



The Calgary Public Library Board  
Financial Statements  
For the Year Ended December 31, 2014



From its humble beginnings in 1912, today's Calgary Public Library has grown to include 18 community libraries and is Canada's second busiest library system. The Calgary Public Library is our city's learning hub and an engine for economic vitality and workforce development. Great libraries build an engaged citizenry; engaged citizens create incredible, caring, world-class cities. Creating the best public library in the world for Calgarians is about ensuring that all Calgarians have access to the knowledge they need to do incredible, caring, world-class things here in Calgary and around the world.

A cornerstone for the future of the Calgary Public Library is the New Central Library. Providing approximately 240,000 sq. ft. of usable space, the New Central Library will be a multi-faceted family destination and gathering place with a physical collection of approximately 600,000 books and specially designed space for program and technology. Construction is underway in Calgary's East Village with the opening slated for 2018.

The New Central Library, like every single one of our community libraries, will be a place where everyone belongs and everyone is welcome.



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## INDEPENDENT AUDITOR'S REPORT

To the Members of The Calgary Public Library Board

We have audited the accompanying financial statements of The Calgary Public Library Board, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, and accumulated surplus, cash flows and changes in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Calgary Public Library Board as at December 31, 2014, and the results of its operations, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "Deloitte LLP".

Chartered Accountants  
March 25, 2015  
Calgary, Canada

THE CALGARY PUBLIC LIBRARY BOARD  
Statement of Financial Position  
As at December 31, 2014

	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash	\$ 8,991,659	\$ 10,503,195
Accounts receivable (Note 3,11)	1,671,161	1,344,644
	10,662,820	11,847,839
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 4, 11)	4,808,001	5,555,249
Deferred revenues (Note 5)	39,099	140,107
City of Calgary financing (Note 1)	-	293,720
	4,847,100	5,989,076
<b>NET FINANCIAL ASSETS</b>	5,815,720	5,858,763
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6, Schedule 1)	50,337,758	49,637,408
Inventory	36,703	50,606
Prepaid expenses (Note 7)	1,860,201	1,544,315
	52,234,662	51,232,329
<b>ACCUMULATED SURPLUS (Note 8)</b>	\$ 58,050,382	\$ 57,091,092

*The notes to the Financial Statements are an integral part of the Financial Statements.*

On behalf of the Board

  
Member

  
Member



THE CALGARY PUBLIC LIBRARY BOARD  
Statement of Operations and Accumulated Surplus  
As at December 31, 2014

	Budget	2014	2013
<b>REVENUES</b>			
City of Calgary (Schedule 2, Note 13)	\$ 41,875,634	\$ 43,828,125	\$ 42,907,759
Province of Alberta (Schedule 2)	5,839,757	5,839,752	5,864,757
Fines and fees	3,179,924	2,766,871	3,024,407
Investment and other revenue	563,652	753,604	605,364
Donations, grants, and sponsorships (Note 14)	-	1,536,759	1,397,825
	51,458,967	54,725,111	53,800,112
<b>EXPENSES</b>			
Salaries and employee benefits	33,526,092	34,618,794	33,432,052
Collections	7,980,000	4,768,752	4,677,945
Building and equipment	2,730,081	3,671,528	3,609,018
General operating (Note 14)	4,543,112	5,482,737	5,201,267
Amortization	-	6,953,328	6,738,374
Occupancy costs	795,930	771,600	695,014
Interest charges on City of Calgary financing	1,032	1,032	29,848
	49,576,247	56,267,771	54,383,518
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES - BEFORE OTHER</b>	1,882,720	(1,542,660)	(583,406)
<b>OTHER</b>			
Loss on disposal of tangible capital assets		(158,214)	(36,240)
Government transfers for capital (Schedule 2)	-	2,660,164	5,905,079
<b>EXCESS OF REVENUES OVER EXPENSES</b>	1,882,720	959,290	5,285,433
<b>ACCUMULATED SURPLUS, beginning of year</b>		57,091,092	51,805,659
<b>ACCUMULATED SURPLUS, end of year</b>		\$ 58,050,382	\$ 57,091,092

The notes to the Financial Statements are an integral part of the Financial Statements.

