

**THE CITY OF AIRDRIE LIBRARY BOARD**

**Financial Statements  
And Independent Auditor's Report Thereon**

**December 31, 2022**

**The City of Airdrie Library Board**  
**Index to the Financial Statements**  
**For the Year Ended December 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Trustees of The City of Airdrie Library Board

### ***Opinion***

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

- the statement of financial position as at December 31, 2022
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, and its results of operations, its remeasurement gains and losses, its changes in fund balances and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, including the 4200 series of standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.



We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, including the 4200 series of standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

***Auditor's 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 auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Entity's 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

April 25, 2023

**The City of Airdrie Library Board**  
**Statement of Financial Position**  
**As at December 31, 2022, with comparative information for 2021**

	Operating Fund	Capital Fund	2022	2021
<b>ASSETS</b>				
<b>Current</b>				
Cash	\$ 333,933	\$ 80,886	\$ 414,819	\$ 657,671
Accounts receivable	12,791	-	12,791	10,589
Due from Airdrie Mainstreet Square (Note 6)	6,321	-	6,321	5,937
Prepaid expenses	895	-	895	22
	<b>353,940</b>	<b>80,886</b>	<b>434,826</b>	<b>674,219</b>
<b>Portfolio Investments (Note 4)</b>	<b>394,771</b>	<b>784,000</b>	<b>1,178,771</b>	<b>1,164,003</b>
<b>Capital Assets (Note 5)</b>	<b>-</b>	<b>361,492</b>	<b>361,492</b>	<b>415,831</b>
	<b>\$ 748,711</b>	<b>\$ 1,226,378</b>	<b>\$ 1,975,089</b>	<b>\$ 2,254,053</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 147,969	\$ -	\$ 147,969	\$ 144,064
Due to the City of Airdrie (Note 6)	71,919	-	71,919	207,597
	<b>219,888</b>	<b>-</b>	<b>219,888</b>	<b>351,661</b>
<b>Fund Balances</b>				
Internally restricted (Note 7)	508,823	543,561	1,052,384	1,156,561
Externally restricted	-	321,325	321,325	310,000
Invested in capital assets	-	361,492	361,492	415,831
Unrestricted	20,000	-	20,000	20,000
	<b>528,823</b>	<b>1,226,378</b>	<b>1,755,201</b>	<b>1,902,392</b>
	<b>\$ 748,711</b>	<b>\$ 1,226,378</b>	<b>\$ 1,975,089</b>	<b>\$ 2,254,053</b>

