

**STRATHCONA COUNTY LIBRARY BOARD  
FINANCIAL STATEMENTS**

*Year ended December 31, 2020*

**STRATHCONA COUNTY LIBRARY BOARD**  
**Financial Statements**  
Year ended December 31, 2020

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## Management Report

The accompanying financial statements of Strathcona County Library Board are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The preparation of the financial statements necessarily includes some amounts which are based on the best estimates and judgements of management.

The Library maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, and that the Library's assets are properly accounted for and adequately safeguarded.

The financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian Generally Accepted Auditing Standards on behalf of Strathcona County Library Board. Their report to the Board, stating the scope of their examination and opinion on the financial statements, follows.

A handwritten signature in blue ink, appearing to read "S. Siga", is positioned above a horizontal line.

Sharon Siga  
Chief Executive Officer  
March 15, 2021

A handwritten signature in blue ink, appearing to read "C. Tomlinson", is positioned above a horizontal line.

Candace Tomlinson  
Accountant  
March 15, 2021

## Independent auditor's report

To the Members of the **Strathcona County Library Board**,

### Opinion

We have audited the financial statements of the **Strathcona County Library Board** [the "Library"], which comprise the statement of financial position as at December 31, 2020, and the statement of operations and accumulated surplus, statement of change in net debt and statement of cash flows 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 Library as at December 31, 2020, and its results of operations and its 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 the financial statements* section of our report. We are independent of the 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 the 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 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 Library or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's responsibilities for the audit of the 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 the 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 judgment 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 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 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 Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the 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.

*Ernst & Young LLP*

Edmonton, Canada  
March 15, 2021

Chartered Professional Accountants



**STRATHCONA COUNTY LIBRARY BOARD**

**Statement of Financial Position**

As at December 31, 2020, with comparative information for 2019

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash floats	\$ 1,156	\$ 1,581
Due from Strathcona County (Note 2, Note 10)	6,078,099	5,469,478
Trade and other receivables	31,389	89,772
	<u>6,110,644</u>	<u>5,560,831</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	859,619	709,562
Long-term debt (Note 3, Note 10)	17,599,666	18,455,258
	<u>18,459,285</u>	<u>19,164,820</u>
<b>NET DEBT</b>	<u>(12,348,641)</u>	<u>(13,603,989)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 4)	23,216,623	23,947,114
Prepaid expenses	125,204	63,386
	<u>23,341,827</u>	<u>24,010,500</u>
<b>ACCUMULATED SURPLUS (Note 5)</b>	<u>\$ 10,993,186</u>	<u>\$ 10,406,511</u>
Commitments (Note 9)		

*Magan Olive*

Strathcona County Library Board  
March 15, 2021

*Purvis*

Strathcona County Library Board  
March 15, 2021

**STRATHCONA COUNTY LIBRARY BOARD**  
**Statement of Operations and Accumulated Surplus**  
Year ended December 31, 2020, with comparative information for 2019

	<u>2020</u> <u>Actuals</u>	<u>2020</u> <u>Budget</u>	<u>2019</u> <u>Actuals</u>
<b>REVENUE</b>			
Government transfers (Note 6, Note 10)	\$ 10,363,892	\$ 10,438,115	\$ 10,289,966
Other (Note 11)	373,071	156,157	227,808
Penalties and fines	28,370	160,000	106,306
Interest income (Note 2, Note 10)	146,649	170,062	157,063
User fees and charges	16,053	57,740	41,952
<b>TOTAL REVENUE</b>	<u><b>10,928,035</b></u>	<u>10,982,074</u>	<u>10,823,095</u>
<b>EXPENSES</b>			
Salaries, wages and benefits	6,571,089	6,777,466	6,500,977
Amortization of tangible capital assets	1,338,047	1,345,492	1,453,315
Interest on long-term debt (Note 10)	811,651	811,654	849,108
Administrative charges (Note 7, Note 10)	719,050	719,124	703,386
Supplies and materials	700,456	638,865	670,123
Contracted and general services	196,362	387,486	374,236
Loss on disposal of tangible capital assets	393	-	25,663
Other expenses	4,312	5,824	8,371
<b>TOTAL EXPENSES</b>	<u><b>10,341,360</b></u>	<u>10,685,911</u>	<u>10,585,179</u>
<b>ANNUAL SURPLUS</b>	<b>586,675</b>	296,163	237,916
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u><b>10,406,511</b></u>	<u>10,406,511</u>	<u>10,168,595</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><u><b>\$ 10,993,186</b></u></u>	<u><u>\$ 10,702,674</u></u>	<u><u>\$ 10,406,511</u></u>

See accompanying notes to the financial statements.

