

TOWN OF OKOTOKS LIBRARY BOARD

FINANCIAL STATEMENTS

For the year ended December 31, 2023

TOWN OF OKOTOKS LIBRARY BOARD
TABLE OF CONTENTS
December 31, 2023

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN NET ASSETS	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6 - 8
SCHEDULES TO THE FINANCIAL STATEMENTS	9



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To: The members of
Town of Okotoks Library Board

We have reviewed the accompanying financial statements of Town of Okotoks Library Board that comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Town of Okotoks Library Board as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Avail LLP". The signature is written in a cursive, flowing style.

Lethbridge, Alberta

April 25, 2024

Chartered Professional Accountants

TOWN OF OKOTOKS LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	2023	2022
ASSETS		
Current		
Cash and short-term investments (note 3)	\$ 189,026	\$ 109,999
Accounts receivable	9,392	7,486
GST receivable	4,702	19,078
	203,120	136,563
Restricted cash and investments (note 4)	410,045	389,932
Capital assets (note 5)	509,442	508,209
	\$ 1,122,607	\$ 1,034,704
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 4,799	\$ 3,375
Source deductions payable	16,260	12,688
Deferred revenue (note 6)	49,839	29,726
	70,898	45,789
Unamortized capital contributions (note 7)	135,484	133,587
	206,382	179,376
Commitment (note 8)		
Net assets		
Unrestricted	126,061	120,500
Operating reserves	331,206	275,206
Capital reserves	85,000	85,000
Invested in capital assets	373,958	374,622
	916,225	855,328
	\$ 1,122,607	\$ 1,034,704

Approved on behalf of the board:

Director 

Director 

TOWN OF OKOTOKS LIBRARY BOARD
STATEMENT OF OPERATIONS
For the year ended December 31, 2023

	2023	2022
Revenue		
Grants (note 9)	\$ 1,340,275	\$ 1,052,795
Library card fees	69,632	62,182
Donations and fundraising	16,468	63,806
Other	23,966	29,231
Interest	22,639	10,111
Amortization of capital contributions	8,103	7,605
	1,481,083	1,225,730
Expenses		
Salaries and benefits	910,831	664,283
Building costs (schedule 1)	204,203	203,783
Transfer payments - Marigold	143,816	142,020
Administrative costs (schedule 2)	64,476	73,311
Collections and programs	62,648	49,427
Amortization	32,953	32,700
	1,418,927	1,165,524
Excess of revenue over expenses from operations	62,156	60,206
Other expense		
Loss on disposal of capital assets	1,259	-
Excess of revenue over expenses	\$ 60,897	\$ 60,206

TOWN OF OKOTOKS LIBRARY BOARD
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2023

	Unrestricted net assets	Net assets invested in capital assets	Operating reserves	Capital reserves	Total 2023	Total 2022
Balance, beginning of year	\$ 120,500	\$ 374,622	\$ 275,206	\$ 85,000	\$ 855,328	\$ 795,122
Excess of revenue over expenses	60,897	-	-	-	60,897	60,206
Capital asset additions	(35,445)	35,445	-	-	-	-
Disposal of capital assets	1,259	(1,259)	-	-	-	-
Reserve transfers	(56,000)	-	56,000	-	-	-
Amortization	32,953	(32,953)	-	-	-	-
Amortization of capital contributions	(8,103)	8,103	-	-	-	-
Capital contributions	10,000	(10,000)	-	-	-	-
Balance, end of year	<u>\$ 126,061</u>	<u>\$ 373,958</u>	<u>\$ 331,206</u>	<u>\$ 85,000</u>	<u>\$ 916,225</u>	<u>\$ 855,328</u>

TOWN OF OKOTOKS LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	2023	2022
Cash flows from operating activities		
Excess of revenue over expenses	\$ 60,897	\$ 60,206
Adjustments for items which do not affect cash		
Amortization	32,953	32,700
Amortization of capital contributions	(8,103)	(7,605)
Loss on disposal of capital assets	1,259	-
	87,006	85,301
Change in non-cash working capital items		
Accounts receivable	(1,906)	(6,763)
GST	14,376	6,230
Accounts payable and accrued liabilities	1,424	(70,759)
Source deductions payable	3,572	11,266
Deferred revenue	20,113	(16,682)
	124,585	8,593
Cash flows from investing activities		
Change in restricted cash and investments	(20,113)	-
Purchase of capital assets	(25,445)	(79,040)
Capital contributions	-	23,183
	(45,558)	(55,857)
Net increase (decrease) in cash and cash equivalents	79,027	(47,264)
Cash and cash equivalents, beginning of year	109,999	157,263
Cash and cash equivalents, end of year	\$ 189,026	\$ 109,999

TOWN OF OKOTOKS LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. Nature of operations

Town of Okotoks Library Board (the "Library") was established through a bylaw of the Town of Okotoks and is constituted under The Libraries Act 2000 Province of Alberta. The Library, as a registered charity, is exempt from income tax and may issue receipts to donors for tax deductible donations. The Library operates under the trade name Okotoks Public Library.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

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 or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Library card fees are recognized as revenue over the period the services are performed.

