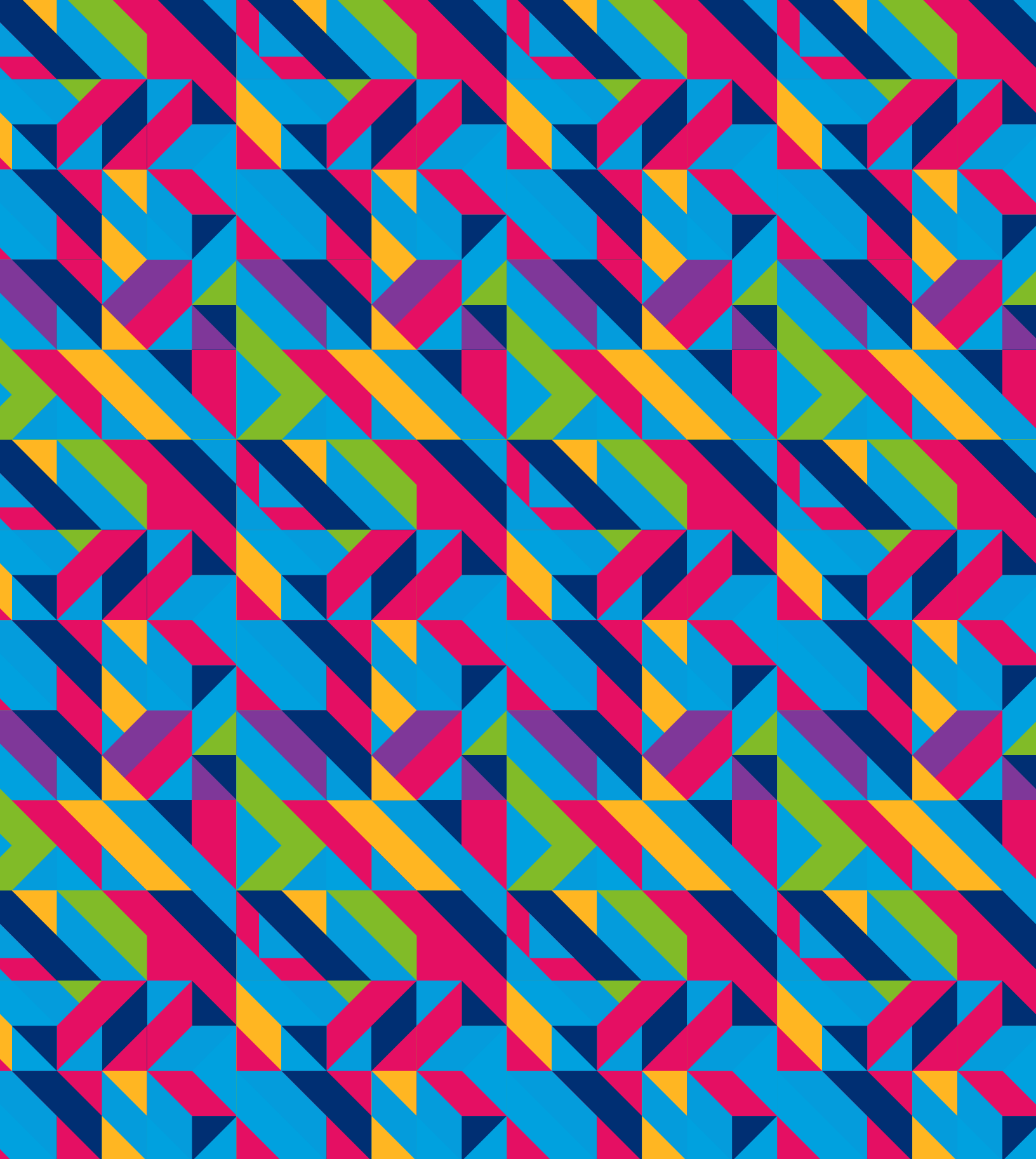


FREE YOUR MIND

EDMONTON PUBLIC LIBRARY ANNUAL REPORT 2018

The City of Edmonton Library Board | Edmonton, Alberta, Canada

For the year ended December 31, 2018



The City of Edmonton Library Board

Prepared by:

Financial Services and Marketing and Communications Divisions

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INTRODUCTION



MESSAGE FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

From new branch openings to world-renowned speakers to award winning digital media and much more, 2018 was another amazing year for the Edmonton Public Library (EPL). Library buildings were a significant part of 2018. Alongside the ongoing revitalization of the Stanley A. Milner Library, we also opened four new branches in Calder, Heritage Valley, Londonderry and Capilano — an all-time record for a single year. At the same time, our fundraising for the revitalized Milner Library reached the three-quarter mark of our \$10 million goal. We also increased our membership by 10% thanks in large part to a new simplified online experience. In addition, our customers enjoyed upgraded computers, enhanced self-service printing technology and faster Internet speed at all 21 locations. In 2018, EPL welcomed four local authors through six Capital City Press events and launched an award-winning podcast, Overdue Finds. More than 4,000 Edmontonians attended our six Forward Thinking Speaker Series events, which included appearances by celebrated fantasy author Neil Gaiman, business woman, investor and Dragon's Den co-star Arlene Dickinson and noted criminal defence lawyer Marie Henein. EPL was also the first public library named among Canada's Most Admired™ Corporate Cultures in 2018. The role of public libraries has evolved since the dawn of the digital age. Far from the obsolescence that many predicted, libraries are thriving like never before as community hubs that provide learning, literacy, and access to information for everyone. In an era where disinformation and censorship may negatively influence public discourse, libraries have a renewed responsibility to stand up for freedom of speech, freedom of information and access to diverse collections and ideas. From our ever-expanding collections, to our outreach programs, to our thought-provoking speakers, EPL takes this responsibility very seriously. With each passing year, our city becomes more complex and diverse, and, as always, EPL is at the forefront of this change. Thank you for your ongoing advocacy as we look forward to 2019.



Brian Heidecker
Chair, EPL Board of Trustees



Pilar Martinez
Chief Executive Officer, EPL

EPL PROFILE

EPL, one of Edmonton's most used and best loved services, continues to make a tremendous impact on the lives of Edmontonians. EPL delivers lifelong learning opportunities, the latest technology, vibrant and inclusive community spaces, and much more. With over 15 million overall visits, EPL continues to positively affect the economic, social and cultural foundation of Edmonton at its 21 library locations and website.

EPL provides a wide range of services and resources that target and respond to customer needs. Customers used the library in many ways in 2018 as noted through the 15.4 million in-person and virtual visits to EPL. Over 275,000 Edmontonians used their library card in borrowing 11.3 million items; 22,031 free classes & events were attended by over 507,000 attendees; 2.8 million questions were answered; and, customers accessed EPL computers for over 827,000 hours. EPL continues to pride itself as the second most visited place in Edmonton at its library branches and website.

The Alberta Libraries Act serves as a foundation in how EPL operates as a separate legal entity with an independent Board reporting to Edmonton's City Council. The Library is a not-for-profit registered charity and is not subject to income tax. As a public library, EPL derives its revenues for library operations primarily through grants from the City of Edmonton and the Province of Alberta.

As Edmonton's largest lender of information and entertainment with over 11.3 million items borrowed in 2018, our greatest passion is creating connections to help, grow, inspire and change. EPL delivers incredible content everywhere—in branch, at home, on handheld devices and elsewhere. Community librarians and outreach workers connect EPL services to those who need them most, and we continue to reach outside of library walls through our Welcome Baby program and epl2go Literacy Vans, bringing resources to parks, schools, childcare and senior centres, hospitals and more. The Library uses the following resources to deliver services: 521.7 full time equivalent positions, over 5.5 million physical and digital items, 21 branches that are owned and leased, technology desktops and infrastructure and a fleet of 10 vehicles.

GOVERNANCE STRUCTURE

EPL is governed by a **Board of Trustees** consisting of 10 members—nine citizens and one member of City Council. Trustees are appointed annually by City Council and have the opportunity to serve on the Board for a maximum of six years. The Board is responsible for the overall governance of EPL and advocates for literacy and learning. The Board carries out their fiduciary responsibilities by ensuring the strategic plan is implemented, financial and administrative Board policies are in place to guide Library operations, and that risks are identified and managed to acceptable levels. In addition, the Board is responsible for reviewing and approving the EPL operating and capital budgets, and assessing financial performance throughout the year through review of Administration financial reports.

EPL's Board of Trustees for 2018



Dr. Brian Heidecker,
Chair



Mr. Nazir Mulji,
Vice-Chair



Mr. Jay Ball



Ben Henderson,
Councillor



Mrs. Kenna Houncaren



Ms. Jennifer Huntley



Mrs. Zainul Mawji



Ms. Aaida Peerani



Ms. Jill Scheyk



Dr. Fern Snart

EPL's **Executive Team** is led by the Chief Executive Officer, Pilar Martinez, and is supported by three other members who are responsible for operational management of the organization and ensuring the strategic direction of the Board is met. The following provides an overview of the four member Executive Team and organizational structure.

