

REGINA PUBLIC LIBRARY BOARD

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

Independent Auditor's Report

To the Members of Regina Public Library:

Opinion

We have audited the consolidated financial statements of Regina Public Library (the "Library"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Library as at December 31, 2019, and the results of its consolidated operations and its consolidated 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.

Independent Auditor's Report *continued*

- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Regina, Saskatchewan

March 24, 2020

MNP LLP

Chartered Professional Accountants

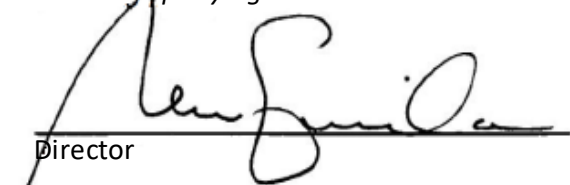
REGINA PUBLIC LIBRARY BOARD
Consolidated Statement of Financial Position

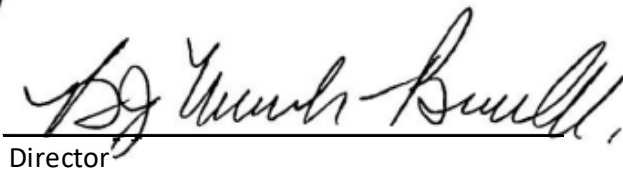
As at December 31, 2019

(000's)

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash (Note 3)	\$ 17,516	\$ 16,492
Accounts receivable	651	551
Total financial assets	18,167	17,043
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	2,397	2,701
Deferred revenue	123	113
Employee benefits obligations (Note 4)	952	1,004
Total financial liabilities	3,472	3,818
Net financial assets	14,695	13,225
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	16,034	16,151
Prepaid expenses	381	349
	16,415	16,500
Accumulated surplus (Note 6)	\$ 31,110	\$ 29,725

See accompanying notes


 Director


 Director

REGINA PUBLIC LIBRARY BOARD

Consolidated Statement of Operations and Changes in Accumulated Surplus

Year ended December 31, 2019

(000's)

	2019 Budget	2019	2018
REVENUE			
City of Regina tax levy	\$ 21,302	\$ 21,337	\$ 20,742
Grants-in-lieu of taxes	1,375	1,482	1,348
Provincial services agreement	598	622	578
Donations	130	51	61
Interest	143	413	321
Other grants	296	362	676
Other revenue	648	632	681
Gain on disposal of tangible capital assets	-	1	177
	24,492	24,900	24,584
EXPENSES (Note 11)			
Public services	15,015	14,729	14,034
Support services	4,588	4,622	4,437
Governance	117	68	83
Administration	1,901	1,446	1,436
Amortization	2,796	2,650	2,571
Loss on disposal of tangible capital assets	-	-	1
	24,417	23,515	22,562
Surplus	75	1,385	2,022
Accumulated surplus, beginning of year		29,725	27,703
Accumulated surplus, end of year		\$ 31,110	\$ 29,725

See accompanying notes

REGINA PUBLIC LIBRARY BOARD

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2019

(000's)

	<u>2019</u>	<u>2018</u>
Surplus	\$ 1,385	\$ 2,022
Acquisition of tangible capital assets	(2,564)	(2,618)
Amortization of tangible capital assets	2,650	2,571
Proceeds on sale of tangible capital assets	2	180
Gain on disposal of tangible capital assets	(1)	(155)
Write down of tangible capital assets	30	-
	<u>117</u>	<u>(22)</u>
Acquisition of prepaid expenses	(381)	(349)
Use of prepaid expenses	349	271
	<u>(32)</u>	<u>(78)</u>
Increase in net financial assets	1,470	1,922
Net financial assets, beginning of year	13,225	11,303
Net financial assets, end of year	\$ 14,695	\$ 13,225

See accompanying notes

REGINA PUBLIC LIBRARY BOARD
Consolidated Statement of Cash Flows
Year ended December 31, 2019

(000's)	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Surplus	\$ 1,385	\$ 2,022
Add back non-cash items:		
Amortization of tangible capital assets	2,650	2,571
Gain on disposal of tangible capital assets	(1)	(155)
Write down of tangible capital assets	30	-
Changes in non-cash working capital items:		
Increase in accounts receivable	(100)	(167)
Increase in prepaid expenses	(32)	(78)
Decrease in accounts payable and accrued liabilities	(304)	(252)
Increase (decrease) in deferred revenue	10	(284)
Decrease in employee benefits obligations	(52)	(67)
Cash provided by operating activities	3,586	3,590
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(2,564)	(2,618)
Proceeds on sale of tangible capital assets	2	180
Cash applied to capital activities	(2,562)	(2,438)
Increase in cash and cash equivalents	1,024	1,152
Cash and cash equivalents, beginning of year	16,492	15,340
Cash and cash equivalents, end of year	\$ 17,516	\$ 16,492

