



# REGINA PUBLIC LIBRARY BOARD

Consolidated Financial Statements

December 31, 2020



To the Chairperson and Members of Regina Public Library Board Board:

## Opinion

We have audited the consolidated financial statements of Regina Public Library Board and its subsidiaries (the "Library"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations and changes in accumulated surplus, change 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, 2020, and the results of its consolidated operations, changes in its net financial assets 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.

## Independent Auditor's Report *(continued)*

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- 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 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 Library 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 23, 2021

*MNP LLP*

Chartered Professional Accountants

**REGINA PUBLIC LIBRARY BOARD**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2020**

(000's)

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$ 19,162	\$ 17,516
Accounts receivable	658	651
	<b>19,820</b>	<b>18,167</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	1,661	2,397
Deferred revenue	158	123
Employee benefits obligations (Note 4)	944	952
	<b>2,763</b>	<b>3,472</b>
<b>Net financial assets</b>	<b>17,057</b>	<b>14,695</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	15,491	16,034
Prepaid expenses	376	381
	<b>15,867</b>	<b>16,415</b>
<b>Accumulated surplus (Note 6)</b>	<b>\$ 32,924</b>	<b>\$ 31,110</b>

*See accompanying notes*

**Approved by**

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 Jumoke Oni, Director

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 Sean Quinlan, Director

## REGINA PUBLIC LIBRARY BOARD

### Consolidated Statement of Operations and Changes in Accumulated Surplus

Year ended December 31, 2020

(000's)

	<u>2020</u> <u>Budget</u>	<u>2020</u>	<u>2019</u>
<b>REVENUE</b>			
City of Regina tax levy	\$ 22,146	\$ 22,085	\$ 21,337
Grants-in-lieu of taxes	1,483	1,513	1,482
Provincial services agreement	606	604	622
Donations	130	35	51
Interest	373	256	413
Other grants	298	465	362
Other revenue	528	325	632
Gain on disposal of tangible capital assets	-	4	1
	<u>25,564</u>	<u>25,287</u>	<u>24,900</u>
<b>EXPENSES (Note 11)</b>			
Public services	15,320	14,608	14,729
Support services	4,909	4,535	4,622
Governance	122	60	68
Administration	2,141	1,572	1,446
Amortization	2,675	2,698	2,650
	<u>25,167</u>	<u>23,473</u>	<u>23,515</u>
<b>Surplus</b>	<b>397</b>	<b>1,814</b>	<b>1,385</b>
Accumulated surplus, beginning of year		<b>31,110</b>	29,725
<b>Accumulated surplus, end of year</b>		<b>\$ 32,924</b>	<b>\$ 31,110</b>

*See accompanying notes*

## REGINA PUBLIC LIBRARY BOARD

### Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2020

(000's)

	<u>2020</u>	<u>2019</u>
Surplus	\$ 1,814	\$ 1,385
Acquisition of tangible capital assets	(2,155)	(2,564)
Amortization of tangible capital assets	2,698	2,650
Proceeds on sale of tangible capital assets	4	2
Gain on disposal of tangible capital assets	(4)	(1)
Write down of tangible capital assets	-	30
	<u>543</u>	<u>117</u>
Acquisition of prepaid expenses	(376)	(381)
Use of prepaid expenses	381	349
	<u>5</u>	<u>(32)</u>
<b>Increase in net financial assets</b>	<b>2,362</b>	<b>1,470</b>
Net financial assets, beginning of year	<b>14,695</b>	<b>13,225</b>
<b>Net financial assets, end of year</b>	<b>\$ 17,057</b>	<b>\$ 14,695</b>

*See accompanying notes*

**REGINA PUBLIC LIBRARY BOARD**  
**Consolidated Statement of Cash Flows**  
**Year ended December 31, 2020**

(000's)	<u>2020</u>	<u>2019</u>
<b>OPERATING ACTIVITIES</b>		
Surplus	\$ 1,814	\$ 1,385
Add back non-cash items:		
Amortization of tangible capital assets	2,698	2,650
Gain on disposal of tangible capital assets	(4)	(1)
Write down of tangible capital assets	-	30
Changes in non-cash working capital items:		
Increase in accounts receivable	(7)	(100)
Decrease (increase) in prepaid expenses	5	(32)
Decrease in accounts payable and accrued liabilities	(736)	(304)
Increase in deferred revenue	35	10
Decrease in employee benefits obligations	(8)	(52)
<b>Cash provided by operating activities</b>	<b>3,797</b>	<b>3,586</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(2,155)	(2,564)
Proceeds on sale of tangible capital assets	4	2
<b>Cash applied to capital activities</b>	<b>(2,151)</b>	<b>(2,562)</b>
<b>Increase in cash and cash equivalents</b>	<b>1,646</b>	<b>1,024</b>
Cash and cash equivalents, beginning of year	17,516	16,492
<b>Cash and cash equivalents, end of year</b>	<b>\$ 19,162</b>	<b>\$ 17,516</b>

*See accompanying notes*

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 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. The Library is a registered charity and not subject to income tax.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public-sector accounting standards.

