

**THE CITY OF AIRDRIE LIBRARY BOARD**

**Financial Statements**

**December 31, 2019**

**The City of Airdrie Library Board**  
**Index to the Financial Statements**  
**For the Year Ended December 31, 2019**

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**The City of Airdrie Library Board**  
**Statement of Financial Position**  
**As at December 31, 2019**

|                                           | Operating<br>Fund | Capital<br>Fund     | 2019                | 2018                |
|-------------------------------------------|-------------------|---------------------|---------------------|---------------------|
| <b>ASSETS</b>                             |                   |                     |                     |                     |
| <b>Current</b>                            |                   |                     |                     |                     |
| Cash                                      | \$ 346,498        | \$ 142,009          | \$ 488,507          | \$ 461,579          |
| Accounts receivable                       | 11,267            | -                   | 11,267              | 9,159               |
| Prepaid expenses                          | 56                | -                   | 56                  | -                   |
|                                           | <u>357,821</u>    | <u>142,009</u>      | <u>499,830</u>      | <u>470,738</u>      |
| <b>Portfolio Investments (Note 5)</b>     | <b>342,412</b>    | <b>484,000</b>      | <b>826,412</b>      | <b>805,478</b>      |
| <b>Capital Assets (Note 6)</b>            | <b>-</b>          | <b>523,637</b>      | <b>523,637</b>      | <b>586,092</b>      |
|                                           | <u>\$ 700,233</u> | <u>\$ 1,149,646</u> | <u>\$ 1,849,879</u> | <u>\$ 1,862,308</u> |
| <b>LIABILITIES AND FUND BALANCES</b>      |                   |                     |                     |                     |
| <b>Current Liabilities</b>                |                   |                     |                     |                     |
| Accounts payable and accrued liabilities  | \$ 157,396        | \$ -                | \$ 157,396          | \$ 135,938          |
| Due to the City of Airdrie (Note 7)       | 16,455            | -                   | 16,455              | 16,258              |
| Due to Airdrie Mainstreet Square (Note 7) | 6,881             | -                   | 6,881               | 2,017               |
| Deferred revenue                          | -                 | -                   | -                   | 3,000               |
|                                           | <u>180,732</u>    | <u>-</u>            | <u>180,732</u>      | <u>157,213</u>      |
| <b>Fund balances</b>                      |                   |                     |                     |                     |
| Internally restricted (Note 8)            | 499,501           | 376,009             | 875,510             | 854,372             |
| Externally restricted                     | -                 | 250,000             | 250,000             | 250,000             |
| Invested in capital assets                | -                 | 523,637             | 523,637             | 586,092             |
| Unrestricted                              | 20,000            | -                   | 20,000              | 14,631              |
|                                           | <u>519,501</u>    | <u>1,149,646</u>    | <u>1,669,147</u>    | <u>1,705,095</u>    |
|                                           | <u>\$ 700,233</u> | <u>\$ 1,149,646</u> | <u>\$ 1,849,879</u> | <u>\$ 1,862,308</u> |

**Commitments (Note 7)**

Approved on behalf of the Board:

Trustee: \_\_\_\_\_

Trustee: \_\_\_\_\_

**The City of Airdrie Library Board**  
**Statement of Operations and Changes in Fund Balances**  
**For the Year Ended December 31, 2019**

