain locations of service that have been separately disclosed in the segmented information, along with the services they provide, are: Entwistle, Duffield, Keephills, Tomahawk, and Administration.

	Entwistle	Duffield	Keephills	Tomahawk	Administration	2014	2013	Budget
EXPENSES								
Salaries, Wages and Benefits	\$ 27,276	\$ 27,652	\$ 27,405	\$ 27,609	\$ 86,700	\$ 196,642	\$ 217,470	\$ 192,672
Contracted and General Services	7,329	5,509	7,507	7,844	16,143	44,332	63,921	63,740
Materials, Goods, Supplies & Utilities	3,103	5,962	3,867	3,340	2,228	18,500	8,716	18,315
Transfers to Local Boards and Agencies	-	-	200	9,429	315,000	324,629	291,284	315,000
Bank Charges & Short Term Interest	-	-	-	-	194	194	197	500
Amortization of Tangible Capital Assets	-	-	-	-	34,045	34,045	16,816	-
Net Loss on Disposal of Tangible Capital Assets	-	-	-	-	-	-	8,364	-
Total Expenses	\$ 37,708	\$ 39,123	\$ 38,979	\$ 48,222	\$ 454,310	\$ 618,342	\$ 606,768	\$ 590,227

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

PARKLAND COUNTY LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2014

Unaudited

1. DESCRIPTION OF OPERATIONS

The Parkland County Library Board (The Board) is a non-profit organization created by Parkland County in May of 1997 and is subject to the Alberta Libraries Act and Regulations. The Board exists to promote and provide, through regional partnerships, effective, equitable, affordable and accessible library services to the residents of Parkland County by actively responding to community needs.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by The Board are as follows:

(a) Basis of Accounting

The Board follows the accrual basis of accounting. Revenues are recognized in the period in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers are recognized in the financial statements as revenue in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, The Board has met any eligibility criteria, and reasonable estimates of the amounts can be made.

(b) Employee Benefits and Other Liabilities

The costs of multi employer defined benefit pension plan benefits such as LAPP and APEX pensions are the employer's contributions to the plan in the period. Health/vision and dental benefits are administered by Blue Cross on an administrative services only basis. The Board is responsible for the employer share of benefit premiums throughout the year as well as any shortfall or surplus at the end of the period. Accumulated sick days are set up as a liability to the extent to which the days are expected to be used by employees.

(c) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in provision of the services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight line basis over their estimated useful lives as follows:

	Years
Books	10
Computer Equipment and Software	5
Equipment	5
Furniture and Fixtures	10

In the year the asset is acquired, amortization is pro-rated to half year.

PARKLAND COUNTY LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2014

Unaudited

3. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2013, The Board adopted the Public Sector Accounting Standards (PSAS). Previously, the financial statements were presented in accordance with the Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). As a result of this change, certain numbers have been restated.

4. EMPLOYEE BENEFITS AND OTHER LIABILITIES

The Board employee payroll is administered by Parkland County. The Board is responsible to reimburse Parkland County for the full amount of the payroll processed. Any outstanding amounts owing to Parkland County at year end, where employees have received compensation, are included in the Employee Benefits Liability. Amounts owing to employees at year end are included in wages payable. Employee benefits and other liabilities includes any amounts payable to Parkland County for payroll administration, wages payable to employees, and employee vacation accruals, in the following amounts:

	2014	2013
Payable to Parkland County	\$ -	\$ 18,336
Wages Payable	4,538	1,266
Vacation Accrual	3,371	2,741
Employee Benefits and Other Liabilities	\$ 7,909	\$ 22,343

5. TANGIBLE CAPITAL ASSETS

Cost:	Books	Computer Equipment & Software	Equipment	Furniture & Fixtures	Total
Opening Balance	\$ 50,969	\$ 30,158	\$ 68,866	\$ 64,219	\$ 214,212
Acquired	40,040	2,957	-	8,483	51,480
Balance, End of Year	91,009	33,115	68,866	72,702	265,692
Accumulated Amortization					
Opening Balance	4,652	22,787	13,933	12,348	53,720
Amortization Expense	7,099	6,327	13,773	6,846	34,045
Balance, End of Year	11,751	29,114	27,706	19,194	87,765
2014 Net Book Value, End of Year	\$ 79,258	\$ 4,001	\$ 41,160	\$ 53,508	\$ 177,927
2013 Net Book Value, End of Year	\$ 46,317	\$ 7,371	\$ 54,933	\$ 51,871	\$ 160,492

6. RESTRICTED SURPLUS

	Opening Balance	Transfer to Reserve	Transfer from Reserve	Ending Balance
General Operations Contingency Reserve	\$ 148,506	\$ 9,641	\$ -	\$ 158,147
Computer & Equipment Reserve	40,000	13,800	-	53,800
Duffield Friends of Library Restricted Surplus	9,641	-	9,641	-
	\$ 198,147	\$ 23,441	\$ 9,641	\$ 211,947

PARKLAND COUNTY LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2014

Unaudited

7. GOVERNMENT TRANSFERS

	Budget	2014	2013
Federal Operating Grant	\$ -	\$ -	\$ 9,396
Provincial Operating Grant	162,481	180,114	163,985
Local Operating Grant	436,291	443,236	415,228
	<u>\$ 598,772</u>	<u>\$ 623,350</u>	<u>\$ 588,609</u>

8. PUBLIC LIBRARY FUNDING

	Budget	2014	2013
Spruce Grove		\$ 108,157	\$ 95,190
Stony Plain		124,025	91,411
Devon		28,792	43,621
Wabamun		27,783	30,623
Seba Beach		23,960	22,439
Drayton Valley		2,283	8,000
	<u>\$ 315,000</u>	<u>\$ 315,000</u>	<u>\$ 291,284</u>

9. PENSION PLAN

(a) APEX

The APEX supplementary pension plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2006, and provides supplementary pension benefits to a prescribed class of employees (1 in 2014). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and The Board, at a rate of 2.5% and 3.0% respectively of pensionable earnings up to \$138,500 in 2014.

Total current service contributions by The Board to APEX in 2014 was \$436. Total current service contributions by the employee of The Board was \$363.

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement age of employee. The cost of post retirement benefits is fully funded.

(b) Local Authorities Pension Plan

Employees of The Board participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 230,534 people and 418 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund.

The Board is required to make current service contributions to the Plan of 11.39% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84% for the excess. Employees of The Board are required to make current service contributions of 10.39% of pensionable salary up to the year's maximum pensionable salary and 14.84% on pensionable salary above this amount.

Total current service contributions by The Board to LAPP in 2014 was \$1,705. Total current service contributions by employees of The Board in 2014 was \$1,560.

At December 31, 2013 the Plan disclosed actuarial deficit of \$4.86 billion.

PARKLAND COUNTY LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2014

Unaudited

10. BUDGET FIGURES

The budget figures presented in these financial statements are based on the budget approved by The Board.