

**Financial Statements of
St. Albert Library Board**

December 31, 2022

St. Albert Library Board

December 31, 2022

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St. Albert Library Board

December 31, 2022

MANAGEMENT'S REPORT


The financial statements of the St. Albert Library Board (the "Library") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. The financial statements include amounts that are based on the best estimates and judgements of management. Management has determined these estimates on a reasonable basis to help ensure that the financial statements are presented fairly, in all material respects.

Management maintains systems of accounting, budget and other internal controls to provide reasonable assurance that the transactions are appropriately authorized and accurately recorded, and that assets are properly accounted for and safeguarded. The existence of these systems and controls help to ensure that the financial statements reliably report the Library's operating and financial results.

The financial statements have been audited by the independent audit firm KPMG LLP. Their report to the Trustees of the St. Albert Library Board, stating their opinion, basis for opinion, responsibilities of management and those charged with governance for the financial statements and auditors' responsibilities for the audit of the financial statements follows.



Peter Bailey
Library, CEO


Rhonda Kozuska (Mar 21, 2023 16:31 MDT)

Rhonda Kozuska
Library, HR and Financial Services Manager

ST. ALBERT LIBRARY BOARD STATEMENT OF FINANCIAL POSITION

As at December 31, 2022, with comparative information for 2021

	2022	2021
Financial Assets		
Petty Cash	\$ 1,400	\$ 1,400
Accounts Receivable	9,165	12,672
Due from the City of St. Albert (Note 3)	730,628	935,277
Total Financial Assets	741,193	949,349
Liabilities		
Accounts Payable and Accrued Liabilities	315,145	255,956
Deferred Revenue	1,500	-
Total Liabilities	316,645	255,956
Net Financial Assets	424,548	693,393
Non-Financial Assets		
Tangible Capital Assets (Note 5)	1,494,635	1,595,692
Prepaid Expenses	99,315	64,650
Total Non-Financial Assets	1,593,950	1,660,342
Accumulated Surplus (Note 6)	\$ 2,018,498	\$ 2,353,735

Commitments (Note 9)

Approved by: P. Bailey
Library, CEO

Deborah McTaggart-Baird
Deborah McTaggart-Baird (Mar 21, 2023 17:29 MDT)
St. Albert Library Board, Chair

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

ST. ALBERT LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2022, with comparative information for 2021

	Budget	2022	2021
Operating Revenue			
Government Transfers (Note 7)			
Municipal	\$ 4,448,900	\$ 4,396,309	\$ 4,348,900
Provincial and Federal	446,300	444,948	475,738
Contract and Miscellaneous Revenue	42,100	78,873	83,293
Memberships	2,000	1,680	1,120
Fines	30,000	51,790	28,165
Library Donations	11,300	48,615	52,983
Interest Income	-	9,177	7,949
Total Operating Revenue	4,980,600	5,031,392	4,998,148
Expenses			
Salaries, Wages and Benefits	3,558,200	3,726,453	3,562,176
Amortization of Tangible Capital Assets	93,000	517,284	535,770
Materials, Goods and Utilities (Note 4)	512,900	499,400	507,790
Contracted and General Services	616,700	618,471	518,558
Other Expenses	5,000	5,021	4,475
Total Expenses	4,785,800	5,366,629	5,128,769
Annual (Deficit) Surplus	194,800	(335,237)	(130,621)
Accumulated Surplus at Beginning of Year	2,353,735	2,353,735	2,484,356
Accumulated Surplus at End of Year	\$ 2,548,535	\$ 2,018,498	\$ 2,353,735

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

ST. ALBERT LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2022

	Budget	2022	2021
Annual (Deficit) Surplus	\$ 194,800	\$ (335,237)	\$ (130,621)
Acquisition of Tangible Capital Assets	(287,800)	(416,227)	(350,852)
Amortization of Tangible Capital Assets	93,000	517,284	535,770
	(194,800)	101,057	184,918
Acquisition of Prepaid Expenses	-	(99,315)	(64,650)
Use of Prepaid Expenses	-	64,650	128,147
	-	(34,665)	63,497
(Decrease) Increase in Net Financial Assets	-	(268,845)	117,794
Net Financial Assets at Beginning of Year	693,393	693,393	575,599
Net Financial Assets at End of Year	\$ 693,393	\$ 424,548	\$ 693,393

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

ST. ALBERT LIBRARY BOARD
STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash (Used in) Provided by		
Operating Activities		
Annual Deficit	\$ (335,237)	\$ (130,621)
Items Not Involving Cash		
Amortization of Tangible Capital Assets	517,284	535,770
	182,047	405,149
Changes in Non-Cash Assets and Liabilities		
Petty Cash	-	200
Accounts Receivable	3,507	558
Due from the City of St. Albert	204,649	(76,620)
Accounts Payable and Accrued Liabilities	59,189	(8,524)
Deferred Revenue	1,500	(33,408)
Prepaid Expenses	(34,665)	63,497
Total Cash Flows from Operating Activities	416,227	350,852
Capital Activities		
Acquisition of Tangible Capital Assets	(416,227)	(350,852)
Cash, Beginning of Year	-	-
Cash, End of Year	\$ -	\$ -

