

GRANDE PRAIRIE PUBLIC LIBRARY

Financial Statements

December 31, 2023



INDEPENDENT AUDITORS' REPORT

To the Board Members of the Grande Prairie Public Library

Opinion

We have audited the financial statements of Grande Prairie Public Library (the Library Board), which comprise the statement of financial position as at December 31, 2023, and the statements of financial activities and accumulated surplus, changes in net financial assets and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library Board as at December 31, 2023, and the result of its financial activities, changes in its net financial assets and changes in its financial position for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 *Independent Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Library Board in accordance with 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, 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 Library Board'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 Library Board or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditors' 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 auditors' 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 these 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 Library Board'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 Library Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Library Board 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.

We 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.



Grande Prairie, Alberta
March 12, 2024

Chartered Professional Accountants


GRANDE PRAIRIE PUBLIC LIBRARY


Statement of Financial Position

December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and temporary investments <i>(Note 3)</i>	\$ 1,036,247	\$ 959,251
Accounts receivable	8,586	23,289
Long-term investments <i>(Note 4)</i>	834,546	824,098
	<u>1,879,379</u>	<u>1,806,638</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities <i>(Note 5)</i>	123,652	151,538
Deferred revenue <i>(Note 6)</i>	23,792	45,859
	<u>147,444</u>	<u>197,397</u>
NET FINANCIAL ASSETS	<u>1,731,935</u>	<u>1,609,241</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Schedule 2)</i>	474,241	472,821
Prepaid expenses <i>(Note 7)</i>	62,550	54,004
	<u>536,791</u>	<u>526,825</u>
ACCUMULATED SURPLUS <i>(Schedule 1)</i>	<u>\$ 2,268,725</u>	<u>\$ 2,136,065</u>

ON BEHALF OF THE BOARD

 Board Member

 Board Member

Please see accompanying notes to financial statements

GRANDE PRAIRIE PUBLIC LIBRARY
Statement of Financial Activities and Accumulated Surplus
Year Ended December 31, 2023

	<i>Budget (Unaudited - Note 13)</i>	2023	2022
REVENUE			
Grant revenue (Note 9)	\$ 2,433,991	\$ 2,453,634	\$ 2,401,460
Building rent grant revenue (Note 10)	1,096,588	1,105,702	1,096,588
Donations	2,500	60,260	43,866
Interest	2,500	87,035	36,478
Photocopier and room rental	95,000	64,320	73,990
Other revenue	100	80	241
	<u>3,630,679</u>	<u>3,771,031</u>	<u>3,652,623</u>
EXPENDITURES			
Advertising and promotion	10,000	6,953	11,156
Amortization of tangible capital assets	175,000	135,524	158,331
Building rental (Note 10)	1,096,588	1,105,702	1,096,588
Consulting	-	7,826	9,331
Equipment, furniture and fixtures not capitalized	35,000	7,188	15,236
Insurance, licenses and memberships	7,900	7,517	21,426
Interest and bank charges	4,000	3,274	4,167
Library materials	209,365	217,306	257,917
Professional development	25,000	11,013	18,645
Professional fees	28,500	27,297	26,626
Programming	42,200	44,213	33,880
Repairs and maintenance	69,000	52,471	34,791
Salaries and wages	2,048,703	1,926,859	2,067,363
Supplies	33,123	39,437	32,468
Telecommunications	27,500	45,359	36,613
	<u>3,811,879</u>	<u>3,637,939</u>	<u>3,824,538</u>
EXCESS (DEFICIT) FROM OPERATIONS	(181,200)	133,092	(171,915)
Other expenses			
Loss on disposal of tangible capital assets	-	(432)	(13,430)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(181,200)	132,660	(185,345)
ACCUMULATED SURPLUS, BEGINNING	<u>2,136,065</u>	<u>2,136,065</u>	<u>2,321,410</u>
ACCUMULATED SURPLUS, ENDING (Schedule 1)	<u>\$ 1,954,865</u>	<u>\$ 2,268,725</u>	<u>\$ 2,136,065</u>

Please see accompanying notes to financial statements

GRANDE PRAIRIE PUBLIC LIBRARY
Statement of Changes in Net Financial Assets
Year Ended December 31, 2023

	<i>Budget (Unaudited - Note 13)</i>	2023	2022
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (181,200)	\$ 132,660	\$ (185,345)
Acquisition of tangible capital assets	(130,000)	(137,375)	(5,504)
Amortization of tangible capital assets	175,000	135,524	158,331
Loss on disposal of tangible capital assets	-	432	13,430
	45,000	(1,419)	166,257
Acquisition of prepaid expenses	-	(62,551)	(54,004)
Use of prepaid expenses	-	54,004	42,405
	45,000	(9,966)	154,658
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(136,200)	122,694	(30,687)
NET FINANCIAL ASSETS, BEGINNING	1,609,241	1,609,241	1,639,928
NET FINANCIAL ASSETS, ENDING	\$ 1,473,041	\$ 1,731,935	\$ 1,609,241

