

Strathcona County Library Board Financial Statements



Year Ended December 31, 2015



**STRATHCONA COUNTY LIBRARY BOARD
FINANCIAL STATEMENTS**

Year ended December 31, 2015

STRATHCONA COUNTY LIBRARY BOARD
Financial Statements
Year ended December 31, 2015

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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 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 black ink, appearing to read "Sharon Siga", written over a horizontal line.

Sharon Siga
Chief Executive Officer
April 18, 2016

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

Candace Tomlinson
Accountant
April 18, 2016



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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, 2015, 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, 2015, 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.

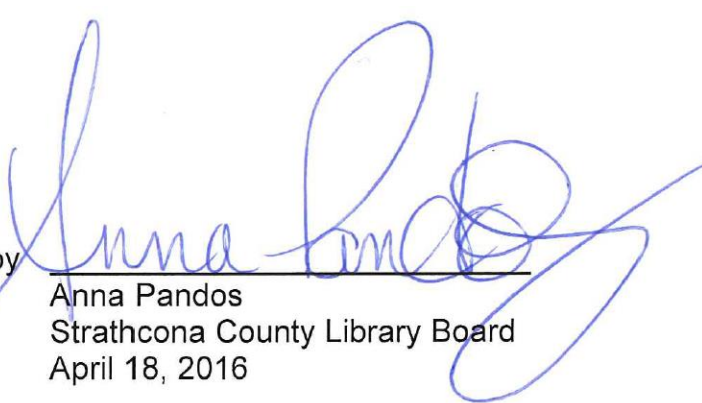
Chartered Professional Accountants


April 18, 2016
Edmonton, Canada

STRATHCONA COUNTY LIBRARY BOARD
Statement of Financial Position
As at December 31, 2015, with comparative information for 2014

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash	\$ 1,788	\$ 1,893
Due from Strathcona County (Note 2)	4,618,117	4,430,321
Government transfers receivable	4,462	5,583
Trade and other receivables	27,644	29,248
	<u>4,652,011</u>	<u>4,467,045</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	572,804	557,990
Deferred revenue (Note 3)	19,059	20,553
Long-term debt (Note 4)	21,521,883	22,207,171
	<u>22,113,746</u>	<u>22,785,714</u>
NET DEBT	<u>(17,461,735)</u>	<u>(18,318,669)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	26,882,537	27,580,948
Prepaid expenses	28,763	54,825
	<u>26,911,300</u>	<u>27,635,773</u>
ACCUMULATED SURPLUS (Note 6)	<u>\$ 9,449,565</u>	<u>\$ 9,317,104</u>
Commitments (Note 11)		

Approved by


Anna Pandos
Strathcona County Library Board
April 18, 2016


Lynn Walker
Strathcona County Library Board
April 18, 2016

STRATHCONA COUNTY LIBRARY BOARD
Statement of Operations and Accumulated Surplus
Year ended December 31, 2015, with comparative information for 2014

	<u>2015 Actuals</u>	<u>2015 Budget</u>	<u>2014 Actuals</u>
REVENUE			
Government transfers (Note 8)	\$ 9,242,214	\$ 9,211,905	\$ 8,947,264
User fees and charges	165,801	173,346	171,572
Penalties and fines	163,389	177,928	172,470
Other	139,687	127,355	159,862
Investment income	120,680	110,785	122,963
Contributed tangible capital assets	3,165	-	17,040
	<u>9,834,936</u>	<u>9,801,319</u>	<u>9,591,171</u>
TOTAL REVENUE			
EXPENSES			
Salaries, wages and benefits	5,818,031	5,904,401	5,594,495
Amortization of tangible capital assets	1,361,633	1,363,448	1,338,132
Interest on long-term debt	983,334	988,882	1,013,323
Administrative charges (Note 10)	639,496	664,053	627,630
Supplies and materials	536,003	502,111	478,746
Contracted and general services	351,889	330,566	316,489
Loss on disposal of tangible capital assets	7,598	-	16,482
Other expenses	4,491	4,420	4,536
	<u>9,702,475</u>	<u>9,757,881</u>	<u>9,389,833</u>
TOTAL EXPENSES			
ANNUAL SURPLUS	132,461	43,438	201,338
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>9,317,104</u>	<u>9,317,104</u>	<u>9,115,766</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 9,449,565</u>	<u>\$ 9,360,542</u>	<u>\$ 9,317,104</u>

See accompanying notes to the financial statements.