|                                                     | Operating<br>Budget | Operating<br>Fund | Capital<br>Fund     | 2019                | 2018                |
|-----------------------------------------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
| <b>Revenue</b>                                      |                     |                   |                     |                     |                     |
| Grants                                              |                     |                   |                     |                     |                     |
| City of Airdrie (Note 7)                            | \$ 2,063,983        | \$ 2,063,980      | \$ -                | \$ 2,063,980        | \$ 1,881,964        |
| Alberta Library                                     | 343,223             | 343,223           | -                   | 343,223             | 343,223             |
| Marigold Service                                    | 170,228             | 170,228           | -                   | 170,228             | 162,305             |
| City of Airdrie: in-kind (Note 7)                   | 50,000              | 50,000            | -                   | 50,000              | 50,000              |
| Other                                               | 19,632              | 21,170            | -                   | 21,170              | 23,068              |
| County                                              | 16,912              | 16,944            | -                   | 16,944              | 16,912              |
|                                                     | <b>2,663,978</b>    | <b>2,665,545</b>  | <b>-</b>            | <b>2,665,545</b>    | <b>2,477,472</b>    |
| Interest and miscellaneous                          | 42,580              | 70,677            | -                   | 70,677              | 56,175              |
| Fund development                                    | 81,320              | 59,854            | -                   | 59,854              | 80,387              |
| Fines                                               | 42,500              | 50,292            | -                   | 50,292              | 44,388              |
| Donations                                           | 19,200              | 19,384            | -                   | 19,384              | 21,740              |
| Photocopy                                           | 16,500              | 18,040            | -                   | 18,040              | 18,645              |
| Other revenue                                       | 6,921               | 7,781             | -                   | 7,781               | 6,806               |
| Book sales                                          | 9,500               | 7,152             | -                   | 7,152               | 7,533               |
| Gifts-in-kind                                       | 1,975               | 4,952             | -                   | 4,952               | 3,665               |
| Memberships                                         | -                   | -                 | -                   | -                   | 31,715              |
|                                                     | <b>2,884,474</b>    | <b>2,903,677</b>  | <b>-</b>            | <b>2,903,677</b>    | <b>2,748,526</b>    |
| <b>Expenses</b>                                     |                     |                   |                     |                     |                     |
| Salaries and employee benefits                      | 1,959,847           | 1,926,621         | -                   | 1,926,621           | 1,665,202           |
| Building maintenance and rent (Note 7)              | 343,079             | 338,389           | -                   | 338,389             | 322,368             |
| Marigold service fees                               | 306,410             | 306,410           | -                   | 306,410             | 292,149             |
| Amortization                                        | -                   | -                 | 100,989             | 100,989             | 108,861             |
| Management fees                                     | 50,000              | 50,000            | -                   | 50,000              | 50,000              |
| Utilities                                           | 20,250              | 39,898            | -                   | 39,898              | 17,996              |
| Advertising and promotion                           | 36,205              | 35,976            | -                   | 35,976              | 34,437              |
| Materials                                           | 25,088              | 31,404            | -                   | 31,404              | 32,697              |
| Office                                              | 29,876              | 22,919            | -                   | 22,919              | 24,055              |
| Program                                             | 23,920              | 22,768            | -                   | 22,768              | 23,024              |
| Professional fees                                   | 16,500              | 20,226            | -                   | 20,226              | 23,672              |
| Training and travel                                 | 17,850              | 18,397            | -                   | 18,397              | 18,036              |
| IT and system support                               | 19,841              | 12,168            | -                   | 12,168              | 9,478               |
| Bank charges                                        | 5,500               | 5,334             | -                   | 5,334               | 4,289               |
| Fund development                                    | 3,730               | 3,741             | -                   | 3,741               | 3,796               |
| Vehicle                                             | 1,678               | 2,504             | -                   | 2,504               | 1,531               |
| Insurance                                           | 1,500               | 1,535             | -                   | 1,535               | 1,383               |
| Loss on sale of assets                              | -                   | -                 | 346                 | 346                 | 4,683               |
|                                                     | <b>2,861,274</b>    | <b>2,838,290</b>  | <b>101,335</b>      | <b>2,939,625</b>    | <b>2,637,657</b>    |
| <b>(Deficiency) excess of revenue over expenses</b> | <b>23,200</b>       | <b>65,387</b>     | <b>(101,335)</b>    | <b>(35,948)</b>     | <b>110,869</b>      |
| <b>Fund balances - beginning of year</b>            | <b>1,705,095</b>    | <b>506,935</b>    | <b>1,198,160</b>    | <b>1,705,095</b>    | <b>1,594,226</b>    |
| <b>Interfund transfers (Note 8)</b>                 | <b>-</b>            | <b>(52,821)</b>   | <b>52,821</b>       | <b>-</b>            | <b>-</b>            |
| <b>Fund balances - end of year</b>                  | <b>\$ 1,728,295</b> | <b>\$ 519,501</b> | <b>\$ 1,149,646</b> | <b>\$ 1,669,147</b> | <b>\$ 1,705,095</b> |