THE CALGARY PUBLIC LIBRARY BOARD  
Statement of Cash Flows  
As at December 31, 2014

	2014	2013
<b>OPERATING</b>		
Excess of revenues over expenses	\$ 959,290	\$ 5,285,433
Non-cash charges to operations		
Amortization	6,953,328	6,738,374
Loss on disposal of tangible capital assets	158,214	36,240
Adjustments of tangible capital assets	10,246	3,750
Change in non-cash working capital (Note 10)	(1,476,755)	1,320,110
Cash provided by operating transactions	6,604,323	13,383,907
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(7,822,139)	(10,740,552)
Cash used in capital transactions	(7,822,139)	(10,740,552)
<b>FINANCING</b>		
Loans repaid	(293,720)	(930,021)
<b>CASH, beginning of year</b>	10,503,195	8,789,861
<b>CASH, end of year</b>	\$ 8,991,659	\$ 10,503,195

THE CALGARY PUBLIC LIBRARY BOARD  
Statement of Change in Net Financial Assets  
As at December 31, 2014

	2014	2013
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 959,290	\$ 5,285,433
Amortization of tangible capital assets	6,953,328	6,738,374
Change in inventory and prepaid expenses	(301,982)	(33,198)
Acquisition of tangible capital assets	(7,822,139)	(10,740,552)
Loss on disposal of tangible capital assets	158,214	36,240
Adjustments of tangible capital assets	10,246	3,750
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	(43,043)	1,290,047
<b>NET FINANCIAL ASSETS, beginning of year</b>	5,858,763	4,568,716
<b>NET FINANCIAL ASSETS, end of year</b>	<u>\$ 5,815,720</u>	<u>\$ 5,858,763</u>

# THE CALGARY PUBLIC LIBRARY BOARD

## Schedule of Tangible Capital Assets

### Schedule 1

As at December 31, 2014

	Materials	Building	IT Equipment	Furniture and Equipment	Work in Progress	Vehicles	2014	2013
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 39,790,242	\$ 34,754,867	\$ 8,376,148	\$ 5,628,748	\$ 6,699,159	\$ 556,163	\$ 95,805,327	\$ 101,445,265
Acquisition of tangible capital assets	3,207,622	683,442	1,624,550	487,426	1,751,817	67,282	7,822,139	10,740,552
Asset transfers	-	7,860,387	-	-	(7,860,387)	-	-	-
Disposal of tangible capital assets	(4,551,318) *	(662,881)	(244,095)	(551,600)	-	(28,634)	(6,038,528)	(16,376,794)
Adjustments of tangible capital assets	-	-	-	-	(10,246)	-	(10,246)	(3,750)
BALANCE, END OF YEAR	\$ 38,446,546	\$ 42,635,815	\$ 9,756,603	\$ 5,564,574	\$ 580,343	\$ 594,811	\$ 97,578,692	\$ 95,805,273
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	\$ 20,845,281	\$ 16,970,317	\$ 5,148,452	\$ 2,949,088	\$ -	\$ 254,726	\$ 46,167,864	\$ 55,770,045
Annual amortization	3,900,776	1,667,665	1,136,831	182,348	-	65,708	6,953,328	6,738,374
Asset transfers	-	-	-	-	-	-	-	-
Accumulated amortization on disposals	(4,551,318) *	(642,542)	(236,927)	(420,837)	-	(28,634)	(5,880,258)	(16,340,554)
BALANCE, END OF YEAR	\$ 20,194,739	\$ 17,995,440	\$ 6,048,356	\$ 2,710,599	\$ -	\$ 291,800	\$ 47,240,934	\$ 46,167,865
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	\$ 18,251,807	\$ 24,640,375	\$ 3,708,247	\$ 2,853,975	\$ 580,343	\$ 303,011	\$ 50,337,758	\$ 49,637,408
2013 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	18,944,961	17,784,526	3,227,697	2,679,629	6,699,158	301,437	49,637,408	

\*At the end of the life assumed all assets were disposed.

THE CALGARY PUBLIC LIBRARY BOARD  
Schedule of Government Transfers  
Schedule 2  
As at December 31, 2014

	2014 Budget	2014	2013
<b>Transfers for operating:</b>			
City of Calgary	\$ 41,503,280	\$ 42,420,988	\$ 42,163,708
City of Calgary Flood Insurance Proceeds (Note 13)	372,354	1,407,137	744,051
Provincial Government	5,839,757	5,839,752	5,864,757
	47,715,391	49,667,877	48,772,516
<b>Transfers for capital:</b>			
City of Calgary	-	2,531,468	5,903,851
Provincial Government	-	128,696	1,228
	-	2,660,164	5,905,079
<b>Total Government Transfers</b>	<b>\$ 47,715,391</b>	<b>\$ 52,328,041</b>	<b>\$ 54,677,595</b>

## **Notes to Financial Statements**

### **For the Year Ended December 31, 2014**

The Calgary Public Library Board (the “Library”) is constituted under the Libraries Act of the Province of Alberta. It operates a system of seventeen community libraries and the Central Library in The City of Calgary.