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

ST. ALBERT LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

1. Nature of Operations

St. Albert Library Board (the "Library") was incorporated in 1961 by the Council of the then Town of St. Albert under the authority of the Alberta *Libraries Act*. It is governed by a separate board of trustees appointed by the Council of the City of St. Albert (the "City"). The Library has operated in St. Albert Place since 1983, within space provided by the City, and in January 2020 a second location (Jensen Lakes Library) was opened in north St. Albert in leased premises. The Library provides collections, services and programs to the residents of St. Albert and surrounding areas.

2. Significant Accounting Policies

The Library is part of the City's reporting entity. The Library is a registered charitable organization under the Income Tax Act of Canada, and is not subject to any federal or provincial income taxes. As such, the financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the Library are as follows:

a. Basis of Accounting

The financial statements are prepared using the accrual basis of accounting for revenues and expenses.

i. Revenue

Revenue is accounted for in the period in which it is earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified. Investment income is reported as revenue in the period earned. When required by the funding government or related act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

ii. Expenses

Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

b. Government Transfers

Government transfers are the transfers of assets from another level of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized as deferred revenue if the terms for use, or the terms along with the Library's actions and communications as to the use, create a liability. These government transfers are recognized as revenue when the terms are met.

Government transfers without terms for the use of the grant are recognized as revenue when the Library is eligible to receive the funds. Unrestricted government transfers are recognized as revenue in the year received or in the year the funds are committed to the Library if the amount can be reasonably estimated and collection is assured.

ST. ALBERT LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

2. Significant Accounting Policies (continued)

c. Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non financial assets during the year, together with the annual surplus provides the change in net financial assets for the year.

d. Tangible Capital Assets

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

Library Collections	5 years
Machinery and Equipment	5 to 25 years
Leasehold Improvements	Lesser of 5 years and the term of the lease
Vehicles	10 years

Assets under construction ("CIP") are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

The Library does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

When conditions indicate that a tangible capital asset no longer contributes to the Library's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. Such write-downs are not reversed.

e. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the estimates useful lives and valuation of tangible capital assets. Actual results could differ from these estimates.

ST. ALBERT LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

2. Significant Accounting Policies (continued)

f. Restricted Surplus - Reserves

Reserve additions originate primarily from Board transfers approved from current operations, accumulated unrestricted surplus, endowments, and internal interest allocations. Reserve amounts are expended as approved by the Library Board.

g. Future Accounting Policies

The following summarizes upcoming changes to Canadian public sector accounting standards, which may impact the Library's financial reporting. The Library is currently assessing the impact of these new government accounting standards on its future financial statements.

i. Financial Statement Presentation

PS1201, Financial Statement Presentation, provides guidance on the structure and layout of financial statements, including general reporting principles and components of financial reporting. This standard is applicable for the fiscal years beginning on or after April 1, 2022.

ii. Financial Instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

iii. Asset Retirement Obligations

PS3280, Asset Retirement Obligations, defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for asset retirement, and provides the related financial statement presentation and disclosure requirements. This standard is applicable for fiscal years beginning on or after April 1, 2022.

iv. Revenue

PS3400, Revenue, establishes standards on how to account for and report on revenue, specifically in regards to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

ST. ALBERT LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

3. Due from the City of St. Albert

The Library does not maintain its own bank account and has funds on deposit with the City which are available when needed.

The balance due from the City \$730,628 (2021 - \$935,277) is unsecured, with no set terms of repayment.

Of the total balance due from the City, \$523,863 (2021 - \$758,043) is related to reserves that are allocated interest at rates between 2.20% and 4.15% (2021 - 0.25% and 2.56%). The remaining balance due of \$206,765 (2021 - \$177,234) is not allocated interest.

4. Related Party Transactions

Included in materials, goods, supplies, and utilities is \$208,600 (2021 - \$208,600) of cost allocation charges from the City for provision of support services to the Library.

Unallocated costs, comprising of materials and services contributed by related parties in support of the Library's operations, are not recognized in these financial statements.

Related parties include key management personnel of the Library. The Library has defined key management personnel to include members of the St. Albert Library Board and the Library Chief Executive Officer. Transactions with key management personnel primarily consist of compensation related payments.

