

STRATHCONA COUNTY LIBRARY BOARD

# Financial Statements

## Year Ended December 31, 2017



Strathcona County  
**LIBRARY**

**STRATHCONA COUNTY LIBRARY BOARD**  
**Financial Statements**  
Year ended December 31, 2017

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## Management Report

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

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

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

A handwritten signature in blue ink, appearing to read "Sharon Siga", written over a horizontal line.

Sharon Siga  
Chief Executive Officer  
March 19, 2018

A handwritten signature in blue ink, appearing to read "Candace Tomlinson", written over a horizontal line.

Candace Tomlinson  
Accountant  
March 19, 2018



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Canada  
Telephone (780) 429-7300  
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## INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Strathcona County Library Board

We have audited the accompanying financial statements of Strathcona County Library Board, which comprise the statement of financial position as at December 31, 2017, the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Strathcona County Library Board as at December 31, 2017, and its results of operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

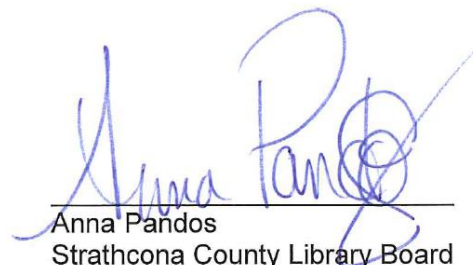

Chartered Professional Accountants

March 19, 2018  
Edmonton, Canada

**STRATHCONA COUNTY LIBRARY BOARD****Statement of Financial Position**

As at December 31, 2017, with comparative information for 2016

	<u>2017</u>	<u>2016</u>
<b>FINANCIAL ASSETS</b>		
Cash floats	\$ 1,579	\$ 1,779
Due from Strathcona County (Note 2)	5,189,186	4,898,403
Trade and other receivables	72,360	49,443
	<u>5,263,125</u>	<u>4,949,625</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	605,618	593,988
Deferred revenue (Note 3)	4,661	9,178
Long-term debt (Note 4)	20,056,592	20,805,495
	<u>20,666,871</u>	<u>21,408,661</u>
<b>NET DEBT</b>	<u>(15,403,746)</u>	<u>(16,459,036)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	25,455,910	26,165,155
Prepaid expenses	72,721	51,901
	<u>25,528,631</u>	<u>26,217,056</u>
<b>ACCUMULATED SURPLUS</b> (Note 6)	<u>\$ 10,124,885</u>	<u>\$ 9,758,020</u>
Commitments (Note 11)		

  
\_\_\_\_\_  
Anna Pandos  
Strathcona County Library Board  
March 19, 2018  
\_\_\_\_\_  
Colleen Burton Ochocki  
Strathcona County Library Board  
March 19, 2018

**STRATHCONA COUNTY LIBRARY BOARD**  
**Statement of Operations and Accumulated Surplus**  
Year ended December 31, 2017, with comparative information for 2016

	<b>2017 Actuals</b>	<b>2017 Budget</b>	<b>2016 Actuals</b>
<b>REVENUE</b>			
Government transfers (Note 8)	\$ 10,042,427	\$ 10,022,624	\$ 9,742,433
Penalties and fines	162,568	177,928	174,730
Other	153,867	146,969	163,124
Interest income (Note 2)	144,574	112,372	111,826
User fees and charges	68,681	51,873	58,442
Contributed tangible capital assets	19,098	-	-
<b>TOTAL REVENUE</b>	<b>10,591,215</b>	<b>10,511,766</b>	<b>10,250,555</b>
<b>EXPENSES</b>			
Salaries, wages and benefits	6,248,341	6,455,949	6,102,554
Amortization of tangible capital assets	1,402,517	1,401,965	1,377,365
Interest on long-term debt	919,205	919,266	951,982
Supplies and materials	666,250	635,745	564,259
Administrative charges (Note 10)	650,707	673,057	612,469
Contracted and general services	331,765	343,906	329,793
Other expenses	5,565	4,632	3,678
<b>TOTAL EXPENSES</b>	<b>10,224,350</b>	<b>10,434,520</b>	<b>9,942,100</b>
<b>ANNUAL SURPLUS</b>	<b>366,865</b>	<b>77,246</b>	<b>308,455</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>9,758,020</b>	<b>9,758,020</b>	<b>9,449,565</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 10,124,885</b>	<b>\$ 9,835,266</b>	<b>\$ 9,758,020</b>

See accompanying notes to the financial statements.

