

STRATHCONA COUNTY LIBRARY BOARD
FINANCIAL STATEMENTS
Year ended December 31, 2022

STRATHCONA COUNTY LIBRARY BOARD
Financial Statements
Year ended December 31, 2022

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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 written above a horizontal line.

Sharon Siga
Chief Executive Officer
April 17, 2023

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

Candace Tomlinson
Accountant
April 17, 2023

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, 2022, 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, 2022, 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.

Edmonton, Canada
April 17, 2023

Ernst & Young LLP

Chartered Professional Accountants



STRATHCONA COUNTY LIBRARY BOARD

Statement of Financial Position

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

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash Floats	\$ 849	\$ 1,154
Due from Strathcona County (Note 2, Note 10)	6,750,644	6,731,409
Trade and other receivables	34,116	44,835
	<u>6,785,609</u>	<u>6,777,398</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	902,777	970,967
Long-term debt (Note 3, Note 10)	15,770,170	16,705,226
	<u>16,672,947</u>	<u>17,676,193</u>
NET DEBT	<u>(9,887,338)</u>	<u>(10,898,795)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 4)	22,284,730	22,530,408
Prepaid expenses	136,169	109,686
	<u>22,420,899</u>	<u>22,640,094</u>
ACCUMULATED SURPLUS (Note 5)	<u>\$ 12,533,561</u>	<u>\$ 11,741,299</u>

Commitments (Note 9)

See accompanying notes to the financial statements.



Strathcona County Library Board
April 17, 2023



Strathcona County Library Board
April 17, 2023

STRATHCONA COUNTY LIBRARY BOARD
Statement of Operations and Accumulated Surplus
Year ended December 31, 2022, with comparative information for 2021

	<u>2022</u> <u>Actuals</u>	<u>2022</u> <u>Budget</u>	<u>2021</u> <u>Actuals</u>
REVENUE			
Government transfers (Note 6, Note 10)	\$ 10,625,730	\$ 10,603,066	\$ 10,527,554
Other revenues	192,749	161,084	240,831
Investment revenue (Note 2, Note 10)	264,930	93,679	141,712
Penalties and fines	14,849	11,000	9,254
Service fees and charges	4,921	5,713	204
Contributed tangible capital assets	3,252	-	-
TOTAL REVENUE	<u>11,106,431</u>	<u>10,874,542</u>	<u>10,919,555</u>
EXPENSES			
Salaries, wages, benefits and employee expenses	6,623,701	6,821,055	6,472,633
Amortization of tangible capital assets	1,200,662	1,196,322	1,211,803
Administrative charges (Note 7, Note 10)	797,571	806,516	816,268
Interest on debentures (Note 10)	731,545	731,545	772,489
Supplies, materials and equipment purchases	617,871	595,756	577,352
Business expenses	178,236	218,855	191,578
Purchased services	101,681	147,786	127,026
Other expenses (Note 11)	62,902	2,400	2,293
TOTAL EXPENSES	<u>10,314,169</u>	<u>10,520,235</u>	<u>10,171,442</u>
ANNUAL SURPLUS	792,262	354,307	748,113
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>11,741,299</u>	<u>11,741,299</u>	<u>10,993,186</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 12,533,561</u>	<u>\$ 12,095,606</u>	<u>\$ 11,741,299</u>

See accompanying notes to the financial statements.

STRATHCONA COUNTY LIBRARY BOARD

Statement of Change in Net Debt

Year ended December 31, 2022, with comparative information for 2021

	<u>2022</u> <u>Actuals</u>	<u>2022</u> <u>Budget</u>	<u>2021</u> <u>Actuals</u>
ANNUAL SURPLUS	\$ 792,262	\$ 354,307	\$ 748,113
Acquisition of tangible capital assets	(951,732)	(941,509)	(525,588)
Amortization of tangible capital assets	1,200,662	1,196,322	1,211,803
Contributed tangible capital assets	(3,252)	-	-
	<u>245,678</u>	<u>254,813</u>	<u>686,215</u>
Acquisition of prepaid expenses	(132,532)	-	(108,812)
Use of prepaid expenses	106,049	-	124,330
	<u>(26,483)</u>	<u>-</u>	<u>15,518</u>
DECREASE IN NET DEBT	1,011,457	609,120	1,449,846
NET DEBT, BEGINNING OF YEAR	<u>(10,898,795)</u>	<u>(10,898,795)</u>	<u>(12,348,641)</u>
NET DEBT, END OF YEAR	<u>\$ (9,887,338)</u>	<u>\$ (10,289,675)</u>	<u>\$ (10,898,795)</u>

See accompanying notes to the financial statements.