**STRATHCONA COUNTY LIBRARY BOARD**

**Statement of Change in Net Debt**

Year ended December 31, 2020, with comparative information for 2019

	<u>2020 Actuals</u>	<u>2020 Budget</u>	<u>2019 Actuals</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 586,675</b>	\$ 296,163	\$ 237,916
Acquisition of tangible capital assets	<b>(607,949)</b>	(721,375)	(715,796)
Amortization of tangible capital assets	<b>1,338,047</b>	1,345,492	1,453,315
Loss on disposal of tangible capital assets	<b>393</b>	-	25,663
	<u><b>730,491</b></u>	<u>624,117</u>	<u>763,182</u>
Acquisition of prepaid expenses	<b>(119,902)</b>	-	(78,009)
Use of prepaid expenses	<b>58,084</b>	-	71,298
	<u><b>(61,818)</b></u>	<u>-</u>	<u>(6,711)</u>
<b>DECREASE IN NET DEBT</b>	<b>1,255,348</b>	920,280	994,387
<b>NET DEBT, BEGINNING OF YEAR</b>	<u><b>(13,603,989)</b></u>	<u>(13,603,989)</u>	<u>(14,598,376)</u>
<b>NET DEBT, END OF YEAR</b>	<u><b>\$ (12,348,641)</b></u>	<u>\$ (12,683,709)</u>	<u>\$ (13,603,989)</u>

See accompanying notes to the financial statements.



**STRATHCONA COUNTY LIBRARY BOARD**  
**Statement of Cash Flows**

Year ended December 31, 2020, with comparative information for 2019

	<b>2020</b>	<b>2019</b>
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus	\$ 586,675	\$ 237,916
Items not involving cash:		
Amortization of tangible capital assets	1,338,047	1,453,315
Loss on disposal of tangible capital assets	393	25,663
Changes to non-cash assets and liabilities:		
Government transfers receivable		-
Trade and other receivables	58,383	(53,505)
Accounts payable and accrued liabilities	150,057	60,175
Prepaid expenses	(61,818)	(6,711)
Cash provided by operating activities	2,071,737	1,716,853
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(607,949)	(715,796)
Cash applied to capital activities	(607,949)	(715,796)
<b>INVESTING</b>		
Change in due from Strathcona County (Note 2, Note 10)	(608,621)	(182,618)
Change in cash floats	425	(2)
Cash applied to investing activities	(608,196)	(182,620)
<b>FINANCING</b>		
Long-term debt repaid	(855,592)	(818,437)
Cash applied to financing activities	(855,592)	(818,437)
<b>CHANGE IN CASH DURING THE YEAR</b>	-	-
<b>CASH, BEGINNING OF YEAR</b>	-	-
<b>CASH, END OF YEAR</b>	\$ -	\$ -
Cash paid for interest on long-term debt	\$ 818,578	\$ 855,735
Cash received from interest	\$ 146,649	\$ 157,063

See accompanying notes to the financial statements.

## STRATHCONA COUNTY LIBRARY BOARD

### Notes to Financial Statements

Year ended December 31, 2020

Strathcona County Library Board (the Library) operates a library under the authority of the *Alberta Libraries Act*. The Library is a not-for-profit organization and a registered charity under the *Income Tax Act* of Canada, and is not subject to any federal or provincial income taxes.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Strathcona County Library Board are 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. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of the legal obligation to pay.

**b) Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period the events giving rise to the transfer have occurred, provided that the transfer is authorized, eligibility criteria have been met, and reasonable estimates of the amount can be made. Stipulations are terms imposed by a transferring government regarding the use of transferred resources or the actions that must be performed in order to keep a transfer. Any unfulfilled stipulations related to a government transfer would preclude recognition of revenue until such time that all stipulations have been met.

**c) Revenue Recognition**

Funds that are restricted by a third party are recorded as deferred revenue until the fiscal year the service is performed or the related expenditure is incurred.

Unrestricted contributions are recognized as revenue in the year they are received or receivable. The Library Board may then choose to restrict these funds internally by putting these funds into a reserve. Reserves are part of the Accumulated Surplus.

**d) Gifts in Kind**

Contributed materials and supplies are recorded at fair value when they would have otherwise been purchased and when a fair value can be reasonably estimated. Contributed services of volunteers are not recognized in these financial statements as their fair value cannot be reasonably determined.