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. Significant estimates include employee benefit obligations, contribution of tangible capital assets, the amortization of tangible capital assets, and provision on tax appeals.

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.

*b) Budget*

Operating and capital budgets reflect the amounts approved by the Library Board of Directors, with the subsequent mill rate required to support the budgets approved by City of Regina Council. The budget is reported on an accrual basis, consistent with principles applied in the financial statements.

The Library Board of Directors may approve a carryforward of unspent operating or capital budgets, but these adjustments are not reflected in the consolidated financial statements.



# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### c) *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 m̄maw̄yatit̄an centre. In the current year, the Library's share of SILS was 22.15% (2019 – 21.79%) and of m̄maw̄yatit̄an centre was 5.79% (2019 – 5.79%).

#### d) *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, 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### e) *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 digital content including serials/periodicals, movies, music, online courses and tutorials, eBooks, and eAudiobooks are expensed. Purchases of digital content including annual licenses for access to databases are expensed over the subscription period.

#### f) *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.

#### g) *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, 2020

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### 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.

#### *h) 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, 2020

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#### 3. CASH

	<b>2020</b>	2019
	<b>(000's)</b>	(000's)
Unrestricted cash	<b>\$ 18,529</b>	\$ 16,966
SILS cash	<b>633</b>	550
	<b>\$ 19,162</b>	\$ 17,516

The Library has an authorized line of credit available to a maximum amount of \$500,000 (2019 - \$500,000). The Library did not draw on these funds during the year (2019 - \$nil).

Funds are invested in an interest-bearing account earning interest at a rate of CIBC Monthly Average Prime Rate less 1.50% (2019 - 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.

The December 31, 2020 actuarial extrapolation has been prepared based on a full valuation of the vested sick leave and severance payment plans prepared as 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 1.1% (2019 - 2.3%). 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, 2020

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**4. EMPLOYEE BENEFITS OBLIGATIONS (continued)**

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

<b>Accrued benefits liability</b>	<b>2020</b> <b>(000's)</b>	<b>2019</b> <b>(000's)</b>
	<u>          </u>	<u>          </u>
Accrued benefits obligation, beginning of year	\$ 747	\$ 792
Current period benefit cost	46	57
Interest on accrued benefit obligation	18	23
Experience loss (gain)	58	(30)
Less: benefits paid	<b>(33)</b>	(95)
Accrued benefit obligation, end of year	<b>836</b>	747
Unamortized net actuarial gain	<b>108</b>	205
Accrued benefits liability, end of year	<b>\$ 944</b>	<b>\$ 952</b>

The obligation amount of \$836,000 (2019 - \$747,000) is unfunded and will be paid from future revenues.

	<u>(000's)</u>	<u>(000's)</u>
Benefit expense		
Current period benefit cost	\$ 46	\$ 57
Amortization of net actuarial gains	<b>(39)</b>	(38)
Total benefit expense	<b>7</b>	19
Interest expense		
Interest cost on accrued benefit obligations	<b>18</b>	23
Total benefit plan related expense	<b>\$ 25</b>	<b>\$ 42</b>

Actual benefits payments for the year were \$33,000 (2019 - \$95,000).

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

### 5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2020 (000's)	2019 (000's)
Buildings and leasehold improvements	\$ 6,001	\$ 6,304
Construction in progress	14	40
Furnishings and information technology	2,401	2,326
Land	329	329
Land improvements	156	123
Library Materials	6,117	6,432
Shelving	363	381
Vehicles	110	99
	<b>\$ 15,491</b>	<b>\$ 16,034</b>

Tangible capital asset cost:

	Beginning of Year (000's)	Additions (000's)	Disposals and Write Downs (000's)	Transfers (000's)	End of Year (000's)
<b>2020</b>					
Buildings and leasehold improvements	\$ 15,343	\$ 39	\$ -	\$ -	\$ 15,382
Construction in progress	40	14	-	(40)	14
Furnishings and information technology	4,477	793	507	40	4,803
Land	329	-	-	-	329
Land improvements	188	43	1	-	230
Library Materials (Note 13)	12,529	1,230	1,562	-	12,197
Shelving	873	-	-	-	873
Vehicles	203	36	21	-	218
<b>2020 Totals</b>	<b>\$ 33,982</b>	<b>\$ 2,155</b>	<b>\$ 2,091</b>	<b>\$ -</b>	<b>\$ 34,046</b>
<b>2019 Totals</b>	<b>\$ 33,309</b>	<b>\$ 2,564</b>	<b>\$ 1,891</b>	<b>\$ -</b>	<b>\$ 33,982</b>

