

THE CITY OF AIRDRIE LIBRARY BOARD

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

December 31, 2023

The City of Airdrie Library Board
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For the Year Ended December 31, 2023

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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, 2023
- 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, 2023, 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 the 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, 2024

The City of Airdrie Library Board
Statement of Financial Position
As at December 31, 2023, with comparative information for 2022

	Operating Fund	Capital Fund	2023	2022
ASSETS				
Current				
Cash (Note 4)	\$ 253,454	\$ 172,117	\$ 425,571	\$ 414,819
Accounts receivable	14,942	-	14,942	12,791
Due from Airdrie Mainstreet Square (Note 7)	-	-	-	6,321
Prepaid expenses	8,485	-	8,485	895
	276,881	172,117	448,998	434,826
Portfolio Investments (Note 5)	416,050	784,000	1,200,050	1,178,771
Capital Assets (Note 6)	-	325,153	325,153	361,492
	\$ 692,931	\$ 1,281,270	\$ 1,974,201	\$ 1,975,089
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 161,696	\$ -	\$ 161,696	\$ 147,969
Due to the City of Airdrie (Note 7)	48,182	-	48,182	71,919
Due to Airdrie Mainstreet Square (Note 7)	5,038	-	5,038	-
	214,916	-	214,916	219,888
Fund Balances				
Internally restricted (Note 8)	458,015	552,691	1,010,706	1,052,384
Externally restricted	-	403,426	403,426	321,325
Invested in capital assets	-	325,153	325,153	361,492
Unrestricted	20,000	-	20,000	20,000
	478,015	1,281,270	1,759,285	1,755,201
	\$ 692,931	\$ 1,281,270	\$ 1,974,201	\$ 1,975,089

Commitments (Note 7 and 11)

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, 2023, with comparative information for 2022

	Operating Budget (Note 12)	Operating Fund	Capital Fund	2023	2022
Revenue					
Grants					
City of Airdrie (Note 7)	\$ 2,272,300	\$ 2,272,300	\$ -	\$ 2,272,300	\$ 2,146,990
Alberta Library	343,223	404,157	-	404,157	343,223
Marigold Service	195,313	200,555	-	200,555	192,767
City of Airdrie: in-kind (Note 7)	60,000	60,000	-	60,000	60,000
County	16,944	33,700	-	33,700	16,944
Other	18,430	8,972	-	8,972	2,707
	2,906,210	2,979,684	-	2,979,684	2,762,631
Interest and miscellaneous	41,900	111,333	-	111,333	56,379
Contributions	20,000	-	82,101	82,101	11,325
Fund development	60,570	46,785	-	46,785	101,578
Fines	40,000	44,079	-	44,079	41,913
Photocopy	8,500	20,179	-	20,179	13,875
Donations	20,200	17,829	-	17,829	17,378
Book sales	3,500	4,754	-	4,754	5,084
Gifts-in-kind	3,500	1,205	-	1,205	-
Other revenue	-	928	-	928	4,704
	3,104,380	3,226,776	82,101	3,308,877	3,014,867
Expenses					
Salaries and employee benefits	2,113,944	2,050,146	-	2,050,146	2,028,420
Marigold service fees	351,563	360,999	-	360,999	346,621
Building maintenance and rent (Note 7)	333,335	355,795	-	355,795	336,029
Professional fees (Note 7)	124,490	140,583	-	140,583	114,383
Amortization	-	-	100,329	100,329	98,772
Facility expansion	104,850	95,515	-	95,515	32,367
Utilities	34,050	42,846	-	42,846	39,372
Office	31,194	32,043	-	32,043	25,662
Advertising and promotion	31,025	29,077	-	29,077	28,444
Materials	20,643	27,539	-	27,539	67,320
Program	20,650	23,053	-	23,053	10,343
IT and system support	23,064	16,596	-	16,596	13,463
Training and travel	10,905	15,300	-	15,300	6,668
Fund development	3,800	5,139	-	5,139	4,340
Vehicle	2,310	3,151	-	3,151	2,377
Bank charges	6,242	2,673	-	2,673	5,417
Insurance	2,165	2,291	-	2,291	2,060
Loss on sale of capital assets	-	-	1,718	1,718	-
	3,214,230	3,202,746	102,047	3,304,793	3,162,058
(Deficiency) excess of revenue over expenses	(109,850)	24,030	(19,946)	4,084	(147,191)
Fund balances - beginning of year	1,755,201	528,822	1,226,379	1,755,201	1,902,392
Interfund transfers (Note 8)	-	(74,837)	74,837	-	-
Fund balances - end of year (Schedule 1)	\$ 1,645,351	\$ 478,015	\$ 1,281,270	\$ 1,759,285	\$ 1,755,201

