

The City of Medicine Hat Library Board
Financial Statements
December 31, 2023

Management's Responsibility

To the Board of Trustees of The City of Medicine Hat Library Board:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Trustees is composed primarily of Directors who are neither management nor employees of the Library. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Board is also responsible for recommending the appointment of the Library's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

May 1, 2024



Chief Librarian

Independent Auditor's Report

To the Board of The City of Medicine Hat Library Board:

Opinion

We have audited the financial statements of The City of Medicine Hat Library Board (the "Library"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets, cash flows and the related schedules 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 as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting 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 report. We are independent of the Library 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.

Other Matter

The financial statement for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 5, 2023.

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'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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library'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 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'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'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 Library 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.

Medicine Hat, Alberta

May 1, 2024

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, sans-serif font, followed by 'LLP' in a smaller, all-caps, sans-serif font.

Chartered Professional Accountants

The City of Medicine Hat Library Board

Statement of Financial Position

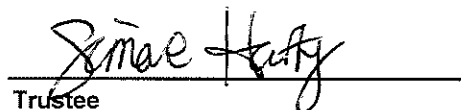
As at December 31, 2023

	2023	2022
Financial Assets		
Cash and cash equivalents (Note 4)	573,066	441,247
Accounts receivable (Note 5)	7,580	4,209
Investments (Note 6)	504,400	605,500
Prepaid expenses	6,672	3,370
	1,091,718	1,054,326
Financial Liabilities		
Accounts payable and accruals (Note 7)	141,318	133,806
Deferred revenue (Note 8)	9,409	26,212
Due to City of Medicine Hat (Note 9)	105,456	21,659
	256,183	181,677
Net Financial Assets	835,535	872,649
Non-Financial Assets		
Tangible capital assets (Schedule 2)	810,649	966,739
Prepaid collection levy	53,134	55,679
	863,783	1,022,418
Accumulated surplus (Schedule 1, Note 10)	1,699,318	1,895,067

Commitments (Note 14)

Approved on behalf of the Board


Trustee


Trustee

The City of Medicine Hat Library Board

Statement of Operations

For the year ended December 31, 2023

	2023 <i>Budget</i> <i>(Note 17)</i>	2023	2022
Grant revenue			
City of Medicine Hat	2,254,150	2,254,150	2,242,329
Province of Alberta	349,750	367,237	349,750
Other grants	-	77,880	126,595
Services to Shortgrass Regional Library System	-	10,000	5,750
Employment grants	8,500	8,550	9,323
	2,612,400	2,717,817	2,733,747
Sales, service and other revenue			
Other donations and miscellaneous	26,100	75,115	31,490
Other services	4,000	33,562	28,184
Interest	3,000	27,603	9,728
Fees and fines	16,110	23,204	21,480
Memberships	20,000	13,388	21,509
Room and equipment rental	7,500	9,109	4,090
Discarded materials	1,500	3,220	2,032
	78,210	185,201	118,513
	2,690,610	2,903,018	2,852,260
Expenses			
Salaries and benefits	1,922,800	2,012,395	1,946,384
Amortization	-	526,546	399,025
Repairs, maintenance and supplies	159,580	149,941	124,990
Utilities	103,500	123,421	109,589
Program expenses	30,000	55,787	43,438
Materials	2,000	42,994	34,954
Grant expenses	-	33,561	18,094
Special projects	10,000	27,998	9,764
Insurance	35,930	26,292	26,073
Professional fees	12,000	24,340	10,800
Office, supplies and consumables	17,500	14,518	8,782
Computer maintenance and services	15,000	13,351	17,218
Advertising	15,000	11,511	15,556
Board expenses	13,000	10,071	9,849
Membership costs	10,000	9,507	-
Staff travel	10,000	6,869	3,279
Telephone and communication	3,800	4,488	4,499
Licences and fees	3,500	3,435	3,588
Bank charges and interest	2,000	1,742	2,006
	2,365,610	3,098,767	2,787,888
(Deficiency) excess of revenue over expenses	325,000	(195,749)	64,372

The accompanying notes are an integral part of these financial statements

The City of Medicine Hat Library Board

Statement of Changes in Net Financial Assets

As at December 31, 2023

	<i>2023 Budget (Note 17)</i>	2023	2022
Net financial assets, beginning of year	872,649	872,649	846,285
(Deficiency) excess of revenue over expenses	325,000	(195,749)	64,372
Acquisition of tangible capital assets	-	(370,456)	(431,957)
Amortization of tangible capital assets	-	526,546	399,025
Net reduction (increase) of prepaid collection levy	-	2,545	(5,076)
	325,000	(37,114)	26,364
Net financial assets, end of year	1,197,649	835,535	872,649