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards (“PSAS”) as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada (“CPA Canada”). The Library’s significant accounting policies are:

##### **Basis of Accounting**

- i) The financial statements are prepared using the accrual basis of accounting.
- ii) Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues are reliably measured and reasonably estimated.
- iii) Insurance proceeds are recognized when received (Note 13).
- iv) 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. These funds are accounted for as deferred revenue until used for the purpose specified. Revenue is recognized in the period when the related expenses are incurred and any eligibility criteria have been met and reasonable estimate of the amounts can be made.
- v) Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

##### **Reconciliation of Financial Plan (Budget) to Financial Statements**

The legislative requirements under the Municipal Government Act for the Financial Plan (Budget) are that revenues for the period must equal expenditures. The Calgary Public Library Board has followed and will continue to follow this requirement. Cash inflows and outflows include such items as: debt proceeds, transfers to and from reserves and surplus, debt principal repayment, and sale proceeds. These items are not recognized as revenues and expenses in the Statement of Operations as they do not meet the PSAS requirements. The legislation does not require (but does not preclude) the funding of non-cash items such as amortization or liability accruals to provide for future cash requirements, thus, there is no legislative requirement to include these items in the Financial Plan. However, these items are recognized as expenses in the Statement of Operations. Thus, the financial items included in the legislative Financial Plan and the Public Sector Accounting Statement of Operations are different. The purpose of this note is to explain the difference between these two requirements and demonstrate how the legislative requirements for a balanced budget, or Financial Plan net balance of “0”, has been met.

Calgary Public Library Board  
Financial Plan Balance Compliance Schedule  
For the year ended December 31, 2014

	2014 Budget	2014 Actual	2013 Actual
<b>STATEMENT OF OPERATIONS</b>			
<b>REVENUES</b>			
City of Calgary	41,503,280	42,420,988	42,163,708
City of Calgary Flood Insurance Proceeds (Note 13)	372,354	1,407,137	744,051
Province of Alberta	5,839,757	5,839,752	5,864,757
Fines and fees	3,179,924	2,766,871	3,024,407
Investment and other revenue	563,652	753,604	605,364
Donations, grants, and sponsorships	-	1,536,759	1,397,825
Total Revenues	51,458,967	54,725,111	53,800,112
<b>EXPENSES</b>			
Salaries and employee benefits	33,526,092	34,618,794	33,432,052
Collections	7,980,000	4,768,752	4,677,945
Building and equipment	2,730,081	3,671,528	3,609,018
General operating	4,543,112	5,482,737	5,201,267
Amortization	-	6,953,328	6,738,374
Occupancy costs	795,930	771,600	695,014
Interest charges on City of Calgary financing	1,032	1,032	29,848
	49,576,247	56,267,771	54,383,518
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES -BEFORE OTHER</b>	1,882,720	(1,542,660)	(583,406)
<b>OTHER</b>			
Loss from disposal of tangible capital assets	-	(158,214)	(36,240)
Government transfers for capital	-	2,660,164	5,905,079
<b>EXCESS OF REVENUES OVER EXPENSES</b>	1,882,720	959,290	5,285,433
<b>ADJUSTMENTS FOR NON-CASH ITEMS:</b>			
Amortization expense	-	6,953,328	6,738,374
<b>ADJUSTMENTS FOR CASH ITEMS:</b>			
TCA additions expenditures (Schedule 1)	-	(7,822,139)	(10,740,552)
Loans repaid	(293,720)	(293,720)	(930,021)
Changes in fund balances and capital reserves	-	444,953	(803,396)
Contribution to reserves	(1,589,000)	-	-
Adjustments of tangible capital assets	-	10,246	3,750
Loss from disposal of tangible capital assets	-	158,214	36,240
Insurance proceeds not received from the City of Calgary	-	(410,172)	410,172
<b>FINANCIAL PLAN BALANCE</b>	-	-	-

## **Financial Instruments**

The Library's financial instruments which include cash, accounts receivable, accounts payable, and accrued liabilities, approximate their fair values due to their short term nature. To estimate the fair value of The City of Calgary financing, the Library uses lending rates currently available to it for the issuance of financing with similar terms and remaining maturities from the City of Calgary's primary lender, the Alberta Capital Finance Authority. At December 31, 2014 the estimated fair value of loans was \$nil (\$284,430 at December 31, 2013) compared to a carrying value of \$nil (\$293,720 at December 31, 2013).

## **Use of Estimates**

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates. Significant estimates include the estimates of useful lives and potential impairment of tangible capital assets, and accrued liabilities.