EPL's Executive Team for 2018



Pilar Martinez
Chief Executive Officer



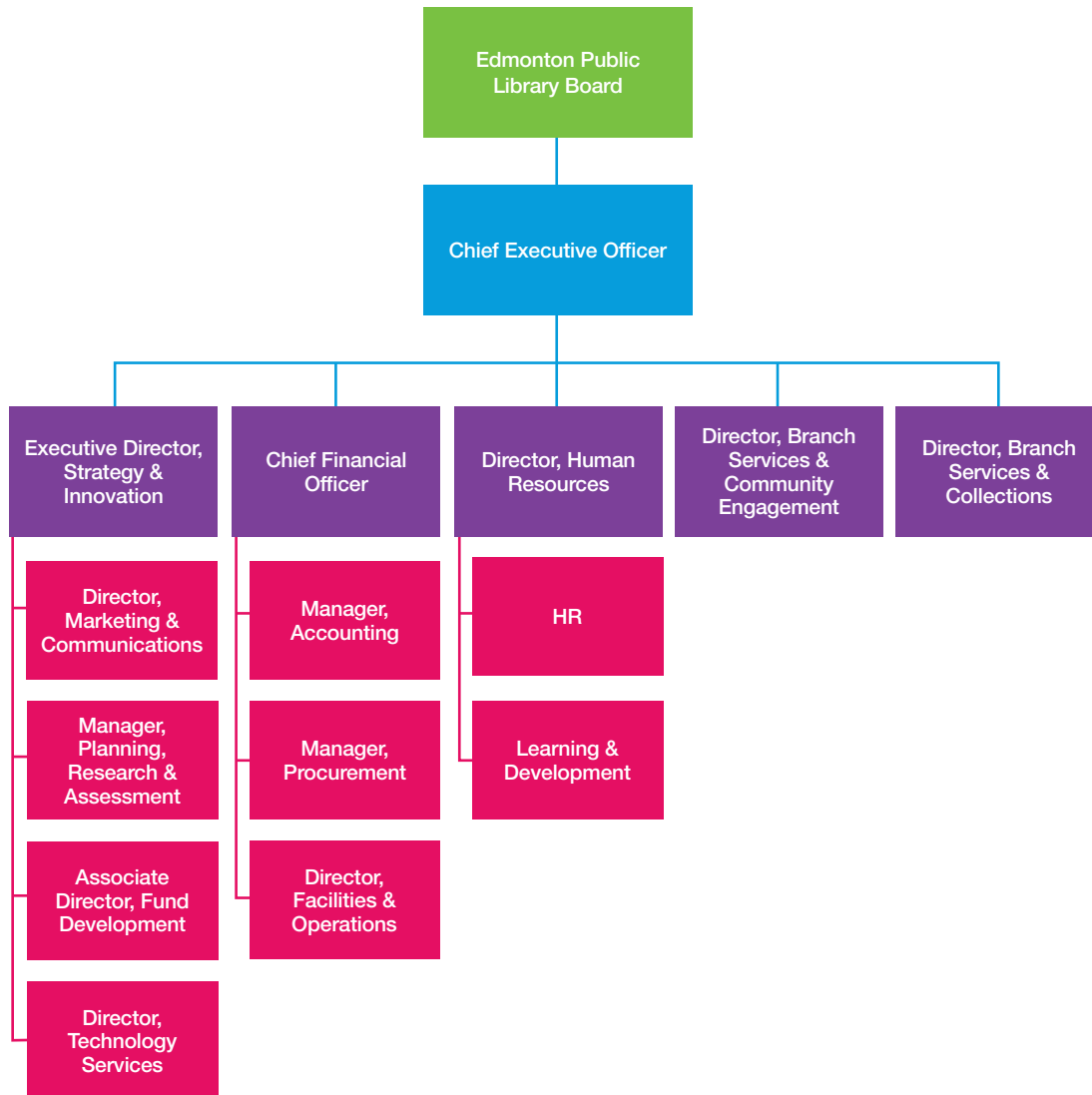
Allison Prill
Director HR Services



Gastone Monai
Chief Financial Officer



Tina Thomas
Executive Director,
Strategy & Innovation



MISSION, VISION AND STRATEGIC GOALS

Mission

We share! EPL shares expertise, information, technologies and spaces with Edmontonians for learning, connecting, creating, discovering, enjoying and enriching communities.

Vision

EPL is the gathering place for people and ideas, enabling a lifetime of learning, engagement and possibility for every Edmontonian.

Strategic Goals

- 1. Transform communities** – EPL aims to grow literacies and life skills for an active, engaged community to enhance their health and success.
- 2. Evolve our digital environment** – EPL aims to create a digital environment that fuels Edmontonians' experimentation, discovery and wonder.
- 3. Act as a catalyst for learning, discovering and creating** – EPL aims to be an integral part of the daily lives of Edmontonians, enabling personal discovery through informal and formal learning, and inspiring life-long learning through connections, resources and expertise.
- 4. Transition the way we do business** – EPL aims to change the way business is done, enabling the Library to lead in a changing environment.

EPL's Mission and Shared Values outline what we believe and why we exist. They are the foundation for all that we do. Our Vision sets the long-term direction. Our Strategic Plan clarifies where we will focus based on what our communities need and where we can provide value. With our Mission, Values, Vision and Strategic Goals, EPL develops a Business Plan that provides the framework in actioning our future direction and budgets identify the resources needed to deliver the future state.

Shared Values

Customer Focused

Innovative

Knowledge Seekers

One Library/One Team

Idea Champions

Responsible



YEAR IN REVIEW

TRANSFORM COMMUNITIES

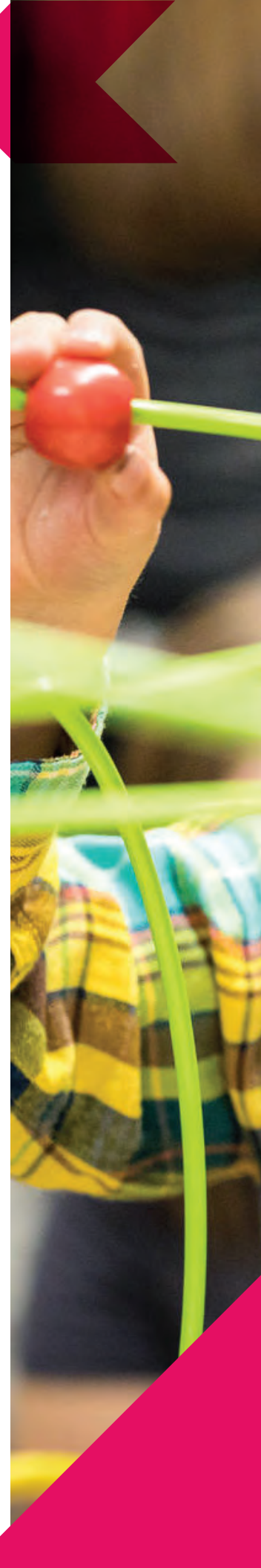
EPL opened four new branches in 2018— Calder, Heritage Valley, Londonderry and Capilano—an unprecedented expansion. The Stanley A. Milner Library revitalization project, which began in 2017, continued to make progress, while downtown customers accessed library services at the temporary Enterprise Square location.

EPL continues to promote lifelong learning through innovative classes. These include sewing to coding and digital design and the numerous writing workshops and other events hosted by Capital City Press, which resulted in 63 events with 1,255 attendees in 2017-2018. We also expanded our early literacy program, Welcome Baby, to the Stollery Children's Hospital Neonatal Intensive Care Unit supporting and encouraging early brain development and providing crucial resources to parents.

Our Settlement Services remain a valuable resource, resulting in 5,500 connections with newcomers since 2016. In collaboration with Catholic Social Services, EPL has presented at 19 newcomer and refugee orientation sessions, engaging with over 400 newcomers and issuing 314 library cards over the past two years. In addition, our three outreach workers have provided 4,379 connections to vulnerable clients at the Enterprise Square, Abbottsfield-Penny McKee, Highlands, Sprucewood and Woodcroft library locations.

EPL continued to provide opportunities for Edmontonians to develop a broader understanding of reconciliation through our Exploring Reconciliation series. In 2018 the series offered 242 classes and events (including Cree language-learning classes, Indigenous storytelling and more) that drew 8,516 attendees. EPL also partnered with the University of Alberta and libraries across Canada in launching the Massive Open Online Course (MOOC): Indigenous Canada. So far the course has welcomed a total of 25,000 registrants nationwide.

In addition, EPL's Senior Indigenous Relations Advisor continued to engage with Indigenous Communities and with staff to build awareness and understanding of the Truth and Reconciliation Commission calls to action. Staff and epl2go Literacy Vans also provided library services to Enoch Cree Nation, and 69% of eligible EPL staff participated in reconciliation-related training.





275,272
EDMONTONIANS
USED THEIR
LIBRARY
CARD

15.4 million
IN-PERSON
& VIRTUAL
VISITS to EPL

11.3
MILLION
ITEMS
BORROWED



FREE WiFi
AT ALL **21 EPL**
LOCATIONS

9.9 MILLION
VISITS
— to —
epl.ca

9,785
DAILY WiFi
SESSIONS
at **EPL**

827,530
COMPUTER
sessions
IN HOURS AT EPL



EVOLVE OUR DIGITAL ENVIRONMENT

EPL continues to invest in a strong digital collection for our customers.

Since 2013, EPL's eResource borrowing has grown from 477,609 to 3.7 million—an increase of 673%. Customers can stream music, watch movies, listen to eAudiobooks, read eBooks, learn a language and take courses from the comfort of their home, car, office or EPL library location.

EPL also continued to find new ways to promote library resources to the public. Enhancements to the EPL Personalized Picks service saw an increase in annual requests of over 4,500% from 2016 to 2018. In-branch and online recommendation services, which include display themes, EPL Picks and Pilar's Picks, topical and timely recommendation lists and blog articles, continued to gain traction. EPL has also published 155 blog articles on epl.ca since 2016, drawing in over 250,000 views.

We entered the podcast world in 2018 with the launch of Overdue Finds. Since its launch, the podcast has released 25 episodes, with a total of 11,542 downloads. The show won a 2018 Canadian Podcast Award for Best Branded Show, while receiving a nomination in the Best Artwork category. Meanwhile, Capital City Records, an online showcase for local music, continued to grow, with 54,185 songs from 175 local artists across 193 albums now available for download or streaming.