See accompanying notes to the financial statements

The City of Airdrie Library Board

Statement of Cash Flows

For the Year Ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in) the following activities:		
OPERATING ACTIVITIES		
(Deficiency) Excess of revenue over expenses	\$ 4,084	\$ (147,191)
Non-cash transactions		
Amortization	100,329	98,772
Loss on sale of capital assets	1,718	-
Changes in non-cash working capital		
Accounts receivable	(2,151)	(2,202)
Prepaid expenses	(7,590)	(873)
Accounts payable and accrued liabilities	13,727	3,905
	<u>110,117</u>	<u>(47,589)</u>
CAPITAL ACTIVITIES		
Purchase of capital assets	<u>(65,708)</u>	<u>(44,433)</u>
INVESTING ACTIVITIES		
Net purchases of portfolio investments	(21,279)	(14,768)
Due to Airdrie Mainstreet Square	11,359	(384)
	<u>(9,920)</u>	<u>(15,152)</u>
FINANCING ACTIVITIES		
Due to the City of Airdrie	<u>(23,737)</u>	<u>(135,678)</u>
Increase (decrease) in cash	10,752	(242,852)
Cash, beginning of the year	414,819	657,671
Cash, end of the year	\$ 425,571	\$ 414,819

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, 2023, with comparative information for 2022

	Operating Internally Restricted	Operating Unrestricted	Capital Internally Restricted	Capital Externally Restricted	Invested in Capital Assets	2023	2022
Fund balances - beginning of year	\$ 508,822	\$ 20,000	\$ 543,562	\$ 321,325	\$ 361,492	1,755,201	\$ 1,902,392
Excess (deficiency) of revenue over expenses	-	24,030	-	82,101	(102,047)	4,084	(147,191)
Funds transferred for operating expenses <i>(Note 8)</i>	(59,936)	59,936	-	-	-	-	-
Interfund transfers <i>(Note 8)</i>	-	(65,708)	-	-	65,708	-	-
Board Motion to split remaining 50/50 <i>(Note 8)</i>	9,129	(18,258)	9,129	-	-	-	-
Fund balances - end of year	\$ 458,015	\$ 20,000	\$ 552,691	\$ 403,426	\$ 325,153	\$ 1,759,285	\$ 1,755,201

See accompanying notes to the financial statements

The City of Airdrie Library Board
Notes to the Financial Statements
For the Year Ended December 31, 2023, with comparative information for 2022

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.

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, 2023, with comparative information for 2022

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, the amount required to retire tangible 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.

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.

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The City of Airdrie Library Board
Notes to the Financial Statements
For the Year Ended December 31, 2023, with comparative information for 2022

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

Financial instruments (.../Continued)

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

Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- (i) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) the past transaction or event giving rise to the liability has occurred;
- (iii) it is expected that future economic benefits will be given up; and
- (iv) a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed. Revisions in estimates are recognized as a change to both the liability and related tangible capital asset in the Statement of Financial Position.

Changes in accounting policy

Effective January 1, 2022, the Library adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

Amounts are measured using information and assumptions where applicable, that are current on the effective date of the standard. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated amortization is measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied.

On the effective date, it was determined that the Library did not have Asset Retirement Obligations to recognize nor did they have any Asset Retirement Obligations for the year ended December 31, 2023.

The City of Airdrie Library Board
Notes to the Financial Statements
For the Year Ended December 31, 2023, with comparative information for 2022

3. FUTURE ACCOUNTING POLICIES

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 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.

4. CASH

Included in cash is an externally restricted amount of \$93,426 (2022: \$11,325) which has been donated to the Library for the purchase of materials related to facility expansion. This amount is presented as a current asset at December 31, 2023 as it is expected to be used in 2024.