STRATHCONA COUNTY LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	<u>2022</u>	<u>2021</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	\$ 792,262	\$ 748,113
Items not involving cash:		
Amortization of tangible capital assets	1,200,662	1,211,803
Contributed tangible capital assets	(3,252)	-
Changes to non-cash assets and liabilities:		
Trade and other receivables	10,719	(13,446)
Accounts payable and accrued liabilities	(68,190)	84,875
Prepaid expenses	(26,483)	15,518
Cash provided by operating activities	<u>1,905,718</u>	<u>2,046,863</u>
CAPITAL		
Acquisition of tangible capital assets	<u>(951,732)</u>	<u>(525,588)</u>
Cash applied to capital activities	<u>(951,732)</u>	<u>(525,588)</u>
INVESTING		
Change in due from Strathcona County (Note 2, Note 10)	(19,235)	(626,837)
Change in cash floats	305	2
Cash applied to investing activities	<u>(18,930)</u>	<u>(626,835)</u>
FINANCING		
Long-term debt repaid	<u>(935,056)</u>	<u>(894,440)</u>
Cash applied to financing activities	<u>(935,056)</u>	<u>(894,440)</u>
CHANGE IN CASH DURING THE YEAR	-	-
CASH, BEGINNING OF YEAR	-	-
CASH, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest on long-term debt	\$ 739,116	\$ 779,731
Cash received from interest	\$ 264,930	\$ 141,712

See accompanying notes to the financial statements.

STRATHCONA COUNTY LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2022

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, 2022

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
Electronic Hardware/Software	4 – 10
Machinery & Equipment	5 – 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, 2022

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 and cash and cash equivalents. Strathcona County holds term deposits and notes, savings accounts, government guaranteed bonds and corporate bonds that have effective interest rates of 1.41% to 5.00% (2021 – 0.55% to 3.66%) with maturity dates from January 2023 to August 2031 (2021 – January 2022 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% (2021 – 4.04% to 4.74%), and mature in periods 2034 through 2036 (2021 – 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>
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
2026	1,116,857	557,314	1,674,171
2027	1,167,594	506,577	1,674,171
Thereafter	10,417,960	1,934,448	12,352,408
Total Long-Term Debt	<u>\$ 15,770,170</u>	<u>\$ 4,953,093</u>	<u>\$ 20,723,263</u>

STRATHCONA COUNTY LIBRARY BOARD
Notes to Financial Statements
Year ended December 31, 2022

4. TANGIBLE CAPITAL ASSETS

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Buildings	\$ 25,000,000	\$ -	\$ -	\$ 25,000,000
Hardware & Software	343,789	69,185	(97,657)	315,317
Library Materials	5,879,870	537,446	(609,042)	5,808,274
Machinery & Equipment	2,341,401	228,757	(185,133)	2,385,025
Vehicles	499,697	-	-	499,697
Assets Under Construction	-	119,596	-	119,596
	\$ 34,064,757	\$ 954,984	\$ (891,832)	\$ 34,127,909

Accumulated Amortization	Balance at December 31, 2021	Disposals	Amortization Expense	Balance at December 31, 2022
Buildings	\$ 5,750,000	\$ -	\$ 500,000	\$ 6,250,000
Hardware & Software	182,087	(97,657)	59,394	143,824
Library Materials	3,059,302	(609,042)	584,408	3,034,668
Machinery & Equipment	2,255,634	(185,133)	31,875	2,102,376
Vehicles	287,326	-	24,985	312,311
	\$ 11,534,349	\$ (891,832)	\$ 1,200,662	\$ 11,843,179

Net Book Value	Net Book Value December 31, 2021	Net Book Value December 31, 2022
Buildings	\$ 19,250,000	\$ 18,750,000
Hardware & Software	161,702	171,493
Library Materials	2,820,568	2,773,606
Machinery & Equipment	85,767	282,649
Vehicles	212,371	187,386
Assets Under Construction	-	119,596
	\$ 22,530,408	\$ 22,284,730

a) Assets under Construction

Assets under construction are amortized when the assets are put into service. At December 31, 2022, there are \$119,596 in assets under construction related to the installation of a paging system (2021 - nil).

b) Contributed Tangible Capital Assets

Contributed tangible capital assets are recognized at fair market value at the date of contribution. At December 31, 2022, there are \$3,252 in contributed assets (2021 - nil).

c) Write-down of Tangible Capital Assets

The Library did not write down any tangible capital assets in 2022 or 2021.

