

LLOYDMINSTER PUBLIC LIBRARY
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

LLOYDMINSTER PUBLIC LIBRARY

**FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Members of Lloydminster Public Library Board

Opinion

We have audited the financial statements of Lloydminster Public Library, which comprise the statement of financial position as at December 31, 2024 and the statements of operations, statement of cash flows and change in net financial assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Lloydminster Public Library as at December 31, 2024 and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Lloydminster Public Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

In preparing the financial statements, management is responsible for assessing the Lloydminster Public Library's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Lloydminster Public Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Lloydminster Public Library's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lloydminster Public Library's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Lloydminster Public Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Lloydminster Public Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lloydminster, Alberta
March 5, 2025



Chartered Professional Accountants

LLOYDMINSTER PUBLIC LIBRARY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	2024	2023
Financial Assets		
Cash	694,853	653,380
Accounts receivable	3,592	3,592
GST receivable	11,826	31,305
Investments (Note 4)	<u>159,445</u>	<u>154,783</u>
	<u>869,716</u>	<u>843,060</u>
Financial Liabilities		
Accounts payable and accrued liabilities	89,019	92,621
Deferred contributions (Note 5)	8,824	3,041
Deferred contributions related to tangible capital assets (Note 6)	<u>48,000</u>	<u>-</u>
	<u>145,843</u>	<u>95,662</u>
Net Financial Assets (Page 7)	<u>723,873</u>	<u>747,398</u>
Non-financial Assets		
Tangible capital assets (Schedule 2)	161,528	61,795
Prepaid expenses	4,765	5,959
Inventories	<u>2,384</u>	<u>3,593</u>
	<u>168,677</u>	<u>71,347</u>
Accumulated Surplus (Note 7)	<u>\$ 892,550</u>	<u>\$ 818,745</u>

Approved On Behalf Of The Board

Director

Director

LLOYDMINSTER PUBLIC LIBRARY

**STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2024**

	2024 Budget	2024 Actual	2023 Actual
Revenues			
Amortization of deferred capital contributions	-	12,000	-
Donations	10,000	18,516	6,488
Fines (net)	3,600	4,545	3,715
Grants - City of Lloydminster	1,203,587	1,207,777	1,207,344
- Province of Alberta	119,012	119,012	119,012
- Alberta Rural Mental Health	-	23,905	16,120
- Saskatchewan Lotteries	-	3,750	-
- Canada Summer Jobs	-	2,095	-
- County of Vermilion River	2,500	2,800	3,000
Interest earned on unrestricted resources	12,000	31,389	30,227
Interest earned on capital donation reserves	-	3,322	594
Lakeland Library Region	219,213	-	219,213
Miscellaneous	1,500	5,618	2,374
Photocopying and other services	3,000	3,379	4,817
Recovery of unreturned materials	-	4,217	-
Sale of cards, books and cassettes	-	4,659	2,592
	<u>1,574,412</u>	<u>1,446,984</u>	<u>1,615,496</u>
Expenses (Schedule 1)	<u>1,502,180</u>	<u>1,370,452</u>	<u>1,405,241</u>
Excess of revenues over expenses	72,232	76,532	210,255
Other Revenue (Expense)			
Patronage allocations	-	18	-
Gain (loss) on sale of tangible capital assets	-	(2,745)	-
Excess Of Revenues Over Expenses	\$ <u>72,232</u>	73,805	210,255
Accumulated Surplus, beginning of year		<u>818,745</u>	<u>608,490</u>
Accumulated Surplus, end of year		\$ <u>892,550</u>	\$ <u>818,745</u>

LLOYDMINSTER PUBLIC LIBRARY

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

	2024	2023
Operating Activities		
Cash received from government grants	1,369,339	1,345,474
Cash received from regional library boards	-	219,213
Cash received from donations	18,516	6,488
Cash received from operations	18,203	30,072
Investment income received	34,711	30,821
Cash paid for wages and benefits	(628,123)	(738,156)
Cash paid for materials and services	(343,283)	(403,353)
Cash paid for regional library fees	<u>(311,234)</u>	<u>(298,680)</u>
	<u>158,129</u>	<u>191,879</u>
Capital Activities		
Acquisition of tangible capital assets	<u>(112,011)</u>	<u>(1,613)</u>
	<u>(112,011)</u>	<u>(1,613)</u>
Investing Activities		
Equity accounts	18	-
Investments	<u>(4,663)</u>	<u>(3,627)</u>
	<u>(4,645)</u>	<u>(3,627)</u>
Increase in cash position	41,473	186,639
Cash, beginning of year	<u>653,380</u>	<u>466,741</u>
Cash, end of year	<u>\$ 694,853</u>	<u>\$ 653,380</u>