**Commitments (Note 6 and 10)**

See accompanying notes to the financial statements

## The City of Airdrie Library Board

### Statement of Operations and Changes in Fund Balances

For the Year Ended December 31, 2022, with comparative information for 2021

	Operating Budget (Note 11)	Operating Fund	Capital Fund	2022	2021
<b>Revenue</b>					
Grants					
City of Airdrie (Note 6)	\$ 2,146,990	\$ 2,146,990	\$ -	\$ 2,146,990	\$ 2,146,993
Alberta Library	343,223	343,223	-	343,223	343,223
Marigold Service	189,268	192,767	-	192,767	176,410
City of Airdrie: in-kind (Note 6)	60,000	60,000	-	60,000	60,000
County	16,944	16,944	-	16,944	16,944
Other	16,942	2,707	-	2,707	11,828
	<b>2,773,367</b>	<b>2,762,631</b>	<b>-</b>	<b>2,762,631</b>	<b>2,755,398</b>
Fund development	56,070	101,578	-	101,578	55,145
Interest and miscellaneous	38,500	56,379	-	56,379	30,196
Fines	35,000	41,913	-	41,913	31,098
Donations	25,320	17,378	-	17,378	21,965
Photocopy	18,000	13,875	-	13,875	7,785
Contributions	20,000	-	11,325	11,325	55,000
Book sales	5,000	5,084	-	5,084	3,167
Other revenue	3,220	4,704	-	4,704	3,215
Gifts-in-kind	4,500	-	-	-	-
	<b>2,978,977</b>	<b>3,003,542</b>	<b>11,325</b>	<b>3,014,867</b>	<b>2,962,969</b>
<b>Expenses</b>					
Salaries and employee benefits	2,072,772	2,028,420	-	2,028,420	1,930,799
Marigold service fees	340,682	346,621	-	346,621	317,538
Building maintenance and rent (Note 6)	334,008	336,029	-	336,029	314,606
Professional fees (Note 6)	123,615	114,383	-	114,383	83,993
Amortization	-	-	98,772	98,772	93,377
Materials	20,283	67,320	-	67,320	24,418
Utilities	30,200	39,372	-	39,372	32,849
Facility expansion	7,000	32,367	-	32,367	1,716
Advertising and promotion	28,058	28,444	-	28,444	30,255
Office	28,805	25,662	-	25,662	23,029
IT and system support	20,537	13,463	-	13,463	8,734
Program	11,235	10,343	-	10,343	11,301
Training and travel	9,030	6,668	-	6,668	2,328
Bank charges	5,200	5,417	-	5,417	5,813
Fund development	4,050	4,340	-	4,340	3,435
Vehicle	2,253	2,377	-	2,377	2,189
Insurance	1,909	2,060	-	2,060	1,817
Loss on sale of capital assets	-	-	-	-	8
	<b>3,039,637</b>	<b>3,063,286</b>	<b>98,772</b>	<b>3,162,058</b>	<b>2,888,205</b>
<b>(Deficiency) excess of revenue over expenses</b>	<b>(60,660)</b>	<b>(59,744)</b>	<b>(87,447)</b>	<b>(147,191)</b>	<b>74,764</b>
<b>Fund balances - beginning of year</b>	<b>1,902,392</b>	<b>661,026</b>	<b>1,241,366</b>	<b>1,902,392</b>	<b>1,827,628</b>
<b>Interfund transfers (Note 7)</b>	<b>-</b>	<b>(72,460)</b>	<b>72,460</b>	<b>-</b>	<b>-</b>
<b>Fund balances - end of year (Schedule 1)</b>	<b>\$ 1,841,732</b>	<b>\$ 528,822</b>	<b>\$ 1,226,379</b>	<b>\$ 1,755,201</b>	<b>\$ 1,902,392</b>

See accompanying notes to the financial statements

**The City of Airdrie Library Board**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2022, with comparative information for 2021**

	<b>2022</b>	2021
Cash provided by (used in) the following activities:		
<b>OPERATING ACTIVITIES</b>		
(Deficiency) Excess of revenue over expenses	<b>\$ (147,191)</b>	\$ 74,764
Non-cash transactions		
Amortization	<b>98,772</b>	93,377
Loss on sale of capital assets	-	8
Changes in non-cash working capital		
Accounts receivable	<b>(2,202)</b>	(1,962)
Prepaid expenses	<b>(873)</b>	-
Accounts payable and accrued liabilities	<b>3,905</b>	32,289
	<b>(47,589)</b>	198,476
<b>CAPITAL ACTIVITIES</b>		
Purchase of capital assets	<b>(44,433)</b>	(41,654)
<b>INVESTING ACTIVITIES</b>		
Net change in portfolio investments	<b>(14,768)</b>	(311,232)
Due from Airdrie Mainstreet Square	<b>(384)</b>	(2,310)
	<b>(15,152)</b>	(313,542)
<b>FINANCING ACTIVITIES</b>		
Due to the City of Airdrie	<b>(135,678)</b>	155,641
<b>(Decrease) in cash</b>	<b>(242,852)</b>	(1,079)
<b>Cash, beginning of the year</b>	<b>657,671</b>	658,750
<b>Cash, end of the year</b>	<b>\$ 414,819</b>	\$ 657,671

*See accompanying notes to the financial statements*



**The City of Airdrie Library Board**  
**Schedule 1 - Changes in Fund Balances**  
**For the Year Ended December 31, 2022, with comparative information for 2021**

	<b>Operating Internally Restricted</b>	<b>Operating Unrestricted</b>	<b>Capital Internally Restricted</b>	<b>Capital Externally Restricted</b>	<b>Invested in Capital Assets</b>	<b>2022</b>	<b>2021</b>
<b>Fund balances - beginning of year</b>	\$ 641,026	\$ 20,000	\$ 515,535	\$ 310,000	\$ 415,831	\$ 1,902,392	\$ 1,827,628
Excess (deficiency) of revenue over expenses	-	(59,744)	-	11,325	(98,772)	(147,191)	74,764
Funds transferred for operating expenses (Note 7)	(161,789)	161,789	-	-	-	-	-
Interfund transfers (Note 7)	-	(42,875)	(1,558)	-	44,433	-	-
Board Motion to split remaining 50/50 (Note 7)	29,585	(59,170)	29,585	-	-	-	-
<b>Fund balances - end of year</b>	<b>\$ 508,822</b>	<b>\$ 20,000</b>	<b>\$ 543,562</b>	<b>\$ 321,325</b>	<b>\$ 361,492</b>	<b>\$ 1,755,201</b>	<b>\$ 1,902,392</b>