Voices of Amiskwaciy, a website that showcases Indigenous content developed in collaboration with Indigenous communities in and around Edmonton, saw increased usage and engagement in 2018. It now hosts 139 Indigenous community stories and artifacts gathered through 42 events, which drew 310 attendees. Launched in 2017 in celebration of Canada's 150th birthday with support from a federal grant, the site was created to share locally produced content related to Indigenous history, traditional knowledge, Indigenous law, Treaty rights, reconciliation and much more. This website, the first of its kind for a public library in Canada, has expanded province wide with the support of the Government of Alberta.

ACT AS A CATALYST FOR LEARNING, DISCOVERY AND CREATING

Nearly 4,000 people attended six EPL Forward Thinking Speaker Series events in 2018, which included:

- Media critic and Feminist Frequency creator Anita Sarkeesian: The Real World of Online Harassment
- Criminal defence lawyer Marie Henein: Reflections on Justice and Leadership
- Canadian rugby star Jen Kish: Canadian Grit on the Pitch
- Businesswoman, investor, author and television personality Arlene Dickinson: Lessons from the Den: The Journey to Success
- Comedian, activist and broadcaster Candy Palmater: The Road Less Travelled by Candy Palmater
- Bestselling fantasy author Neil Gaiman: A Conversation with Neil Gaiman

2018 saw new makerspace services inaugurated at several EPL locations, including full makerspace suites at the new Capilano and Londonderry Branches. The Capilano Makerspace notably features a sewing machine, a 3D printer, a full suite of creative iMac computers, a Cricut die-cutting design space and a digital conversion suite allowing customers to digitize VHS tapes, vinyl records, photos and photo film negatives, with audio cassette digitization tools on the way.

EPL is playing an increasingly important role in providing technology education. Over the past two years, the Library's Community Expert Volunteer Program has welcomed five experts in open data, Photoshop, Javascript and coding with Python. In addition, EPL was one of only four Canadian libraries selected for funding from Google to provide the Google IT Support Professional Certificate, through which 125 Edmontonians are expected to be trained for entry-level IT jobs in the next two years.

A photograph of two young women in a maker space. The woman in the foreground is wearing a pink jacket and is focused on operating a white sewing machine. The woman in the background is wearing a grey hoodie and glasses, looking on. The background wall is dark with large green letters that read "EPL MAKERS" and faint gear patterns. A large yellow geometric shape is in the top right corner.

EPL MAKERS

EPL IS THE
#1 PLACE
free **FOR**
COMPUTER
USE AND
TRAINING

22,031 FREE
CLASSES &
EVENTS ATTENDED
507,112 times

8,665
EPL STAFF
training hours



\$250,000
RAISED
at the **EPL**
GALA

449 EPL
VOLUNTEERS
DONATED
7,338 HOURS

OVER \$3.2M
RAISED TO
SUPPORT EPL

TRANSITION THE WAY WE DO BUSINESS

By the end of 2018, EPL had raised roughly 75% of its \$10 million fundraising goal for the Stanley A. Milner Library revitalization capital project. With less than a year to go in the campaign, we are continuing to engage with donors and other stakeholders to raise awareness of the vital role fundraising contributes to EPL's service transformation.

EPL undertook a top-to-bottom overhaul of its public computing and IT infrastructure in 2018. Notable upgrades include an increase in Internet bandwidth from 500MG to 10G, improved cybersecurity, expanded WiFi coverage and additional redundant network connections. In addition, service improvements introduced in 2018 provided customers with wireless and remote self-service printing and a full suite of Microsoft desktop applications.

EPL also completed comprehensive reviews of materials delivery and supply chain management in 2018. The materials delivery review included service delivery mapping, performance expectation reviews, service gap and financial analyses. EPL also conducted an extensive review of its procurement processes to develop an improved supply chain service delivery model. Recommendations from this review include a new service structure, corporate credit cards, a digitization strategy, key performance indicators and a technology system review.

Awards:

- Waterstone Human Capital, one of Canada's Most Admired™ Corporate Cultures for 2018
- Library and Information Studies Alumni Association (LISAA) Distinguished Alumni Award, won by CEO Pilar Martinez for 2018
- Urban Libraries Council Top Innovator Nominee (Honourable Mention) for Voices of Amiskwaciy project
- 2018 Canadian Podcast Award for Best Branded Show, for Overdue Finds

IMAGINE MILNER

On February 14, 2020, EPL will usher in a new chapter in downtown Edmonton's ongoing revitalization with the opening of a dramatically transformed Stanley A. Milner Library. The revitalized Milner Library will include a children's library three times the previous size, a 10,000 square foot Makerspace and over 28,000 square feet of community space. It will also feature a high-tech theatre, a multi-storey interactive simulation wall, a culinary centre, an Indigenous gathering space, a café, an abundance of natural light and easy access to the LRT and Churchill Square.

EPL continues to support the growing and changing needs of Edmontonians, and this bold new downtown showcase will serve as one of the city's iconic landmarks for decades to come.

"Whenever you need help, you can go to the Stanley A. Milner Library to get the resources you need and answers to anything. It's like a family."

– Ted Chung
EPL Customer





OVER **1.2M**
visits
EACH YEAR
to the **MILNER**
LIBRARY

CHILDREN'S
LIBRARY
— will be —
3x LARGER
THAN BEFORE

OVER
28,000
SQUARE
FEET of
COMMUNITY
space

FINANCIAL INFORMATION



ANTHOLOGY
~FRIENDS OF EPL~

001
DATE SEPT. 20, 2018

PAY TO THE
ORDER OF

The Edmonton Public Library

\$ 400,000-

SUM OF

FOUR HUNDRED THOUSAND

00 /100 DOLLARS

2016-2018 TOTAL FUNDS RAISED



EDMONTON PUBLIC LIBRARY

Arnel Sepulveda

CANADIAN AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to The City of Edmonton Library Board for its annual financial report the fiscal year ended December 31, 2017. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high-quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

To be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. EPL believes its current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Canadian Award for Financial Reporting

Presented to
The City of Edmonton Library Board
Alberta

For its Annual
Financial Report
for the Year Ended

December 31, 2017

Christopher P. Morrell
Executive Director/CEO

FINANCIAL HIGHLIGHTS



Gastone Monai,
CPA, CMA
Chief Financial Officer

REPORT FROM THE CHIEF FINANCIAL OFFICER

The 2018 Annual Report and Financial Statements provides EPL the opportunity to share information about how the financial resources entrusted to the Board are being managed and used to provide library services to Edmontonians. The goal of the Annual Report is to provide clear insight, transparency and demonstrated accountability for use of the resources and EPL's financial results. The following provides an overview of the 2018 financial results, financial controls and accountability, risk management and future outlook.

2018 FINANCIAL HIGHLIGHTS

In 2018 EPL continued to efficiently and effectively deliver services to Edmontonians. Our major funders, Edmonton's City Council, the Government of Alberta, as well as our sponsors and donors, continued to support EPL and acknowledged the value of public libraries. In 2018, EPL recorded \$1.5 million in net fundraising contributions, and ended the year with an operational surplus of \$4.2 million. This improves our future financial position to invest in resources needed to deliver existing and new public library services. Our overall financial position is strong, with net financial assets of \$11.2 million positioning EPL to meet current and future commitments for library operations.

Overall EPL tangible capital assets consist of buildings, technology, furniture and equipment, vehicles and library collections. Investment in library capital infrastructure continued in 2018 with four libraries opening in 2018— Calder, Capilano, Heritage Valley and Londonderry. Our Stanley A. Milner Library construction continues with an opening planned for February 14, 2020. Projects have been managed well, and are completed or progressing on-time and within budget.

The 2018 Annual Report includes our financial statements which have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). KPMG LLP has audited our financial statements and provided an Independent Auditor's Report. The financial statements and auditor's report satisfy the legislative reporting requirement as set out by the Alberta Libraries Act and City of Edmonton Bylaw 12540. The financial statements include the Statement of Financial Position, Statement of Operations and Accumulated Surplus, Statement of Changes in Net Financial Assets, Statement of Cash Flows, Schedule of Tangible Capital Assets and Notes to the Financial Statements. The 2018 Financial Highlights should be read in conjunction with the audited financial statements and accompanying notes. The responsibility for the preparation of both the financial statements and the financial highlights rests with EPL's Senior Leadership Team. A multi-year statistical and financial section is provided for additional information.

The following provides an overview of EPL's financial position for the period ended 2018.

Statement of Financial Position

The Statement of Financial Position provides an overview of EPL's financial assets, liabilities, non-financial assets and accumulated surplus (equity). This statement is used to assess EPL's ability to finance its operational and capital activities and to fund its liabilities and future commitments.

- We continue to maintain a strong financial position with cash and investments. At the end of 2018 financial assets were \$26.7 million, an increase of \$8.2 million from 2017 due to an increase in temporary investments primarily from fundraising activities undertaken for the Stanley A. Milner Library revitalization.

- EPL's liabilities also increased by \$5.3 million in 2018 to \$15.6 million primarily due to an increase in amounts received from fundraising activities that have been recorded as deferred revenue. EPL does not maintain any long-term debt.
- Non-financial assets include tangible capital assets, inventories and prepaid expenses. The 2018 balance is \$33.8 million, an increase of \$1.3 million from 2017. The increase is primarily due to new acquisitions for leasehold improvements and machinery and equipment exceeding overall amortization of assets for the year. This is offset by reductions in prepaid expenses for library subscriptions and software licenses.
- Accumulated surplus 2018 balance is \$45.0 million, an increase of \$4.2 million primarily due to higher reserves held for future expenditures. EPL's accumulated surplus consists of \$32.8 million investment in tangible capital assets, an increase of \$1.7 million from 2017, \$11.5 million in reserves held for future expenditures primarily for Stanley A. Milner Library, an increase of \$2.6 million from 2017 and \$0.6 million in unrestricted accumulated surplus.