The accompanying notes are an integral part of these financial statements

The City of Medicine Hat Library Board

Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
(Deficiency) excess of revenue over expenses	(195,749)	64,372
Amortization	526,546	399,025
	330,797	463,397
Changes in working capital accounts		
Accounts receivable	(3,372)	4,252
Prepaid expenses	(3,301)	(3,370)
Deposits paid	-	19,846
Accounts payable and accruals	7,512	41,456
Deferred revenue	(16,803)	(73,567)
Prepaid collection levy	2,545	(5,076)
	317,378	446,938
Financing		
Due to City of Medicine Hat	83,797	24,425
Capital activities		
Purchase of tangible capital assets	(370,456)	(431,957)
Investing		
Purchase of investments	(504,400)	(248,900)
Proceeds on maturity of investments	605,500	-
	101,100	(248,900)
Increase (decrease) in cash resources	131,819	(209,494)
Cash resources, beginning of year	441,247	650,741
Cash resources, end of year	573,066	441,247

The accompanying notes are an integral part of these financial statements

The City of Medicine Hat Library Board

Notes to the Financial Statements

For the year ended December 31, 2023

1. Incorporation and nature of the organization

The City of Medicine Hat Library Board (the "Library") was incorporated under the authority of the Alberta Libraries Act as a not-for-profit organization and is a registered charity thus being exempt from income taxes under the Canadian Income Tax Act (the Act), and is able to issue donation receipts for income tax purposes. The Library serves as a community hub, providing equitable and convenient access to books, media, information, and programs to help educate, enrich, entertain and inform. The Medicine Hat Public Library has a vision being a valued resource, fostering lifelong learning and enhancing the vitality of the community now and into the future and has been a public institution in Medicine Hat since 1915.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards using the standards applicable to government not-for-profit organizations, including the following significant accounting policies:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes 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.

Revenue recognition

The operating grant and unrestricted contributions are recognized as received. Restricted contributions and capital grants are recognized when the related expenses are incurred and stipulations are met. Investment income is recognized on an accrual basis. Room and equipment rental revenue is recognized when services are provided. Fines, fees and all other revenue are recognized as earned.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Library's operations and would otherwise have been purchased.

Deferred revenues

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met.

Employee future benefits

The Library's employee future benefit program consists of multi-employer defined benefit plan .

The Library participates in the Local Authorities Pension Plan, a multi-employer defined benefit pension plan, through the City of Medicine Hat, for which there is insufficient information to apply defined benefit plan accounting because the actuary does not attribute portions of the surplus to individual employers. Accordingly the Library is not able to identify its share of the plan assets and liabilities, and therefore, the Library uses defined contribution plan accounting for this plan.

Valuation of financial assets and liabilities

The Library's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost
Short-term investments	Fair value and amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Cost

The City of Medicine Hat Library Board

Notes to the Financial Statements

For the year ended December 31, 2023

2. Significant accounting policies (Continued from previous page)

Cash and cash equivalents

Cash and cash equivalents include balances with banks, cash on hand, and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition. These financial assets are convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Investments

Short term investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. They consist of guaranteed investment certificates with maturities at the date of purchase beyond three months and less than twelve months.

Long-term investments are guaranteed investment certificates recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

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 are amortized on a straight line basis over their estimated useful lives as follows:

	Rate
Building improvements	10 years
Furniture, fixtures and equipment	5-7 years
Computer equipment	3 years
Books and library collection	3 years

Financial instruments

The Library recognizes its financial instruments when the Library becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

If the Library defines and implements a risk management or investment management strategy to manage and evaluate the performance of a group of financial assets, financial liabilities, or both on a fair value basis, the Library may elect at initial recognition to subsequently measure those items at fair value. The Library has not made such an election during the year.

The Library subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses while interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Future accounting pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2024, the Library will continue to assess the impact and prepare for the adoption of these standards.

i. Revenue

PS3400, Revenue establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

ii. Purchased Intangibles

PSG-8, Purchased Intangibles, allows for purchased intangible assets to be recognized as assets in the public sector entity's financial statements. This standard is applicable for fiscal years beginning on or after April 1, 2023.

iii. Public Private Partnerships

PS3160, Public Private Partnerships, establishes standards on how to account for certain arrangements between public and private entities. The standard provides guidance on situations where a public entity acquires infrastructure assets using a private sector partner that designs, builds, or finances the infrastructure asset past the point where it is ready for use. This standard is applicable for fiscal years beginning on or after April 1, 2023.