*See accompanying notes to the financial statements*

# The City of Airdrie Library Board

## Notes to the Financial Statements

For the Year Ended December 31, 2022, with comparative information for 2021

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### 1. NATURE OF THE ORGANIZATION

The City of Airdrie Library Board (the "Library") was established through a bylaw of the City of Airdrie and is constituted under The Libraries Act (2000) of The Province of Alberta (the "Province"). The Library, as a registered charity, is exempt from income tax and may issue receipts to donors for tax-deductible donations.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS"), including accounting standards that apply to government not-for-profit organizations, (the 4200 series) and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

#### Financial statement presentation

The Library follows the PSAS Section 1201 "Financial Statement Presentation", which includes a statement of re-measurement gains and losses. This statement reports amounts reclassified to the statement of operations upon de-recognition or settlement and other comprehensive income reported when an entity includes the result of its government business enterprises and government business partnerships in the summary of financial statements. There were no amounts to report on the statement of re-measurement gains and losses, and as a result this statement has not been included.

#### Fund balances

The Operating Fund reports the Library's operating activities. The Capital Fund reports the assets, liabilities, revenue and expenses related to the funding of capital acquisitions.

#### Revenue recognition

The Library follows the restricted fund method of accounting for contributions.

Restricted contributions related to capital are reported as revenue of the Capital Fund when received or receivable. Other restricted contributions related to general operations are reported as revenue of the Operating Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the Operating Fund when the amount received or receivable can be reasonably estimated and collection is reasonably assured.

Interest is recognized as revenue when earned. Fines, other revenue, donations, fund development, photocopy and book sales revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Donated materials and services

Donated materials and services are not given accounting recognition in these financial statements when fair market value is not easily determined and the goods would not have been otherwise purchased. The Library has numerous volunteers who contribute many hours each year. Contributed volunteer services are not recognized in the financial statements because of the difficulty in determining their value.

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**The City of Airdrie Library Board**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022, with comparative information for 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (.../Continued)**

**Use of estimates**

The preparation of financial statements in accordance with PSAS 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates.

Estimates are used primarily in the determination of the estimated useful lives of capital assets and the collectability of accounts receivable. The provisions against accounts receivable balances are primarily assessed on historical collectability of the accounts with specific provisions for large outstanding balances deemed potentially uncollectible.

**Cash**

Cash consists of cash in bank and cash on hand.

**Portfolio investments**

Portfolio investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

**Capital assets**

Capital assets are stated at cost less accumulated amortization, which includes all amounts that are directly attributable to the acquisition, construction, development and betterment of the asset. Amortization is provided for on a straight-line basis at the following rates:

Leasehold improvements	20 years
Furniture and fixtures	10 years
Vehicles	10 years
Computer equipment	3 years

Amortization is charged daily from the date of purchase to the date of disposal.

Capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue of the Capital Fund.

The Library reviews long-lived assets for impairment whenever events or changes in circumstance indicate that the asset no longer has long-term service potential to the Library. When the carrying amount exceeds the fair value of the capital asset, an impairment loss is recognized in an amount equal to the excess. Such impairments are not reversed.

Materials, program, and Marigold service fees expenses include the costs of books and other materials held by the Library. These amounts are not capitalized and are expensed in the period in which the cost is incurred.

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## The City of Airdrie Library Board

### Notes to the Financial Statements

For the Year Ended December 31, 2022, with comparative information for 2021

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (.../Continued)

### Financial instruments

Financial assets and liabilities are recognized when the Library becomes a party to a financial instrument contract. Unrealized gains and losses from changes in the fair value of the financial assets and liabilities are recognized in the statement of re-measurement gains and losses. The Library's financial instruments are not recorded at fair value, and as a result, the statement of re-measurement gains and losses has not been included.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Library's financial assets and liabilities are all measured at cost or amortized cost and consist of cash, accounts receivable, due from Airdrie Mainstreet Square, portfolio investments, accounts payable and accrued liabilities and due to the City of Airdrie.