**The City of Airdrie Library Board**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2019**

|                                              | <b>2019</b>        | 2018       |
|----------------------------------------------|--------------------|------------|
| <b>OPERATING ACTIVITIES</b>                  |                    |            |
| (Deficiency) excess of revenue over expenses | <b>\$ (35,948)</b> | \$ 110,869 |
| Non-cash transactions                        |                    |            |
| Gifts-in-kind                                | -                  | (2,691)    |
| Amortization                                 | <b>100,989</b>     | 108,861    |
| Loss on sale of assets                       | <b>346</b>         | 4,683      |
| Changes in non-cash working capital          |                    |            |
| Accounts receivable                          | <b>(2,108)</b>     | 51,254     |
| Prepaid expenses                             | <b>(56)</b>        | 335        |
| Accounts payable and accrued liabilities     | <b>21,458</b>      | 2,276      |
| Due to the City of Airdrie                   | <b>197</b>         | (113,205)  |
| Due to Airdrie Mainstreet Square             | <b>4,864</b>       | (3,940)    |
| Deferred revenue                             | <b>(3,000)</b>     | (36,235)   |
|                                              | <b>86,742</b>      | 122,207    |
| <b>CAPITAL ACTIVITIES</b>                    |                    |            |
| Purchase of capital assets                   | <b>(38,880)</b>    | (93,456)   |
| Proceeds from sale of capital assets         | -                  | 100        |
|                                              | <b>(38,880)</b>    | (93,356)   |
| <b>INVESTING ACTIVITIES</b>                  |                    |            |
| Net change in portfolio investments          | <b>(20,934)</b>    | (13,407)   |
| <b>Increase in cash</b>                      | <b>26,928</b>      | 15,444     |
| <b>Cash, beginning of the year</b>           | <b>461,579</b>     | 446,135    |
| <b>Cash, end of the year</b>                 | <b>\$ 488,507</b>  | \$ 461,579 |

**The City of Airdrie Library Board**  
**Schedule 1 - Changes in Fund Balances**  
**For the Year Ended December 31, 2019**

|                                                       | Operating<br>Internally<br>Restricted | Operating<br>Unrestricted | Capital<br>Internally<br>Restricted | Capital<br>Externally<br>Restricted | Invested in<br>Capital<br>Assets | 2019                | 2018                |
|-------------------------------------------------------|---------------------------------------|---------------------------|-------------------------------------|-------------------------------------|----------------------------------|---------------------|---------------------|
| <b>Fund balances - beginning of year</b>              | \$ 492,304                            | \$ 14,631                 | \$ 362,068                          | \$ 250,000                          | \$ 586,092                       | \$ 1,705,095        | \$ 1,594,226        |
| Excess (deficiency) of revenue over expenses          | -                                     | 65,387                    | -                                   | -                                   | (101,335)                        | (35,948)            | 110,869             |
| Fund transfer to cover utility costs                  | (8,634)                               | 8,634                     | -                                   | -                                   | -                                | -                   | -                   |
| Interfund transfers <i>(Note 8)</i>                   |                                       | (36,990)                  | (1,890)                             | -                                   | 38,880                           | -                   | -                   |
| Board motion to split remaining 50/50 <i>(Note 8)</i> | 15,831                                | (31,662)                  | 15,831                              | -                                   | -                                | -                   | -                   |
| <b>Fund balances - end of year</b>                    | <b>\$ 499,501</b>                     | <b>\$ 20,000</b>          | <b>\$ 376,009</b>                   | <b>\$ 250,000</b>                   | <b>\$ 523,637</b>                | <b>\$ 1,669,147</b> | <b>\$ 1,705,095</b> |