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 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)
<b>2020</b>				
Buildings and leasehold improvements	\$ 9,039	\$ 342	\$ -	\$ 9,381
Furnishings and information technology	2,151	758	507	2,402
Land improvements	65	10	1	74
Library Materials	6,097	1,545	1,562	6,080
Shelving	492	18	-	510
Vehicles	104	25	21	108
<b>2020 Totals</b>	<b>\$ 17,948</b>	<b>\$ 2,698</b>	<b>\$ 2,091</b>	<b>\$ 18,555</b>
<b>2019 Totals</b>	<b>\$ 17,158</b>	<b>\$ 2,650</b>	<b>\$ 1,860</b>	<b>\$ 17,948</b>

The Library purchased and expensed works of art of \$25,596 during the year (2019 - \$5,405).

## REGINA PUBLIC LIBRARY BOARD

### Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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#### 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:

	<b>2020</b>	2019
	<b>(000's)</b>	(000's)
Appropriated surplus:		
Capital project reserve	\$ 11,387	\$ 9,727
Operating reserve	1,705	1,705
Technology reserve	950	950
Vehicle reserve	7	13
Dunlop art projects reserve	195	152
SILS	216	200
	<b>14,460</b>	12,747
Obligations to be funded from future revenues:		
Employee benefits obligations	<b>(836)</b>	(747)
Investment in tangible capital assets	15,491	16,034
Unappropriated surplus	3,809	3,076
<b>Accumulated surplus</b>	<b>\$ 32,924</b>	<b>\$ 31,110</b>



# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 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)
2021	\$ 335	\$ 186	\$ 410	\$ 931
2022	346	203	148	697
2023	346	221	40	607
2024	346	221	3	570
2025	350	221	-	571
<b>Total payments</b>	<b>\$ 1,723</b>	<b>\$ 1,052</b>	<b>\$ 601</b>	<b>\$ 3,376</b>

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 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:

	<b>2020</b>	2019
	<b>(000's)</b>	(000's)
<b>Statement of Financial Position</b>		
Financial assets	\$ 2,884	\$ 2,736
Financial liabilities	689	706
<b>Net financial assets</b>	<b>2,195</b>	2,030
Non-financial assets:		
Prepaid expenses	326	325
<b>Accumulated surplus</b>	<b>\$ 2,521</b>	\$ 2,355
<b>Statement of Operations</b>		
Revenue	\$ 1,282	\$ 1,260
Expenses	1,117	1,138
<b>Surplus</b>	<b>\$ 165</b>	\$ 122

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 8. INVESTMENT IN GOVERNMENT PARTNERSHIPS (continued)

The financial statements shown are proportionately consolidated with the Library financial statements at 22.15% (2019 – 21.79%) representing the Library's interest in SILS. After eliminating inter-company transactions, the following amounts have been included in the consolidated financial statements:

	<b>2020</b>	2019
	<b>(000's)</b>	(000's)
<b>Statement of Financial Position</b>		
Financial assets	\$ 627	\$ 572
Financial liabilities	141	129
Net financial assets	<b>486</b>	443
Non-financial assets:		
Prepaid expenses	73	71
Accumulated surplus	\$ 559	\$ 514
<b>Statement of Operations</b>		
Revenue	\$ 225	\$ 218
Expenses	180	187
Surplus	\$ 45	\$ 31

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, 2020, SILS plans to continue operations for the foreseeable future.

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 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:

	<u>2020</u> <u>(000's)</u>	<u>2019</u> <u>(000's)</u>
<b>Tangible Capital Assets</b>	<b>\$ 36,325</b>	<b>\$ 36,106</b>
<b>Statement of Operations</b>		
Revenue	\$ 5	\$ 21
Expenses	<b>700</b>	850
(Deficit)	<b>\$ (695)</b>	<b>\$ (829)</b>

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 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 (2019 – 5.79%) and 5.7% of operating revenue and expenses (2019 – 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>2020</u> <u>(000's)</u>	<u>2019</u> <u>(000's)</u>
<b>Tangible Capital Assets</b>	<b>\$ 2,103</b>	<b>\$ 2,091</b>
<b>Statement of Operations</b>		
Revenue	\$ -	\$ 1
Expenses	<b>127</b>	125
(Deficit)	<b>\$ (127)</b>	<b>\$ (124)</b>

Included in the Library's partnership share of expenses is amortization relating to the mâmawêyatitân centre building for \$69,042 (2019 – \$67,477).