5. PORTFOLIO INVESTMENTS

The composition of portfolio investments is as follows:

	2023		2022	
	Cost	Market Value	Cost	Market Value
Portfolio investments:				
Bonds				
Canadian government and corporate	\$ 1,132,817	\$ 1,098,815	\$ 908,492	\$ 843,681
Other				
Cash and money market funds	67,233	67,233	270,279	270,279
	\$ 1,200,050	\$ 1,166,048	\$ 1,178,771	\$ 1,113,960

The Canadian government and corporate bonds have effective interest rates of 1.07% to 3.60% per annum with maturity dates from May 2024 to December 2048. 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 \$310,000 (2022: \$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, 2023, with comparative information for 2022

5. PORTFOLIO INVESTMENTS (.../Continued)

The credit risks on investments are held as follows:

Credit Ratings (DBRS)	2023	
	Investments	Investment Mix %
Money Market Funds		
R1	\$ 67,233	5.6%
Canadian Fixed Income		
AAA	245,077	20.4%
AA	518,575	43.2%
A	356,165	29.7%
BBB	13,000	1.1%
Total	\$ 1,200,050	100%

The maturity dates of interest bearing investments are as follows:

Maturity Percentage	2023	
	Investments	Maturity %
< 1 year	\$ 175,196	14.6%
1 - 5 years	608,661	50.7%
> 5 years	416,193	34.7%
Total	\$ 1,200,050	100%

6. CAPITAL ASSETS

Capital assets consist of the following:

	2023		
	Cost	Accumulated Amortization	Net Book Value
Leasehold improvements	\$ 992,641	\$ 793,252	\$ 199,389
Furniture and fixtures	264,049	210,642	53,407
Vehicles	24,050	18,706	5,344
Computer equipment	261,245	194,232	67,013
	\$ 1,541,985	\$ 1,216,832	\$ 325,153
	2022		
	Cost	Accumulated Amortization	Net Book Value
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
	\$ 1,532,949	\$ 1,171,457	\$ 361,492

The City of Airdrie Library Board
Notes to the Financial Statements
For the Year Ended December 31, 2023, with comparative information for 2022

7. RELATED PARTY TRANSACTIONS AND BALANCES

Grants

During 2023, the City of Airdrie provided \$2,272,300 (2022: \$2,146,990) in funding to partially cover operating and capital costs of the Library. In addition, grants in-kind of \$60,000 (2022: \$60,000) were recognized for professional services provided to the Library. Seventy percent of the Library's operating revenue is received from the City of Airdrie (2022: seventy-three percent).

Due to the City of Airdrie

The balance due to the City of Airdrie of \$48,182 (2022: \$71,919) is non-interest bearing, repayable on demand and unsecured.

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:

	<u>2023</u>	<u>2022</u>
Payment to Mainstreet Square for the Library's share of common costs	\$ 107,981	\$ 96,116
Rent paid to Mainstreet Square	166,104	166,104
Balance due to Mainstreet Square	5,038	-
Balance due from Mainstreet Square	-	6,321

Commitments

The Library signed a two year lease in 2023 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:

2024	\$	166,104
2025	\$	110,736

8. INTERNALLY RESTRICTED FUND BALANCES

Interfund transfers

During the year, the Board of Directors (the "Board") approved transfers from the operating unrestricted and capital internally restricted funds of \$65,708 (2022: \$42,875) and \$nil (2022: \$1,558), respectively, to fund the purchase of capital assets. Additionally, the Board approved a transfer of \$18,258 (2022: \$59,170) from the operating unrestricted fund with 50% being transferred to each of the operating internally restricted and capital internally restricted funds. This results in a total of \$74,837 (2022: \$72,640) transfer from the operating fund to the capital fund. During the year, the Board also approved a transfer of \$59,936 (2022: \$161,789) from the operating internally restricted fund to the unrestricted fund to cover operating expenses.

The City of Airdrie Library Board
Notes to the Financial Statements
For the Year Ended December 31, 2023, with comparative information for 2022

9. 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 291,259 members and 437 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 7.45% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 11.80% on pensionable earnings above this amount.

Total current and past service contributions by the Library to LAPP in 2023 were \$95,782 (2022: \$97,618). Total current and past service contributions by the employees of the Library to LAPP in 2023 were \$85,272 (2022: \$87,129).

At December 31, 2022, which is the most recent actuarial assessment, LAPP disclosed an actuarial surplus of \$12.67 billion (2021: \$11.92 billion).

10. 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 Library. Employees and the Library are required to make current service contributions to APEX of 2.42% and 2.96% respectively of individual pensionable earnings up to \$175,333 (2022: \$171,000).

Total current service contributions by the Library to APEX in 2023 were \$17,509 (2022: \$22,467). Total current service contributions by the employees of the Library to APEX in 2023 were \$14,315 (2022: \$15,231).

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.

11. 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 2024 for a total estimated cost of \$363,263.

12. BUDGETED AMOUNTS

The 2023 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.
