

PARKLAND COUNTY LIBRARY BOARD

Financial Statements

Year Ended December 31, 2012

(Unaudited)

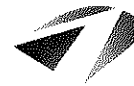
PARKLAND COUNTY LIBRARY BOARD

Index to Financial Statements

Year Ended December 31, 2012

(Unaudited)

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THE DASH GROUP

DASHKEWYTCH ACCOUNTING -- CGA
BUSINESS CONSULTING

REVIEW ENGAGEMENT REPORT

To the Members of Parkland County Library Board

I have reviewed the statement of financial position of Parkland County Library Board as at December 31, 2012 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. My 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 me by the company.

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

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Comparative information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Parkland County Library Board adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements.

Stony Plain, Alberta
May 21, 2013

A handwritten signature in black ink, appearing to read "Mark Paulsen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

CERTIFIED GENERAL ACCOUNTANT

PARKLAND COUNTY LIBRARY BOARD


Statement of Financial Position

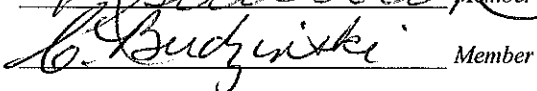
December 31, 2012

(Unaudited)

| | <i>December 31</i> 2012 | <i>December 31</i> 2011 | <i>January 1</i> 2011 |
|---|-----------------------------------|-----------------------------------|---------------------------------|
| ASSETS | | | |
| CURRENT | | | |
| Cash | \$ 353,046 | \$ 260,637 | \$ 286,026 |
| Term deposits (Note 3) | - | 100,000 | - |
| Interest receivable | - | 848 | - |
| | 353,046 | 361,485 | 286,026 |
| CAPITAL ASSETS (Net of accumulated amortization) (Note 4) | 42,738 | 23,969 | 11,536 |
| BOOK COLLECTION | 42,078 | 42,078 | 42,078 |
| | \$ 437,862 | \$ 427,532 | \$ 339,640 |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT | | | |
| Accounts payable | \$ 22,160 | \$ 26,601 | \$ 8,720 |
| Employee deductions payable | - | - | 5,066 |
| Deferred contributions (Note 5) | 198,595 | 184,561 | 110,332 |
| | 220,755 | 211,162 | 124,118 |
| NET ASSETS | | | |
| Operating fund | 132,292 | 150,324 | 161,909 |
| Capital asset fund | 84,815 | 66,046 | 53,613 |
| | 217,107 | 216,370 | 215,522 |
| | \$ 437,862 | \$ 427,532 | \$ 339,640 |

ON BEHALF OF THE BOARD

 Member

 Member

See notes to financial statements

PARKLAND COUNTY LIBRARY BOARD

Statement of Revenues and Expenditures

Year Ended December 31, 2012

(Unaudited)

| | 2012 | 2011 |
|---|-------------------|-------------------|
| RECEIPTS <i>(Note 6)</i> | \$ 565,179 | \$ 524,399 |
| EXPENSES | | |
| Public library funding <i>(Note 7)</i> | 290,556 | 280,000 |
| Salaries, wages and contractors | 187,126 | 173,534 |
| Library programs and supplies | 39,001 | 27,583 |
| Travel | 12,354 | 13,905 |
| Honourariums | 12,285 | 11,760 |
| Amortization | 9,726 | 5,469 |
| Training | 7,055 | 6,339 |
| Professional fees | 2,400 | 2,310 |
| Meals and entertainment | 1,053 | 883 |
| Telephone | 1,023 | 283 |
| Donations | 669 | 600 |
| Memberships | 661 | 485 |
| Insurance | 540 | 610 |
| Office | 494 | 465 |
| Interest and bank charges | 196 | 173 |
| Advertising and promotion | 40 | - |
| | 565,179 | 524,399 |
| EXCESS OF RECEIPTS OVER EXPENSES FROM OPERATIONS | - | - |
| OTHER INCOME | 737 | 848 |
| EXCESS OF RECEIPTS OVER EXPENSES | \$ 737 | \$ 848 |