STRATHCONA COUNTY LIBRARY BOARD

Statement of Change in Net Debt

Year ended December 31, 2015, with comparative information for 2014

	<u>2015 Actuals</u>	<u>2015 Budget</u>	<u>2014 Actuals</u>
ANNUAL SURPLUS	\$ 132,461	\$ 43,438	\$ 201,338
Acquisition of tangible capital assets	(667,655)	(653,842)	(658,488)
Amortization of tangible capital assets	1,361,633	1,363,448	1,338,132
Contributed tangible capital assets	(3,165)	-	(17,040)
Loss on disposal of tangible capital assets	7,598	-	16,482
	<u>830,872</u>	<u>753,044</u>	<u>880,424</u>
Acquisition of prepaid expenses	(28,763)	-	(54,825)
Use of prepaid expenses	54,825	-	111,759
	<u>26,062</u>	<u>-</u>	<u>56,934</u>
DECREASE IN NET DEBT	856,934	753,044	937,358
NET DEBT, BEGINNING OF YEAR	<u>(18,318,669)</u>	<u>(18,318,669)</u>	<u>(19,256,027)</u>
NET DEBT, END OF YEAR	<u><u>\$ (17,461,735)</u></u>	<u><u>\$ (17,565,625)</u></u>	<u><u>\$ (18,318,669)</u></u>

See accompanying notes to the financial statements.

STRATHCONA COUNTY LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	<u>2015</u>	<u>2014</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	\$ 132,461	\$ 201,338
Items not involving cash:		
Amortization of tangible capital assets	1,361,633	1,338,132
Loss on disposal of tangible capital assets	7,598	16,482
Contributed tangible capital assets	(3,165)	(17,040)
Changes to non-cash assets and liabilities:		
Government transfers receivable	1,121	(5,583)
Trade and other receivables	1,604	(4,050)
Accounts payable and accrued liabilities	14,814	(281)
Deferred revenue	(1,494)	(20,345)
Prepaid expenses	26,062	56,934
Cash provided by operating activities	<u>1,540,634</u>	<u>1,565,587</u>
CAPITAL		
Acquisition of tangible capital assets	<u>(667,655)</u>	<u>(658,488)</u>
Cash applied to capital activities	<u>(667,655)</u>	<u>(658,488)</u>
FINANCING & INVESTMENTS		
Change in due from Strathcona County (Note 2)	(187,796)	(251,557)
Long-term debt repaid	<u>(685,288)</u>	<u>(655,542)</u>
Cash applied to financing & investment activities	<u>(873,084)</u>	<u>(907,099)</u>
CHANGE IN CASH DURING THE YEAR	(105)	-
CASH, BEGINNING OF YEAR	<u>1,893</u>	<u>1,893</u>
CASH, END OF YEAR	<u><u>\$ 1,788</u></u>	<u><u>\$ 1,893</u></u>
Cash paid for interest on long term debt	\$ 988,882	\$ 1,018,629
Cash received from interest	\$ 120,680	\$ 122,963

See accompanying notes to the financial statements.

STRATHCONA COUNTY LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2015

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 Plan

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, 2015

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:

Asset	Useful Life – Years
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, 2015

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 2016, 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 LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2015

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, 2014	Contributions	Contributions Recognized	Balance at December 31, 2015
Rotary Club of Sherwood Park Heartland	\$ 18,038	\$ -	\$ 6,479	\$ 11,559
Enbridge	-	7,500	-	7,500
Friends of Strathcona County Library Society	2,500	-	2,500	-
Other	15	-	15	-
	<u>\$ 20,553</u>	<u>\$ 7,500</u>	<u>\$ 8,994</u>	<u>\$ 19,059</u>

4. LONG-TERM DEBT

Strathcona County holds debentures repayable to Alberta Capital Finance Authority on behalf of the Library. The Library has an agreement with Strathcona County to repay the principal and interest on the debentures. These debentures bear interest at rates ranging from 4.04% to 4.74% (2014 – 4.04% to 4.74%), and mature in periods 2034 through 2036 (2014 – 2034 through 2036). Debenture debt is issued on the credit and security of Strathcona County as large.