LLOYDMINSTER PUBLIC LIBRARY

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2024**

	2024	2023
Excess Of Revenues Over Expenses	73,805	210,255
Amortization of tangible capital assets	69,533	47,259
Loss (gain) on sale of tangible capital assets	2,745	-
Acquisition of tangible capital assets	(172,011)	(1,613)
Change in prepaid expenses	1,194	301
Change in inventories	<u>1,209</u>	<u>(3,593)</u>
Increase (decrease) in net financial assets	(23,525)	252,609
Net financial assets, beginning of year	<u>747,398</u>	<u>494,789</u>
Net financial assets, end of year	<u>\$ 723,873</u>	<u>\$ 747,398</u>

LLOYDMINSTER PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2024

1. Purpose of the Organization

The Lloydminster Public Library operates under the authority of the Libraries Act of Saskatchewan and Alberta. It is administered by an independent board, with members appointed by City of Lloydminster Council. The Lloydminster Public Library operates one public library location and derives its income from its library operation and grants. The Lloydminster Public Library is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Principal Accounting Policies

The financial statements have been prepared for management in accordance with Canadian public sector accounting ("PSA") standards, as issued by the Public Sector Accounting Board. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Use of Estimates

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost adjusted by transaction costs, which are amortized over the expected life of this instrument.

Tangible Capital Assets and Amortization

Tangible capital assets acquired are recorded at cost. Amortization is provided for using the declining balance method with the half year rule applied in the year of acquisition. Annual rates of amortization are 20% on furniture and fixtures, 50% on electronic equipment and 50% on software. Leasehold improvements are amortized using the straight-line method over the life of the lease. Books and audio visual are capitalized using the pooled cost approach and amortized using the straight-line method over five years.

Collections

Collections are works of art, historical treasures or similar assets that are held for public exhibition, education or research; protected, cared for and preserved. Collections that are contributed are not recognized in the statement of financial position.

Revenue and Expense Recognition

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from external parties restricted by agreement or legislation are initially accounted for as deferred contributions. Amounts received for qualifying projects are recorded as revenue in the fiscal period in which they are expended. Expenditures are accounted for in the period goods and services are acquired and a liability is incurred.

LLOYDMINSTER PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2024

2. Principal Accounting Policies (Con't)

Contributed materials and services

Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

Accumulated Surplus

Accumulated surplus represents the equity of the Library. In determining accumulated surplus, revenues and expenditures are recognized as they are earned and incurred. The following items represent the components of accumulated surplus:

Unappropriated surplus (liabilities) - Unappropriated surplus represents equity that has not been designated for a specific use.

Appropriated reserves

Capital donation reserves - Patrons of the library have bequeathed funds with instructions that the capital be invested in perpetuity. Interest earned thereon is to be used for library purposes.

Other appropriated reserves - Appropriations for other reserves represent amounts that have been internally restricted for specific purposes.

Net investment in tangible capital assets - The net investment in tangible capital assets is reflected net of related debt obligations.

3. Financial Instruments

The Library's financial instruments consist of cash and investments, accounts receivable and accounts payable and accrued liabilities.

Credit risk

The Library is exposed to credit risk on receivables from its patrons. In order to reduce its credit risk, the Library reviews overdue accounts on a regular basis and does not revalidate library cards until all fines are paid. The library records an allowance for doubtful accounts at year end to reflect the estimated risk.

Interest rate risk

Interest rate risk is the risk to the Library's earnings that arise from fluctuations in interest rates and the degree of volatility of these rates. See Note 4.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Library is exposed to this risk mainly in respect of funds from its customers and accounts payable.

LLOYDMINSTER PUBLIC LIBRARY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

4. Investments

	2024	2023
Synergy Credit Union iSave	48,223	44,901
Equity - Synergy Credit Union	9,244	7,911
Equity - Lloydminster Co-op	1,978	1,971
Synergy Credit Union Term Deposit #2381, 2.40%, maturing Feb. 7/25	20,000	20,000
Synergy Credit Union Term Deposit #2407, 1.00%, maturing Feb. 7/26	20,000	20,000
Synergy Credit Union Term Deposit #2415, 1.95%, maturing Feb. 8/27	20,000	20,000
Synergy Credit Union Term Deposit #2423, 4.50%, maturing Feb. 8/28	20,000	20,000
Synergy Credit Union Term Deposit #2357, 4.25%, maturing Feb. 8/29	<u>20,000</u>	<u>20,000</u>
	<u>\$ 159,445</u>	<u>\$ 154,783</u>

5. Deferred Contributions

Deferred contributions represent externally restricted operating funds received that are unspent at year end.

