

MEETING AGENDA – EXECUTIVE MEETING

MEETING INFORMATION

Date: February 25th, 2019

Time: 10 am

Attendees:

PREPARATION FOR MEETING

Please Read: Minutes of the Executive Meeting December 13th, 2018 (Attached)

ACTION ITEMS FROM PREVIOUS MEETING

1. Tracy Paradis-Send to Executive Committee the December 8, 2017 proposal from Jen-Col
2. Laurent Amyotte-Building Committee to present update to Executive Committee after January 20 meeting
3. Chair & Executive Director-Letter to be sent to Ryley Library Board to address the Cowboys and Indians magazine subscription

REPORTS

1. LMC Report
2. Chair's Report
3. Director's Report
4. Financial Report
5. Policy Report

AGENDA ITEMS

1. Additions to agenda
2. Approval of Minutes from December 13, 2018
3. Policy Committee
4. Building Committee

NEW ACTION ITEMS

Next Executive Meeting will be held on March 2, 2019 at 8:00 a.m.

MEETING MINUTES – EXECUTIVE MEETING

MEETING INFORMATION

Date: February 25th, 2019

Time: 10:00 am

Attendees: Larry Tiedemann, Laurent Amyotte, Warren Griffin, Craig Lukinuk, Jill McLuckie, Justin Thompson, Karen Shaw, Cyndy Heslin, Elaine Sorochoan, Jodi Dahlgren, Terri Hampson, Heather Elliott, Kelly McGrath, Julie Walker, Tracy Paradis
Missing: Vicky Lefebvre

Meeting called to order at 10:01 a.m.

ACTION ITEMS FROM PREVIOUS MEETING

1. Tracy sent copies of original proposal from Jen-Col to all Executive Members in December/18
2. Building Committee – Had a few meetings with Jen-Col, need to decide on drawings and phasing
Purpose of building committee was to address problems with flooding in Bib. Services, extending the garage and fixing the windows.
There is a \$1.5 million grant, that may be available, for building, but we can't apply for this until October/19.
2 separate phases of construction: phase 1 to deal with flooding, garage, windows and larger ILL dept.; phase 2 re-design of other departments.
Will get a cost from Christy for just the flooding concerns, garage doors and windows. Christy called in and gave a price for the overhead doors. \$2,500 for each door frame to enlarge and \$4,000 per door; as well as \$4,000 flat fee for structural engineer.

Motion to do 3 main repairs, water (flooding issues), windows and garage doors including the inside passage door to garage at a cost not to exceed \$150,000 – Karen Shaw – Seconded by Jill McLuckie – carried

Motion to accept Building Committee Report – Elaine Sorochoan – carried

3. Letter to Ryley to address the magazine subscription "Cowboys and Indians" – Julie had a visit with the Ryley Library Board, the Library Board sent a subsequent email back to Julie. Julie and 2 NLLS staff went to meet with the library board about the concerns and the issue wasn't brought up. Cyndy commented that there are 2 new library board members and there's more cohesiveness now. This issue has now been laid to rest.

REPORTS

1. LMC Report
 - LMC meeting scheduled for Wednesday, February 27/19
 - Larry will attend meeting

Motion to approve the LMC report as presented – Justin Thompson – carried

2. Chair's Report

- presentations to Councils have been going very well (Julie and Larry)
- the councils are very appreciative of the information and where their money is being spent
- to date 9 Councils had presentations
- Julie and Larry will complete the Council presentations and then they will start with the Library Boards.

Motion to approve Chair's Report as presented – Warren Griffin – carried

3. Executive Director's Report

- there are 8 more Council visits scheduled for March and April
- LMC Chair will be attending ALC & IUG
- we have purchased a ventilation system for smudging ceremonies in the libraries
- the new van run has been implemented (1 van run Monday and Friday; 2 van runs Tuesday and Wednesday; and 3 van runs Thursday)
- YRL does not want to use the blue bags for ILL, so all items are coming in loose in the tubs
- 22 libraries have spent all their book allotment for 2018
- the NAO robot has arrived; once programming and training has been completed, the robot will be available to send out to libraries
- 3 new MOU's – Vilna Library, Two Hills Library and Fishing Lake
- Fishing Lake and Frog Lake are looking to become system members
- Advocacy Course – had 8 members sign up, 1 has since dropped out. A new course will be available in October.
- Lynda.com training database – Julie has been trying to get in touch with someone to get Lynda.com for our libraries, unfortunately, they have not returned any calls.
- the audit is complete, they will present to Executive and Board on Saturday
- new mobile APP to work with Polaris, from a company called Solus (takes over from Boopsie)
- NLLS & Xerox are looking at partnering to get better contract pricing on printers and photocopiers for libraries

Motion to approve Executive Director's Report as presented– Craig Lukinuk – carried

4. Financial Reports

- see attached

Motion to approve Financial Report as presented – Justin Thompson – carried

5. Policy Report

- 5 new policies
- reworking and rewording policies

Motion to go into camera at 12:35 p.m. re: staff policies – Cyndy Heslin – carried

Motion to come out of camera at 1:14 p.m. – Justin Thompson – carried

Motion for the policies that did not contain comments should be deferred to Executive Committee meeting of March 2 and that all other remaining policies be sent back to the Policy Committee for further review and consultation – Warren Griffin – carried

AGENDA ITEMS

1. Additions to agenda

- 5. Set meeting dates

Motion to approve amended agenda – Jill McLuckie – carried

2. Approval of Minutes from December 13, 2018

Motion to approve Minutes from December 13, 2018 – Cyndy Heslin – carried

3. Policy Committee

- see above

4. Building Committee

- see above

5. Set meeting dates
 - to be set at AGM in May
 - there was discussion as to whether to have Executive Meetings on the morning of the Board meetings (Saturday's)

NEW ACTION ITEMS

none

Motion to adjourn 1:37 p.m. – Cyndy Heslin – carried

Next Executive meeting Saturday, March 2nd, 2019 at 9:00 a.m.