## **Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.



### Accumulated Surplus/Deficit

Accumulated surplus/deficit represents the Library's net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that the Library has net resources (financial and physical) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets (Note 8).

The accumulated surplus includes restricted funds which have been designated for the replacement and upgrade of the Library's automated systems, facility refurbishment and major renovations, and the construction of new facilities, as well as obligations under sponsorships. Note 8 provides a listing of all restricted and unrestricted amounts that form the accumulated surplus.

### Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Major Category	Years
Materials	10
Buildings	10 - 75
Furniture and Equipment	5 - 25
IT Equipment	3.5 - 10
Vehicles	7 - 10

Work in progress represents assets which are not available for use and therefore are not subject to amortization.

### Cultural and Historical Tangible Capital Assets

The local history collection is not recorded as a tangible capital asset but is disclosed (Note 6).

### **Inventories**

Supplies held for consumption are recorded at the lower of cost and net replacement value.

### **Prepaid Expenses**

Subscriptions, software annual maintenance contracts, occupancy, and insurance are recorded as prepaid expenses and are recognized as an expense over the corresponding period of the service provided (Note 7).

### **Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred. The Library did not have capital leases during the reporting period.

### **The City of Calgary Financing**

The City of Calgary provides financing in the form of loans for some of the Library's budgeted major capital asset expenditures. These financial statements reflect that portion of financing received by the Library to acquire tangible capital assets. There has been no additional indebtedness incurred in the current reporting period.

Principal payments made in respect of The City of Calgary financing are reflected as a reduction of liabilities in the Statement of Financial Position. The Library loan was paid in full during 2014. The interest payments are reported as expenses in the Statement of Operations.

## 2. CREDIT FACILITY

The Library has an unsecured revolving credit facility to a maximum of \$1,000,000. The interest rate on the facility fluctuates with the Royal Bank's prime rate per annum. The purpose of the credit facility is to ensure cash flow timing does not affect normal Library operations. It is not intended to be used as debt to fund additional Library operations. At December 31, 2014, the balance of the facility was \$nil (2013 – \$nil).

## 3. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2014	2013
City of Calgary		
Life Cycle Recovery	\$ 463,168	\$ 978,822
Cost of living adjustment	760,000	-
Other	2,378	-
Calgary Public Library Foundation	119,046	13,380
GST recovery	171,108	218,942
Other	155,461	133,500
<b>Total</b>	<b>\$ 1,671,161</b>	<b>\$ 1,344,644</b>

## 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	2014	2013
Accounts payable - Items invoiced not paid/goods received not invoiced	\$ 1,195,754	\$ 1,317,937
Salary and non-salary accrual	2,010,199	1,833,312
Employee vacation pay accrual	928,827	930,758
Benefit and salary deduction payables net	673,221	1,473,242
<b>Total</b>	<b>\$ 4,808,001</b>	<b>\$ 5,555,249</b>

## 5. DEFERRED REVENUES

Deferred revenue is comprised of the funds noted below, the use of which are externally restricted. These funds are recognized as revenue in the period they are used for the purpose specified.

	December 31, 2013		Inflows	Revenue Earned	December 31, 2014	
Capital deposits	\$	128,696	\$	-	\$	-
Prepaid deposits		11,411		62,485		39,099
				(128,696)		
Ending balance	\$	140,107	\$	62,485	\$	39,099
				(163,493)		

## 6. TANGIBLE CAPITAL ASSETS (Schedule 1)

Category (Net Book Value)	2014		2013	
Materials	\$	18,251,807	\$	18,944,961
Building		24,640,375		17,784,526
IT Equipment		3,708,247		3,227,697
Furniture and Equipment		2,853,975		2,679,629
Work in Progress		580,343		6,699,158
Vehicles		303,011		301,437
Total	\$	50,337,758	\$	49,637,408

The Calgary Public Library maintains a local history collection that is on permanent display on the fourth floor of the Central Library. It is available for public viewing by request. The collection is not recorded as a tangible capital asset in the financial statements and is not amortized.

## 7. PREPAID EXPENSES

Prepaid expenses are comprised of the following:

	2014	2013
Occupancy	\$ 34,727	\$ 40,432
Software annual maintenance contracts	1,251,662	984,258
Subscriptions	563,428	519,075
General	10,384	550
<b>Total</b>	<b>\$ 1,860,201</b>	<b>\$ 1,544,315</b>

## 8. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2014	2013
Unrestricted surplus	\$ 79,797	\$ 721,841
Restricted surplus		
Special Purpose Fund	902,967	951,382
Replacement Reserve	4,367,769	4,134,547
Pay as You Go Reserve	1,579,938	1,304,407
Automation Reserve	782,153	635,227
Equity in tangible capital assets	50,337,758	49,343,688
<b>Total Accumulated Surplus</b>	<b>\$ 58,050,382</b>	<b>\$ 57,091,092</b>