The Library is not exposed to significant credit, liquidity, or currency risks.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Library's interest rate exposure relates to the possibility that changes in interest rates will affect the value of fixed income investments held by the Library.

The Library minimizes these risks by investing in a portfolio comprised of high quality fixed income products that have typically demonstrated a low degree of risk or loss of principal value.

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## 3. FUTURE ACCOUNTING POLICIES

PSAB recently announced the following accounting pronouncements:

### PSAB Section 1201, Financial Statement Presentation

This section is effective for fiscal years beginning on or after April 1, 2022, when sections PS 2601 and PS 3450 are adopted and establishes new general reporting principles and standards for the preparation of the statement of cash flows and statement of remeasurement gains and losses in Government Not-for-Profit Organizations. Section PS 4200 continues to apply for the remaining financial statements.

### PSAB Section 3280, Asset Retirement Obligations

This section is effective for fiscal years beginning on or after April 1, 2022 and provides guidance on accounting for asset retirement obligations.

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## The City of Airdrie Library Board

### Notes to the Financial Statements

For the Year Ended December 31, 2022, with comparative information for 2021

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#### 3. FUTURE ACCOUNTING POLICIES (.../Continued)

##### PSAB Section 3400, Revenue

This section is effective for fiscal years beginning on or after April 1, 2023 and provides greater clarity on the difference between exchange and non-exchange transactions.

##### PSAB Section 3450, Financial Instruments

This accounting pronouncement establishes standards on how to account for and report all types of financial instruments including primary instruments and derivative instruments. It is effective for fiscal years beginning on or after April 1, 2022 for government organizations, with early adoption encouraged. The Library will be required to assess Section 3041, Portfolio Investments and Section 3230, Long-Term Debt.

##### PSAB Section PSG-8, Purchased Intangibles

This section is effective for fiscal years beginning on or after April 1, 2023 and provides guidance on how to account for non-monetary economic resources without physical substance acquired through an arm's length exchange transactions between knowledgeable, willing parties who are under no compulsion to act.

##### PSAB Section 3160, Public Private Partnerships

This section is effective for fiscal years beginning on or after April 1, 2023 and establishes an accounting standard for the recognition, measurement, presentation, and disclosure of infrastructure procured through certain types of public private partnership arrangements.

Management is currently in the process of assessing the impact of the adoption of these standards.

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#### 4. PORTFOLIO INVESTMENTS

The composition of portfolio investments is as follows:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Portfolio investments:				
Bonds				
Canadian government and corporate	\$ 908,492	\$ 843,681	\$ 1,114,665	\$ 1,106,660
Other				
Cash and money market funds	270,279	270,279	49,338	49,338
	<u>\$ 1,178,771</u>	<u>\$ 1,113,960</u>	<u>\$ 1,164,003</u>	<u>\$ 1,155,998</u>

The Canadian government and corporate bonds have effective interest rates of 1.07% to 4.24% per annum with maturity dates from January 2023 to October 2035. Cash and money market funds have an effective interest rate of 0.90% per annum and no corresponding maturity dates. Included in portfolio investments is a restricted amount of \$321,325 (2021: \$310,000) received and held exclusively for capital infrastructure projects.

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**The City of Airdrie Library Board**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022, with comparative information for 2021**

**5. CAPITAL ASSETS**

Capital assets consist of the following:

	<b>2022</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Leasehold improvements	\$ 986,822	\$ 743,743	\$ 243,079
Furniture and fixtures	262,300	197,905	64,395
Vehicles	24,050	16,301	7,749
Computer equipment	259,777	213,508	46,269
	<b>\$ 1,532,949</b>	<b>\$ 1,171,457</b>	<b>\$ 361,492</b>

  

	<b>2021</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Leasehold improvements	\$ 984,885	\$ 694,466	\$ 290,419
Furniture and fixtures	258,285	183,137	75,148
Vehicles	24,050	13,896	10,154
Computer equipment	426,044	385,934	40,110
	<b>\$ 1,693,264</b>	<b>\$ 1,277,433</b>	<b>\$ 415,831</b>

**6. RELATED PARTY TRANSACTIONS AND BALANCES**

**Grants**

During 2022, the City of Airdrie provided \$2,146,990 (2021: \$2,146,993) in funding to partially cover operating and capital costs of the Library. In addition, grants in-kind of \$60,000 (2021: \$60,000) were recognized for professional services provided to the Library. Seventy-three percent of the Library's operating revenue is received from the City of Airdrie (2021: seventy-four percent).