Statement of Operations

The Statement of Operations identifies EPL's revenues, expenses and changes to EPL's accumulated surplus. Revenues increased by \$3.8 million over 2017 to \$55.8 million primarily as a result of an increase in City grant revenues. Expenses also increased by \$2.0 million to \$62.2 million primarily as a result of increases in contractual obligations for salaries, wages and benefits, building operations and material goods and supplies. Other revenues include funding received for investment in tangible capital assets, which increased by \$100,000 to \$10.4 million.

Statement of Change in Net Financial Assets

This statement provides information on how the operational results impact EPL's net financial assets in the year. It provides information on whether our current year revenues were sufficient in covering spending and the resulting impact on net financial assets. This information helps in influencing future decisions or strategies on revenue generation. In 2018, our net financial assets increased by \$2.9 million to \$11.2 million, which positions EPL well in managing future commitments.

Statement of Cash Flows

The Statement of Cash Flows provides information on how we generate and use cash during the year. Information is separated into the following key activities: operating, capital, and investing and financing activities. Overall, cash and temporary investments increased by \$14.7 million to a total of \$19.7 million primarily due to net revenues generated from operations after capital acquisitions, and net increase from proceeds received from redemption of investments.

Schedule of Tangible Capital Assets

This schedule highlights our tangible capital assets which consist of land, buildings, leasehold improvements, machinery and equipment, vehicles and library collections. EPL's net assets as of December 31, 2018 amount to \$32.8 million, an increase of \$1.7 million primarily due to investment in leasehold improvements and machinery and equipment.

Notes to the Financial Statements

The notes to the financial statements provide information on our significant accounting policies and additional information to support the financial results included in the statements.

BUDGET VARIANCES

The following provides information on significant differences between the planned and actual financial performance during the year:

- Overall revenues were lower than budgeted by \$2.0 million on a \$57.9 million total budget. This was primarily due to lower than planned fundraising and donation revenues recognized in the year. \$5.1 million in fundraising revenues have been received in 2018 but recorded in Deferred Revenues until it qualifies for revenue recognition in future years.
- Expenses were lower than planned by \$2.6 million on a \$64.8 million budget. The savings were primarily due to salary, wages and benefits from unfilled positions due to the closure of our main downtown Library for revitalization.
- Other items represent revenues recognized in 2018 for tangible capital assets. Revenues were \$1.5 million lower than the \$12.0 million total budget primarily due to delays in acquisition of tangible capital assets in 2018.

FINANCIAL CONTROL AND ACCOUNTABILITY

EPL maintains a number of processes and financial controls to ensure accountability is maintained and proactive measures are taken to identify and address financial challenges that may arise.

Financial Governance

As outlined in the Alberta Libraries Act and Libraries Regulations, the EPL Board of Trustees has full management and control of the municipal library and shall organize, promote and maintain comprehensive and efficient library services in the municipality. In carrying out their responsibilities, the Board is responsible for reviewing and approving the Senior Leadership Team's recommended short and long term plans, the proposed operating and capital budgets, financial statements and financial performance reports, and ensure that enterprise risk matters are properly reviewed and strategies are in place to manage any risks. To manage these responsibilities, the Board has established a Finance and Audit Committee that meets regularly to review financial matters and make recommendations to the Board.

Budget Process

The strategic goals of Edmonton's City Council and EPL Board of Trustees serve as a foundation for the development of business plans and operating and capital budgets. The EPL Board of Trustees are responsible for approving the operating budget including resource allocation, and Edmonton's City Council is responsible for approving EPL's funding requisition. As 2018 was the last year of a three-year budget process, City Council reviewed and implemented a four-year budget beginning in 2019. In December 2018, City Council approved an overall 2.6% property tax increase for 2019 through to 2022. For EPL, a 0% City funding increase was approved for 2019 to 2022. Although City funding has been provided, EPL must still obtain annual approval for the operating budget resource allocation from the Board of Trustees.

EPL also prepares a four-year capital budget based on long-term projections of its 10-Year Capital Plan. The proposed capital budget is approved by the Board and City Council approves the funding requisition for each capital project. Funding may come from different sources—e.g. grants, donors, City Council, etc. The current approved capital budget is for the period 2019 to 2022.

Accounting

EPL is organized into various service delivery areas, each responsible for managing resources in the delivery of library services to customers. EPL manages the accounting function through a centralized Financial Services Division, which provides the following services to all EPL service points including: accounting, reporting, treasury, planning and budgeting internal controls and risk management. EPL shares a common accounting, reporting and payroll system with the City of Edmonton, which is used by EPL managers and staff.

Internal Controls

EPL maintains accounting and administrative controls, including policies and procedures, designed to provide reasonable assurance that the financial information is relevant, reliable and accurate. These controls also ensure the assets of the organization are properly accounted for and adequately safeguarded. Internal accounting controls are monitored and reviewed by the Senior Leadership Team throughout the year and revisions are made as necessary. The Board of Trustees is provided with annual updates on internal controls and risks.

RISK MANAGEMENT, FUTURE OUTLOOK

Audit Process

The City of Edmonton Bylaw 12540 requires EPL to audit its financial statements on an annual basis. The Auditors are appointed by the City of Edmonton, and currently the firm of KPMG LLP, Chartered Professional Accountants have been engaged to express an opinion on EPL's Financial Statements. Following a comprehensive audit process and working with the Senior Leadership Team, the Auditors present a report of their findings to the Finance and Audit Committee along with the financial statements. Based on the Finance and Audit Committees' review, the Financial Statements are then formally approved by the Board of Trustees.

Risk Management

We are committed to an enterprise risk management approach and working with the Board's Finance and Audit Committee are proactively managing and mitigating enterprise risks. In 2018, we conducted an Enterprise Risk Management review and adopted a framework to provide a process-oriented, forward-looking, quantitative approach to identifying, scoring and managing strategic risks to the organization. Key areas of current focus are technology and data security, our Stanley A. Milner Library building project, fundraising and long-term ongoing funding.

Future Outlook

Over the last number of years, we have been very successful and fortunate to have the support of the Board, City Council, Provincial Government and other library stakeholders in understanding the importance of public libraries and our impact on overall social, economic and cultural foundation of Edmonton by serving hundreds of thousands of customers and working with hundreds of organizations. Our success has allowed us to be relevant and innovative in meeting the needs of our customers. It has established a strong foundation for us as we move into more challenging economic times in the future. In planning for the future, EPL's Board has recently approved their 2019-2023 Strategic Plan and Administration has completed the associated business plans to achieve the approved goals of the Board:

1. EPL is the best place to learn. EPL is Edmonton's early literacy and digital literacy center.
2. EPL is the best place to create. Customers create, make, play and experiment at EPL to expand their imaginations and capacity.
3. EPL is the best place to be. Customers recognize EPL for delivering exceptional customer experiences.
4. EPL is the best place to work. EPL attracts and retains highly engaged staff who successfully develop and deliver exceptional customer experiences.

With great plans comes great responsibility and our leadership has demonstrated that it is willing and able to move quickly and successfully in navigating its future direction.

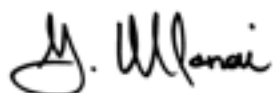
Continuing to maximize value in delivering services in the future will also be a critical success factor for EPL. As in the past, ongoing review of library services and business processes will assist in finding efficiencies so resources can be reallocated to manage growth, demand and emerging library services.

Growing our funding sources will also be an area of focus. We are aware of the challenges facing our major stakeholders, including Edmonton's City Council and the Government of Alberta, and will need to work with both orders of Government to ensure they continue to understand the value and impacts public libraries have on the communities they serve. As part of the recent 2019-2022 operating budget discussions with City Council, EPL has committed to holding the line at 0% increase in City funding and is targeting efficiencies and savings over the next four years to balance the operating budget. However, it will become more difficult to realize these savings in the future and we will need to work with our funding stakeholders in finding ways to ensure funding is sufficient to achieve the Board's strategic vision.

With the near completion of the Stanley A. Milner Library building project, we are excited to open our revitalized downtown library on February 14, 2020. The project is one of our largest initiatives in recent history and is progressing as planned in terms of timing and budget. With the opening of this renewed facility, new services and programs will attract and amaze Edmontonians. It is expected the public will embrace this new facility and demand for services will grow.

Our Board is conscious of the importance of understanding future challenges of library service delivery and is proactive in assessing enterprise risks through ongoing discussions with EPL.

We continue to demonstrate innovative and successful approaches to being a relevant and well used public library service. The Board's strategic direction and awareness of the environment in which the Library operates provides an excellent foundation for EPL to navigate the future successfully.



Gastone Monai, CPA, CMA
Chief Financial Officer
March 16, 2019



Management's Report

The financial statements of the City of Edmonton Library Board (the "Library") are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards, as disclosed in the notes to the financial statements. The financial statements include amounts that are based on the best estimates and judgments of management. Management has determined these estimates on a reasonable basis to ensure that the financial statements are presented fairly, in all material respects.

Management maintains systems of accounting, budget and other internal controls to provide reasonable assurance that the transactions are appropriately authorized and accurately recorded, and that assets are properly accounted for and safeguarded. The existence of these systems and controls help to ensure that the financial statements realistically report the Library's operating and financial results.

The financial statements have been audited by the independent audit firm KPMG LLP, Chartered Professional Accountants. Their report to the Trustees of the City of Edmonton Library Board, stating the scope of their examination and their opinion on the financial statements follows.

Pilar Martinez
Chief Executive Officer

Gastone Monai, CPA, CMA
Chief Financial Officer

Spread the words.