Management has not yet adopted these standards and is currently assessing the impact of these new standards on the financial statements.

The City of Medicine Hat Library Board
Notes to the Financial Statements
For the year ended December 31, 2023

4. Cash

	2023	2022
Petty cash	461	400
Cash in banks	272,605	440,847
Non-redeemable guaranteed investment certificate bearing interest annually at 4.15%, redeemed January 18, 2024	200,000	-
Non-redeemable guaranteed investment certificate bearing interest annually at 5.05%, maturing March 7, 2024	100,000	-
	573,066	441,247

5. Accounts receivable

	2023	2022
Accounts receivable	4,127	756
Interest receivable	3,453	3,453
	7,580	4,209

6. Investments

	2023	2022
Non redeemable guaranteed investment certificates	504,400	605,500

Short-term investments total \$204,400 (2022 - \$605,500), have effective interest rates of 3.45% to 5.01% (2022 - 1.00% to 5.20%) and have maturity dates from July 2024 to December 2024. Long-term investments total \$300,000 (2022 - nil), have effective interest rates of 3.40% to 4.77% (2022 - 0.00%) and maturity dates from June 2025 to December 2025.

7. Accounts payable and accruals

	2023	2022
Accounts payable	30,107	24,763
Vacation pay payable	99,754	97,586
Sick leave payable	11,457	11,457
	141,318	133,806

The City of Medicine Hat Library Board
Notes to the Financial Statements
For the year ended December 31, 2023

8. Deferred revenue

Deferred revenue represents unspent resources externally restricted for specific projects and programs that are related to a subsequent year. The balance in these funds are as follows:

	<i>Opening</i>	<i>Amounts received</i>	<i>Recognized as revenue</i>	<i>Ending</i>
2023				
Kinsmen Club	4,657	-	4,657	-
Sunrise Rotary - Ride the Road	3,346	5,000	5,267	3,079
Community Housing 2022	10,709	10,473	19,780	1,402
Community Housing 2023	-	47,537	47,537	-
Community Vibrancy Grant	-	640	640	-
Society of Friends	2,000	-	1,994	6
B. Lewis Donation	5,500	-	1,100	4,400
McLaughlin Donation	-	2,000	1,478	522
	26,212	65,650	82,453	9,409
2022				
Kinsmen Club	70,358	-	65,701	4,657
Community Foundations 2021	17,794	-	17,794	-
Sunrise Rotary - Ride the Road	3,326	5,000	4,980	3,346
Community Housing 2021	1,700	-	1,700	-
Community Housing 2022	-	47,127	36,418	10,709
Society of Friends	-	2,000	-	2,000
B. Lewis Donation	6,600	-	1,100	5,500
	99,778	54,127	127,693	26,212

9. Due to the City of Medicine Hat

The Library is accountable for the administration of their financial affairs under the terms of their funding agreement to the City of Medicine Hat. At December 31, 2023, the Library owed the City of Medicine Hat \$105,456 (2022 – \$21,659). The advance payable bears no interest and is repayable on demand.

The City of Medicine Hat Library Board
Notes to the Financial Statements
For the year ended December 31, 2023

10. Accumulated surplus

Accumulated operating surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets.

	2023	2022
Reserves		
Tangible capital assets (i)	699,805	763,027
Insurance deductible (ii)	50,000	50,000
Vacation payable (iii)	9,000	9,000
Donation reserve (iv)	129,864	106,302
	888,669	928,329
Invested in tangible capital assets	810,649	966,738
	1,699,318	1,895,067

i) Tangible capital asset reserve:

This reserve has been established to fund capital projects as approved by the Board. As well, the Board has the discretion to use this reserve to fund any operating deficit or allocate any operating surplus.

ii) Insurance deductible reserve:

This reserve has been established to cover the insurance deductible and shall be maintained at no less than the insurance deductible.

iii) Vacation payable reserve:

The vacation entitlement reserve is intended to assist in funding vacation benefits as they become due.

iv) Donation reserve:

This reserve has been established based on unspent donated funds that were received with no external stipulations.

11. Salary and benefits disclosure

Disclosure of salaries and benefits for municipal officials as required by Alberta Regulation 313/2000 is as follows:

	<i>Salary (1)</i>	<i>Benefits and Allowances (2)</i>	2023 <i>Total</i>	2022 <i>Total</i>
Chief librarian (1)	124,286	19,436	143,722	143,591
Department heads (3)	246,514	46,776	293,290	356,431
	370,800	66,212	437,012	500,022

(1) Salary includes regular base pay, lump sum payments, vacation payouts, and any other direct cash remuneration.

(2) Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, as well as long and short-term disability plans.