**Due to the City of Airdrie**

The balance due to the City of Airdrie of \$71,919 (2021: \$207,597) is non-interest bearing, repayable on demand and unsecured.

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## The City of Airdrie Library Board

### Notes to the Financial Statements

For the Year Ended December 31, 2022, with comparative information for 2021

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#### 6. RELATED PARTY TRANSACTIONS AND BALANCES (.../Continued)

##### Airdrie Mainstreet Square Real Estate Inc.

Both the Library and Airdrie Mainstreet Square Real Estate Inc. ("Mainstreet Square") are controlled by the City of Airdrie and are therefore related parties.

Transactions between the Library and Mainstreet Square are measured and recorded at agreed upon values.

The following summarizes the Library's related party transactions with Mainstreet Square which are included in expense amounts in the statement of operations:

	<b>2022</b>	2021
Payment to Mainstreet Square for the Library's share of common costs	<b>\$ 96,116</b>	\$ 89,760
Rent paid to Mainstreet Square	<b>166,104</b>	166,104
Balance due from Mainstreet Square	<b>6,321</b>	5,937

##### Commitments

The Library signed a two year lease in 2021 with Mainstreet Square. Rent is payable on a rate per square foot plus a proportionate share of common costs of the complex. Known rent commitments for the remainder of the lease are as follows:

2023	\$ 110,736
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#### 7. INTERNALLY RESTRICTED FUND BALANCES

##### Interfund transfers

During the year, the Board of Directors approved transfers from the operating unrestricted and capital internally restricted funds of \$42,875 (2021 - \$43,154) and \$1,558 (2021 - \$nil), respectively, to fund the purchase of capital assets. Additionally, the Board of Directors approved a transfer of \$59,170 (2021 - \$69,995) from the operating unrestricted fund with 50% being transferred to each of the operating internally restricted and capital internally restricted funds. Furthermore, the the Board of Directors internally restricted \$nil (2021 - \$1,500) in the operating internally restricted fund to cover future expenditures. This results in a total of \$72,640 (2021 - \$76,652) transfer from the operating fund to the capital fund. During the year, the Board of Directors also approved a transfer of \$161,789 (2021 - \$nil) from the operating internally restricted fund to the operating unrestricted fund.

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## The City of Airdrie Library Board

### Notes to the Financial Statements

For the Year Ended December 31, 2022, with comparative information for 2021

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#### 8. LOCAL AUTHORITIES PENSION PLAN

Employees of the Library are eligible for the Local Authorities Pension Plan ("LAPP"), which is covered by the Public Sector Pensions Plan Act. LAPP serves 281,764 members and 435 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Library is required to make current service contributions to LAPP of 8.45% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.80% on pensionable earnings above this amount.

Total current and past service contributions by the Library to LAPP in 2022 were \$97,618 (2021: \$99,664). Total current and past service contributions by the employees of the Library to LAPP in 2022 were \$87,129 (2021: \$90,110).

At December 31, 2021, which is the most recent actuarial assessment, LAPP disclosed an actuarial surplus of \$11.92 billion (2021: \$4.96 billion).

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#### 9. APEX SUPPLEMENTARY PENSION PLAN

The APEX supplementary pension plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees. The plan supplements the LAPP.

Contributions are made by the prescribed class of employees and the Company. Employees and the Company are required to make current service contributions to APEX of 2.61% and 3.85% respectively of individual pensionable earnings up to \$171,000 (2021: \$162,278).

Total current service contributions by the Library to APEX were \$22,467 (2021: \$22,041). Total current service contributions by the employees of the Library were \$15,231 (2021: \$14,942).

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

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#### 10. CONTRACTUAL OBLIGATIONS

The Library is a member of the Marigold Library System ("Marigold"), which provides users of the Library with access to additional online and traditional catalogue resources throughout Marigold's network. The Library is required to remit an annual requisition to Marigold before October 31 of each year, which is anticipated to be \$4.50 per capita for 2023 for a total estimated cost of \$351,563.

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#### 11. BUDGETED AMOUNTS

The 2022 budget was prepared by the Library and approved by the Board of Directors. Budgeted information presented in the Statement of Operations and Changes in Fund Balances has not been audited.

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