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INDEPENDENT AUDITORS' REPORT

To the Trustees of the City of Edmonton Library Board

Opinion

We have audited the financial statements of the City of Edmonton Library Board (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations, change in its net financial assets 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 “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants

Edmonton, Canada

March 12, 2019

THE CITY OF EDMONTON LIBRARY BOARD
Statement of Financial Position
December 31, 2018

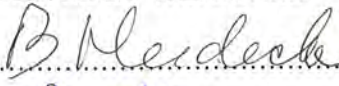
	2018	2017
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 19,737,150	\$ 5,032,159
Accounts receivable (Note 4)	678,879	793,596
Goods and services tax rebate receivable	266,645	402,254
Investments (Note 5)	6,041,377	12,292,629
	26,724,051	18,520,638
LIABILITIES		
Accounts payable and accrued liabilities	2,158,352	3,161,212
Due to the City of Edmonton (Note 6)	3,273,557	1,992,223
Deferred revenue (Note 7)	7,820,247	2,706,690
Employee benefit obligations (Note 8)	2,301,408	2,380,361
	15,553,564	10,240,486
NET FINANCIAL ASSETS	11,170,487	8,280,152
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	32,806,077	31,132,018
Inventory for consumption	239,138	309,658
Prepaid expenses (Note 10)	767,845	1,044,948
	33,813,060	32,486,624
ACCUMULATED SURPLUS (Note 11)	\$ 44,983,547	\$ 40,766,776


CONTRACTUAL RIGHTS (Note 12)

COMMITMENTS (Note 13)

The accompanying notes are an integral part of these financial statements.

APPROVED BY THE BOARD

.....  (Director)

.....  Director

THE CITY OF EDMONTON LIBRARY BOARD
Statement of Operations and Accumulated Surplus
For the Year ended December 31, 2018

	<u>Budget</u> <u>(Note 14)</u>	<u>2018</u>	<u>2017</u>
REVENUE			
Government transfers (Note 15)			
City of Edmonton	\$ 47,445,343	\$ 48,019,405	\$ 44,365,056
Provincial Government	5,128,428	5,231,296	5,136,520
Federal Government	-	60,044	-
Fines and charges	922,834	778,362	815,078
Donations	2,989,806	338,499	622,071
Gain on disposal of tangible capital assets	150,000	158,094	65,734
Interest	50,000	216,519	240,742
Other	1,212,721	1,047,053	778,101
TOTAL REVENUE	57,899,132	55,849,272	52,023,302
EXPENSES			
Salaries, wages and benefits	41,056,925	38,471,769	36,926,457
Amortization of tangible capital assets	10,263,682	10,244,895	10,117,841
Books and library materials	2,187,634	3,243,114	3,325,353
Utilities and other (Note 16)	3,484,500	3,296,275	3,471,596
Building operations	2,956,284	2,889,649	2,502,515
Services	2,550,272	1,976,366	2,046,920
Material goods and supplies	2,277,794	2,057,720	1,769,133
TOTAL EXPENSES	64,777,091	62,179,788	60,159,815
ANNUAL DEFICIT BEFORE OTHER	(6,877,959)	(6,330,516)	(8,136,513)
OTHER			
Donations for capital (Note 9)	-	214,289	220,697
Government transfers for capital (Note 15)	12,036,000	10,442,154	10,352,338
Transfers to City of Edmonton for capital (Note 15)	-	(109,156)	(200,000)
TOTAL OTHER	12,036,000	10,547,287	10,373,035
ANNUAL SURPLUS	5,158,041	4,216,770	2,236,522
ACCUMULATED SURPLUS, OPENING	40,766,776	40,766,776	38,530,254
ACCUMULATED SURPLUS, CLOSING	\$ 45,924,817	\$ 44,983,546	\$ 40,766,776

The accompanying notes are an integral part of these financial statements.

THE CITY OF EDMONTON LIBRARY BOARD

Statement of Change in Net Financial Assets

For the Year ended December 31, 2018

	<u>Budget</u> <u>(Note 14)</u>	<u>2018</u>	<u>2017</u>
ANNUAL SURPLUS	\$ 5,158,041	\$ 4,216,770	\$ 2,236,522
Acquisition of tangible capital assets	(12,036,000)	(11,918,954)	(8,052,709)
Proceeds from disposal of tangible capital assets	150,000	158,094	65,734
Amortization of tangible capital assets	10,263,682	10,244,895	10,117,841
Gain on disposal of tangible capital assets	(150,000)	(158,094)	(65,734)
	(1,772,318)	(1,674,059)	2,065,132
Net use (acquisition) of inventory for consumption	-	70,520	(43,300)
Net use of prepaid expenses	-	277,103	440,012
	-	347,623	396,712
CHANGE IN NET FINANCIAL ASSETS	3,385,723	2,890,334	4,698,366
NET FINANCIAL ASSETS, OPENING	8,280,152	8,280,152	3,581,786
NET FINANCIAL ASSETS, CLOSING	\$ 11,665,875	\$ 11,170,486	\$ 8,280,152

The accompanying notes are an integral part of these financial statements.

THE CITY OF EDMONTON LIBRARY BOARD

Statement of Cash Flows

For the Year ended December 31, 2018

	2018	2017
NET INFLOW (OUTFLOW) CASH AND TEMPORARY INVESTMENTS		
OPERATING ACTIVITIES		
Annual Surplus	\$ 4,216,770	\$ 2,236,522
Items not affecting cash		
Amortization of tangible capital assets	10,244,895	10,117,841
Gain on disposal of tangible capital assets	(158,094)	(65,734)
Accounts receivable	114,717	(730,568)
Goods and services tax rebate receivable	135,609	(156,075)
Accounts payable and accrued liabilities	(1,002,860)	(684,776)
Deferred revenue	5,113,557	1,742,619
Employee benefit obligations	(78,953)	180,399
Inventory for consumption	70,520	(43,300)
Prepaid expenses	277,103	440,012
	18,933,264	13,036,940
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(11,918,954)	(8,052,709)
Proceeds from disposal of tangible capital assets	158,094	65,734
	(11,760,860)	(7,986,975)
INVESTING AND FINANCING ACTIVITIES		
Changes in non-cash operating working capital items:		
Increase (decrease) in Due to the City of Edmonton	1,281,334	(8,554,214)
Purchase of investments and earned interest	(6,110,189)	(10,397,086)
Proceeds from disposal of investments	12,361,441	9,814,093
	7,532,586	(9,137,207)
CHANGE IN CASH AND TEMPORARY INVESTMENTS	14,704,990	(4,087,242)
CASH AND TEMPORARY INVESTMENTS, OPENING	5,032,159	9,119,401
CASH AND TEMPORARY INVESTMENTS, CLOSING	\$ 19,737,149	\$ 5,032,159

The accompanying notes are an integral part of these financial statements.

THE CITY OF EDMONTON LIBRARY BOARD
Schedule of Tangible Capital Assets
December 31, 2018

	Land	Land Improvements	Buildings	Leasehold Improvements	Library Materials	Machinery and Equipment	Vehicles	Assets Under Construction	2018	2017
COST										
Balance, beginning of year	\$ 1	\$ 504,862	\$ 4,802,943	\$ 1,893,994	\$ 34,904,799	\$ 18,668,726	\$ 460,239	\$ 273,623	\$ 61,454,091	\$ 60,643,917
Acquisition of tangible capital assets	-	600	54,496	1,266,704	6,044,991	4,675,663	-	(123,500)	11,918,954	8,052,709
Writeoff of fully amortized tangible capital assets	-	-	-	-	(7,740,716)	(1,880,794)	(189,312)	-	(9,810,822)	(7,242,535)
Balance, end of year	1	504,862	4,802,943	3,160,698	33,209,074	21,463,595	270,927	150,123	63,562,223	61,454,091
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	231,960	2,164,442	875,241	18,623,047	8,170,680	256,703	-	30,322,073	27,446,767
Annual amortization	-	20,206	221,338	399,191	6,811,387	2,723,489	69,284	-	10,244,895	10,117,841
Writeoff of fully amortized tangible capital assets	-	-	-	-	(7,740,716)	(1,880,794)	(189,312)	-	(9,810,822)	(7,242,535)
Balance, end of year	-	252,166	2,385,780	1,274,432	17,693,718	9,013,375	136,675	-	30,756,146	30,322,073
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1	\$ 252,696	\$ 2,417,163	\$ 1,886,266	\$ 15,515,356	\$ 12,450,220	\$ 134,252	\$ 150,123	\$ 32,806,077	\$ 31,132,018

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

1. NATURE OF THE ORGANIZATION

The City of Edmonton Library Board (the "Library") operates under the authority of the Libraries Act of Alberta and is administered by an independent board which reports to Council of the City of Edmonton. The Library operates 21 public libraries and derives revenues for library operations through grants from the City of Edmonton and the Province of Alberta. The Library is a registered charity and is not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Library are prepared in accordance with Canadian public sector accounting standards. Significant aspects of accounting policies adopted by the Library are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired. Contributions from landlords for lease and contract incentives are amortized over the term of the respective agreement.

Budget

Operating budget information is consistent with original budget amounts approved by the Board of Trustees and City of Edmonton Council through the passing of a supplementary property tax bylaw. The budget is reported on an accrual basis, consistent with principles applied in the financial statements.

Capital budgets reflect the budget originally approved by the Board of Trustees and City of Edmonton Council, plus any carryforward of unspent capital budget from previous years. Capital budgeted adjustments during the year are not reflected in the financial statements.

Cash and temporary investments

Cash and temporary investments includes cash on hand and short-term, highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

Investments

Investments are recorded at amortized cost less any amount for permanent impairment. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investment.

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, and any eligibility criteria have been met, and reasonable estimates of the amounts can be determined. Unallocated costs, comprising of materials and services contributed by related parties in support of the Library's operations are not recognized in these financial statements.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

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 tangible capital asset. Where an estimate of fair value cannot be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned. The Library does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over the estimated useful life of the tangible capital assets as follows:

Land improvements	25 years
Buildings	10-60 years
Leasehold improvements	lease term
Library materials	5 years
Machinery and equipment	4-40 years
Vehicles	5 years

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

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially the entire 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 on a straight line basis over the term of the lease.

Inventory for consumption

Inventories held for consumption are recorded at the lower of cost and replacement cost.

Cultural, historical tangible capital assets and works of art

Works of art for display are not recorded as tangible capital assets but are disclosed in Note 9.