**e) Pension Plans**

The Library is a member of the Local Authorities Pension Plan (LAPP) and the APEX Supplementary Pension Plan (APEX). Both LAPP and APEX are multi-employer defined benefit pension plans. Contributions to the plans for current and past service are recorded as expenses in the year in which they become due.

STRATHCONA COUNTY LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) **Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. Non-financial assets 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 all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The tangible asset cost is amortized on a straight-line basis over the estimated useful life as follows:

<u>Asset</u>	<u>Useful Life – Years</u>
Buildings	50
Machinery & Equipment	4 – 10
Library Materials	10
Vehicles	20

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under Construction are not amortized until the asset is available for productive use.

ii. **Contributions of Tangible Capital Assets**

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

iii. **Leases**

Leases are classified as capital or operating leases. Leases that transfer substantially all the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. **Cultural and Historical Assets**

Works of art for public display are not recorded as tangible capital assets and are not amortized.

g) **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 amounts of revenue and expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality.

Estimates have been used to determine accrued liabilities and tangible capital asset amortization periods.

Actual results could differ from those estimates.

**STRATHCONA COUNTY LIBRARY BOARD**  
**Notes to Financial Statements**  
Year ended December 31, 2020

**2. DUE FROM STRATHCONA COUNTY**

The Library does not maintain its own operating bank account and has funds on deposit with Strathcona County, which are available for operations when needed. The funds earn interest at a rate equivalent to that which Strathcona County earns on its short-term investments. Strathcona County holds term deposits and notes, government guaranteed bonds and corporate bonds that have effective interest rates of 0.80% to 3.66% (2019 – 2.05% to 3.66%) with maturity dates from January 2021 to August 2031 (2019 – January 2020 to August 2031).

**3. LONG-TERM DEBT**

Strathcona County holds debentures repayable to Government of Alberta, Treasury Board and Finance for the acquisition of tangible capital assets related to the Library. These debentures bear interest at rates ranging from 4.04% to 4.74% (2019 – 4.04% to 4.74%), and mature in periods 2034 through 2036 (2019 – 2034 through 2036). Debenture debt is issued on the credit and security of Strathcona County at large. The Library has an agreement with Strathcona County to repay principal and interest equivalent to what is paid by Strathcona County to Government of Alberta, Treasury Board and Finance.

Long-term debt principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 894,440	\$ 779,731	\$ 1,674,171
2022	935,055	739,116	1,674,171
2023	977,518	696,653	1,674,171
2024	1,021,913	652,258	1,674,171
2025	1,068,328	605,843	1,674,171
Thereafter	12,702,412	2,998,339	15,700,751
Total Long-Term Debt	<u>\$ 17,599,666</u>	<u>\$ 6,471,940</u>	<u>\$ 24,071,606</u>

**STRATHCONA COUNTY LIBRARY BOARD**  
**Notes to Financial Statements**  
Year ended December 31, 2020

**4. TANGIBLE CAPITAL ASSETS**

Cost	Balance at December 31, 2019	Additions	Disposals	Balance at December 31, 2020
Buildings	\$ 25,000,000	\$ -	\$ -	\$ 25,000,000
Machinery & Equipment	2,726,864	110,150	(158,064)	2,678,950
Library Materials	6,429,672	487,033	(922,476)	5,994,229
Vehicles	499,697	-	-	499,697
Assets Under Construction	-	10,766	-	10,766
	\$ 34,656,233	\$ 607,949	\$ (1,080,540)	\$ 34,183,642

  

Accumulated Amortization	Balance at December 31, 2019	Disposals	Amortization Expense	Balance at December 31, 2020
Buildings	\$ 4,750,000	\$ -	\$ 500,000	\$ 5,250,000
Machinery & Equipment	2,358,969	(157,671)	191,869	2,393,167
Library Materials	3,362,792	(922,476)	621,195	3,061,511
Vehicles	237,358	-	24,983	262,341
	\$ 10,709,119	\$ (1,080,147)	\$ 1,338,047	\$ 10,967,019

  

Net Book Value	Net Book Value December 31, 2019	Net Book Value December 31, 2020
Buildings	\$ 20,250,000	\$ 19,750,000
Machinery & Equipment	367,895	285,783
Library Materials	3,066,880	2,932,718
Vehicles	262,339	237,356
Assets Under Construction	-	10,766
	\$ 23,947,114	\$ 23,216,623

**a) Assets under Construction**

Assets under construction are amortized when the assets are put into service. At December 31, 2020, there are \$10,766 in assets under construction (2019 - nil).

**b) Contributed Tangible Capital Assets**

Contributed tangible capital assets are recognized at fair market value at the date of contribution. No contributed tangible capital assets were received in 2020 or 2019.