PARKLAND COUNTY LIBRARY BOARD

Statement of Changes in Net Assets

Year Ended December 31, 2012

(Unaudited)

| | Operating Fund | Capital Asset Fund | 2012 | 2011 |
|---|-------------------|-----------------------|------------|------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 150,324 | \$ 66,046 | \$ 216,370 | \$ 215,522 |
| Excess of receipts over expenses | (18,032) | 18,769 | 737 | 848 |
| NET ASSETS - END OF YEAR | \$ 132,292 | \$ 84,815 | \$ 217,107 | \$ 216,370 |

PARKLAND COUNTY LIBRARY BOARD

Statement of Cash Flows

Year Ended December 31, 2012

(Unaudited)

| | 2012 | 2011 |
|--------------------------------------|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess of receipts over expenses | \$ 737 | \$ 848 |
| Item not affecting cash: | | |
| Amortization of capital assets | 9,726 | 5,469 |
| | <u>10,463</u> | <u>6,317</u> |
| Changes in non-cash working capital: | | |
| Interest receivable | 848 | (848) |
| Accounts payable | (4,441) | 17,881 |
| Deferred contributions | 14,034 | 74,229 |
| Employee deductions payable | - | (5,066) |
| | <u>10,441</u> | <u>86,196</u> |
| Cash flow from operating activities | <u>20,904</u> | <u>92,513</u> |
| INVESTING ACTIVITY | | |
| Purchase of capital assets | (28,495) | (17,902) |
| INCREASE (DECREASE) IN CASH | (7,591) | 74,611 |
| Cash - beginning of year | <u>360,637</u> | <u>286,026</u> |
| CASH - END OF YEAR | \$ 353,046 | \$ 360,637 |
| CASH CONSISTS OF: | | |
| Cash | \$ 353,046 | \$ 260,637 |
| Term deposits | - | 100,000 |
| | <u>\$ 353,046</u> | <u>\$ 360,637</u> |

PARKLAND COUNTY LIBRARY BOARD

Notes to Financial Statements

Year Ended December 31, 2012

(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 Parkland County Library 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Short term investments are carried at the lower of cost and market value.

Short term investments consist primarily of investment certificates with original maturities at date of purchase beyond three months and less than twelve months. Such short term investments are carried at cost, which approximates fair value, due to the short period of time to maturity. (2011, \$100,000)

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

| | | |
|------------------------|------|--------------------------|
| Equipment | 20% | straight-line method |
| Computer equipment | 20% | straight-line method |
| Computer software | 100% | declining balance method |
| Signs | 20% | declining balance method |
| Furniture and fixtures | 20% | declining balance method |

The Board regularly reviews its capital assets to eliminate obsolete items. Historically, government grants have been treated as a reduction of capital asset cost. Due to an accounting policy change, for future years government grants will be deferred and amortized into income on the same basis as amortization for the particular asset. Restatement of prior years financial statements was not required as a result of the adoption of this policy.

Operating Fund

The operating fund accounts for the Board's program delivery and administrative activities.

Capital Asset Fund

The Board maintains a capital asset fund to provide for and track the purchase of capital assets.

Revenue Recognition

The Board utilizes the deferral method for recognizing receipts. Under this method receipts are recognized in the year the related disbursements are incurred. Receipts are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(continues)

PARKLAND COUNTY LIBRARY BOARD

Notes to Financial Statements

Year Ended December 31, 2012

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Adoption of accounting standards for not-for-profit organizations

Effective January 1, 2012, the Board adopted the Canadian accounting standards for not-for-profit organizations (ASNPO). Previously, the financial statements were presented in accordance with Canadian generally accepted accounting principles (GAAP) as issued in the Handbook - Accounting Part V Pre-changeover standards. On adoption of ASNPO, an organization is permitted to selectively elect certain exemptions and choose accounting policies that may differ from the previously presented financial statement information. This can result in adjustments to the opening net assets at the transition date, which is the first day of the period for which comparative information is presented. The Board made no changes to the previously presented financial statements. An opening statement of financial position at the date of transition has been presented, as required.