See accompanying notes

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

1. PURPOSE OF THE ORGANIZATION

The Regina Public Library Board (the "Library") is governed by *The Public Libraries Act 1996* to facilitate equitable access to basic library services by all residents of Saskatchewan. The Library's vision is to be a dynamic hub of literacy, lifelong learning, curiosity, and new ideas, integral to the economic and social vibrancy of Regina. The Library inspires individuality, connection, and diversity.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public-sector accounting standards, as recommended by the Chartered Professional Accountants of Canada (CPA Canada).

The preparation of the consolidated financial statements required management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, as well as the reported amount of revenues and expenses during the period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are reviewed periodically, and as adjustments become necessary, they are reported in surplus in the period in which they become known.

The significant accounting policies used in the preparation of these consolidated financial statements are summarized below:

a) *Basis of consolidation*

These consolidated financial statements include the accounts of the Library and the Library's proportionate share of government partnerships.

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) *Government Partnerships*

Government partnerships represents contractual agreements between the Library and a party or parties outside the Library reporting entity. The partners have significant, clearly defined common goals, make a financial investment in a partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnerships. Government partnerships are accounted for on a proportionate, consolidated basis whereby the Library's pro-rata share of the partnership's assets, liabilities, revenue and expenses are combined on a line by line basis after adjusting the accounting policies to a basis consistent with the accounting policies of the Library. Intercompany balances and transactions between the Library and the Partnerships have been eliminated.

The Library's interest in government partnerships include the Saskatchewan Information & Library Services Consortium Inc. (SILS) and māmawêyatitân centre. In the current year, the Library's share of SILS was 21.79% (2018 – 21.59%) and of māmawêyatitân centre was 5.79% (2018 – 5.79%).

c) *Employee benefit plans*

The Library is a member of the Regina Civic Employees' Superannuation and Benefit Plan and the Regina Civic Employees' Long Term Disability Plan, which are multiemployer plans. The Library's contributions to the pension and disability plans are expensed as incurred.

The Library has a post-employment obligation for sick leave and severance payments earned by long service employees which is expected to be paid out upon retirement or termination. The obligations have been determined on an actuarial basis using the projected benefit method prorated on services. Experience gains/losses are amortized over the estimated average remaining service life of the employee group.

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) *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 their estimated useful lives as follows:

Buildings	20 - 50 years
Leasehold improvements	lease term
Furnishings and information technology:	
Furniture and equipment	10 years
Audio visual and security	5 years
Computer hardware	3 – 5 years
Computer software	3 – 8 years
Land improvements	20 years
Library Materials	8 years
Shelving	25 years
Vehicles	8 years

Assets under construction are not amortized until the asset is available for productive use.

Purchases of works of art are expensed.

Purchases of electronic information (annual licenses for access to databases) and serials/periodicals are expensed over the subscription period.

e) *Non-financial assets*

Non-financial assets are held for use in the provision of services and are not available to discharge existing liabilities. They have useful lives beyond the current year and are not intended for sale in the ordinary course of operations.

f) *Revenue recognition*

Taxation revenue is recognized in the fiscal period the tax assessment was levied against property owners. The City of Regina administers the assessment and collection of the Library mill rate and remits tax revenues to the Library. Tax revenues are recorded net of a provision for potential losses on outstanding assessment appeals and uncollected taxes.

Unless the grant is restricted, grant revenue is recognized when the funds are received. If the grant is restricted by the contributor, the revenue is deferred and recognized when the conditions of the funding have been met.

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Donation revenue is recognized in the period in which the funds are received unless the donation is restricted. If the donation is restricted by the contributor, the revenue is deferred and recognized when the conditions of the donation have been met.

Other revenue, such as fines, interest and exhibits, is recognized when received or when goods or services have been provided.

The amount reported in these consolidated financial statements as grant revenue from the Saskatchewan Arts Board is made up of a combination of Lottery and non-Lottery funding. This is made possible through the Partnership Agreement between the Saskatchewan Arts Board and SaskCulture Inc., which is the Trustee for the Culture Section of Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. Under the terms of this agreement for the applicable period, SaskCulture allocated a specified amount of Lottery funds to the Saskatchewan Arts Board as a portion of the total envelope of funds available for the program(s) through which this grant was adjudicated and approved.

g) Risk

Credit risk is the risk of financial loss to the Library if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The organization has minimal credit risk since it has minimal accounts receivable.