Please see accompanying notes to financial statements

GRANDE PRAIRIE PUBLIC LIBRARY
Statement of Changes in Financial Position
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 132,660	\$ (185,345)
Items not affecting cash:		
Amortization of tangible capital assets	135,524	158,331
Loss on disposal of tangible capital assets	432	13,430
	<u>268,616</u>	<u>(13,584)</u>
Changes in non-cash working capital:		
Accounts receivable	14,703	(18,912)
Accounts payable and accrued liabilities	(27,887)	19,925
Deferred revenue	(22,067)	19,750
Prepaid expenses	(8,546)	(11,599)
	<u>(43,797)</u>	<u>9,164</u>
Cash from (used by) operating activities	<u>224,819</u>	<u>(4,420)</u>
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(137,375)	(5,504)
Purchase of long-term investments	(10,448)	(824,098)
Cash used by investing activities	<u>(147,823)</u>	<u>(829,602)</u>
INCREASE (DECREASE) IN CASH	76,996	(834,022)
CASH - BEGINNING OF YEAR	<u>959,251</u>	<u>1,793,273</u>
CASH - END OF YEAR	<u>\$ 1,036,247</u>	<u>\$ 959,251</u>

Please see accompanying notes to financial statements

GRANDE PRAIRIE PUBLIC LIBRARY

Changes in Accumulated Surplus

(Schedule 1)

Year Ended December 31, 2023

	Unrestricted Surplus (Deficit)	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
BALANCE, BEGINNING OF YEAR	\$ -	\$ 1,663,244	\$ 472,821	\$ 2,136,065	\$ 2,321,410
Excess (deficiency) of revenue over expenditures	132,660	-	-	132,660	(185,345)
Unrestricted funds designated for future use	(263,327)	263,327	-	-	-
Interest earned on restricted funds	(21,189)	21,189	-	-	-
Restricted funds used for operations	15,901	(15,901)	-	-	-
Restricted funds used for tangible capital assets	-	(137,375)	137,375	-	-
Annual amortization expense	135,524	-	(135,524)	-	-
Tangible capital assets disposed of (at net book value)	431	-	(431)	-	-
Change in accumulated surplus	-	131,240	1,420	132,660	(185,345)
BALANCE, END OF YEAR	\$ -	\$ 1,794,484	\$ 474,241	\$ 2,268,725	\$ 2,136,065

Please see accompanying notes to financial statements

GRANDE PRAIRIE PUBLIC LIBRARY

Schedule of Tangible Capital Assets

(Schedule 2)

Year Ended December 31, 2023

	Computer equipment	Furniture and fixtures	Office equipment	Leasehold improvements	Cultural and historical	Total 2023	Total 2022
COST							
BALANCE, BEGINNING	\$ 458,130	\$ 808,618	\$ 41,618	\$ 350,502	\$ 9,800	\$ 1,668,668	\$ 1,697,113
Acquisition of tangible capital assets	56,356	81,019	-	-	-	137,375	5,504
Disposal of tangible capital assets	(7,635)	-	(21,464)	-	-	(29,099)	(33,949)
BALANCE, ENDING	506,851	889,637	20,154	350,502	9,800	1,776,944	1,668,668
ACCUMULATED AMORTIZATION							
BALANCE, BEGINNING	320,820	504,285	41,618	329,124	-	1,195,847	1,058,035
Annual amortization	71,140	46,800	-	17,584	-	135,524	158,331
Accumulated amortization on disposals	(7,204)	-	(21,464)	-	-	(28,668)	(20,519)
BALANCE, ENDING	384,756	551,085	20,154	346,708	-	1,302,703	1,195,847
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 122,095	\$ 338,552	\$ -	\$ 3,794	\$ 9,800	\$ 474,241	\$ 472,821
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 137,310	\$ 304,333	\$ -	\$ 21,378	\$ 9,800	\$ 472,821	

Please see accompanying notes to financial statements

GRANDE PRAIRIE PUBLIC LIBRARY

Notes to Financial Statements

Year Ended December 31, 2023

1. NATURE OF BUSINESS

The Grande Prairie Public Library (the Library Board) was established in October, 1988 under the Libraries Act as a not-for-profit organization, effectively controlled by the City of Grande Prairie. The Board of Directors of the Library Board consists of one City Councilor, one County of Grande Prairie No. 1 Councilor and eight public directors.

The Library Board is a registered charity, registration number 11894 5468 RR0001 and, accordingly, is not subject to income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Library Board are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Library Board are as follows:

Reporting entity

The financial statements reflect the assets, liabilities, revenues and expenditures and change in financial position of the reporting entity. This entity is comprised only of the operations of the Library Board.