**STRATHCONA COUNTY LIBRARY BOARD**

**Statement of Change in Net Debt**

Year ended December 31, 2017, with comparative information for 2016

	<u>2017 Actuals</u>	<u>2017 Budget</u>	<u>2016 Actuals</u>
<b>ANNUAL SURPLUS</b>	\$ 366,865	\$ 77,246	\$ 308,455
Acquisition of tangible capital assets	(674,174)	(660,783)	(659,983)
Amortization of tangible capital assets	1,402,517	1,401,965	1,377,365
Contributed tangible capital assets	(19,098)	-	-
	<u>1,076,110</u>	<u>818,428</u>	<u>1,025,837</u>
Acquisition of prepaid expenses	(68,315)	-	(43,896)
Use of prepaid expenses	47,495	-	20,758
	<u>(20,820)</u>	<u>-</u>	<u>(23,138)</u>
<b>DECREASE IN NET DEBT</b>	1,055,290	818,428	1,002,699
<b>NET DEBT, BEGINNING OF YEAR</b>	<u>(16,459,036)</u>	<u>(16,459,036)</u>	<u>(17,461,735)</u>
<b>NET DEBT, END OF YEAR</b>	<u><u>\$ (15,403,746)</u></u>	<u><u>\$ (15,640,608)</u></u>	<u><u>\$ (16,459,036)</u></u>

See accompanying notes to the financial statements.

# STRATHCONA COUNTY LIBRARY BOARD

## Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	<u>2017</u>	<u>2016</u>
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus	\$ 366,865	\$ 308,455
Items not involving cash:		
Amortization of tangible capital assets	1,402,517	1,377,365
Contributed tangible capital assets	(19,098)	-
Changes to non-cash assets and liabilities:		
Government transfers receivable	-	4,462
Trade and other receivables	(22,917)	(21,799)
Accounts payable and accrued liabilities	11,630	21,184
Deferred revenue	(4,517)	(9,881)
Prepaid expenses	(20,820)	(23,138)
	<u>1,713,660</u>	<u>1,656,648</u>
Cash provided by operating activities		
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(674,174)	(659,983)
	<u>(674,174)</u>	<u>(659,983)</u>
Cash applied to capital activities		
<b>FINANCING &amp; INVESTING</b>		
Change in due from Strathcona County (Note 2)	(290,783)	(280,286)
Change in cash floats	200	9
Long-term debt repaid	(748,903)	(716,388)
	<u>(1,039,486)</u>	<u>(996,665)</u>
Cash applied to financing & investing activities		
<b>CHANGE IN CASH DURING THE YEAR</b>	-	-
<b>CASH, BEGINNING OF YEAR</b>	-	-
<b>CASH, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest on long term debt	\$ 925,268	\$ 957,782
Cash received from interest	\$ 144,574	\$ 111,826

See accompanying notes to the financial statements.



## **STRATHCONA COUNTY LIBRARY BOARD**

### **Notes to Financial Statements**

Year ended December 31, 2017

Strathcona County Library Board (the "Library") operates under the authority of the Alberta Libraries Act and is administered by an independent board which reports to the Council of Strathcona County. The Library is a registered charity.

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. 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.

**b) Government Transfers**

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

**c) Revenue Recognition**

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

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

**d) Gifts in Kind**

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

**e) Pension Plans**

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

**STRATHCONA COUNTY LIBRARY BOARD**  
**Notes to Financial Statements**  
Year ended December 31, 2017

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**f) Non-Financial Assets**

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

**i. Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

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

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

**ii. Contributions of Tangible Capital Assets**

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

**iii. Leases**

Leases are classified as capital or operating leases. Leases 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 as incurred.