Liquidity risk is the risk that the Library will not be able to meet its financial obligations as they become due. The staff on behalf Regina Public Library manages liquidity risk by continually monitoring cash flow requirements to ensure that it has sufficient funds to meet obligations when they become due.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Library is not exposed to significant interest rate risk.

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

3. CASH

	2019 <u>(000's)</u>	2018 <u>(000's)</u>
Unrestricted cash	\$ 16,966	\$ 15,990
SILS cash	550	502
	<u>\$ 17,516</u>	<u>\$ 16,492</u>

The Library has an authorized line of credit available to a maximum amount of \$500,000 (2018 - \$500,000). The Library did not draw on these funds during the year (2018 - \$nil).

Funds are invested in an interest-bearing account earning interest at a rate of CIBC Monthly Average Prime Rate less 1.50% (2018 - Average Prime Rate less 1.50%).

4. EMPLOYEE BENEFITS OBLIGATIONS

The Library's Collective Agreement with the Canadian Union of Public Employees ("CUPE") provides for a partial pay out of accumulated sick leave credits on termination or retirement for eligible employees with at least 10 years of service. Eligible out-of-scope employees receive severance payments on termination.

An actuarial valuation of vested sick leave and severance payments was completed using the projected benefit method at December 31, 2019. The actuarial valuation was based on assumptions about future events including employee turnover and mortality, wage and salary increases, sick leave usage and interest rates. The discount rate used to determine the unfunded employee benefit is 2.3% (2018 - 2.9%). Compensation rates for In-scope employees are assumed to increase at an average rate of 2.5% per annum, while compensation rates for Out-of-scope employees are assumed to increase at an average rate of 2.25% per annum.

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2019

4. EMPLOYEE BENEFITS OBLIGATIONS (continued)

The Library's accrued employee benefits liability and benefits plan expense are disclosed below:

Accrued benefits liability	2019	2018
	<u>(000's)</u>	<u>(000's)</u>
Accrued benefits obligation, beginning of year	\$ 792	\$ 832
Current period benefit cost	57	56
Interest on accrued benefit obligation	23	23
Experience gain	(30)	(10)
Less: benefits paid	(95)	(109)
Accrued benefit obligation, end of year	<u>747</u>	<u>792</u>
Unamortized net actuarial gain	<u>205</u>	<u>212</u>
Accrued benefits liability, end of year	<u>\$ 952</u>	<u>\$ 1,004</u>

The obligation amount of \$747,000 (2018 - \$792,000) is unfunded and will be paid from future revenues.

Employee benefits related expense	2019	2018
	<u>(000's)</u>	<u>(000's)</u>
Benefit expense		
Current period benefit cost	\$ 57	\$ 56
Amortization of net actuarial gains	(38)	(37)
Total benefit expense	<u>19</u>	<u>19</u>
Interest expense		
Interest cost on accrued benefit obligations	<u>23</u>	<u>23</u>
Total benefit plan related expense	<u>\$ 42</u>	<u>\$ 42</u>

Actual benefits payments for the year were \$95,000 (2018 - \$109,000).

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2019 <u>(000's)</u>	2018 <u>(000's)</u>
Buildings and leasehold improvements	\$ 6,304	\$ 6,650
Construction in progress	40	-
Furnishings and information technology	2,326	2,489
Land	329	329
Land improvements	123	132
Library Materials	6,432	6,123
Shelving	381	349
Vehicles	99	79
	<u>\$ 16,034</u>	<u>\$ 16,151</u>

Tangible capital asset cost:

	Beginning of Year <u>(000's)</u>	Additions <u>(000's)</u>	Disposals and Write Downs <u>(000's)</u>	End of Year <u>(000's)</u>
2019				
Buildings and leasehold improvements	\$ 15,343	\$ -	\$ -	\$ 15,343
Construction in progress	-	40	-	40
Furnishings and information technology	4,347	585	455	4,477
Land	329	-	-	329
Land improvements	188	-	-	188
Library Materials (Note 13)	12,116	1,849	1,436	12,529
Shelving	823	50	-	873
Vehicles	163	40	-	203
2019 Totals	<u>\$ 33,309</u>	<u>\$ 2,564</u>	<u>\$ 1,891</u>	<u>\$ 33,982</u>
 2018 Totals	 \$ 33,222	 \$ 2,618	 \$ 2,531	 \$ 33,309