Basis of presentation

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.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Revenue recognition

Grande Prairie Public Library follows the deferral method of accounting for contributions.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets are recognized as revenue in the period in which the eligibility criteria have been satisfied.

Other revenues are accounted for in the period in which their transactions or events occurred that gave rise to the revenues.

Financial instruments

The Library Board recognizes a financial instrument when it becomes party to the contractual provisions of the financial instrument. Financial instruments are recorded at fair value except for related party transactions which are recorded at the exchange amount.

In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs are expensed when incurred.

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GRANDE PRAIRIE PUBLIC LIBRARY

Notes to Financial Statements

Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are savings accounts that require 90 days notice prior to withdrawal. The cash equivalents earn monthly interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Long-term investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the normal course of operations.

Tangible capital assets

Tangible capital assets have useful lives extending beyond the current year and meet minimum dollar amount thresholds for capitalization in accordance with the policy set by the Library Board.

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:

Computer equipment	3-5 years
Furniture and fixtures	10 years
Office equipment	5 years
Leasehold improvements	10 years

In the year of acquisition, amortization is applied at half of normal rates. Assets under construction are not amortized until the asset is available for productive use. Works of art and historical treasures that have cultural, aesthetic or historical value that is worth preserving perpetually are not amortized.

The Library Board regularly reviews its tangible capital assets for sold or scrapped assets, at which time the cost and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year of disposition.

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

Impairment of long-lived assets

The Library Board tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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GRANDE PRAIRIE PUBLIC LIBRARY

Notes to Financial Statements

Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee future benefits

Selected employees of the Library Board are members of the Local Authority Pension Plan (LAPP), a multi-employer defined benefit pension plan. The President of the Alberta Treasury Board and the Minister of Finance are the legal trustees and administrators of the plan, which is governed by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the Library Board does not recognize its share of any plan surplus or deficit.

Reserves for future expenditures

Reserves are established at the discretion of the Board of Directors to set funds aside for future expenditures and capital projects.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates used in the preparation of the financial statements includes the provision for amortization of tangible capital assets. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Asset Retirement Obligations

PS3280, Asset Retirement Obligations defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for asset retirement, and provides the related financial statement presentation and disclosure requirements. This new standard effectively replaces PS3270, Solid Waste Landfill and Post-closure Liability, and is applicable for fiscal years beginning on or after April 1, 2022.

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Library Board to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

The Library Board has determined that no asset retirement obligation exist as of December 31, 2023.

Budget

The budget amounts are presented for information purposes and have not been audited.

GRANDE PRAIRIE PUBLIC LIBRARY

Notes to Financial Statements

Year Ended December 31, 2023

3. CASH AND TEMPORARY INVESTMENTS

	<u>2023</u>	<u>2022</u>
Cash	\$ 825,631	\$ 747,214
Temporary investments	210,616	212,037
	<u>\$ 1,036,247</u>	<u>\$ 959,251</u>

Temporary investments consist of short-term deposits that can be withdrawn with a 90 day notice and bear interest at prime minus 1.45%.

Cash, held in operating and savings accounts, bears interest at rates ranging from prime minus 1.90% to 1.55%, depending on the balance held.

Included in cash, temporary investments and long-term investments (Note 4) are externally restricted amounts aggregating \$734,316 (2022 - \$807,502) received from private donors. The funds are to be used for a variety of purposes including funding specific educational and accessible projects, to fund reading materials for the general public, as well as equipment, fixtures and displays for the Library Board.

4. LONG-TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
Guaranteed investment certificates	\$ 834,546	\$ 824,098

Long-term investments consist of guaranteed investment certificates maturing in 2027 and bear interest at rates ranging from 1.73% to 2.00%.

Included in cash, temporary investments and long-term investments are externally restricted amounts as described in Note 3.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Trade accounts payable	\$ 25,158	\$ 33,122
Wages payable	42,296	41,571
Employee vacation and banked overtime payable	21,576	35,657
Payroll remittances payable	28,265	32,786
LAPP remittances payable	6,357	8,402
	<u>\$ 123,652</u>	<u>\$ 151,538</u>

GRANDE PRAIRIE PUBLIC LIBRARY

Notes to Financial Statements

Year Ended December 31, 2023

6. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Donations	\$ 23,792	\$ 44,771
Room rentals	-	1,088
	<u>\$ 23,792</u>	<u>\$ 45,859</u>

7. PREPAID EXPENSES

	<u>2023</u>	<u>2022</u>
Library subscriptions and software licenses	\$ 61,550	\$ 54,004
PLS Allotment	1,000	-
	<u>\$ 62,550</u>	<u>\$ 54,004</u>