Reserves for future expenditures

Certain amounts, as approved by the Library, are designated within accumulated surplus as reserves for future operating and capital expenditures.

Employee Benefit Obligations

The costs of post-employment benefits, compensated absences and termination benefits are recorded as an expense when the event that gives rise to the obligation occurs.

The Library employees participate in the Local Authorities Pension Plan that is a multi-employer defined benefit pension plan administered by a third party. Contributions to the plan for current and past service are recorded as expenses in the year in which they become due.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management's estimates include the collectible amounts of accounts receivable, amortization periods for tangible capital assets and the amount of accrued liabilities. The income replacement plan and post-employment benefit liabilities are subject to actuarial assumptions and estimates.

Financial Instruments and Fair Values

The Library's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, and amounts due to the City of Edmonton. Unless otherwise noted, the carrying value of the Library's financial instruments approximate fair value. It is management's opinion that the Library is not exposed to significant interest, currency or credit risks arising from these financial instruments.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

Current and Future Accounting Standard Pronouncements

The following summarizes some of the current and future developments in Canadian public sector accounting standards that are relevant to the Library.

The Library has prospectively adopted the following accounting standards as of January 1, 2018:

Related Party Disclosures

PSAS 2200, Related Party Transactions, requires disclosure of the effect of financially material transactions between related parties. The disclosure provides information necessary to assess the effect that related party relationships have had or not have had if not recognized on the Library's financial position and financial performance. The effect of adopting this standard has resulted in no changes in the accounting treatment and EPL's related party disclosures.

Assets

PSAS 3210, Assets, has been amended to provide additional guidance on various components of the assets definition and establish general disclosure standards for assets. The effect of adopting this standard has resulted in no changes in the accounting treatment and disclosure of EPL's assets.

Contingent Assets

PSAS 3320, Contingent Assets, has been amended to provide a definition of contingent assets and supporting guidance and establish general disclosure standards for contingent assets. The effect of adopting this standard has resulted in no changes in the accounting treatment and disclosure of EPL's contingent assets.

Contractual Rights

PSAS 3380, Contractual Rights, has been amended to provide a definition of contractual rights and supporting guidance and establish general disclosure standards for contractual rights. The effect of adopting this standard has resulted in no changes in the accounting treatment and disclosure of EPL's contractual rights.

Inter-entity Transactions

PSAS 3420, Inter-entity Transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The effect of adopting this standard has resulted in no changes in the accounting treatment and disclosure of EPL's inter-entity transactions.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

In 2019, the Library will continue to assess the impact and prepare for the adoption of the following standards:

Restructuring Transactions

PSAS 3430, Restructuring Transactions, has been amended to define a restructuring transaction; distinguish restricting transactions from similar transactions; distinguish restructuring-related transactions from restructuring transactions; establish how assets and liabilities transferred in a restructuring transaction should be recognized and measured; and sets out presentation and disclosure requirements. Adoption required for fiscal periods beginning on or after April 1, 2018.

Financial Statement Presentation

PSAS 1201, Financial Statement Presentation, has been amended to include a new statement that discloses unrealized gains and losses arising from the re-measurement of financial instruments and foreign currency items, as well as comprehensive income. Adoption required for fiscal periods beginning on or after April 1, 2019.

Financial Instruments

PSAS 3450, Financial Instruments, transitional provisions do not allow retroactive application of financial instrument recognition, de-recognition and measurement policies when entities adopt the standard. Adoption required for fiscal periods beginning on or after April 1, 2021.

Foreign Currency Translation

PSAS 2601, Foreign Currency Translation, establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements. Adoption required for fiscal periods beginning on or after April 1, 2021.

Portfolio Investments

PSAS 3041, Portfolio Investments, establishes standards on how to account for and report portfolio investments in government financial statements. Adoption required for fiscal periods beginning on or after April 1, 2021.

Asset Retirement Obligations

PSAS 3280, Asset Retirement Obligations, has been amended to provide additional guidance on how to account for and report a liability for retirement of a tangible capital asset. Adoption required for fiscal periods beginning on or after April 1, 2021.

Revenue

PSAS 3400, Revenue, establishes standards on how to account for and report on revenue. Adoption required for fiscal periods beginning on or after April 1, 2022.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

3. CASH AND TEMPORARY INVESTMENTS

	2018	2017
Cash	\$ 112,750	\$ 407,668
Temporary investments	19,624,400	4,624,491
	<u>\$ 19,737,150</u>	<u>\$ 5,032,159</u>

Temporary investments consist of a consolidated flexible guarantee investment certificate (GIC) portfolio that is highly liquid and cashable with no penalty. The consolidated GIC's are recorded at cost, which approximates market value, and have a weighted average interest rate of 1.90% (2017 – 0.90%). Temporary investments are capable of reasonably prompt liquidation and may be used to manage the Library's cash position throughout the year.

4. ACCOUNTS RECEIVABLE

	2018	2017
Operating accounts receivable	\$ 473,634	\$ 72,709
Contributions and grants	205,245	720,887
	<u>\$ 678,879</u>	<u>\$ 793,596</u>

5. INVESTMENTS

Investments consist of guaranteed investment certificates (GIC's) that are fixed term and non-redeemable with a weighted average interest rate of 1.84% (2017 – 1.20%) and maturity dates ranging from May 2, 2019 to June 19, 2019. The amounts are recorded at cost plus any accrued interest earned to the end of December 31, 2018. The Library uses a pooled approach in managing investments, cash and temporary investments to maximize investment returns, liquidity and ongoing cash needs.

6. DUE TO THE CITY OF EDMONTON

The amount due to the City of Edmonton is unsecured, has no fixed term of payment and bears interest at the City's short-term weighted average interest rate of 1.725% (2017 – 0.997%).

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

7. DEFERRED REVENUE

Deferred revenue is comprised of funds donated to the Library that are externally restricted as well as lease and other incentive revenue. These funds are recognized as revenue in the period they are used for the purpose specified or earned. Interest earned on contributions are included in the amounts reported below.

	December 31, 2017	Externally restricted contributions received	Revenue recognized	December 31, 2018
Milner Library Renewal *	\$2,381,858	\$ 5,074,284	\$ (407,200)	\$7,048,942
Lease and Contract Incentives	66,476	320,794	(28,754)	358,516
O. Kukulis Estate	212,880	3,449	(12,866)	203,463
Other	1,266	214,964	(25,114)	191,116
Enrichment Campaign	17,833	377	-	18,210
Canada 150 Fund	26,377	33,667	(60,044)	-
Capital Projects	-	114,289	(114,289)	-
	<u>\$2,706,690</u>	<u>\$ 5,761,824</u>	<u>\$ (648,267)</u>	<u>\$7,820,247</u>

* Funds deferred for the Milner Library Renewal will be used for library fit-up or as specified in the contribution agreement.

Alberta Culture and Community Spirit - Major Community Facilities Program

In 2008, provincial funding of \$5,000,000 was received from Alberta Culture and Community Spirit-Major Community Facilities Program for use in the purchase of land, construction and associated fit-up costs for a new Clareview Branch library. Total project expenditures were \$12,680,446 of which \$4,226,815 is funded through the grant (one-third of total project cost) leaving \$1,182,558 (including \$409,373 in interest) in unused grant funding as at December 31, 2016. A new agreement was signed in June 2018 to allow for the use of the remaining grant funding on the Stanley A. Milner revitalization project. The term of the agreement is for the period from July 3, 2018 to April 30, 2019. The total balance including interest of \$22,869 (2017 - \$10,424) as at December 31, 2018 is \$1,215,851 which is included in Milner Library Renewal above. Eligible expenditures for the grant including design and consulting costs for the project will be submitted to the Province for approval in 2019.

Alberta Municipal Affairs - Stanley A. Milner Library

In 2017, the Library signed a \$2,000,000 conditional grant agreement with Alberta Municipal Affairs to cover costs associated with the rehabilitation and renovation of the Stanley A. Milner library. This agreement is contingent on the Library receiving matching funding from the Federal government to a maximum of \$2,000,000. The Federal government agreement was signed in August 2018 and the funds received from Alberta Municipal Affairs have been recorded in deferred revenue under Milner Library Renewal. The \$2,000,000 in grant funding from the Federal government is disclosed in Note 12.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

8. EMPLOYEE BENEFIT OBLIGATIONS

	2018	2017
Accrued vacation	\$ 1,511,631	\$ 1,569,412
Post-employment benefits	627,687	627,530
Health care spending	130,648	139,442
Income replacement plan	25,200	37,200
Banked overtime	6,242	6,777
	<u>\$ 2,301,408</u>	<u>\$ 2,380,361</u>

The Library participates in major medical, dental and other employee benefit plans sponsored by the City of Edmonton which are funded through employee and/or employer contributions. Premium contributions, interest earnings, payments for benefit entitlements and administrative costs are applied to each of the respective plans.

Post-employment benefits represent the Library's obligation for the continuation of benefits for employees on long-term disability and the Library's share of pensioners' eligible medical and dental costs in excess of contributions made to the plan. In order to measure the post-employment obligation, an actuarial valuation as at December 31, 2018 was completed by Aon Hewitt regarding the continuation of benefit coverage while eligible employees are on long-term disability. The discount rate used in the valuation is 2.50% (2017 - 2.00%). The accrued benefit obligation as at December 31, 2018 is \$599,800 (2017 - \$598,100).

Eligible post-employment medical and dental obligations are estimated based on five-year average pensioners' claim costs in excess of contributions until the pensioners' reach age 65. Eligible medical obligations for 2018 were \$20,740 (2017 - \$23,094), eligible dental obligations for 2018 were \$5,717 (2017 - \$6,336), and eligible Workers' Compensation Board (WCB) obligations for 2018 were \$1,430 (2017 - \$0).