**iv. Cultural and Historical Assets**

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

**g) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality.

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

Actual results could differ from those estimates.

## STRATHCONA COUNTY LIBRARY BOARD

### Notes to Financial Statements

Year ended December 31, 2017

#### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### h) Future Accounting Policies

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards Board. In 2018, the Library will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translations (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Public Sector Accounting Standard	Name	Effective date (fiscal years beginning on or after...)
PS2200	Related Party Transactions	April 1, 2017
PS3420	Inter-Entity Transactions	April 1, 2017
PS3210	Assets	April 1, 2017
PS3320	Contingent Assets	April 1, 2017
PS3380	Contractual Rights	April 1, 2017
PS3430	Restructuring Transactions	April 1, 2018
PS1201	Financial Statement Presentation	April 1, 2019
PS3450	Financial Instruments	April 1, 2019
PS2601	Foreign Currency Translation	April 1, 2019
PS3041	Portfolio Investments	April 1, 2019

#### 2. DUE FROM STRATHCONA COUNTY

The Library does not maintain its own operating bank account and has funds on deposit with Strathcona County which are available for operations when needed. The funds earn interest at a rate equivalent to that which Strathcona County earns on its short-term investments. Strathcona County holds term deposits and notes, government guaranteed bonds and corporate bonds that have effective interest rates of 1.70 to 3.66 per cent (2016 – 1.58 to 3.66 per cent) with maturity dates from February 2018 to August 2031 (2016 – January 2017 to August 2031).

# STRATHCONA COUNTY LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2017

### 3. DEFERRED REVENUE

Deferred revenue comprises the amounts noted below, the use of which, together with any earnings thereon is externally restricted. These amounts are recognized as revenue in the period they are used for the purpose specified.

	Balance at December 31, 2016	Contributions	Contributions Recognized	Balance at December 31, 2017
Rotary Club of Sherwood Park Heartland	\$ 4,517	\$ -	\$ 4,517	\$ -
Province of Alberta	4,661	-	-	4,661
	<u>\$ 9,178</u>	<u>\$ -</u>	<u>\$ 4,517</u>	<u>\$ 4,661</u>

### 4. LONG-TERM DEBT

Strathcona County holds debentures repayable to Alberta Capital Finance Authority for the acquisition of tangible capital assets related to the Library. These debentures bear interest at rates ranging from 4.04% to 4.74% (2016 – 4.04% to 4.74%), and mature in periods 2034 through 2036 (2016 – 2034 through 2036). Debenture debt is issued on the credit and security of Strathcona County at large. The Library has an agreement with Strathcona County to repay principal and interest equivalent to what is paid by Strathcona County to Alberta Capital Finance Authority.

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

	Principal	Interest	Total
2018	\$ 782,897	\$ 891,274	\$ 1,674,171
2019	818,437	855,734	1,674,171
2020	855,593	818,578	1,674,171
2021	894,440	779,731	1,674,171
2022	935,055	739,116	1,674,171
Thereafter	15,770,170	4,953,094	20,723,264
Total Long-Term Debt	<u>\$ 20,056,592</u>	<u>\$ 9,037,527</u>	<u>\$ 29,094,119</u>

# STRATHCONA COUNTY LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2017

### 5. TANGIBLE CAPITAL ASSETS

Cost	Balance at December 31, 2016	Additions	Contributed Tangible Capital Assets	Disposals	Balance at December 31, 2017
Buildings	\$ 25,000,000	\$ -	\$ -	\$ -	\$ 25,000,000
Machinery & Equipment	2,692,175	47,910	-	(39,750)	2,700,335
Library Materials	5,841,581	622,934	19,098	(351,155)	6,132,458
Vehicles	499,697	-	-	-	499,697
Assets Under Construction	-	3,330	-	-	3,330
	\$ 34,033,453	\$ 674,174	\$ 19,098	\$ (390,905)	\$ 34,335,820