8. RESTRICTED SURPLUS

	Balance Beginning	Additions	Reductions	Balance Closing
Willie Janssen Legacy Reserve	\$ 772,574	\$ 20,664	\$ 88,741	\$ 704,497
Clem and Muriel Collins' Fund	34,929	525	5,634	29,820
General Capital Reserve	619,720	-	56,356	563,364
Operating Reserve	236,021	263,327	2,545	496,803
	<u>\$ 1,663,244</u>	<u>\$ 284,516</u>	<u>\$ 153,276</u>	<u>\$ 1,794,484</u>

9. GRANT REVENUE

	<u>2023</u>	<u>2022</u>
City of Grande Prairie	\$ 1,673,100	\$ 1,650,000
Alberta Public Library Services	399,510	380,486
Municipal District of Greenview No. 16	40,000	40,000
Municipal District of Greenview No. 16 book allotment	3,387	3,378
County of Grande Prairie No. 1	320,932	311,585
County of Grande Prairie No. 1 book allotment	16,705	16,011
	<u>\$ 2,453,634</u>	<u>\$ 2,401,460</u>

GRANDE PRAIRIE PUBLIC LIBRARY

Notes to Financial Statements

Year Ended December 31, 2023

10. RELATED PARTY TRANSACTIONS

The following is a summary of the Library Board's related party transactions:

	<u>2023</u>	<u>2022</u>
City of Grande Prairie <i>(effective control of the Library Board)</i>		
Grant revenue	\$ 1,673,100	\$ 1,650,000
Building rent grant revenue (non-monetary)	1,105,702	1,096,588
Building rent expense (non-monetary)	1,105,702	1,096,588
Peace Library System <i>(municipal partnership in which the Library Board holds membership)</i>		
Book purchases	\$ 185,974	\$ 190,726
Prepaid expense	1,000	-
Champions of the Library <i>(registered charity that provides external fundraising efforts on behalf of the Grande Prairie Public Library)</i>		
Donations received through Champions of the Library	\$ 6,986	\$ -

These transactions and balances are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The building rent to the City of Grande Prairie is a non-monetary transaction and is an estimate of the fair market value of the rent for the space the Library Board utilizes for which the City of Grande Prairie holds ownership.

Related parties to the Library include the Library Board of Directors and key management personnel. Key management personnel is defined by the Library to include the Executive and Senior Leadership Team.

Related party transactions with the Library Board of Directors and key management personnel are considered to be undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.

11. OCCUPANCY AGREEMENT

The City of Grande Prairie owns the building occupied by the Grande Prairie Public Library. The Library Board entered into an occupancy agreement in which the space is provided for a yearly fee of \$10. This agreement is for a period of five years beginning on September 14, 2022 and ending on September 13, 2027 plus an option to renew the agreement for another five years provided that the Library Board is not in default of its obligations outlined in the occupancy agreement.

GRANDE PRAIRIE PUBLIC LIBRARY

Notes to Financial Statements

Year Ended December 31, 2023

12. LOCAL AUTHORITIES PENSION PLAN

Employees of the Library Board participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pension Plans Act. The Plan serves 291,259 people 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 Board is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canadian Pension Plan and 12.23% on the excess.

Employees of the Library Board are required to make current service contributions of 7.45% of pensionable payroll up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.23% on the excess.

Total current service contributions by the Library Board to the Local Authorities Pension Plan in 2023 were \$99,287 (2022 - \$123,580). Total current service contributions by the employees of the Library Board to the Local Authorities Pension Plan in 2023 were \$88,007 (2022 - \$109,750).

At December 31, 2022, the Plan disclosed an actuarial surplus of \$12.7 billion (2021 - \$11.9 billion).

Effective January 1, 2024, member contribution rates will remain constant at 7.45% of pensionable earnings up to the year's maximum pensionable earnings and decrease to 10.65% thereafter for employees and 8.45% of pensionable earnings up to the year's maximum pensionable earnings and 11.65% thereafter for employers.

13. RECONCILIATION OF OPERATING RESULTS TO FINANCIAL RESULTS

The annual operating budget is prepared based upon the Library Board's annual fiscal plan, therefore, a reconciliation of the budgeted deficit as disclosed in these financial statements to the budget as approved by the Board of Directors is required under Public Sector Accounting Board Standards.

	Budget	2023	2022
Excess (deficiency) of revenue over expenditures	\$ (181,200)	\$ 132,660	\$ (185,345)
Adjustments:			
Amortization expense (non-cash)	175,000	135,524	158,331
Tangible capital assets purchased	130,000	137,375	(5,504)
Restricted funds used for tangible capital assets	(130,000)	(137,375)	5,504
Restricted funds used for operations	6,200	15,901	29,884
Unrestricted funds designated for future use	-	(284,516)	(16,300)
Tangible capital assets disposed (at net book value)	-	431	13,430
	-	-	-
Library operating budget, approved by Board of Directors (November 1, 2022)	\$ -	\$ -	\$ -