Approved By: _____

Date: _____

Chair Report

Feb 28, 2019

Julie and I have begun making presentations to our Municipal Councils. This presentation is to show the Council what value they are receiving from the money they send to Northern Lights. So far, we have been presenting to the Councils who have requested the presentation. Rather than replacing the report our Board members are making back to their Councils and (hopefully) to their Library Boards, this report is meant to supplement their report. While the presentation is to Council, we have seen some Library Board Chairs, and some Library Board members, also present for the presentation. Our reception has been very good, with many questions, and lots of discussion. I have also received requests for the presentation to be made to the Library Boards, and intend to do just that. Please remember, there are a lot of presentations to be made!

Over the years, I have heard many times: there are repairs required for the headquarters building. We have issues with the water drainage, with the electrical, with the heating, the windows; and the work flow is not very good. After hearing from the staff, an architect has been working with the building committee on some solutions for these issues. The building committee is planning on presenting a proposal to the executive on Feb 25th. As always, there will be a difficult balance between what we would like to do, and what we can afford to do!

Larry Tiedemann,

Chair, Northern Lights Library System



NLLS REPORT

Board Report, March 2019.

- MOU's - Since the last Library Manager's Council meeting, Northern Lights have issued 3 more MOU's, one with Vilna Library Board, one with Two Hills Library Board, and lastly, one direct with the Fishing Lake Metis Settlement. We are hoping with future collaboration with the Fishing Lake Metis Settlement and Frog Lake First Nations Reserve that they will become future members of the Northern Lights Library System.
- The Advocacy Course, this time around, was well attended by members of Northern Lights. If you, your council members, your library board or your library manager and their staff are interested in taking a future course please contact Tracy at reception and she will place you on the wait list. Next course is TBA, but the course will probably be offered in the fall.
- NLLS building committee have been looking at possible renovation options to the building. Issues such as flooding, air conditioning, carbon monoxide issues and van run space are all being looked at.
- NLLS has no update on Lynda.com. TAL has given up on getting pricing for Lynda, and NLLS is waiting for a response from Lynda for individual pricing for the system
- NLLS has just gone through their audit process and it will be presented to the board on the 2nd of March.
- With the departure of Boopsie, TRAC have been hard pressed to come up with a new mobile app that will work with Polaris. However, TRAC has found one and are currently in negotiations with a company called Solus. More to follow.
- NLLS and Xerox are currently looking at partnering to bring our libraries better printer/scanner/fax contract prices. When more information becomes available NLLS will forward this to our libraries.



NLLS REPORT

- So far, the Chair and myself have presented to 9 council with 8 more on the agenda for March and April. If you require a presentation to council on system services then please contact the Executive Director.
- On behalf of the LMC, the LMC chair will be attending ALC at Jasper and IUG in Phoenix
- NLLS has purchased, on behalf of the libraries, a ventilation system for smudging ceremonies. We will announce when it arrives.
- Van Run has been changed to accommodate the needs of the libraries and to manage the time of the van drivers. NLLS van run now runs five days a week, our bigger load libraries have 2 deliveries a week.
- Yellowhead Library System have changed how they package their Interlibrary loans material. YRL will no longer be using any blue bags for ILL delivery, nor do they want any blue bags delivered to them. YRL wanted all TRAC partners to use this practice. This practice would have significant impact on staffing and the workflow of our ILL. Due to this, Marigold and Peace Library System have sided with Northern Lights to monitor the impact that change YRL have imposed.
- The HQ departments are getting together and setting up dates for training in areas of need. Training facilities will be localized with sessions running from Wainwright/Vermilion, Vegreville, Morinville, Lac la Biche and at Headquarters.
- In 2018, we have 22 libraries spend all of their book allotment money, that is 10 more than last year.
- The NAO robot has arrived, we are currently working with the software, creating policies and waiting on training before we send him out to our libraries.



NLLS BOARD REPORT

Top Apps - Outbound (GB)

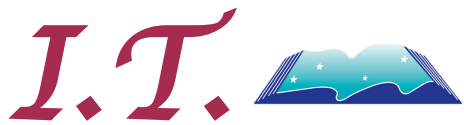
HTTPS	1,089.495
YouTube	888.841
Adobe Updates	608.995
Bitdefender	522.308
Windows Store	463.001
Unclassified	231.593
Netflix	154.023
Amazon Cloud	149.103

Top Virtual Circuits - Outbound (GB)

NLLS-ABM	431.032
NLLS-ASTP	422.237
NLLS-ALLB	373.759
NLLS-AGCM	351.252
NLLS-AMO	299.520
ISP	292.762
NLLS-AVE	225.450
NLLS-AWAIC	220.461

IT Report for February 2019

- IT has started the roll out of the new wireless access points, Jodi has created a schedule and has shared that schedule with the libraries.
- The first quarterly purchase of computers for our libraries has just completed, we have purchased 26 computers. Our next bulk purchase will be May 24th.
(Quotes and purchases can always be done outside of the scheduled bulk purchases; the bulk purchasing is organized to try and help save our libraries on costs.)
- The NAO robot has arrived, we are currently working with the software, creating policies and waiting on training before we send him out to our libraries.
- Minecraft labs have been updated and should be easier for general setup for our libraries
- Internet usage: Total usage of bandwidth used for internet for Jan 17 to Feb 17 is 5.5 TB or 5500 GB, this does not include Domain traffic, Polaris or videoconferencing.