(b) Financial instruments

The Library initially records its financial assets and financial liabilities at fair value. The Library subsequently measures its financial assets and financial liabilities at amortized cost.

(c) Investments

The Library follows the cost method of accounting for its investments, written down for any impairment in value that is considered other than temporary.

(d) Capital assets

Capital assets are recorded at cost. The Library provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Equipment and fixtures	20 years
Leasehold improvements	10 years
Computer equipment	5 years

Assets under construction are not amortized until the asset is available for use.

(e) Contributed services

Volunteers contributed time to assist the Library in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(f) Reserves

Reserves are established at the discretion of the Board to set aside funds for future operating and capital expenditures. Transfers to and from reserves are reflected as an adjustment to unrestricted net assets.

(g) Net assets invested in capital assets

The Library has chosen to continue to treat net assets invested in capital assets as a separate component of net assets.

(h) Measurement uncertainty

TOWN OF OKOTOKS LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. **Significant accounting policies, continued**

(h) Measurement uncertainty, continued

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. **Cash and short-term investments**

	2023	2022
Cash	\$ 198,563	\$ 153,856
Royal Bank of Canada- GICs, variable rate, mature July 22, 2024	400,508	-
- GICs, matured	-	346,075
<u>Less: restricted cash and investments</u>	<u>(410,045)</u>	<u>(389,932)</u>
	\$ 189,026	\$ 109,999

4. **Restricted cash and investments**

A portion of the Library's cash and investments has been restricted for the following:

	2023	2022
Deferred revenue	\$ 49,839	\$ 29,726
Operating reserves	275,206	275,206
Capital reserves	85,000	85,000
	\$ 410,045	\$ 389,932

5. **Capital assets**

	2023		2022	
	Cost	Accumulated amortization	Net	Net
Equipment and fixtures	\$ 351,136	\$ 59,524	\$ 291,612	\$ 276,745
Leasehold improvements	238,729	35,733	202,996	216,192
Computer equipment	55,925	41,091	14,834	15,272
	\$ 645,790	\$ 136,348	\$ 509,442	\$ 508,209

TOWN OF OKOTOKS LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

6. **Deferred revenue**

	Balance, beginning of year	Received	Recognized	Balance, end of year
Unexpired portion of annual library card fees	\$ 29,726	\$ 69,959	\$ (69,632)	\$ 30,053
Donations and fundraising	-	36,254	(16,468)	19,786
	<u>\$ 29,726</u>	<u>\$ 106,213</u>	<u>\$ (86,100)</u>	<u>\$ 49,839</u>

7. **Unamortized capital contributions**

Unamortized capital contributions consist of external funding for capital assets that is spent, but cannot be recognized as revenue until amortization expense of the related capital assets occurs.

The change in unamortized capital contributions is as follows:

	2023	2022
Balance, beginning of year	\$ 133,587	\$ 118,009
Capital contributions	10,000	23,183
Amortization of capital contributions	(8,103)	(7,605)
	<u>\$ 135,484</u>	<u>\$ 133,587</u>

8. **Commitment**

At year end, the Library has entered into an agreement for rent with the Town of Okotoks, which expires in 2032. Payments over the next two years are as follows:

2024	\$ 199,291
2025	199,291
	<u>\$ 398,582</u>

9. **Grant revenue**

	2023	2022
Town of Okotoks	\$ 1,080,528	\$ 818,406
Alberta Municipal Affairs and Housing	171,411	155,489
Marigold Library System	79,898	78,900
Other Grants	8,438	-
	<u>\$ 1,340,275</u>	<u>\$ 1,052,795</u>

TOWN OF OKOTOKS LIBRARY BOARD
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

Schedule of building costs	Schedule 1	
	2023	2022
Rent - Town of Okotoks	\$ 199,291	\$ 198,130
Insurance	3,198	2,225
Building maintenance	1,714	3,428
	\$ 204,203	\$ 203,783

Schedule of administrative costs	Schedule 2	
	2023	2022
Library supplies and office	\$ 12,887	\$ 13,295
Accounting and professional fees	12,848	18,246
Equipment repairs and rentals	12,608	8,225
Course and conference fees	9,635	10,101
Board advocacy and public relations	7,600	11,450
Bank charges	3,897	5,513
Telephone	3,568	4,707
Postage	923	1,305
Memberships	510	469
	\$ 64,476	\$ 73,311