**c) Write-down of Tangible Capital Assets**

The Library did not write down any tangible capital assets in 2020 or 2019.

**STRATHCONA COUNTY LIBRARY BOARD**  
**Notes to Financial Statements**  
Year ended December 31, 2020

**5. ACCUMULATED SURPLUS**

Accumulated surplus is composed of equity in tangible capital assets and reserves as follows:

	<b>2020</b>	<b>2019</b>
Equity in Tangible Capital Assets:		
Tangible Capital Assets (Note 4)	\$ 23,216,623	\$ 23,947,114
Long-Term Debt (Note 3)	(17,599,666)	(18,455,258)
	<b>5,616,957</b>	<b>5,491,856</b>
Reserves:		
Stabilization & Contingency Reserves	160,289	160,289
Project Reserves	169,792	146,313
Special Purpose Reserves	352,989	48,345
Infrastructure Lifecycle, Maintenance and Replacement Reserves	4,693,159	4,559,708
	<b>5,376,229</b>	<b>4,914,655</b>
	<b>\$ 10,993,186</b>	<b>\$ 10,406,511</b>

**6. GOVERNMENT TRANSFERS**

The following government transfers have been included in revenues:

	<b>2020 Actuals</b>	<b>2020 Budget</b>	<b>2019 Actuals</b>
Municipal Government			
Strathcona County	\$ 9,803,144	\$ 9,882,552	\$ 9,717,369
Provincial Government			
Alberta Municipal Affairs - Unconditional Per Capita Grant	530,563	530,563	530,563
Alberta Municipal Affairs - Public Library Development Initiative	-	-	4,661
Alberta Labour - Summer Temporary Employment Grant	-	-	3,773
	<b>530,563</b>	<b>530,563</b>	<b>538,997</b>
Federal Government			
Canada Summer Jobs	4,200	12,500	33,600
Young Canada Works	25,985	12,500	-
	<b>30,185</b>	<b>25,000</b>	<b>33,600</b>
Total Government Transfers	<b>\$ 10,363,892</b>	<b>\$ 10,438,115</b>	<b>\$ 10,289,966</b>

**STRATHCONA COUNTY LIBRARY BOARD**  
**Notes to Financial Statements**  
Year ended December 31, 2020

**7. ADMINISTRATIVE CHARGES**

Operating expenditures include administrative charges from Strathcona County as follows:

	<b>2020 Actuals</b>	<b>2020 Budget</b>	<b>2019 Actuals</b>
Building Maintenance	\$ 459,110	\$ 452,201	\$ 470,204
Personnel Services	168,474	168,474	149,244
Financial Services	38,220	38,220	37,682
Information Technology Services	26,560	26,559	19,928
Insurance	19,347	20,041	18,000
Fleet Services	7,339	12,629	8,328
	<b>\$ 719,050</b>	<b>\$ 718,124</b>	<b>\$ 703,386</b>

**8. PENSION PLANS**

**Local Authorities Pension Plan**

Library employees participate in the LAPP, a defined benefit pension plan established in 1962 for the employees of local authorities in Alberta. LAPP is administered under the *Alberta Public Sector Pensions Act*.

The Library was required to make current service contributions to LAPP of 9.39% (2019 – 9.39%) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 13.84% (2019 – 13.84%) thereafter. Employees of the Library are required to make current service contributions of 8.39% (2019 – 8.39%) of pensionable salary up to the YMPE, and 12.84% (2019 – 12.84%) thereafter.

Total current service contributions by the Library to LAPP in 2020 were \$500,166 (2019 - \$469,240). Total current service contributions by the employees of the Library to LAPP in 2020 were \$449,830 (2019 - \$423,417).

As stated in their 2019 Annual Report, LAPP serves 274,151 members and 420 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2019 (the last date for which information is available), LAPP reported an actuarial surplus of \$7,913,261,000.

**APEX**

The APEX supplementary pension plan is an Alberta Urban Municipality Association sponsored defined benefit pension plan covered under the provisions of the *Alberta Employment Pension Plans Act*. It commenced on July 23, 2009 and provides supplementary pension benefits to a prescribed class of employees. The plan supplements the LAPP.

Contributions are made by the prescribed class of employees and the Library. The employees and the Library are required to make current service contributions to APEX of 2.61% (2019 – 2.84%) and 3.85% (2019 – 3.78%), respectively, of pensionable earnings up to \$154,611 (2019 - \$151,278).

Total current service contributions by the Library to APEX in 2020 were \$31,397 (2019 - \$25,794). Total current service contributions by the employees of the Library to APEX in 2020 were \$21,285 (2019 - \$19,379).