ST. ALBERT LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

5. Tangible Capital Assets

2022							
	Library Collections	Machinery and Equipment	Leasehold Improvements	Vehicles	CIP Machinery and Equipment	Total	
Cost							
Balance, Beginning of Year	\$ 1,696,748	\$ 1,217,422	\$ 726,680	\$ 71,090	\$ -	\$ 3,711,940	
Acquisition of Tangible Capital Assets	290,115	89,430	27,502	-	9,180	416,227	
Disposal of Tangible Capital Assets	(376,353)	(68,998)	-	-	-	(445,351)	
Balance, End of Year	1,610,510	1,237,854	754,182	71,090	9,180	3,682,816	
Accumulated Amortization							
Balance, Beginning of Year	(895,272)	(824,931)	(356,946)	(39,099)	-	(2,116,248)	
Amortization of Tangible Capital Assets	(330,725)	(126,714)	(52,736)	(7,109)	-	(517,284)	
Disposal of Tangible Capital Assets	376,353	68,998	-	-	-	445,351	
Balance, End of Year	(849,644)	(882,647)	(409,682)	(46,208)	-	(2,188,181)	
Net Book Value, End of Year	\$ 760,866	\$ 355,207	\$ 344,500	\$ 24,882	\$ 9,180	\$ 1,494,635	

2021							
	Library Collections	Machinery and Equipment	Leasehold Improvements	Vehicles	CIP Machinery and Equipment	Total	
Cost							
Balance, Beginning of Year	\$ 1,791,777	\$ 1,254,485	\$ 726,680	\$ 71,090	\$ -	\$ 3,844,032	
Acquisition of Tangible Capital Assets	304,743	46,109	-	-	-	350,852	
Disposal of Tangible Capital Assets	(399,772)	(83,172)	-	-	-	(482,944)	
Balance, End of Year	1,696,748	1,217,422	726,680	71,090	-	3,711,940	
Accumulated Amortization							
Balance, Beginning of Year	(946,190)	(777,593)	(307,649)	(31,990)	-	(2,063,422)	
Amortization of Tangible Capital Assets	(348,854)	(130,510)	(49,297)	(7,109)	-	(535,770)	
Disposal of Tangible Capital Assets	399,772	83,172	-	-	-	482,944	
Balance, End of Year	(895,272)	(824,931)	(356,946)	(39,099)	-	(2,116,248)	
Net Book Value, End of Year	\$ 801,476	\$ 392,491	\$ 369,734	\$ 31,991	\$ -	\$ 1,595,692	

ST. ALBERT LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

6. Accumulated Surplus

Accumulated surplus consists of unrestricted surplus, reserves and equity in tangible capital assets as follows.

	2022	2021
Restricted Surplus - Reserves (Note 8)	\$ 523,863	\$ 758,043
Equity in Tangible Capital Assets	1,494,635	1,595,692
Total Accumulated Surplus	\$ 2,018,498	\$ 2,353,735

7. Government Transfers

	Budget	2022	2021
Government Transfers for Operations:			
Municipal			
City of St. Albert	\$ 4,448,900	\$ 4,396,309	\$ 4,348,900
Provincial			
Community Provincial Grants	358,700	358,780	358,780
Career Resource Centre Grant	72,600	73,568	76,159
Alberta Foundation for the Arts	-	-	25,487
Total Provincial Transfers	431,300	432,348	460,426
Federal			
CSJ Grant (Canada Summer Jobs)	15,000	12,600	15,312
Total Government Transfers	\$ 4,895,200	\$ 4,841,257	\$ 4,824,638

ST. ALBERT LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

8. Restricted Surplus - Reserves

	2021	Transfers	Reductions	2022
Operating Reserves				
Library Stabilization Reserve	\$ 313,366	\$ -	\$ (117,248)	\$ 196,118
Capital Reserves				
Library Branch Reserve	61,155	1,302	-	62,457
Computer Replacement Reserve	93,489	1,738	(38,989)	56,238
Library Repair and Refurbishment Reserve	290,033	6,137	(87,120)	209,050
Total Capital Reserves	444,677	9,177	(126,109)	327,745
Total Reserves	\$ 758,043	\$ 9,177	\$ (243,357)	\$ 523,863

The Library Stabilization Reserve is to fund stabilization of operating and capital budget impacts resulting from specific or unanticipated events or circumstances.

The Library Branch Reserve is to provide funds to replenish the Library's collections, furnishings, fixtures and equipment for a new Library Branch.

The Computer Replacement Reserve is to provide funds for the replacement and upgrade of the Library's computer systems, and may include hardware, software, and peripherals.

The Library Repair and Refurbishment Reserve is to provide funds to meet the capital costs associated with the refurbishment and repair of the Library's facilities.

9. Commitments

The Library has entered into two operating lease agreements comprised of base rents plus a proportionate share of operating costs and management fees for space rentals. Lease commitments over the next five years and thereafter for base rental payments are as follows:

2023	\$ 200,577
2024	169,909
2025	126,975
2026	126,975
2027	126,975
Thereafter	253,949
	\$ 1,005,360

ST. ALBERT LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

10. Financial Instruments

The fair values of the Library's petty cash, accounts receivable, due from the City, accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of the instruments. It is management's opinion that the Library is not exposed to significant currency, interest or credit risk arising from its financial instruments.