

**CITY OF LETHBRIDGE
PUBLIC LIBRARY**

**Statement of Revenues and Expenditures
For the Year Ended December 31, 2019**



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INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council of the City of Lethbridge.

Opinion

We have audited the financial statements of the City of Lethbridge Public Library ("the Library"), which comprise:

- the statement of revenues and expenditures as at December 31, 2019
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion, the financial information in the statement of revenues and expenditures of the City of Lethbridge Public Library for the year ended December 31, 2019 is prepared, in all material respects, in accordance with the financial reporting guidance provided by Library Act of Alberta.

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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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 this statement in accordance with the financial reporting guidance provided by Library Act of Alberta and for such internal control as management determines is necessary to enable the preparation of the statement that is 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.

Auditors' 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 auditors' 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 the 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 auditors' 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 auditors' 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP


Chartered Professional Accountants

Lethbridge, Canada


April 20, 2020

City of Lethbridge Public Library
Statement of Revenues and Expenditures
For the Year Ended December 31, 2019

	2019	BUDGET	2018
Revenues:		(unaudited)	
Amount Funded from General Taxation	\$ 6,555,321	\$ 6,555,321	\$ 6,521,130
Provincial Grants	537,395	537,395	537,395
Adult Literacy Grant	264,466	264,126	292,812
Book Fines and Fees	107,658	88,063	194,326
General Revenue from Other Sources	79,240	65,308	156,520
CARLS - Resource Sharing	90,000	90,000	90,000
CARLS - Rural Service Bookmobile	<u>18,477</u>	<u>15,915</u>	<u>17,854</u>
	<u>7,652,557</u>	<u>7,616,128</u>	<u>7,810,037</u>
Expenditures:			
Wages and Benefits	4,850,622	4,855,672	4,683,000
CARLS Membership Fees	1,155,325	1,155,638	1,121,421
Equipment & Supplies	470,488	278,653	528,735
City Allocated Costs	353,183	354,800	378,083
Library Materials	331,854	341,358	338,811
Security	234,083	241,275	232,900
Information Technology - Hardware and Software	204,331	152,021	226,556
Building Maintenance Service and Supplies	153,416	46,840	134,415
Travel, Education and Convention	120,537	127,209	104,845
Insurance	81,700	81,700	81,705
Vehicle Maintenance	49,805	44,200	53,772
Special Services and Other	35,440	35,440	36,241
General Capital Levies	35,019	28,912	40,833
Advertising	15,950	17,132	13,652
Recruitment Expense	9,467	4,895	170
Legal Fees	<u>385</u>	<u>2,447</u>	<u>-</u>
	<u>8,101,605</u>	<u>7,768,192</u>	<u>7,975,139</u>
Excess of			
Revenues over Expenditures	(449,048)	(152,064)	(165,102)
Net Transfer From (To) Reserve	<u>449,048</u>	<u>152,064</u>	<u>165,102</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



 Allan Quinton
 Chair



 Sean Hubbell
 Finance Chair

City of Lethbridge Public Library
Notes to the Statement of Revenues and Expenditures
For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES:

The statement of revenues and expenditures of the City of Lethbridge Public Library are the representations of management prepared in accordance with Part 1 of the Library Act of Alberta dated October 4, 2007.

(a) Reporting entity:

The financial statements reflect the revenues and expenditures of the Library. This statement does not include any other revenues or expenditures of the City of Lethbridge.

(b) Basis of accounting:

Revenues are recognized in the year in which they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of goods or services and/or the creation of a legal obligation to pay. No provision for depreciation has been made in the Statement of Revenues and Expenditures.

(c) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Library has met the eligibility criteria, and reasonable estimates of the amount can be made.

2. FUNDRAISING

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta the following amounts are disclosed:

(a) Direct costs incurred for the purpose of soliciting contributions \$25.00.

(b) Gross contributions received \$125,856.00, including donations-in-kind.

(c) Amounts paid as remuneration to employees whose principal duties involved fundraising \$Nil.