



"Accounting and so much more"

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Don O' Brien, CGA, CMA, CIA, B.Econ

March 14, 2011

The Board of Directors
Alberta Library Trustee Association
6-24, #7 Winston Churchill Square
Edmonton, Alberta
T2J 2V5

Dear Members of the Board:

We have been engaged to audit the financial statements of Alberta Library Trustees Association for the year ended, December 31, 2010. Canadian generally accepted standards for audit engagements require that we communicate the following information with you in relation to our audit.

Evaluation of Internal Controls

Audits include a review and evaluation of the system of internal controls to assist in determining the level of reliance that may or should be placed on the system in assessing the nature and extent of audit procedures to be undertaken.

During the course of our audit, we encountered the following specific internal control matter that we wish to bring to your attention:

Segregated Short-Term Investments

In 2009 and early 2010, as you will recall, there were short term investments that needed to be liquidated in favour of General Operating Funds to deal with the cash situation at the time. One of these was designated for the Grant Application Seed Money Fund for \$20,610 and another one of \$25,000 for the Special Education Project Fund (now I understand this to be "Trustee Education Renewal Project Fund" - TERP). These were to have been replenished immediately to the original purpose to which they were intended. However as I understand it the board has decided to use some existing cash funds for this purpose. If this is the case it is suggested a separate GL account and bank account could be set up for this purpose. A designated cash account could be shown separately so a separate accounting can easily be seen by the financial statement users. It might also be suggested to use idle funds in higher return savings or low risk short term investments.

Significant Accounting Principles

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by Alberta Library Trustees Association are described in Note 2, Summary of Significant Accounting policies, in the financial statements.

There was no new accounting policies adopted or changes to the application of accounting policies of Alberta Library Trustees Association for the year.

Significant Unusual Transactions

We are not aware of any significant or unusual transactions entered into by Alberta Library Trustees Association that you should be informed about.

Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to Alberta Library Trustees Association's financial statements or auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report.

We are pleased to inform you that we had no disagreements with management during the course of our audit and they have been very organized and co-operative.

Consultation with Other Accountants (Second Opinions)

Management may consult with other accountants about auditing and accounting matters to obtain a "second opinion". When an entity requests that another accountant provide a written report or oral advice on the application of accounting principles to a specific transaction or the type of opinion that may be rendered on the entity's financial statements, we are required to ensure that the accountant has ensured that the reporting accountant has knowledge of all facts and circumstances and has conducted the engagement in accordance with Canadian generally accepted auditing standards on the Reports on the Application of Accounting Principles.

We are not aware of any consultations that have taken place with other accountants.

Issues Discussed

The auditor generally discusses among other matters, the application of accounting principles and auditing standards, and fees, etc. with management in during the initial or recurring appointment of the auditor during the normal course of business. There were no major issues discussed during our audit with regards to our retention that were not in the normal course of business.

Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of the board of directors.

We shall be pleased to discuss with you further any matters mentioned above, at your convenience.

This communication is prepared solely for the information of the board of directors and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

To ensure there is a clear understanding and record of the matters discussed, we ask that members of the board of directors sign their acknowledgement in the spaces provided below. Should any member of the board wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

It is noteworthy that there has been much improvement over control processes and procedures during the year and the board is to be commended for positive financial and control improvements.

Yours truly,
Don G. O'Brien Professional Corporation



Don O'Brien, CGA, CMA, CIA

Acknowledgement of Board of Directors:

We have read and reviewed the above disclosures and understand and agree with the comments therein:

Per: *Karen Lynch* Title: President Date: March 20, 2011
Karen Lynch

Per: _____ Title: _____ Date: March 20, 2011
Mike Babichuk
(committee member approvals on file)

Per: _____ Title: _____ Date: March 20, 2011
Leslie Duchak
(committee member approvals on file)

Per: _____ Title: _____ Date: March 20, 2011
Martin Shields
(committee member approvals on file)

Per: _____ Title: _____ Date: March 20, 2011
Carole Carpenter
(committee member approvals on file)