The income replacement plan was a disability plan partially funded by employees, which was discontinued in April 1991. The outstanding obligation will be paid to employees in accordance with the terms and conditions of the plan. The obligation is based on an actuarial valuation as at December 31, 2018, completed by Aon Hewitt. Significant assumptions used in the valuation include a discount rate of 2.00% (2017 - 1.25%) and an annual inflation rate of 2.00% (2017 - 2.00%).

The Library participates in a Group Life Insurance Plan, funded equally by employer and employees. The Plan is administered by Great West Life.

All permanent employees are entitled to a health care spending account providing reimbursement up to established limits for eligible expenses not covered under the Supplementary Health Care and Dental Plans. An estimate has been included in 2018 expenses of amounts not used in the current year that are eligible to be carried forward under the terms of the plan.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

9. TANGIBLE CAPITAL ASSETS

	<u>Net Book Value</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 1	\$ 1
Land improvements	252,696	272,302
Buildings	2,417,163	2,584,005
Leasehold improvements	1,886,266	1,018,753
Library materials	15,515,356	16,281,752
Machinery and equipment	12,450,220	10,498,046
Vehicles	134,252	203,536
	32,655,954	30,858,395
Assets under construction	150,123	273,623
	\$ 32,806,077	\$ 31,132,018

In 2018, the Library received \$214,289 (2017 – \$220,697) in donations for tangible capital assets, of which \$109,156 (2017 – \$200,000) was transferred to the City of Edmonton, \$14,289 (2017 – \$20,697) was recorded under machinery and equipment, vehicles and library materials, and \$90,844 (2017 – \$0) was recorded in assets under construction.

The Library owns original artworks that are on permanent display or in storage at various library locations. The artworks were donated to the Library and have significant cultural and historical value in perpetuity. The artworks are not recorded as tangible capital assets in the financial statements and are not amortized.

The Schedule of Tangible Capital Assets provides costs and accumulated amortization information for each of the asset classifications.

10. PREPAID EXPENSES

	<u>2018</u>	<u>2017</u>
Library subscriptions and software licenses	\$ 538,639	\$ 804,243
Rent	208,430	219,030
Other	20,776	21,675
	\$ 767,845	\$ 1,044,948

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

11. ACCUMULATED SURPLUS

Accumulated surplus consists of unrestricted amounts, reserves for future expenditures and equity in tangible capital assets as follows:

	2018	2017
Unrestricted surplus	\$ 628,200	\$ 652,130
Reserves for future expenditures		
Library projects for facilities, technology, furniture and equipment	39,208	1,941,494
Milner Library Renewal project	11,510,062	7,041,134
	11,549,270	8,982,628
Equity in tangible capital assets	32,806,077	31,132,018
	\$ 44,983,547	\$ 40,766,776

12. CONTRACTUAL RIGHTS

The Federal Government agreed to provide a \$2,000,000 grant for the Stanley A. Milner Library revitalization project in 2018. Grant funding will be released in instalments as specific progress reports, audited financial statements and a final report on expenditures are received and approved by the Federal Government. The full grant is expected to be received by December 31, 2020.

13. COMMITMENTS

Operating Lease Agreements

The Library has entered into a number of operating lease agreements, mainly focused on facilities and equipment. Future minimum lease payments, excluding operating costs, over the next five years are as follows:

2019	\$ 2,034,090
2020	1,155,895
2021	1,056,114
2022	806,957
2023	577,827

Other Operating and Capital Commitments

The Library entered into a number of contracts and agreements for the delivery of goods and services during the year. The Library identified \$0.6 million in future commitments focused on the purchase and payment of library collections, furniture, equipment, building operations and maintenance, software, library programming and library supplies.

Reclamation Obligations

The Library continues to review environmental objectives and liabilities for its activities and properties as well as any potential reclamation obligations. During 2018, no potential remediation obligations have been identified.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

Pledges and Donor Commitments

The Library has gift/pledge agreements from individual and corporate donors who have committed to donating to the Library in the future years to support library programs and projects. The Library consults with donors (at least annually) to either receive their pledged gifts or reaffirm their intent to fulfill their future commitment. The Library records gifts and pledge donations once there is reasonable assurance that the donor will fulfill their commitment. In 2018, future commitments of \$1.3 million for the Milner Library Renewal Project were not recognized in the financial statements.

14. PRESENTATION OF BUDGET INFORMATION

For presentation and comparison purposes, the original budget is used in the financial statements as approved by the Board of Trustees in January 2016 and City of Edmonton Council in April with the passing of Bylaw 17532 – 2016 Property Tax and Supplementary Property Tax Bylaw. Some of the approved Library budget information has been adjusted to include budget authorizations included in the City of Edmonton budget but available to the Library in funding its acquisition of tangible capital assets. The following identifies those items that have been adjusted for financial statement presentation purposes:

Statement of Operations:

	<u>OTHER - Government transfers for Capital</u>
Capital project financing as approved in the Library	
Operating Budget	\$ 6,739,595
<i>Adjustments:</i>	
Incremental 2018 funding identified in the approved Library capital budget (funding included in the City of Edmonton budget)	5,296,405
As reported in the Library Financial Statements	\$ 12,036,000

Statement of Change in Net Financial Assets:

	<u>Acquisition of tangible capital assets</u>
2018 acquisition of tangible capital assets as approved in the Library Budget	\$ (6,739,595)
<i>Adjustments:</i>	
Incremental 2018 acquisition of tangible capital assets included in the approved Library capital budget	(5,296,405)
As reported in the Library Financial Statements	\$ (12,036,000)

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

15. GOVERNMENT TRANSFERS

The following government transfers have been included in revenues:

	2018	2017
TRANSFERS FOR OPERATING		
City of Edmonton	\$ 48,019,405	\$ 44,365,056
Provincial Government		
Alberta Municipal Affairs - Per Capita Grant	4,991,931	4,991,931
Alberta Municipal Affairs - Metro Federation Grant	85,000	85,418
Alberta Government - STEP Grant	74,751	3,839
Alberta Municipal Affairs - ME Card Project Grant	40,000	40,041
Alberta Municipal Affairs - Voices of Amiskwaciy	25,000	-
Alberta Ministry of Labour - Canada-Alberta Job Grant	14,614	
Alberta Municipal Affairs - Expansion of Library System to On-reserve and On-settlement Population Grant	-	9,291
The Alberta Foundation for the Arts	-	6,000
	5,231,296	5,136,520
Federal Government - Canada 150	60,044	-
	53,310,745	49,501,576
TRANSFERS FOR CAPITAL		
City of Edmonton	10,342,154	10,108,036
Provincial Government		
Alberta Historical Resource Foundation	100,000	73,185
Alberta Municipal Affairs - Municipal Sustainability Initiative	-	6,270
Federal Government - Canada 150	-	164,847
	10,442,154	10,352,338
TRANSFERS TO CITY OF EDMONTON	(109,156)	(200,000)
NET GOVERNMENT TRANSFERS	\$ 63,643,743	\$ 59,653,914

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

Alberta Municipal Affairs – Per Capita Grant

The Library received an unconditional per capita operating grant from Alberta Municipal Affairs in support of the operations of the Library.

Alberta Municipal Affairs – Metro Federation Grant

Alberta Municipal Affairs provides a grant in support of costs incurred for delivery van costs for an interlibrary regional delivery service.

Alberta Government – STEP Grant

The library received a one-time Summer Temporary Employment Program (STEP) grant to hire high school or post-secondary students for summer programming.

Alberta Municipal Affairs – ME Card Project Grant

A provincial grant was provided for Alberta Public Libraries participating in ME Libraries/Alberta-wide borrowing system. The grant is used by the Library for costs associated with customer support, server infrastructure and storage, infrastructure staff support and development of marketing and promotional materials.

Alberta Municipal Affairs – Voices of Amiskwaciy

The Alberta government is providing grant funding for the sharing of Indigenous Stories on an open technology platform. The grant is used by the Library to engage with local Indigenous communities to gather and record Indigenous culture through storytelling and sharing the stories on a digital public space.

Alberta Ministry of Labour – Canada-Alberta Job Grant

The Library received a grant from the Alberta Ministry of Labour for leadership development of Library senior leadership staff.

Alberta Municipal Affairs – Expansion of Library System to On-reserve and On-settlement Population Grant

The Alberta government is providing grant funding to six regional library systems to cover non-resident fees for individuals living in Indigenous communities. This will allow individuals to take advantage of the programs and services offered by the Library. In 2018, the Library recorded \$9,291 in grant funding received into deferred revenue and will recognize the revenue when conditions have been met.

Alberta Foundation for the Arts

The Library received a grant from the Alberta Foundation of Arts (AFA) for videography for profiling spotlight writers.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

Canada 150 Fund

The Library received \$225,000 grant under the “Celebration & Commemoration Program – Canada 150 Fund” to work with community members (Indigenous and non-Indigenous) to create a digital space for Edmonton’s Indigenous stories to be collected. A digital public space is an open resource of culture and knowledge, a collaborative space through which anyone, anytime and anywhere can access, explore and create digital content.

Alberta Historical Resources Foundation

The Alberta Historical Resources Foundation provided the Library with a grant under the Heritage Preservation Partnership Program for the conservation of the Strathcona Public Library.

Alberta Municipal Affairs – Municipal Sustainability Initiative

In 2007, the Provincial government introduced the Municipality Sustainability Initiative (MSI) program to provide municipalities with sustainable funding. On behalf of the Library, the City of Edmonton administers this grant program and provides funding to the Library for capital expenditures.

Transfers to City of Edmonton

In 2018, \$109,156 (2017 - \$200,000) in funding held by the Library was transferred to the City of Edmonton for the construction of the Stanley A. Milner Library revitalization project.

16. TRANSACTIONS WITH RELATED PARTIES

Related parties to the Library include the Library Board of Trustees, key management personnel and the City of Edmonton. Key management personnel is defined by the Library to include the Executive and Senior Leadership Team.