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

5. TANGIBLE CAPITAL ASSETS (continued)

Accumulated amortization:

	Beginning of Year (000's)	Amortization Expense (000's)	Disposals and Write Downs (000's)	End of Year (000's)
2019				
Buildings and leasehold improvements	\$ 8,693	\$ 346	\$ -	\$ 9,039
Furnishings and information technology	1,858	717	424	2,151
Land improvements	56	9	-	65
Library Materials	5,993	1,540	1,436	6,097
Shelving	474	18	-	492
Vehicles	84	20	-	104
2019 Totals	\$ 17,158	\$ 2,650	\$ 1,860	\$ 17,948
2018 Totals	\$ 17,093	\$ 2,571	\$ 2,506	\$ 17,158

The Library purchased and expensed works of art of \$5,405 during the year (2018 - \$10,320).

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

6. ACCUMULATED SURPLUS

The Board of Directors has established internally restricted reserves for specific future purposes. These appropriated reserves may be used or increased at the discretion of the Board of Directors. The summary of appropriated and unappropriated surplus is as follows:

	2019	2018
	(000's)	(000's)
Appropriated surplus:		
Capital project reserve	\$ 9,727	\$ 8,878
Operating reserve	1,705	1,705
Technology reserve	950	950
Vehicle reserve	13	23
Dunlop art projects reserve	152	172
SILS	200	188
	12,747	11,916
Obligations to be funded from future revenues:		
Employee benefits obligations	(747)	(792)
Investment in tangible capital assets	16,034	16,151
Unappropriated surplus	3,076	2,450
Accumulated surplus	\$ 31,110	\$ 29,725

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

7. COMMITMENTS AND CONTINGENCIES

Operating leases

The Library is committed to the following payments for operating leases and service agreements:

	George Bothwell Branch lease (000's)	Regent Place Branch lease (000's)	Other (000's)	Total (000's)
2020	\$ 327	\$ 186	\$ 270	\$ 783
2021	335	186	73	594
2022	346	203	41	590
2023	346	221	40	607
2024	346	221	3	570
Total payments	\$ 1,700	\$ 1,017	\$ 427	\$ 3,144

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

8. INVESTMENT IN GOVERNMENT PARTNERSHIPS

SILS was incorporated in 2009 as a non-profit membership corporation by the ten public library systems in Saskatchewan. The purpose of SILS is to develop and maintain a single integrated library information system and provide a common experience for library users throughout the province. SILS is funded by member libraries and grants from the Ministry of Education. The member libraries share in annual operating expenses based on a service level formula.

The condensed supplementary financial information of SILS is as follows:

	2019	2018
	(000's)	(000's)
Statement of Financial Position		
Financial assets	\$ 2,736	\$ 2,591
Financial liabilities	706	684
Net financial assets	2,030	1,907
Non-financial assets:		
Prepaid expenses	325	327
Accumulated surplus	\$ 2,355	\$ 2,234
Statement of Operations		
Revenue	\$ 1,260	\$ 1,256
Expenses	1,138	1,073
Surplus	\$ 122	\$ 183

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

8. INVESTMENT IN GOVERNMENT PARTNERSHIPS (continued)

The financial statements shown are proportionately consolidated with the Library financial statements at 21.79% (2018 – 21.59%) representing the Library's interest in SILS. After eliminating inter-company transactions, the following amounts have been included in the consolidated financial statements:

	2019	2018
	(000's)	(000's)
Statement of Financial Position		
Financial assets	\$ 572	\$ 559
Financial liabilities	129	148
Net financial assets	443	411
Non-financial assets:		
Prepaid expenses	71	70
Accumulated surplus	\$ 514	\$ 481
Statement of Operations		
Revenue	\$ 218	\$ 217
Expenses	187	181
Surplus	\$ 31	\$ 36

In the event that SILS is dissolved, the Library is responsible for its share of any costs in excess of the net assets of SILS. At December 31, 2019, SILS plans to continue operations for the foreseeable future.

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

8. INVESTMENT IN GOVERNMENT PARTNERSHIPS (continued)

The Library entered into a master agreement with the City of Regina and the Board of Education of the Regina School Division No. 4 and constructed an integrated educational/library/community facility in the North Central area of the City of Regina known as the māmawêyatitân centre. The purpose of the partnership is to develop and operate a Facility as an integrated gathering place for the community and to deliver programs and services to the public. Any distribution (recovery) of annual operating surplus (deficit) is shared between the partners according to their respective usage of the services.