NLLS BOARD REPORT

marketing

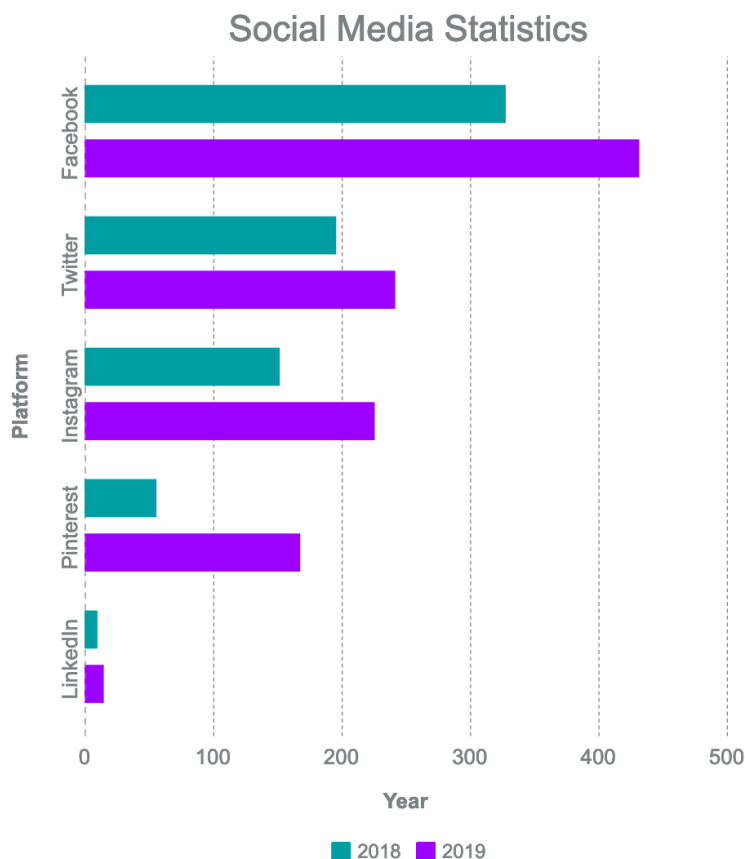
NLLS REPORT

Executive Meeting

Monday February 25, 2019

Social Engagement

- Social media has seen a steady increase in followers
 - Facebook has seen a **32%** increase since 2018
 - Twitter has seen a **24%** increase since 2018
 - Instagram has seen a **49%** increase since 2018
 - Pinterest has seen a **200%** increase since 2018
 - LinkedIn has seen a **50%** increase since 2018



Social Media



Statistics

Facebook:

July 24 likes – 392

Oct 25 likes – 399

Feb 11 likes - 432

Twitter:

July 24 227 followers

Oct 25 234 followers

Feb 11 242 followers

Instagram

July 24 - 196 followers

Oct 25 - 215 followers

Feb 11 – 226 followers

Pinterest

July - 1300

monthly viewers

(SRP)

Feb 11 - 168

monthly views

LinkedIn

July 24 - 13 followers

Oct 25 - 15 followers

Feb 11 – 15 followers



Niche Academy

- NLLS managers 3 Niche Academies: for the public, for the manager, for marketing material
 - Public tutorial: Nov – 106 views, Dec – 98 views & Jan 292 views
 - Manager tutorials: Nov – 23 views, Dec – 24 views & Jan 4 views
 - Marketing tutorials: Nov – 105 views, Dec – 53 views & Jan – 56 views
- Ongoing project

Library Aware

- It has been a slow process but have given one-on-one tutorials with positive feedback

Website for the Board

Please note these changes

- Board-Exec Agenda and Board-Exec Minutes sections are now available by date of the meeting
- Board-Exec Reports section is organized by report type and then by date of the meeting

Library Manager's website update – the development of the website will be showcased at the LMC. Areas that the managers have requested improvement is the eResource page and the document library because of the difficulties locating document.



Jen-Col Construction Ltd. General Contractors – Construction Managers

100-9620 266 St, Acheson, AB T7X 6H6

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Fax: 780-963-0264

Email: jen-col@jen-col.com

Website: www.jen-col.com

Northern Lights Library System Relocation of the Boardroom

At the beginning of the design stages two options were presented to the user groups; one option showed the boardroom in the same place, the second option showed the boardroom moved to the front of the building. The floorplan selected was the second option that moved the boardroom to the front of the building.

Cost Comparison

Budgets for this project have included for a complete interior demolition, inclusive of all walls, ceilings, finishes etc. The new build includes all new drywall partitions, glazing walls, doors, finishes, etc. The most cost effective method of renovation is a complete demo and new build – with this assumption, a complete demo and new build of the boardroom for the relocation would cost the same for option 1 and option 2 of design. If we assume the boardroom were to remain in the same place and the office renovated around it then we would need to decrease the productivity of the trades working on the renovation because they would no longer have open and free access to run cable, piping, ducting etc. Working in small cut-outs, rather than open stud, decreases the productivity of the trades and increases the amount of work for the finishing trades such as drywall and paint.