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

	Principal	Interest	Total
2016	\$ 716,389	\$ 957,782	\$ 1,674,171
2017	748,904	925,267	1,674,171
2018	782,897	891,274	1,674,171
2019	818,437	855,734	1,674,171
2020	855,594	818,577	1,674,171
Thereafter	17,599,662	6,471,946	24,071,608
Total Long-Term Debt	<u>\$ 21,521,883</u>	<u>\$ 10,920,580</u>	<u>\$ 32,442,463</u>

STRATHCONA COUNTY LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2015

5. TANGIBLE CAPITAL ASSETS

Cost	Balance at December 31, 2014	Additions	Contributed Assets	Disposals	Balance at December 31, 2015
Buildings	\$ 25,000,000	\$ -	\$ -	\$ -	\$ 25,000,000
Machinery & Equipment	2,769,691	53,046	-	(125,531)	2,697,206
Library Materials	5,267,785	614,609	3,165	(292,544)	5,593,015
Vehicles	499,697	-	-	-	499,697
	\$ 33,537,173	\$ 667,655	\$ 3,165	\$ (418,075)	\$ 33,789,918

Accumulated Amortization	Balance at December 31, 2014	Disposals	Amortization Expense	Balance at December 31, 2015
Buildings	\$ 2,250,000	\$ -	\$ 500,000	\$ 2,750,000
Machinery & Equipment	1,317,191	(117,933)	293,608	1,492,866
Library Materials	2,276,600	(292,544)	543,040	2,527,096
Vehicles	112,434	-	24,985	137,419
	\$ 5,956,225	\$ (410,477)	\$ 1,361,633	\$ 6,907,381

Net Book Value	Net Book Value December 31, 2014	Net Book Value December 31, 2015
Buildings	\$ 22,750,000	\$ 22,250,000
Machinery & Equipment	1,452,500	1,204,340
Library Materials	2,991,185	3,065,919
Vehicles	387,263	362,278
	\$ 27,580,948	\$ 26,882,537

a) Assets under Construction

Assets under construction are amortized when the assets are put into service. At December 31, 2015, there were no assets under construction (2014 - nil).

b) Contributed Tangible Capital Assets

Contributed assets are recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$3,165 (2014 – \$17,040) comprised of DVDs for the library collection.

c) Tangible Capital Assets Disclosed at Nominal Values

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

d) Write-down of Tangible Capital Assets

The Library did not write down any tangible capital assets in 2015 or 2014.

STRATHCONA COUNTY LIBRARY BOARD
Notes to Financial Statements
Year ended December 31, 2015

6. ACCUMULATED SURPLUS

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

	2015	2014
Equity in Tangible Capital Assets	\$ 5,360,654	\$ 5,373,777
Reserves:		
Stabilization & Contingency Reserves	439,104	638,101
Project Reserves	131,796	164,130
Special Purpose Reserves	101,888	168,729
Infrastructure Lifecycle, Maintenance and Replacement Reserves	3,416,123	2,972,367
	4,088,911	3,943,327
	\$ 9,449,565	\$ 9,317,104

7. EQUITY IN TANGIBLE CAPITAL ASSETS

	2015	2014
Tangible Capital Assets (Note 5)	\$ 26,882,537	\$ 27,580,948
Long-Term Debt (Note 4)	(21,521,883)	(22,207,171)
	\$ 5,360,654	\$ 5,373,777

8. GOVERNMENT TRANSFERS

The following government transfers have been included in revenues:

	2015	2014
Municipal Government Strathcona County	\$ 8,709,316	\$ 8,422,193
Provincial Government		
Alberta Municipal Affairs - Unconditional Per Capita Grant	513,320	479,589
Alberta Municipal Affairs - Public Library Development Initiative	-	10,649
	513,320	490,238
Federal Government		
Young Canada Works	17,079	22,332
Canada Summer Jobs	2,499	12,501
	19,578	34,833
Total Government Transfers	\$ 9,242,214	\$ 8,947,264

STRATHCONA COUNTY LIBRARY BOARD
Notes to Financial Statements
Year ended December 31, 2015

9. PENSION PLAN

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% (2014 – 11.39%) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 15.84% (2014 – 15.84%) thereafter. Employees of the Library are required to make current service contributions of 10.39% (2014 – 10.39%) of pensionable salary up to YMPE, and 14.84% (2014– 14.84%) thereafter.

Total current service contributions by the Library to LAPP in 2015 were \$505,900 (2014 - \$486,900). Total current service contributions by the employees of the Library to LAPP in 2015 were \$462,719 (2014 - \$447,185).

As stated in their 2014 Annual Report, LAPP serves 237,612 members and 423 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2014, (the last date for which information is available), LAPP reported an actuarial deficiency of \$2,454,636,000.

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 2.5% (2014 – 2.5%) and 3.0% (2014 – 3.0%), respectively, of pensionable earnings up to \$140,945 (2014 - \$138,500).

Total current service contributions by the Library to APEX in 2015 were \$4,228 (2014 - \$4,155). Total current service contributions by the employees of the Library to APEX in 2015 were \$3,524 (2014 - \$3,463).

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:

	2015	2014
Building Maintenance	\$ 399,130	\$ 388,578
Personnel Services	106,086	114,250
Financial Services	54,509	54,826
General Services	52,731	48,641
Insurance	27,040	21,335
	\$ 639,496	\$ 627,630

STRATHCONA COUNTY LIBRARY BOARD
Notes to Financial Statements
Year ended December 31, 2015

11. COMMITMENTS

Leases

The Library has ongoing operating leases for office equipment. The future minimum lease payments are as follows:

2016	\$ 12,569
2017	13,733
2018	13,733
2019	8,727
	<u>\$ 48,762</u>

Maintenance Contract

The Library has maintenance contracts for various RFID (Radio Frequency Identification) equipment. The future minimum contract payments are as follows:

2016	\$ 30,611
2017	6,123
	<u>\$ 36,734</u>

Database Subscription

The Library has a subscriber agreement for a database. The future payments are as follows (USD):

2016	\$ 11,813
2017	11,813
	<u>\$ 23,625</u>

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 2015, the Library's share of central costs was \$22,067 (2014 - \$24,970). The Library may terminate its participation by delivering written notice to the MAGNET committee on or before December 31st of any year to become effective on December 31st of the year immediately following.

Agreements with Strathcona County

The Library has chosen to contract some services supplied by Strathcona County departments. Service Level Agreements were signed in 2012. These agreements formalize arrangements for the provision of specified services by Facility Services (FAC), Information Technology Services (ITS), Human Resources (HR) and Financial Services (FIN). The term of all the agreements is from January 1, 2012 to December 31, 2016. An annual review will take place in May or June of each year. The future contracts at this time are as follows:

	FAC	IT	HR	FIN	Total
2016	\$ 14,550	\$ 19,073	\$ 105,596	\$ 55,891	\$ 195,110

STRATHCONA COUNTY LIBRARY BOARD
Notes to Financial Statements
Year ended December 31, 2015

11. COMMITMENTS (CONTINUED)

Building Maintenance Agreement with Strathcona County Facility Services

The Library is located in the Strathcona County Community Centre. The Library is committed to pay a portion of the building maintenance costs (i.e. building site maintenance, janitorial services, utilities, security, and snow removal) to Strathcona County. In 2016 the Library estimates to pay \$393,189. This amount will change on a yearly basis depending on the cost of the services required. The Service Level Agreement was signed in 2012 and is under the umbrella of the larger Facility Partnership Agreement which is still under negotiation.

12. COMPARATIVE INFORMATION

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