Equity in tangible capital assets consists of the following items:

	2014	2013
Tangible capital assets (Schedule 1)	\$ 97,578,692	\$ 95,805,273
Accumulated amortization (Schedule 1)	(47,240,934)	(46,167,865)
Loans (Note 1)	-	(293,720)
	<b>\$ 50,337,758</b>	<b>\$ 49,343,688</b>

## 9. COMMITMENTS

Minimum lease payments for Library locations and equipment under operating leases in future years are as follows:

Year	\$
2015	507,000
2016	440,000
2017	295,000
2018	121,000
2019	15,000
Thereafter through to 2024	75,000

The Library is committed to an electricity fixed price contract to June 30, 2018 and a natural gas fix price contract to December 31, 2018. Capital commitments for major capital projects amount to \$1,189,678 at December 31, 2014 (\$2,222,693 at December 31, 2013). Operating commitments amount to \$113,470 at December 31, 2014 (\$529,875 at December 31, 2013).

## 10. CHANGE IN NON-CASH WORKING CAPITAL

The change in non-cash working capital consists of the following items:

	2014	2013	Change
Accounts receivable	1,671,161	1,344,644	\$ (326,517)
Accounts payable and accrued liabilities	4,808,001	5,555,249	(747,247)
Deferred revenues	39,099	140,107	(101,008)
Inventory	36,703	50,606	13,903
Prepaid expenses	1,860,201	1,544,315	(315,886)
<b>Change in Non-Cash Working Capital</b>		<b>\$</b>	<b>(1,476,755)</b>

## **11. RELATED PARTY TRANSACTIONS**

The Library conducts transactions with The City of Calgary in the normal course of business. Included in accounts receivable at December 31, 2014 is \$1,225,546 (2013 - \$978,822) due from and included in accounts payable and accrued liabilities is \$78,119 (2013 - \$nil) due to The City of Calgary. These transactions are recorded at the exchange amount, which represents the amount agreed to by both parties.

## **12. LOCAL AUTHORITIES PENSION PLAN**

The Library participates in the Local Authorities Pension Plan. This pension plan is a multi-employer defined benefit pension plan that provides pensions for the Library's participating employees, based on years of service and earnings.

The pension expense recorded in these financial statements as Salaries and Employee Benefits expense represents the Library's annual contributions of \$2,054,305 in 2014 (2013 - \$1,869,281). All full-time staff employed by the Library are members of the Local Authorities Pension Plan ("LAPP") after a qualification period.

The pension plan is currently in a deficit position of \$(4,861,516,000) in 2013, a slight decrease from \$(4,977,303,000) in 2012. The deficit applies to the entire plan and the Library's portion of the deficit cannot be determined. The 2013 information is provided as most recent information was not available at the time of preparing the financial statements.

## **13. SIGNIFICANT EVENT**

During 2014, the Library repaired and replaced the assets lost or damaged in the 2013 flood. Costs have been capitalized to TCA or expensed as repairs and maintenance in accordance with the Library's capitalization policy. Eligible costs were funded by the insurance proceeds from The City of Calgary.

During fiscal 2014, the Library incurred flood related expenses of \$1,450,240 (2013 - \$1,900,878), which include both capital additions and repairs and maintenance costs. The City of Calgary revenue includes an amount \$2,607,067 (2013 - \$744,050) relating to insurance proceeds received during the year to cover the repair and replacement cost of damages caused by the flood. The Library used reserve funding to bridge the difference between expenditures incurred and insurance funding received.

The Library agreed to a final insurance payout of \$580,970 during January 2015 which will be recognized as revenue in 2015. The Library received payment in February 2015.

## **14. CALGARY PUBLIC LIBRARY FOUNDATION**

The Calgary Public Library Foundation (the "Foundation") financial statements are not consolidated with the Library. The Foundation was established in 1999, and operationalized in 2000. It is a stand-alone charity registered with the federal and provincial governments. The purpose of the Foundation is:

- To raise funds for the Library, a registered charity; and,
- To assist the Library in providing the highest possible level and quality of service to the patrons of the Library.

During fiscal 2014, the Foundation donated \$1,317,717 (2013 - \$1,182,888) to the Library which has been included in donations, grants, and sponsorships revenue.

The Library entered a three-year agreement with the Foundation in 2013, starting in 2013, to contribute \$546,196 annually to funding the Foundation's operating costs. This is included in the Library's financial statements in general operating expenses.







**WONDERSEEKDISCOVERSHARE**