The condensed supplementary financial information of the māmawêyatitân centre is as follows:

	2019	2018
	(000's)	(000's)
Tangible Capital Assets	\$ 36,106	\$ 37,271
Statement of Operations		
Revenue	\$ 21	\$ 20
Expenses	850	828
(Deficit)	\$ (829)	\$ (808)

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

8. INVESTMENT IN GOVERNMENT PARTNERSHIPS (continued)

The above financial information has been proportionately consolidated with the Library's financial statements at the Library's partnership share of 5.79% of capital expenditures (2018 – 5.79%) and 5.7% of operating revenue and expenses (2018 – 5.7%). After adjusting the accounting policies to be consistent with those of the Library and eliminating transactions between the partnership and the Library, the following amounts have been included in the Library's consolidated financial statements:

	<u>2019</u> <u>(000's)</u>	<u>2018</u> <u>(000's)</u>
Tangible Capital Assets	\$ 2,091	\$ 2,158

Statement of Operations

Revenue	\$ 1	\$ 1
Expenses	125	112
(Deficit)	\$ (124)	\$ (111)

Included in the Library's partnership share of expenses is amortization relating to the māmawêyatitân centre building for \$67,477 (2018 – \$61,378).

9. PENSION AND BENEFIT PLANS

The Library is a member of the Regina Civic Employees' Superannuation and Benefit Plan (the "Plan") which is overseen by its own Administrative Board. All eligible permanent employees of the Library are members of the Plan. This multiemployer plan provides defined retirement benefits and is integrated with the Canada Pension Plan ("CPP"). The Plan provides a lifetime monthly pension based on an employee's years of service and the average of their best five consecutive years of earnings. During the year, employees contributed 8.8% (2018 – 8.8%) of their earnings below the CPP maximum and 13.1% (2018 - 13.1%) of earnings above the CPP maximum. The Library contributed 9.8% (2018 - 9.8%) of their earnings below the CPP maximum and 14.6% (2018 – 14.6%) of earnings above the CPP maximum.

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

9. PENSION AND BENEFIT PLANS (continued)

The financial statements as at December 31, 2018 indicate the plan had a deficit [unfunded liability] of net assets available to pay accrued pension benefits of \$38,997,000 (2017 - surplus \$43,722,000). The plan is a multiemployer defined benefit plan, therefore neither benefits nor contributions are segregated by employer.

The Plan has been accounted for using the method appropriate for defined contribution plans and, as such, the amount of pension expense is equal to the contributions required for the year. Pension costs of \$1,079,000 (2018 - \$1,004,000) were expensed during the year.

10. LONG TERM DISABILITY BENEFIT PLAN

The Library is a member of the Regina Civic Employees' Long Term Disability Plan ("Disability Plan"). The financial statements as of December 31, 2018 indicate a surplus of net assets available for benefits of \$32,087,000 (2017 - \$33,940,000).

The Disability Plan is a multiemployer plan and consequently, identification of individual employer's assets is not available from the Plan managers. Accordingly, no portion of the surplus has been recognized as an asset or expense reduction in the financial statements. The Plan has been accounted for using the method appropriate for defined contribution plans and, as such, the amount of benefit expense is equal to the contributions required for the year. Contribution rates for the current year were 0.46% for both employees and employers (2018 - 0.46%). The Library recorded disability premium costs of \$46,000 for the year (2018 - \$43,000).

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

11. EXPENSES BY OBJECT

	2019 Budget (000's)	2019 (000's)	2018 (000's)
Wages, benefits and honoraria	\$ 14,095	\$ 13,844	\$ 13,409
Purchased goods and services	7,506	6,998	6,560
Interest	20	23	22
Amortization	2,796	2,650	2,571
	\$ 24,417	\$ 23,515	\$ 22,562

12. LIBRARY MATERIALS

	2019 Budget (000's)	2019 (000's)	2018 (000's)
Books	\$ 1,069	\$ 1,094	\$ 999
E-audio & E-books	312	413	228
DVDs	236	259	223
Sound recordings	79	83	81
	\$ 1,696	\$ 1,849	\$ 1,531

Purchases of serials/periodicals of \$134,000 (2018 - \$123,000) and electronic information of \$360,000 (2018 - \$382,000) were expensed during the year.

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2019

13. CONTRACTUAL RIGHTS

The Library has signed agreements with Saskatchewan Arts Board and Minister of Canadian Heritage that will provide future funding for programming.

Future collection for the Library from the above entities is estimated as follows:

<u>Year</u>	<u>Amount</u>
2020	70,900

14. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the COVID-19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the effectiveness of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Library.

15. COMPARATIVE FIGURES

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