End-User Efficiencies

By moving the boardroom to the front of the office allows the building occupants to remain separate from the main meeting space in the office. When meetings are going-on the employees are not affected by the noise or commotion created by an additional 60+ people wandering around the office on their way to or from the meeting. Because the boardroom is now located at the front of the building the design has also included a quick-counter for service of coffee or snacks during the meetings so there is no need for meeting attendees to move around the building. The new location also provides easy access to the washroom facilities.

In addition to keeping the meeting attendees located in only the front of the building, we have added lockable doors that will ensure security of the offices during daytime meetings as well as after-hours meetings. It is our understanding the Northern Lights Library System has many pieces of expensive technology as well as sensitive documents that need to be kept private. By ensuring all meeting occupants do not have general access to the building we are securing the stored technology and data of the library system.

The overall design of the space was created to maximize the workflow of the employees by creating efficiencies in how people move in the building. Part of those efficiencies are also limiting where people can move in the building by creating secure spaces.

NORTHERN LIGHTS LIBRARY SYSTEM
Financial Statements
For The Year Ended December 31, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of the Northern Lights Library System

Opinion

We have audited the financial statements of Northern Lights Library System (the Library System), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library System as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

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 report. We are independent of the Library System 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Library System for the year ended December 31, 2017, were audited by another auditor who expressed an unmodified opinion on those financial statements on February 26, 2018.

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 for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(continues)



Independent Auditors' Report to the Members of Northern Lights Library System *(continued)*

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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library System'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 System'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 System to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants

Edmonton, Alberta

March 2, 2019

NORTHERN LIGHTS LIBRARY SYSTEM
Statement of Financial Position
As at December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 2,222,078	\$ 2,037,639
Short term investments	400,000	400,000
Accounts receivable (Note 2)	22,803	42,191
Goods and Services Tax recoverable	24,530	-
Prepaid expenses	61,455	91,873
	<u>2,730,866</u>	<u>2,571,703</u>
TANGIBLE CAPITAL ASSETS (Note 4)	<u>2,420,392</u>	<u>2,579,667</u>
	<u>\$ 5,151,258</u>	<u>\$ 5,151,370</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 31,997	\$ 79,731
Goods and Services Tax payable	-	4,900
Vacation payable	34,478	40,434
Source deductions payable	-	22,535
Deferred contributions - allocation (Note 7)	132,867	147,434
Deferred contributions - other (Note 8)	166,466	140,146
	<u>365,808</u>	<u>435,180</u>
DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS (Note 9)	<u>1,247,080</u>	<u>1,318,139</u>
	<u>1,612,888</u>	<u>1,753,319</u>
NET ASSETS		
Invested in tangible capital assets - Internally restricted	1,173,312	1,261,528
Unrestricted	2,365,058	2,136,523
	<u>3,538,370</u>	<u>3,398,051</u>
	<u>\$ 5,151,258</u>	<u>\$ 5,151,370</u>

ON BEHALF OF THE BOARD

Director

Director

NORTHERN LIGHTS LIBRARY SYSTEM

Statement of Operations

For The Year Ended December 31, 2018

	2018	2018	2017
REVENUE			
Provincial grants (Note 3)	\$ 1,153,521	\$ 1,293,783	\$ 1,263,502
Municipal levies	1,188,119	1,188,119	1,204,931
Library board levies	566,486	566,486	586,472
Reimbursements (Note 5)	102,000	141,727	220,680
Amortization of deferred contributions - tangible capital assets (Note 9)	-	71,059	66,443
Interest	20,000	43,895	35,387
Deferred allotment	40,000	17,658	13,419
Office sales	6,000	7,435	8,109
Annual conference	5,000	5,453	4,029
Reading programs	2,000	3,802	2,694
Non-resident fees	900	1,300	1,200
	<u>3,084,026</u>	<u>3,340,717</u>	<u>3,406,866</u>
EXPENSES			
Salaries, wages and benefits	1,268,830	1,273,904	1,222,318
Bibliographic services	484,538	481,055	439,588
Transfer payments (Note 6)	338,506	338,506	338,506
Amortization of tangible capital assets	-	185,236	164,747
Public services	189,800	157,527	214,646
Reimbursements	100,000	137,010	211,117
Indigenous project	-	135,207	104,926
Contracts and vendor services	135,000	133,274	143,241
Information technology	118,500	87,349	136,133
Administration and finance	98,100	83,177	109,101
Board	45,500	56,826	54,245
Repairs and maintenance	46,000	50,265	50,128
Delivery, freight and express	48,500	43,098	43,293
Utilities	30,000	26,001	26,881
Insurance	12,500	10,703	11,443
	<u>2,915,774</u>	<u>3,199,138</u>	<u>3,270,313</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>168,252</u>	<u>141,579</u>	<u>136,553</u>
OTHER INCOME (EXPENSES)			
Gain on disposal of tangible capital assets	-	-	2,300
Loss on foreign exchange	-	(1,260)	-
	<u>-</u>	<u>(1,260)</u>	<u>2,300</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 168,252</u>	<u>\$ 140,319</u>	<u>\$ 138,853</u>