Accumulated Amortization	Balance at December 31, 2016	Disposals	Amortization Expense	Balance at December 31, 2017
Buildings	\$ 3,250,000	\$ -	\$ 500,000	\$ 3,750,000
Machinery & Equipment	1,738,288	(39,750)	278,831	1,977,369
Library Materials	2,717,606	(351,155)	598,702	2,965,153
Vehicles	162,404	-	24,984	187,388
	\$ 7,868,298	\$ (390,905)	\$ 1,402,517	\$ 8,879,910

Net Book Value	Net Book Value December 31, 2016	Net Book Value December 31, 2017
Buildings	\$ 21,750,000	\$ 21,250,000
Machinery & Equipment	953,887	722,966
Library Materials	3,123,975	3,167,305
Vehicles	337,293	312,309
Assets Under Construction	-	3,330
	\$ 26,165,155	\$ 25,455,910

**a) Assets under Construction**

Assets under construction are amortized when the assets are put into service. At December 31, 2017, total assets under construction is \$3,330 (2016 - nil).

**b) Contributed Tangible Capital Assets**

Contributed tangible capital assets are recognized at fair market value at the date of contribution. Contributed tangible capital assets received during the year total \$19,098 (2016 – nil) and are comprised of library materials.

**c) Tangible Capital Assets Disclosed at Nominal Values**

Where an estimate of fair value cannot be made, tangible capital assets are recognized at a nominal value. The Library has not assigned nominal values to any tangible capital assets.

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

The Library did not write down any tangible capital assets in 2017 or 2016.

**STRATHCONA COUNTY LIBRARY BOARD**  
**Notes to Financial Statements**  
Year ended December 31, 2017

**6. ACCUMULATED SURPLUS**

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

	<b>2017</b>	<b>2016</b>
Equity in Tangible Capital Assets	<b>\$ 5,399,318</b>	<b>\$ 5,359,660</b>
Reserves:		
Stabilization & Contingency Reserves	<b>157,836</b>	469,554
Project Reserves	<b>158,592</b>	119,480
Special Purpose Reserves	<b>4,417</b>	72,412
Infrastructure Lifecycle, Maintenance and Replacement Reserves	<b>4,404,722</b>	3,736,914
	<b>4,725,567</b>	4,398,360
	<b>\$ 10,124,885</b>	<b>\$ 9,758,020</b>

**7. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2017</b>	<b>2016</b>
Tangible Capital Assets (Note 5)	<b>\$ 25,455,910</b>	\$ 26,165,155
Long-Term Debt (Note 4)	<b>(20,056,592)</b>	(20,805,495)
	<b>\$ 5,399,318</b>	<b>\$ 5,359,660</b>

**8. GOVERNMENT TRANSFERS**

The following government transfers have been included in revenues:

	<b>2017 Actuals</b>	<b>2017 Budget</b>	<b>2016 Actuals</b>
Municipal Government			
Strathcona County	<b>\$ 9,472,061</b>	\$ 9,472,061	\$ 9,172,097
Provincial Government			
Alberta Municipal Affairs - Unconditional Per Capita Grant	<b>530,563</b>	530,563	530,563
Alberta Municipal Affairs - Public Library Development Initiative	-	-	10,876
Alberta Labour - Summer Temporary Employment Grant	<b>3,773</b>	-	3,773
	<b>534,336</b>	530,563	545,212
Federal Government			
Young Canada Works	<b>11,469</b>	10,000	17,197
Canada Summer Jobs	<b>24,561</b>	10,000	7,927
	<b>36,030</b>	20,000	25,124
Total Government Transfers	<b>\$ 10,042,427</b>	\$ 10,022,624	\$ 9,742,433

**STRATHCONA COUNTY LIBRARY BOARD**  
**Notes to Financial Statements**  
Year ended December 31, 2017

**9. PENSION PLANS**

**Local Authorities Pension Plan (LAPP)**

Library employees participate in the Local Authorities Pension Plan (LAPP), a defined benefit pension plan established in 1962 for the employees of local authorities in Alberta. LAPP is governed by the Local Authorities Pension Board of Trustees and administered by Alberta Pensions Services Corporation.