The City of Medicine Hat Library Board

Notes to the Financial Statements

For the year ended December 31, 2023

12. Local Authorities Pension Plan

Employees of The City of Medicine Hat Library Board participate in the Local Authorities Pension Plan (LAPP) which is covered by the Alberta Public Sector Pensions Act. The Plan serves about 291,259 (2022 - 281,764) people and about 437 (2022 - 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 the Plan of 8.45% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.23% for the excess. Employees of the Library are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% of pensionable salary above this amount.

Total current service contributions by the Library for active employees in 2023 were \$113,328 (2022 - \$110,086). Total current service contributions by the employees in 2023 were \$100,361 (2022 - \$97,612). As at December 31, 2022 the LAPP disclosed an actuarial surplus of \$12.671 billion (2021 - \$11.922 billion).

13. Economic dependence

The Library's primary source of revenue comes from the City of Medicine Hat operating grant. The Library's ability to continue viable operations is dependent upon maintaining its compliance with the operating agreement. As at the date of these financial statements the Library believes that it is in compliance with all aspects of the agreement. The Library also uses a building owned by the City of Medicine Hat at no cost.

14. Commitments

The Library is a member of the Shortgrass Regional Library System. As such, they are committed to a yearly per capita levy based on the most recent published census population. In 2023, the levy was \$5.08 (2022 - \$5.08) per capita resulting in total materials allotment of \$321,361 (2022 - \$321,361).

15. Contractual rights

Contractual rights are the right of the Library to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts and agreements are met. Estimated amounts that will be received or receivable for the next year are as follows:

	City of Medicine Hat	Province of Alberta	Total
2024	2,627,106	367,237	2,994,343

16. Financial instruments

The Library, as part of its operations, carries a number of financial instruments. It is management's opinion that the Library is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

The City of Medicine Hat Library Board
Notes to the Financial Statements
For the year ended December 31, 2023

17. Budgeted information

The budget information presented in these financial statements is based upon the 2023 budget approved by the Board of Directors. Amortization was not contemplated in the development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget information reported in the financial statements.

	2023	2022
Revenue		
Total budget	2,690,610	2,660,879
Expenses		
Total budget		
Add:	(2,690,610)	(2,660,879)
Shortgrass Levy	325,000	325,000
Total expenses	(2,365,610)	(2,335,879)
Excess of revenue over expenses	325,000	325,000

The budget was approved by the Board of Directors on February 1, 2023, with the excess of revenue over expenses budgeted for the Library's commitment as noted in Note 14, which is applied to books and other Library resources that are capitalized during the year.

18. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

The City of Medicine Hat Library Board

Schedule 1 - Changes in Accumulated Operating Surplus

For the year ended December 31, 2023

	Unrestricted Surplus (Deficit)	Reserves	Invested in Tangible Capital Assets	2023	2022
Balance, beginning of year	-	928,329	966,738	1,895,067	1,830,695
(Deficiency) excess of revenue over expenses	(195,749)	-	-	(195,749)	64,372
Restricted funds used for operations	40,598	(40,598)	-	-	-
Restricted funds used for tangible capital assets	-	(63,223)	63,223	-	-
Current year funds used for tangible capital assets	(307,234)	-	307,234	-	-
Annual amortization expense	526,546	-	(526,546)	-	-
Unrestricted funds designated for future use	(64,161)	64,161	-	-	-
Change in accumulated operating surplus	-	(39,660)	(156,089)	(195,749)	64,372
Balance, end of year	-	888,669	810,649	1,699,318	1,895,067

The City of Medicine Hat Library Board
Schedule 2 - Tangible Capital Assets

For the year ended December 31, 2023

	Building improvements	Furniture, fixtures and equipment	Computer equipment	Books and library collection	2023	2022
Cost:						
Balance, beginning of year	1,474,485	535,088	299,238	824,371	3,133,182	2,974,268
Additions	46,615	22,217	10,995	290,629	370,456	431,957
Disposals	-	-	-	(261,321)	(261,321)	(273,043)
Balance, end of year	1,521,100	557,305	310,233	853,679	3,242,317	3,133,182
Accumulated amortization						
Balance, beginning of year	989,405	347,135	288,718	541,185	2,166,443	2,040,461
Disposals	-	-	-	(261,321)	(261,321)	(273,043)
Amortization expense	149,778	78,050	14,185	284,533	526,546	399,025
Balance, end of year	1,139,183	425,185	302,903	564,397	2,431,668	2,166,443
Net book value, end of year	381,917	132,120	7,330	289,282	810,649	966,739
2022 Net Book Value	485,080	187,953	10,520	283,186	966,739	