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

NORTHERN LIGHTS LIBRARY SYSTEM
Statement of Changes in Net Assets
For The Year Ended December 31, 2018

	Unrestricted	Invested in tangible capital assets - Internally restricted	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 2,136,523	\$ 1,261,528	\$ 3,398,051	\$ 3,259,198
Excess of revenue over expenses	140,319	-	140,319	138,853
Purchase of tangible capital assets	(25,961)	25,961	-	-
Amortization of tangible capital assets	185,236	(185,236)	-	-
Amortization of deferred contributions - tangible capital assets (<i>Note 9</i>)	(71,059)	71,059	-	-
NET ASSETS - END OF YEAR	\$ 2,365,058	\$ 1,173,312	\$ 3,538,370	\$ 3,398,051

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

NORTHERN LIGHTS LIBRARY SYSTEM
Statement of Cash Flows
For The Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 140,319	\$ 138,853
Items not affecting cash:		
Amortization of tangible capital assets	185,236	164,747
Amortization of deferred contributions - tangible capital assets (Note 9)	(71,059)	(66,443)
	<u>254,496</u>	<u>237,157</u>
Changes in non-cash working capital:		
Accounts receivable	19,388	(36,716)
Prepaid expenses	30,418	17,357
Accounts payable and accrued liabilities	(47,734)	48
Goods and Services Tax payable	(29,430)	34,510
Vacation payable	(5,956)	(4,372)
Source deductions payable	(22,535)	(5,297)
Deferred contributions - allocation	(14,567)	(10,372)
Deferred contributions - other	26,320	40,163
	<u>(44,096)</u>	<u>35,321</u>
	<u>210,400</u>	<u>272,478</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(25,961)</u>	<u>(64,328)</u>
	<u>(25,961)</u>	<u>(64,328)</u>
FINANCING ACTIVITIES		
Disposal of short term investments	400,000	602,387
Purchase of short term investments	<u>(400,000)</u>	<u>-</u>
	<u>-</u>	<u>602,387</u>
Cash flow from financing activities	<u>-</u>	<u>602,387</u>
INCREASE IN CASH FLOW	184,439	810,537
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,037,639</u>	<u>1,222,730</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,222,078</u>	<u>\$ 2,033,267</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash and cash equivalents	\$ 1,088,123	\$ 923,341
Temporary investments	<u>1,133,955</u>	<u>1,114,298</u>
	<u>\$ 2,222,078</u>	<u>\$ 2,037,639</u>

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

NORTHERN LIGHTS LIBRARY SYSTEM

Notes to Financial Statements

For the Year Ended December 31, 2018

PURPOSE OF THE SYSTEM

Northern Lights Library System (the "Library System") is a Government not-for-profit organization that provides services and support to autonomous member libraries to assist them in the provision of comprehensive and efficient library service. The Library System may provide access to library services for residents of supporting municipalities where no library exist.

The Library System was established in 1990. The Library System is exempt from income taxes under section 149(1)(l) of the *Income Tax Act*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Revenue recognition

Northern Lights Library System follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Reimbursement revenue is recognized as revenue when the performance has been completed, or the risks and rewards of the ownership of the asset has been transferred and collection is reasonably assured.

Municipal and library board revenues are based on an approved per capita funding contribution. The funding contribution is approved annually and the population of the various municipalities is provided by the Government of Alberta.

Cash and cash equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These temporary investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

Short term investments

Short term investments consist of term deposits with maturities of less than twelve months.

(continues)

NORTHERN LIGHTS LIBRARY SYSTEM

Notes to Financial Statements

For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost or less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Buildings	40 years	straight-line method
Parking lots	15 years	straight-line method
Furniture and equipment	5 years	straight-line method
Computer equipment	3 years	straight-line method
Vehicles	3 years	straight-line method

The Library System regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use. No amortization is taken in the year of acquisition

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Significant areas requiring the use of management's estimates include the useful lives of tangible capital assets and the corresponding rates of amortization, recoverability of accounts receivable, and the amount of accrued liabilities. Such estimates are periodically reviewed and any adjustments necessary are reported in the statement of operations in the period they become known. Actual results could differ from these estimates.

(continues)

NORTHERN LIGHTS LIBRARY SYSTEM
Notes to Financial Statements
For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Measurement of financial instruments

The Library System initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Library System subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, short term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and vacation payable.

The Library System has no financial assets measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Library System recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their organization, issuance or assumption

2. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Trade receivables	\$ 21,430	\$ 40,123
Interest receivable	2,150	2,068
	<u>23,580</u>	42,191
Allowance for doubtful accounts	(777)	-
	<u>\$ 22,803</u>	<u>\$ 42,191</u>

NORTHERN LIGHTS LIBRARY SYSTEM
Notes to Financial Statements
For the Year Ended December 31, 2018

3. PROVINCIAL GRANTS

	2018	2017
Operating grant	\$ 820,070	\$ 820,070
Rural services grant	338,506	338,506
Indigenous grant	135,207	104,926
	\$ 1,293,783	\$ 1,263,502

The rural services grant is paid out to the member libraries in the form of transfer payments, described further in Note 6.

4. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2017 Balance	Additions	Disposals	2018 Balance
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Building	2,894,641	-	-	2,894,641
Parking lot	81,000	-	-	81,000
Furniture & equipment	83,109	-	-	83,109
Computer equipment	233,188	-	-	233,188
Vehicles	206,835	25,961	31,662	201,134
	\$ 3,548,773	\$ 25,961	\$ 31,662	\$ 3,543,072

<u>Accumulated Amortization</u>	2017 Balance	Amortization	Accumulated Amortization on Disposals	2018 Balance
Building	\$ 659,136	\$ 72,366	\$ -	\$ 731,502
Parking lot	16,200	5,400	-	21,600
Furniture & equipment	33,645	11,280	-	44,925
Computer equipment	151,766	53,045	-	204,811
Vehicles	108,359	43,145	31,662	119,842
	\$ 969,106	\$ 185,236	\$ 31,662	\$ 1,122,680

<u>Net book value</u>	2018	2017
Land	\$ 50,000	\$ 50,000
Building	2,163,139	2,235,505
Parking lot	59,400	64,800
Furniture & equipment	38,184	49,464
Computer equipment	28,377	81,422
Vehicles	81,292	98,476
	\$ 2,420,392	\$ 2,579,667

NORTHERN LIGHTS LIBRARY SYSTEM
Notes to Financial Statements
For the Year Ended December 31, 2018

5. REIMBURSEMENTS

	<u>2018</u>	<u>2017</u>
Sales of office supplies	\$ 132,223	\$ 210,599
Wage subsidies grant	5,062	5,352
Services and travel reimbursement	4,442	4,729
	<u>\$ 141,727</u>	<u>\$ 220,680</u>

6. TRANSFER PAYMENTS

The Library System provides payments to certain member entities on the basis of \$5.55 per capita (2017 - \$5.55). The population of the municipality is based off of the two years prior Municipal Affairs Population List, provided by the Government of Alberta. The population of the 17 municipalities that received transfer payments total 60,992 (2017 - 60,992) with a minimum population of 44 individuals (2017 - 44) and a maximum population of 19,578 individuals (2017 - 19,578).

7. DEFERRED CONTRIBUTIONS - ALLOCATION

The Library System provides each member library with a book purchase allocation. All purchases by the member libraries are applied against their allotment. The annual change in the regular allocation accounts is reflected on the income statement as a change in the deferred revenue allocation.

	Balance, Beginning of Year	Book purchase allocation	Books purchased	Balance, End of Year
Purchase allotment	\$ 147,434	\$ 372,032	\$ (386,599)	<u>\$ 132,867</u>

The member libraries have outstanding orders of \$4,069 (2017 - \$7,158) for books not received as at December 31, 2018. These amounts are reflected in the balance at year end.

NORTHERN LIGHTS LIBRARY SYSTEM
Notes to Financial Statements
For the Year Ended December 31, 2018

8. DEFERRED CONTRIBUTIONS - OTHER

Deferred contributions consists of externally designated funds received by the Library System. The funds are specifically designated for various projects.

	Balance, Beginning of Year	Contributions received	Revenue recognized	Balance, End of Year
Indigenous project grant	\$ 119,043	\$ 160,064	\$ (135,207)	\$ 143,900
Myrnam - funds	6,249	8,367	(3,107)	11,509
Member library restricted funds	14,854	7,615	(11,412)	11,057
	<u>\$ 140,146</u>	<u>\$ 176,046</u>	<u>\$ (149,726)</u>	<u>\$ 166,466</u>

The member libraries restricted funds are donations and other funding amounts paid to the individual library members by various arm's length entities or individuals. The member libraries are able to spend the funds as they best see fit.

9. DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS

Deferred contributions - tangible capital assets consists of contributed tangible capital assets and restricted contributions with which tangible capital assets were purchased.

	<u>2018</u>	<u>2017</u>
Balance, Beginning of Year	\$ 1,318,139	\$ 1,370,732
Add:		
Indigenous grant	-	13,850
Less:		
Amortization of deferred contributions - tangible capital assets	<u>71,059</u>	66,443
Balance, End of Year	<u>\$ 1,247,080</u>	\$ 1,318,139
Deferred contributions are comprised of the following:		
Building	\$ 1,229,090	\$ 1,271,775
Computer equipment	9,233	28,850
Vehicles	<u>8,757</u>	<u>17,514</u>
	<u>\$ 1,247,080</u>	\$ 1,318,139

NORTHERN LIGHTS LIBRARY SYSTEM

Notes to Financial Statements

For the Year Ended December 31, 2018

10. RELATED PARTY TRANSACTIONS

The Library System charges its member entities a levy of \$10.14 (2017 - \$10.14) per capita in the municipality of the member entity library. If there is a library board in the municipal area, then the municipality and library board share the funding costs on a 50/50 basis. Total funding from the municipal levies in 2018 totaled \$1,188,119 (2017 - \$1,204,931) and the funding from the library boards levies in 2018 totaled \$566,486 (2017 - \$586,472). The population of the municipality is based off the previous year's "Municipal Affairs Population List", provided by the Government of Alberta. The population of the 54 municipalities total 173,038 individuals (2017 - 176,667), with a minimum population of 38 individuals (2017 - 44) and a maximum population of 20,495 individuals (2017 - 19,578).

Total other revenue received from related parties in 2018 totaled \$131,335 (2017 - \$208,250). This was recorded under reimbursement revenue on the Statement of Operations.

Amounts paid to the related parties by the Library System consist of the transfer payments, further described in Note 5.

Amounts owed from related party transactions included in accounts receivable as at December 31, 2018 total \$17,534 (2017 - \$40,123).

The Library System did not owe any amounts to related parties in either the 2018 or 2017 fiscal years.