3. INVESTMENT CERTIFICATE

| | December 31, 2012 | December 31, 2011 | January 1, 2011 |
|---|------------------------------|------------------------------|----------------------------|
| Servus Credit Union One Year Term Deposit @ .90%, maturity January 21st, 2012. | \$ - | \$ 100,000 | \$ - |

PARKLAND COUNTY LIBRARY BOARD

Notes to Financial Statements

Year Ended December 31, 2012

(Unaudited)

4. CAPITAL ASSETS

| | | | | 2012 | 2011 | 2011 |
|------------------------|------------------|-----------------------------|-------------------------------|-------------------------------|-----------------------------|------|
| | Cost | Accumulated Amortization | December 31 Net book value | December 31 Net book value | January 1 Net book value | |
| Equipment | \$ 12,144 | \$ 7,346 | \$ 4,798 | \$ 7,732 | \$ 8,881 | |
| Computer equipment | 28,022 | 20,369 | 7,653 | 7,286 | 453 | |
| Computer software | 749 | 749 | - | - | - | |
| Furniture and fixtures | 30,364 | 8,440 | 21,924 | 8,951 | 2,201 | |
| Signs | 9,293 | 929 | 8,364 | - | - | |
| | <u>\$ 80,572</u> | <u>\$ 37,833</u> | <u>\$ 42,739</u> | <u>\$ 23,969</u> | <u>\$ 11,535</u> | |

5. DEFERRED CONTRIBUTIONS

The Board has approved the creation of reserve funds to address future computer and equipment purchases as well as a contingency for general operations.

The Duffield and Keephills library outlets were previously operated by respective Friends of the Library Association with funds provided by the Board. During the prior year, both of these Associations were dissolved and the remaining funds were returned to the Board. The Board has designated these funds for projects specifically directed to those two outlet locations. Both funds were used either fully or partially during the year. Any remaining funds have been shown as deferred contributions. The following presents the deferred contribution balances by source:

| | December 31, 2012 | December 31, 2011 | January 1, 2011 |
|--|----------------------|----------------------|--------------------|
| General Operating Contingency Reserve | \$ 148,506 | \$ 123,642 | \$ 85,332 |
| Computer and Equipment Reserve | 40,000 | 40,000 | 25,000 |
| Duffield Friends of the Library | 10,089 | 10,918 | - |
| Keephills Friends of the Library | - | 10,000 | - |
| Deferred Contribution, closing balance | <u>\$ 198,595</u> | <u>\$ 184,560</u> | <u>\$ 110,332</u> |

PARKLAND COUNTY LIBRARY BOARD

Notes to Financial Statements

Year Ended December 31, 2012

(Unaudited)

6. RECEIPTS

The Board receives its primary funding as outlined below.

| | 2012 | 2011 |
|---------------------------------------|-------------------|-------------|
| Parkland County | \$ 415,228 | \$ 415,228 |
| Government of Alberta | 163,985 | 162,481 |
| Subtotal | 579,213 | 577,709 |
| General Operating Contingency Reserve | (24,864) | (38,310) |
| Computer & Equipment Reserve | - | (15,000) |
| Keephills Friends of the Library fund | 10,000 | - |
| Duffield Friends of the Library fund | 830 | - |
| | \$ 565,179 | \$ 524,399 |

7. PUBLIC LIBRARY FUNDING

| | 2012 | 2011 |
|----------------|-------------------|-------------|
| Spruce Grove | \$ 95,190 | \$ 94,560 |
| Stony Plain | 91,411 | 89,170 |
| Devon | 43,621 | 37,230 |
| Wabamun | 30,623 | 30,080 |
| Seba Beach | 21,711 | 21,280 |
| Drayton Valley | 8,000 | 7,680 |
| | \$ 290,556 | \$ 280,000 |