The Library was required to make current service contributions to LAPP of 11.39% (2016 – 11.39%) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 15.84% (2016 – 15.84%) thereafter. Employees of the Library are required to make current service contributions of 10.39% (2016 – 10.39%) of pensionable salary up to YMPE, and 14.84% (2016– 14.84%) thereafter.

Total current service contributions by the Library to LAPP in 2017 were \$536,518 (2016 - \$537,434). Total current service contributions by the employees of the Library to LAPP in 2017 were \$490,815 (2015 - \$493,280).

As stated in their 2016 Annual Report, LAPP serves 253,862 members and 417 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2016, (the last date for which information is available), LAPP reported an actuarial deficiency of \$637,357,000.

**APEX**

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

Contributions are made by the prescribed class of employees and the Library. The employees and the Library are required to make current service contributions to APEX of 2.84% (2016 – 2.50%) and 3.78% (2016 – 3.00%), respectively, of pensionable earnings up to \$145,722 (2016 - \$144,500).

Total current service contributions by the Library to APEX in 2017 were \$19,352 (2016 - \$14,132). Total current service contributions by the employees of the Library to APEX in 2017 were \$14,539 (2016 - \$11,777).

The cost of post-retirement benefits earned by employees under APEX program is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees. The cost of post-retirement benefits for APEX is fully funded.

**10. ADMINISTRATIVE CHARGES**

Operating expenditures include administrative charges from Strathcona County as follows:

	<b>2017 Actuals</b>	<b>2017 Budget</b>	<b>2016 Actuals</b>
Building Maintenance	\$ 422,395	\$ 440,687	\$ 391,937
Personnel Services	115,027	115,027	105,596
Financial Services	59,085	59,085	55,891
General Services	31,649	30,255	33,490
Insurance	22,551	28,003	25,555
	<b>\$ 650,707</b>	<b>\$ 673,057</b>	<b>\$ 612,469</b>

**STRATHCONA COUNTY LIBRARY BOARD****Notes to Financial Statements**

Year ended December 31, 2017

**11. COMMITMENTS****Metro-Area Group Library Network (MAGNET)**

The Library is committed to an annual payment for central site computer and support services under the Metro-Area Group Library Network (MAGNET) co-owners agreement. In 2017, the Library's share of central costs was \$21,479 (2016 - \$21,778). The Library may terminate its participation by delivering written notice to the MAGNET committee on or before December 31<sup>st</sup> of any year to become effective on December 31<sup>st</sup> of the year immediately following.

**Agreements with Strathcona County**

The Library has chosen to contract some services supplied by Strathcona County departments. Service Level Agreements were signed with Human Resources (HR) and Financial Services (FIN) in 2016 and with Information Technology Services (ITS) in 2017. These agreements formalize arrangements for the provision of specified services. The term of these agreements is from January 1, 2017 to December 31, 2021. An annual review for all agreements will take place in May or June of each year. The future contracts at this time are as follows:

	IT	HR	FIN	Total
2018	\$ 19,254	\$ 132,560	\$ 60,234	\$ 212,048
2019	19,254	132,560	60,234	212,048
2020	19,254	132,560	60,234	212,048
2021	19,254	132,560	60,234	212,048
	<u>\$ 77,016</u>	<u>\$ 530,240</u>	<u>\$ 240,936</u>	<u>\$ 848,192</u>

**Facility Collaboration Agreement with Strathcona County**

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

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

2018	\$ 429,520
2019	429,520
2020	429,520
2021	429,520
2022	429,520
Thereafter	16,250,173
	<u>\$ 18,397,773</u>