STRATHCONA COUNTY LIBRARY BOARD
Notes to Financial Statements
Year ended December 31, 2022

5. ACCUMULATED SURPLUS

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

	2022	2021
Equity in Tangible Capital Assets:		
Tangible Capital Assets (Note 4)	\$ 22,284,730	\$ 22,530,408
Long-Term Debt (Note 3)	(15,770,170)	(16,705,226)
	<u>6,514,560</u>	<u>5,825,182</u>
Reserves:		
Deficit Contingency Reserve	164,464	160,289
Carry Forward Reserve	27,593	207,584
New Library Service Point Reserve	1,175,920	608,661
Infrastructure, Lifecycle, Maintenance and Replacement Reserve	4,651,024	4,939,583
	<u>6,019,001</u>	<u>5,916,117</u>
	<u>\$ 12,533,561</u>	<u>\$ 11,741,299</u>

6. GOVERNMENT TRANSFERS

The following government transfers have been included in revenues:

	2022 Actuals	2022 Budget	2021 Actuals
Municipal Government			
Strathcona County	\$ 10,052,503	\$ 10,052,503	\$ 9,946,445
Provincial Government			
Alberta Municipal Affairs - Unconditional Per Capita Grant	530,563	530,563	530,563
	<u>530,563</u>	<u>530,563</u>	<u>530,563</u>
Federal Government			
Canada Summer Jobs	42,664	20,000	39,462
Young Canada Works	-	-	11,084
	<u>42,664</u>	<u>20,000</u>	<u>50,546</u>
Total Government Transfers	<u>\$ 10,625,730</u>	<u>\$ 10,603,066</u>	<u>\$ 10,527,554</u>

STRATHCONA COUNTY LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2022

7. ADMINISTRATIVE CHARGES

Operating expenditures include administrative charges from Strathcona County as follows:

	<u>2022 Actuals</u>	<u>2022 Budget</u>	<u>2021 Actuals</u>
Building Maintenance	\$ 511,297	\$ 523,711	\$ 534,421
Personnel Services	180,059	180,059	179,072
Financial Services	36,936	36,936	36,936
Information Technology Services	28,255	28,255	26,410
Insurance	27,470	26,120	26,429
Fleet Services	13,554	11,435	13,000
	<u>\$ 797,571</u>	<u>\$ 806,516</u>	<u>\$ 816,268</u>

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 8.45% (2021 – 9.39%) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 12.80% (2021 – 13.84%) thereafter. Employees of the Library are required to make current service contributions of 7.45% (2021 – 8.39%) of pensionable salary up to the YMPE, and 11.80% (2021 – 12.84%) thereafter.

Total current service contributions by the Library to LAPP in 2022 were \$428,048 (2021 - \$466,284). Total current service contributions by the employees of the Library to LAPP in 2022 were \$381,174 (2021 - \$420,418).

As stated in their 2021 Annual Report, LAPP serves 281,764 members and 435 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2021 (the last date for which information is available), LAPP reported an actuarial surplus of \$11,922,000,000.

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% (2021 – 2.61%) and 3.85% (2021 – 3.85%), respectively, of pensionable earnings up to \$171,000 (2021 - \$162,278).

Total current service contributions by the Library to APEX in 2022 were \$31,118 (2021 - \$31,521). Total current service contributions by the employees of the Library to APEX in 2022 were \$21,096 (2021 - \$20,691).

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

STRATHCONA COUNTY LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2022

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 2023 is \$28,360. The Library may terminate its participation by delivering written notice to the MAGNET committee on or before December 31st of any year to become effective on December 31st 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 2023 is \$18,889. The Library may terminate its participation by delivering written notice to the MEFL committee before December 1st of any year to become effective on December 31st 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), Information Technology Services (ITS), Fleet Services (FLT) and the Finance & Strategic Management Division (FSM) in 2021. These agreements formalize arrangements for the provision of specified services. These agreements expired on December 31, 2022. An annual review for all agreements will take place by June 30 of each year. The Library has agreed to future payments as follows:

	<u>FSM</u>	<u>FLT</u>	<u>ITS</u>	<u>HR</u>	<u>Total</u>
2023	67,000	11,700	32,005	200,268	310,973

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:

2023	\$	510,343
2024		510,343
2025		510,343
2026		510,343
2027		510,343
Thereafter		<u>16,756,262</u>
	\$	<u>19,307,977</u>

STRATHCONA COUNTY LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2022

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. EDMONTON COMMUNITY FOUNDATION

In 2022, the Library established the Heather-Belle and Arthur Dowling Memorial Fund, a permanent endowment fund at the Edmonton Community Foundation. As the funds are endowed, the Library does not have rights to the capital and as such receives yearly contributions starting in 2023. The 2022 amount invested is \$59,379, which is the amount the Library received in a bequest in 2021 and 2022.

12. COMPARATIVE INFORMATION

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