**The City of Airdrie Library Board**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

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**1. NATURE OF THE ORGANIZATION**

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS"), including accounting standards that apply to government not-for-profit organizations, 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 PSA Handbook Section PS 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 and membership activities. The Capital Fund reports the assets, liabilities, revenue and expenses related to the funding of capital acquisitions and the development of the new library building.

**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.

Membership revenue is recorded over the period of the membership. As of 2018, membership fees are no longer charged. Interest is recognized as revenue when earned. Fines, other revenue, donations, fund development, photocopy and book sales revenue is recognized as revenue when received.

**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, 2019**

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

**Use of estimates**

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates.

Estimates are used primarily in the determination of the collectability of accounts receivable. The provisions against those 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.

**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.

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**The City of Airdrie Library Board**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

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

**Financial instruments (.../Continued)**

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

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

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

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

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

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**3. ADOPTION OF NEW ACCOUNTING STANDARDS**

**PSAB Section 3430, Restructuring Transactions**

Effective January 1, 2019, the Library adopted PSAB Section 3430 Restructuring Transactions. This section provides guidance on restructuring transactions. There was no impact to the financial statements.

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**4. FUTURE ACCOUNTING POLICIES**

PSAB recently announced the following accounting pronouncements:

**PSAB Section 3280, Asset Retirement Obligations**

This section is effective for fiscal years beginning on or after April 1, 2021 and provides guidance on accounting for asset retirement obligations.

**PSAB Section 3400, Revenue**

This section is effective for fiscal years beginning on or after April 1, 2022 and provides greater clarity on the difference between exchange and non-exchange transactions.

Management is currently in the process of assessing the impact of the adoption of these standards which is not known or reasonably estimable at this time.

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**The City of Airdrie Library Board**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

**5. PORTFOLIO INVESTMENTS**

The composition of portfolio investments is as follows:

|                                   | 2019              |                   | 2018              |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                   | Cost              | Market Value      | Cost              | Market Value      |
| Portfolio investments:            |                   |                   |                   |                   |
| Bonds                             |                   |                   |                   |                   |
| Canadian government and corporate | \$ 816,053        | \$ 822,217        | \$ 798,188        | \$ 790,892        |
| Other                             |                   |                   |                   |                   |
| Cash and money market funds       | 10,359            | 10,359            | 7,290             | 7,290             |
|                                   | <b>\$ 826,412</b> | <b>\$ 832,576</b> | <b>\$ 805,478</b> | <b>\$ 798,182</b> |

The Canadian government and corporate bonds have effective interest rates of 1.82% to 6.63% with maturity dates from June 2020 to June 2108. Cash and money market funds have an effective interest rate of 0.90% and no corresponding maturity dates. Included in portfolio investments is a restricted amount of \$250,000 (2018: \$250,000) received and held exclusively for capital infrastructure projects.

**6. CAPITAL ASSETS**

Capital assets consist of the following:

|                        | 2019                |                          |                   |
|------------------------|---------------------|--------------------------|-------------------|
|                        | Cost                | Accumulated Amortization | Net Book Value    |
| Leasehold improvements | \$ 975,215          | \$ 596,391               | \$ 378,824        |
| Furniture and fixtures | 245,594             | 152,992                  | 92,602            |
| Vehicles               | 24,050              | 9,086                    | 14,964            |
| Computer equipment     | 367,861             | 330,614                  | 37,247            |
|                        | <b>\$ 1,612,720</b> | <b>\$ 1,089,083</b>      | <b>\$ 523,637</b> |