The cost of post-retirement benefits for APEX is fully funded.

**STRATHCONA COUNTY LIBRARY BOARD**

**Notes to Financial Statements**

Year ended December 31, 2020

**9. COMMITMENTS**

**Metro-Area Group Library Network (MAGNET)**

The Library is committed to an annual payment for central site computer and support services under the MAGNET co-owners agreement. The Library's share of central costs in 2021 is \$26,518. The Library may terminate its participation by delivering written notice to the MAGNET committee on or before December 31<sup>st</sup> of any year to become effective on December 31<sup>st</sup> of the year immediately following.

**Metro Edmonton Federation of Libraries (MEFL)**

The Library is committed to an annual payment for the Writer in Residence program under the MEFL Libraries agreement. The Library's share of central costs in 2021 is \$20,878. The Library may terminate its participation by delivering written notice to the MEFL committee before December 1<sup>st</sup> of any year to become effective on December 31<sup>st</sup> of the year immediately following.

**Agreements with Strathcona County**

The Library has chosen to contract some services supplied by Strathcona County departments. Service Level Agreements were signed with Human Resources (HR) in 2016, Information Technology Services (ITS) in 2017, and Fleet Services (FLT) and the Finance & Strategic Management Division (FSM) in 2018. These agreements formalize arrangements for the provision of specified services. These agreements expire on December 31, 2021. An annual review for all agreements will take place by June 30 of each year. The future contracts at this time are as follows:

	<u>FSM</u>	<u>FLT</u>	<u>ITS</u>	<u>HR</u>	<u>Total</u>
2021	36,936	14,748	26,409	179,072	257,165

**Facility Collaboration Agreement with Strathcona County**

The Library is located in the Strathcona County Community Centre. The Library is committed to pay a portion of the on-going operating costs (i.e. building site maintenance, janitorial services, utilities, security, mail and snow removal), to Strathcona County under the Facility Collaboration Agreement. The term of the agreement is November 1, 2010 to October 31, 2060.

This amount will change on a yearly basis depending on the cost of the services required. The future contracts at this time are as follows:

2021	\$	516,638
2022		461,730
2023		461,730
2024		461,730
2025		461,730
Thereafter		16,083,595
	\$	<u>18,447,153</u>



**STRATHCONA COUNTY LIBRARY BOARD**  
**Notes to Financial Statements**  
Year ended December 31, 2020

**10. RELATED PARTIES**

Related parties to the Library include the Library Board, key management personnel and Strathcona County. Key management personnel is defined by the Library as the Chief Executive Officer.

Related party transactions with the Library Board and key management personnel primarily consist of compensation related payments and are considered to be undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.

Transactions with Strathcona County are included within these financial statements. See Notes 2, 3, 6, 7 and 9. These transactions are in the normal course of operations and are recorded at the exchange amounts as established and agreed to by the related parties.

**11. NOVEMBER 6, 2018 PARKADE EXPLOSION**

On November 6, 2018, at approximately 6:20pm, there was an explosion in the parkade directly under the Strathcona County Community Centre where the Library is located. The explosion did not cause major structural damage to the Community Centre complex and the building was restored to its original state.

Costs incurred as a result of response or recovery efforts are capitalized or expensed in accordance with the accounting policies in Note 1. The 2020 Statement of Operations and Accumulated Surplus included expenses in the amount of nil (2019 - \$136,576).

Through Strathcona County, the Library is insured under various insurance policies, which were used to fund the damaged equipment and materials, lost revenues, and extra expenses incurred to continue library operations in a temporary location. The 2020 Statement of Operations and Accumulated Surplus included insurance proceeds in the amount of \$207,623 (2019 - \$52,768). The insurance claim is now closed.

**12. COMPARATIVE INFORMATION**

Certain comparative information has been reclassified to conform to the current year's presentation.

**13. COVID-19 PANDEMIC**

In 2020, the COVID-19 pandemic effected Canada including Edmonton, Alberta, with a significant number of cases. The Library has followed all recommendations of the local and national health authorities, as applicable, and the Library closed to the public on March 15, 2020. The Library re-opened for public computer access on July 2, 2020, and re-opened for public browsing on August 12, 2020. The Library closed to the public again on December 13, 2020 and remains closed as of March 15, 2021.

At this stage, the impact on the business and results of the Library have not been significant, and based on our experience to date, we expect this to remain the case. We will continue to follow various government policies and advice, and, in parallel, we will do our utmost to continue operations in the best and safest way possible without jeopardizing the health of staff and patrons.