The deferred contributions allocation described in Note 7 and the other deferred contributions amount described in Note 8 relate to funds that have been received or allocated for the member entities which no corresponding expenses have been incurred yet.

All of the related party transactions were in the normal course of business and were recorded at the exchange value.

11. FINANCIAL INSTRUMENTS

The Library System is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Library System's risk exposure and concentration as of December 31, 2018.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Library System is exposed to credit risk related to the collection of accounts receivable from member entities.

(b) Liquidity risk

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

The Library System mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

(continues)

NORTHERN LIGHTS LIBRARY SYSTEM
Notes to Financial Statements
For the Year Ended December 31, 2018

11. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Library System manages exposure through its normal operating and financing activities. The Library System is exposed to interest rate risk primarily through its cash and cash equivalents and short term investments.

Unless otherwise noted, it is management's opinion that the Library System is not exposed to significant market, currency and other price risks arising from these financial instruments.

12. RECONCILIATION OF OPERATING RESULTS TO BUDGET

The Library System compiles a budget on a modified accrual basis. The budget expensed all tangible capital asset purchases rather than including amortization expense. The reconciliation below adjusts excess of revenues over expenses to align with the Library System's budgeting process. It should not be used as a replacement for the statement of operations. The Library System budgeted for a \$18,848 deficit.

	2018 Budget	2018 Actual	2017 Actual
Excess of Revenues over Expenses	\$ 168,252	\$ 140,319	\$ 138,853
Add:			
Amortization of tangible capital assets	-	185,236	-
Deduct:			
Purchase of tangible capital assets	(147,100)	(25,961)	-
Amortization of deferred contributions - tangible capital assets	-	(71,059)	-
Deferred allotment carryover	(40,000)	(17,658)	-
	<u>\$ (18,848)</u>	<u>\$ 210,877</u>	<u>\$ 138,853</u>

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

Building committee update

We have met on January 7th, 25th and Feb 20th.

We have made much progress so far. We are now at the stage of initial budget, secondary designs and deciding on project phases.

We are in the process of applying for grants, one for \$25000. The other for \$1.5M. results are due late October and will dictate the starting process as well as the scope of this project.

We are now trying to organize the phases how many? and how far do we go on the available funds?

Jen-Col has been very accommodating and Kennedy Architects have delivered information in a timely fashion.

Our task today is to look over the results achieved so far and to decide if these designs are in line with our goals and if we want to proceed with phase one with funds currently available existing funds, or wait until we hear from grant results.

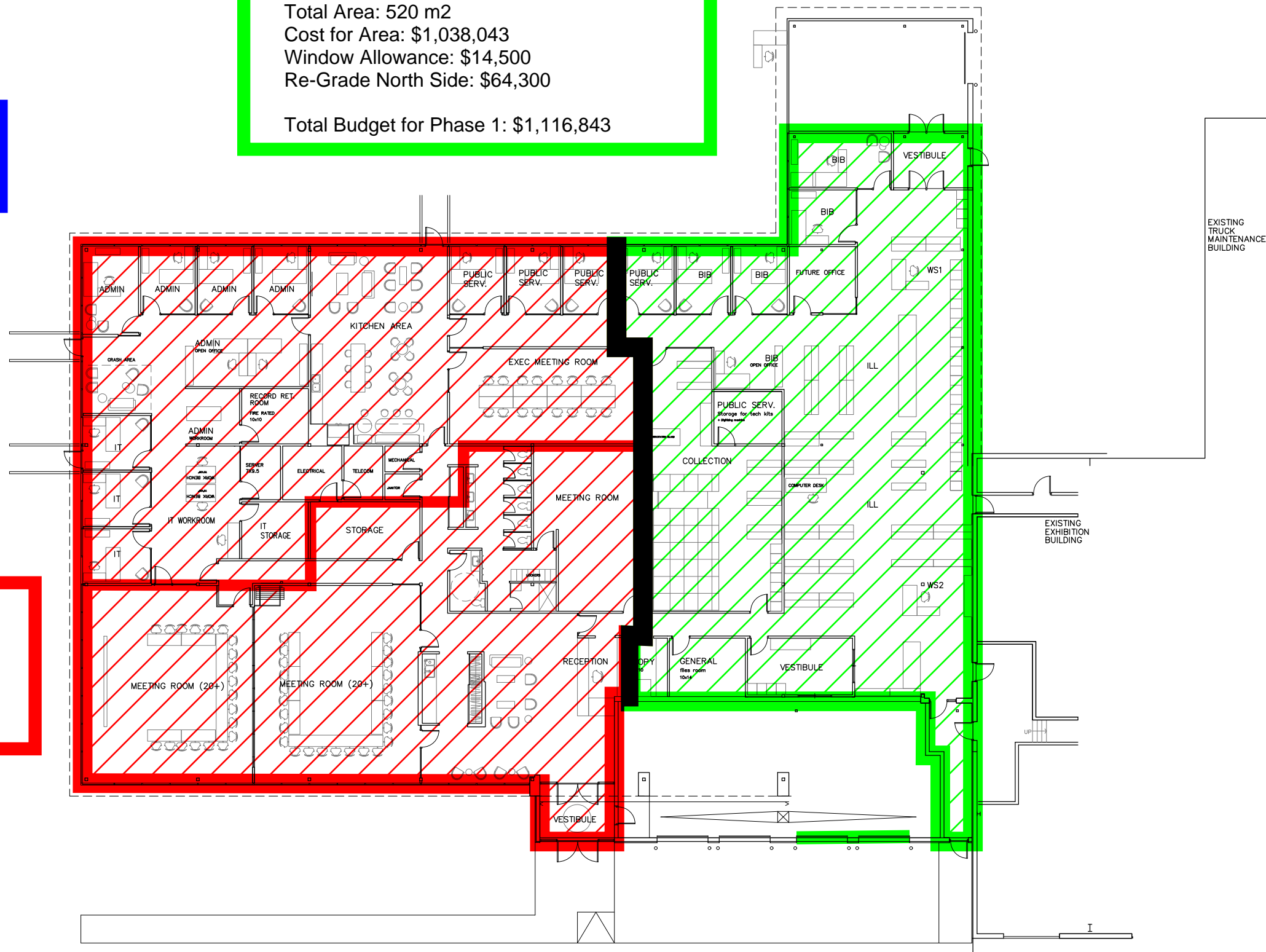
Pre-Construction Fees
CM Pre-Con Fee: \$45,000
Design Fee: \$167,000