  

|                        | 2018                |                          |                   |
|------------------------|---------------------|--------------------------|-------------------|
|                        | Cost                | Accumulated Amortization | Net Book Value    |
| Leasehold improvements | \$ 962,489          | \$ 547,878               | \$ 414,611        |
| Furniture and fixtures | 239,442             | 135,169                  | 104,273           |
| Vehicles               | 24,050              | 6,681                    | 17,369            |
| Computer equipment     | 348,441             | 298,602                  | 49,839            |
|                        | <b>\$ 1,574,422</b> | <b>\$ 988,330</b>        | <b>\$ 586,092</b> |

**The City of Airdrie Library Board**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

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**7. RELATED PARTY TRANSACTIONS AND BALANCES**

**Grants**

During 2019, the City of Airdrie provided \$2,063,980 (2018: \$1,881,964) in funding to partially cover operating and capital costs of the Library. In addition, grants in-kind of \$50,000 (2018: \$50,000) were also provided. Seventy-three percent of the Library's operating revenue is received from the City of Airdrie (2018: seventy percent).

**Due to the City of Airdrie**

The balance due to the City of Airdrie of \$16,455 (2018: \$16,258) 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:

|                                                                      | <u>2019</u> | <u>2018</u> |
|----------------------------------------------------------------------|-------------|-------------|
| Payment to Mainstreet Square for the Library's share of common costs | \$ 88,820   | \$ 89,240   |
| Rent paid to Mainstreet Square                                       | 166,104     | 158,904     |
| Balance due to Mainstreet Square                                     | 6,881       | 2,017       |

**Commitments**

The Library signed a 3 year lease in 2018 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:

|      |         |
|------|---------|
| 2020 | 166,104 |
| 2021 | 83,052  |

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**8. INTERNALLY RESTRICTED FUND BALANCES**

**Interfund transfers**

During the year, the Board of Directors transferred \$36,990 from unrestricted operations together with \$1,890 from internally restricted capital funds to cover \$38,880 in capital expenditures.

**Operating and capital fund**

After interfund transfers of \$36,990 less fund transfer of \$8,634 to cover utility costs, \$31,662 remains as unrestricted earnings in the operating fund. A minimum reserve of 50% of these earnings is internally restricted in the operating fund by the Board of Directors as a future operational reserve. The remaining 50% is internally restricted in the capital fund by the Board of Directors as a future capital reserve. In 2019 this amounted to \$15,831 (2018: \$74,917).

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**The City of Airdrie Library Board**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

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**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 about 265,813 people and 421 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 9.39% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.84% on pensionable salary above this amount.

Total current and past service contributions by the Library to LAPP in 2019 were \$101,220 (2018: \$95,454). Total current and past service contributions by the employees of the Library to LAPP in 2019 were \$91,404 (2018: \$86,820).

At December 31, 2018, LAPP disclosed an actuarial surplus of \$3.47 billion (2017:\$4.84 billion).

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**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 2.84% and 3.78% respectively of individual pensionable earnings up to \$151,278 (2018: \$147,222).

Total current service contributions by the Library to APEX were \$20,101 (2018: \$19,336). Total current service contributions by the employees of the Library were \$15,039 (2018: \$14,528).

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

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**The City of Airdrie Library Board**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

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**11. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization characterized the COVID-19 virus as a global pandemic. As at December 31, 2019, the COVID-19 global pandemic had not yet had a significant impact on the Library's operations or global capital markets. Management has assessed this to be a non-adjusting subsequent event and therefore no adjustments relating to this crisis have been recorded in the financial statements as at December 31, 2019.

Subsequent to yearend, the COVID-19 outbreak became a significant event in Alberta. In an effort to limit the spread of COVID-19 and to comply with Provincial orders, the Library closed its facility on March 17, 2020 until further notice.

As it is not yet known when public health restrictions will be removed, nor the long-term impact of COVID-19, it is not possible to estimate the financial impact of this event on the Library's financial results subsequent to December 31, 2019.

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