### 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% (2019 – 8.8%) of their earnings below the CPP maximum and 13.1% (2019 - 13.1%) of earnings above the CPP maximum. The Library contributed 9.8% (2019 - 9.8%) of their earnings below the CPP maximum and 14.6% (2019 – 14.6%) of earnings above the CPP maximum.

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 9. PENSION AND BENEFIT PLANS (continued)

The financial statements as at December 31, 2019 indicate the plan had a surplus of net assets available to pay accrued pension benefits of \$108,185,000 (2019 - deficit \$38,977,000). 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 \$1,017,000 (2019 - \$1,079,000) 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, 2019 indicate a surplus of net assets available for benefits of \$31,502,000 (2018 - \$32,087,000).

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 (2019 - 0.46%). The Library recorded disability premium costs of \$43,000 for the year (2019 - \$46,000).

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### 11. EXPENSES BY OBJECT

	2020 Budget (000's)	2020 (000's)	2019 (000's)
Wages, benefits and honoraria	\$ 14,506	\$ 13,017	\$ 13,844
Purchased goods and services	7,963	7,739	6,998
Interest	23	18	23
Amortization	2,675	2,699	2,650
	\$ 25,167	\$ 23,473	\$ 23,515

### 12. SEGMENTED INFORMATION

The Library provides a wide range of services to the citizens of Regina. The following segmented information reflects the broad organizational structure of the Library.

1. Public Services

- a) *Collections* – The Collections Unit oversees the procurement of all library collection materials, both physical and digital as well as the ongoing disposition of used materials. The physical collection is made up of books, CDs, DVDs, video games, musical instruments, newspapers, and periodicals. A wide variety of eBooks, eAudiobooks, newspapers, magazines, movies and TV shows, music, databases, online courses, and tutorials are available through the Library's website. Library materials from across the province are also available through the Saskatchewan Information and Library Services (SILS) Consortium.
- b) *Central Library and Branch Services* – The Central Adult and Children's Library and eight branch locations house the physical collection of library materials. They offer programming, public meeting rooms, free internet access, public computers and laptops, 3D printers, virtual reality stations, and gaming access. In addition, Central Adult offers a Digital Media Studio which provides high quality computer media workstations, a green screen, and a whisperroom sound studio. Central Adult also houses the Prairie History Room and Outreach Services for disabled and homebound customers.
- c) *Community Engagement and Programming (CEP)* – Diverse programming for families, children, adults, and teens is offered both in person and virtually. Literacy assistance for English-as-an-additional language learners is available through volunteer tutors and special programs. Community engagement supports ongoing conversations within our community that is relevant and helpful, with a focus on truth and reconciliation. Business programming supports local and small businesses and provides career assistance while a writer-in-residence provides community programming and assistance to the literary community.

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

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### 12. SEGMENTED INFORMATION (continued)

- d) *Dunlop Art Gallery* – The Library houses two art galleries, one at Central Adult Library and the other at Sherwood Village Branch Library. In addition to changing exhibitions at both galleries, the Dunlop plays host to a variety of digital programs, artist performances, and community art projects. The Dunlop exhibits its permanent collection throughout the library system, actively tours its exhibitions throughout the country, showcases community art, and provides art rental to the community.
- e) *RPL Film Theatre* – The film theatre presents critically acclaimed, contemporary, and alternative cinema through the screening of Canadian, foreign, and independent films and documentaries. It also collaborates with local community groups to present festivals and screenings.
2. Support Services – Corporate services that support the provision of public services include Marketing and Communications, Information Technology, eServices, Human Resources, Finance and Administration, and Physical Plant. Together, these provide an environment conducive to the provision of exceptional customer services.
3. Administration and Governance – Public and support services are coordinated through a Library Director and CEO and governed through a publicly appointed board of directors.

### 13. LIBRARY MATERIALS

	Budget (000's)	2020 (000's)	2019 (000's)
Books	\$ 1,050	\$ 916	\$ 1,094
eBooks & eAudiobooks	312	-	413
DVDs	267	227	259
Sound recordings	75	87	83
	<b>\$ 1,704</b>	<b>\$ 1,230</b>	<b>\$ 1,849</b>

Starting in 2020, \$513,000 of eBooks and eAudiobooks was expensed. The amount is included in digital content.

Purchases of serials/periodicals of \$121,000 (2019 - \$134,000) and digital content of \$981,000 (2019 - \$360,000) were expensed during the year.



# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

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### 14. 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>
2021	153,540
2022	120,000
2023	120,000

### 15. SIGNIFICANT EVENT

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Library as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.