Phase 1 - Renovate BIB Services & ILL
Total Area: 520 m2
Cost for Area: \$1,038,043
Window Allowance: \$14,500
Re-Grade North Side: \$64,300

Total Budget for Phase 1: \$1,116,843

Phase 2 - Renovate Office Spaces
Total Area: 887 m2
Cost for Area: \$1,729,612
Structural Allowance: \$30,290

Total Budget for Phase 2: \$1,759,902



REVISIONS

No.	Date	Revisions
ISSUE		

No.	Issue Date	Issue Description
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DISCLAIMER:
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PROJECT

**NORTHERN LIGHTS
LIBRARY**

DRAWING TITLE

NEW

DRAWN BY:	CHECKED:
DATE: 2019/01/07	SCALE: NTS
PROJECT NO.	SHEET NO.
19100	

Preliminary Budget Report

For:

Northern Lights Library System Renovation

Prepared by:



Jen-Col Construction Ltd.

Construction Managers † General Contractors

12-52510 Range Road 263A, Acheson AB, T7X 5A6

P: 780-963-6523 F:780-963-0264 E: jen-col@jen-col.com

Prepared for:



Building Committee

Northern Lights Library System

5615 48 Street

Elk Point, AB T0A 1A0

February 20, 2019

Estimate Details

Purpose of the Estimate

Included within this report is the preliminary budget for the Northern Lights Library System in Elk Point, Alberta. This budget has been developed to give an approximate value of the construction costs for this project.

Budget Development

This budget was created by the estimating department of Jen-Col Construction Ltd. with the assistance of several experienced trade contractors in varying scopes of the work for the project.

All pricing and unit rates are based on a relation of previous project values (historical data) and current market conditions. The intent of the project is defined by the combination of Northern Lights Library System design drawings 2018-01-21 and 2018-01-31.

Particular attention was also placed on the following items:

- Exterior window remediation
- Water penetration
- Mechanical & Electrical scopes

Schedule

The estimated construction schedule for this project is approximately 10 months- starting in May 2019 with an assumption of consecutive phasing.

Project Variation & Risks

Project Risk & Budget Variation

As with any project there are variations in value and scope from design development to project completion. Specific to this project, uncovering existing conditions that were unforeseen could bring forward items that were not allowed in the original estimate. Design changes can also lead to unforeseen items not in the original estimate.

Clarification Items

General Items

- \$5,000,000 general liability, builders risk, and equipment breakdown insurance coverage included (standard coverages per CCDC 5B)
- Bonding is not included

Work by Owner

- Design Fees
- Furniture costs
- Power and gas utility fees

Architectural Clarifications

- Exterior Improvements
 - Site re-grading to a depth of 400mm
- Millwork
 - Upper and lower cabinets included
 - Kitchen wall cabinets and island included
 - Office furniture is not included
- Doors and Frames
 - All interior doors are wood doors with pressed steel frames
 - Standard commercial door hardware included
- Curtain Wall / Aluminum Entrances / Glazing
 - 2 Single slide automatic sliding doors with standard hardware
 - Full height glazing partitions for office fronts
 - Swing doors at all glazing partitions are full height
 - Standard commercial grade door hardware included
 - Window remediation allowance
- Drywall
 - Steel stud interior partitions with 2 layers of drywall, finished to underside of structure at 4200mm high
 - Drywall, T-bar, and exposed ceiling areas as per Ceiling Plan
- Flooring and tiling
 - Standard luxury vinyl tile, carpet, ceramic tile, marmoleum/rubber flooring, and entrance flooring (carpet mat) areas as per Flooring Plan
- Painting
 - Painting of interior walls, ceilings, doors and frames included
- Specialties
 - Washroom accessories included

Structural Clarification

- Structural reinforcing for relocated folding partition
- Structural allowance for increased height of 2 OH Doors in Garage

Mechanical Clarifications

- Re-routing of existing HVAC vents
- Existing Air Handling Unit to remain

Electrical Clarifications

- Standard lighting and controls
- Utilize existing Fire Alarm equipment

Selective Demolition Clarification

- Full interior demolition

Civil Clarification

- Replacement of light duty asphalt paving in NE corner of existing parking lot

Attachments

Class D Budget for the Northern Lights Library System Renovation – February 20, 2019

Preliminary Phasing Plan