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

Certain administrative services provided to the Library by the City of Edmonton at no cost and are not reflected in these financial statements. These include accounts payable, payroll payment, as well as risk management services.

In addition, the City of Edmonton owns eleven (11) libraries that are leased to the Library for a nominal amount of \$1 dollar. Four lease agreements exist with a minimum lease term of 5 years plus options to extend the lease up to a maximum of two additional 5-year terms. The Library is responsible for the operation, maintenance and rehabilitation and renewal of these facilities.

Interest expenses of \$26,238 (2017 – \$67,481) were paid to the City of Edmonton on funds loaned to the Library during the year.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

17. PENSION AND LONG-TERM DISABILITY PLANS

Local Authorities Pension Plan

All employees of the Library are members of the Local Authorities Pension Plan ("LAPP"), which is one of the multi-employer plans subject to the Public Sector Pension Plans Act. The Library is required to make current service contributions to the LAPP of 10.39% (2017 – 11.39%) of pensionable payroll up to the yearly maximum pensionable earnings ("YMPE") and 14.84% (2017 – 15.84%) thereafter. Employees of the Library are required to make current service contributions of 9.39% (2017 – 10.39%) of pensionable salary up to YMPE and 13.84% (2017 – 14.84%) thereafter. Contributions for current service are recorded as expenditures in the year in which they become due. Total current service contributions by the Library to the LAPP in 2018 were \$2,961,764 (2017 – \$3,194,870). Total current service contributions by the employees of the Library to the LAPP in 2018 were \$2,701,504 (2017 – \$2,939,045).

The LAPP reported a surplus for the overall plan as at December 31, 2017 of \$4,836 million (2016 – deficit of \$637 million). Information as at December 31, 2018 was not available at the time of preparing these financial statements.

City-Sponsored Pension Plan - Annuity Plan

The Library is a partner in a multi-employer City-Sponsored Pension Annuity Fund Plan that provided lifetime benefits to retired members and beneficiaries only. As of December 31, 2018, there are no longer any beneficiaries of this plan and the fund is closed to new members. The plan is being wound up and surplus funds attributable to the Library are not yet known. The surplus fund position is being held in trust by the City of Edmonton until the assets are distributed.

Long-term Disability Plan

The City of Edmonton administers a Long-Term Disability Plan on behalf of the Library. The Plan is available to permanent Library employees to provide protection against loss of income. The employee pays 100 per cent of the premium for the Plan.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

For the Year ended December 31, 2018

18. ADDITIONAL INFORMATION TO COMPLY WITH THE DISCLOSURE REQUIREMENT OF THE CHARITABLE FUNDRAISING ACT AND REGULATION

The following provides a summary of charitable contributions and expenses related to fundraising:

	<u>2018</u>	<u>2017</u>
Library donations received	\$ 1,110,268	\$ 2,047,071
CanadaHelps donations received on behalf of the Library	99,848	85,178
Edmonton Community Foundation donations received and contributed to the Library	40,849	6,627
EPL Fundraising Events and Sponsorship	627,560	700,895
Gross contributions	<u>1,878,525</u>	<u>2,839,771</u>
Remuneration paid to employees for fundraising	306,456	307,934
Expenses incurred for the purpose of fundraising	108,902	137,477
CanadaHelps service charges	3,558	4,802
Total Expenses	<u>418,916</u>	<u>450,213</u>
Net Contributions	<u>\$ 1,459,609</u>	<u>\$ 2,389,558</u>

The following provides a summary of how gross contributions were used by the Library:

	<u>2018</u>	<u>2017</u>
EPL Centennial Projects and Milner Library Renewal Project	\$ 1,718,247	\$ 2,797,498
Books and Library Materials	112,434	42,273
Library children's programming	47,844	-
	<u>\$ 1,878,525</u>	<u>\$ 2,839,771</u>

During the 2018 year the Library issued charitable receipts in the amount of \$1,270,445 (2017 - \$1,183,760).

19. COMPARATIVE INFORMATION

Comparative figures have been reclassified to conform to the current year's presentation.

STATISTICS



GENERAL LIBRARY DATA

For the Years Ended December 31, 2014-2018

Unaudited

	2018	2017	2016	2015	2014
Total FTE's¹	521.7	518.4	516.7	510.5	480.2
Total Free Programs Presented²	22,031	21,361	20,183	16,175	13,532
Total Customer Questions Answered²	697,836	2,640,050	2,636,567	2,314,525	2,536,000
Total Website Visits²	9,895,943	10,066,329	11,010,510	8,980,915	8,838,449
Total In-Person visits²	5,538,014	5,367,581	5,911,285	5,792,615	5,332,337
Total Public Internet Use²	827,530	856,277	1,513,317	1,396,700	1,225,478
Program Attendance²	507,112	506,246	491,572	421,663	353,476
Library Usage²					
Physical Circulation	7,624,276	8,106,597	8,767,434	9,018,918	8,933,874
Electronic Usage	3,691,903	3,728,216	3,204,796	2,131,509	1,607,235
Memberships²					
Active Memberships	275,272	260,747	265,605	266,679	240,597
New Memberships	61,879	56,075	64,821	76,985	70,059
Total Population³	899,447	899,447	899,447	877,926	877,926

Notes

¹ Positions are stated in full time equivalents

² Figures are per the Edmonton Public Library's 2014-2018 Annual Reports

³ Population data are per the 2014 and 2016 City of Edmonton census.

REVENUE, EXPENSE, ANNUAL SURPLUS AND ACCUMULATED SURPLUS

For the Years Ended December 31, 2014-2018

Unaudited

Revenues by Source	2018	2017	2016	2015	2014
Government Transfers					
City of Edmonton	48,019,405	44,365,056	42,359,514	40,240,685	38,227,480
Provincial Government	5,231,296	5,136,520	5,067,223	5,045,369	4,581,379
Federal Government	60,044	-	-	-	-
Fines and Charges	778,362	815,078	888,361	955,586	917,078
Other	1,047,053	778,101	1,049,356	1,073,506	931,324
Annual Registration Fees	-	-	-	-	-
Donations	338,499	622,071	505,698	404,465	507,623
Gain on Disposal of Tangible Capital Assets	158,094	65,734	152,796	202,489	142,784
Interest	216,519	240,742	131,473	86,010	91,558
Total Revenues By Source	55,849,272	52,023,302	50,154,421	48,008,110	45,399,226
Expenses by Function					
Board	21,612	25,376	32,353	40,608	46,880
Administration	4,190,358	4,201,021	4,155,704	3,721,587	3,606,180
Branch Services	57,967,818	55,933,418	56,662,879	54,041,165	50,048,219
Total Expenses By Function	62,179,788	60,159,815	60,850,936	57,803,360	53,701,279
(Shortfall) of Revenue over Expenses before Other	(6,330,516)	(8,136,513)	(10,696,515)	(9,795,250)	(8,302,053)
Other					
Contributed tangible capital assets	214,289	220,697	563,540	275,527	59,396
Government Transfers for Capital	10,442,154	10,352,338	9,115,933	12,457,312	14,482,153
Transfer to the City of Edmonton	(109,156)	(200,000)	(193,244)	(21,825)	(1,818,776)
	10,547,287	10,373,035	9,486,229	12,711,014	12,722,773
(Shortfall) Excess of Revenue over Expenses	4,216,770	2,236,522	(1,210,286)	2,915,764	4,420,720
Accumulated Surplus, Beginning of Year	40,766,776	38,530,254	39,740,540	36,824,776	32,404,056
Accumulated Surplus, End of Year	44,983,546	40,766,776	38,530,254	39,740,540	36,824,776
Expenses by Object					
Salaries, Wages and Benefits	38,471,769	36,926,457	37,228,134	35,381,965	33,102,464
Amortization of tangible Capital Assets	10,244,895	10,117,841	10,060,148	9,833,796	9,368,889
Building Operations	2,889,649	2,502,515	3,212,694	2,758,461	2,592,499
Utilities and Other	3,296,275	3,471,596	3,104,821	3,105,240	2,971,168
Books and Library Materials	3,243,114	3,325,353	2,960,023	2,824,738	2,052,507
Material Goods and Supplies	2,057,720	1,769,133	2,202,240	2,076,539	1,989,404
Services	1,976,366	2,046,920	2,082,876	1,822,621	1,624,348
Total Expenses by Object	62,179,788	60,159,815	60,850,936	57,803,360	53,701,279

KEY COMPONENTS OF FINANCIAL POSITION

For the Years Ended December 31, 2014-2018

Unaudited

	2018	2017	2016	2015	2014
Financial Assets	26,724,051	18,520,638	21,138,244	15,497,301	13,752,440
Liabilities	15,553,564	10,240,486	17,556,458	12,805,895	12,139,003
Net Financial Assets	11,170,487	8,280,152	3,581,786	2,691,406	1,613,437
Non-Financial Assets	33,813,060	32,486,624	34,948,468	37,049,134	35,211,339
Accumulated Surplus	44,983,547	40,766,776	38,530,254	39,740,540	36,824,776
Acquisitions of Tangible Capital Assets					
Land Improvements	600	-	-	-	-
Buildings	54,496	435,385	-	137,383	12,833
Leasehold Improvements	1,266,704	43,613	834,052	215,379	136,871
Library Materials	6,044,991	6,175,356	5,954,132	6,357,951	8,676,645
Machinery and Equipment	4,675,663	1,091,171	1,589,162	4,513,566	5,643,271
Vehicles	-	43,267	159,169	68,491	-
Assets Under Construction	123,500	263,917	(137,676)	120,765	(1,663,951)
Total Tangible Capital					
Asset Acquisitions	11,918,954	8,052,709	8,398,839	11,413,535	12,805,669

EDMONTON PUBLIC LIBRARY
MNP TOWER, 6TH FLOOR
10235 101 STREET NW
EDMONTON, AB T5J 3G1