	2024	2023
Beginning balance	3,041	3,041
Add: Receipts	10,000	-
Less: Expenditures	<u>(4,217)</u>	<u>-</u>
Balance at end	<u>\$ 8,824</u>	<u>\$ 3,041</u>

6. Deferred Contributions Related to Tangible Capital Assets

Deferred contributions related to tangible capital assets represent contributed tangible capital assets and restricted contributions. The changes in the deferred contributions balance for the period are as follows:

	2024	2023
Beginning balance	-	-
Add: Contributed assets	60,000	-
Less: Amortization	<u>(12,000)</u>	<u>-</u>
Balance at end	<u>\$ 48,000</u>	<u>\$ -</u>

LLOYDMINSTER PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

7. Accumulated Surplus

Accumulated surplus consists of surplus/(deficit) and reserves as follows:

	2024	2023
Invested in tangible capital assets	113,528	61,795
Capital donation reserves	98,964	98,964
Other appropriated reserves	104,059	52,557
Unappropriated surplus (liabilities)	<u>575,999</u>	<u>605,429</u>
	<u>\$ 892,550</u>	<u>\$ 818,745</u>

Capital donation and other appropriated reserves are held by Synergy Credit Union for investment purposes. The interest from these investments is to be transferred to the Library each year to be used in operations.

8. Related Party Transactions

The following related party transactions are included in the financial statements:

	2024	2023
Revenue		
Grant - City of Lloydminster	\$ 1,207,777	\$ 1,207,344
Expenses		
Janitorial - City of Lloydminster	\$ 20,000	\$ 30,000
Repairs & Maintenance - City of Lloydminster	\$ 10,000	\$ -
IT Support - City of Lloydminster	\$ 10,608	\$ 10,296

All of these transactions were carried out in the normal course of operations and are recorded at the exchange value. These values correspond to the consideration agreed upon by the parties involved.

The Library also benefits through its relation to the City of Lloydminster by receiving rate reductions for specific expenditures.

At the end of the year, the amounts due to and (from) related entities are as follows:

City of Lloydminster - Water	\$ 121	\$ -
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LLOYDMINSTER PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

9. Subsequent events

The following events will affect the operations of the Library subsequent to the year ended December 31, 2024:

1. The Library joined the Saskatchewan Information and Library Services Consortium as a Public Library Member effective January 1, 2025.
2. The Library will be established as a municipal library in Saskatchewan by the City of Lloydminster, this is expected by June 30, 2025.

10. Comparative Amounts

Certain 2023 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

LLOYDMINSTER PUBLIC LIBRARY

**SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2024
(SCHEDULE 1)**

	2024 Budget	2024 Actual	2023 Actual
Advertising	12,100	6,456	2,412
Amortization	28,818	69,533	47,259
Automation development	3,161	4,386	4,103
Automation system maintenance	13,500	-	-
Bank charges and interest	3,066	1,500	3,416
Building repairs and maintenance	9,000	10,000	9
Conferences and education	5,000	3,909	2,345
Contracted services	10,296	12,672	11,547
Equipment repairs and maintenance	3,200	8,987	8,849
Insurance	4,800	3,940	3,455
Janitorial	31,500	20,000	30,000
Lakeland Library Region fees	296,713	311,234	298,680
Memberships	-	1,562	370
Miscellaneous	7,500	736	2,381
Office supplies and postage	10,250	20,661	17,456
Professional fees	10,150	11,450	8,460
Programs	20,000	37,465	23,001
Recruiting	750	-	-
Recycling	-	-	93
Rent and common area costs	201,469	205,435	201,469
Travel	-	1,433	346
Utilities and telephone	36,600	35,740	34,221
Wages and benefits	<u>794,307</u>	<u>603,353</u>	<u>705,369</u>
	<u>\$ 1,502,180</u>	<u>\$ 1,370,452</u>	<u>\$ 1,405,241</u>

LLOYDMINSTER PUBLIC LIBRARY

**SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2024
(SCHEDULE 2)**

	Books, films & audio visual resource collection	Electronic Equipment	Furniture & Fixtures	Total 2024	Total 2023
Cost					
Balance, beginning of year	142,826	96,243	137,783	376,852	448,025
Additions	117,724	31,864	22,423	172,011	1,615
Disposals	<u>-</u>	<u>(49,713)</u>	<u>(79,477)</u>	<u>(129,190)</u>	<u>(72,788)</u>
Balance, end of year	<u>260,550</u>	<u>78,394</u>	<u>80,729</u>	<u>419,673</u>	<u>376,852</u>
Accumulated Amortization					
Balance, beginning of year	93,433	93,368	128,256	315,057	340,584
Amortization	52,110	11,526	5,897	69,533	47,261
Disposals	<u>-</u>	<u>(49,444)</u>	<u>(77,001)</u>	<u>(126,445)</u>	<u>(72,788)</u>
Balance, end of year	<u>145,543</u>	<u>55,450</u>	<u>57,152</u>	<u>258,145</u>	<u>315,057</u>
Net Book Value	\$ <u>115,007</u>	\$ <u>22,944</u>	\$ <u>23,577</u>	\$ <u>161,528</u>	\$ <u>61,795</u>