

REGINA PUBLIC LIBRARY BOARD

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

Independent Auditors' Report

To the Members of the Regina Public Library Board:

We have audited the accompanying consolidated financial statements of Regina Public Library Board, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations and changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Regina Public Library Board as at December 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The consolidated financial statements for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 28, 2017.

Regina, Saskatchewan

March 27, 2018

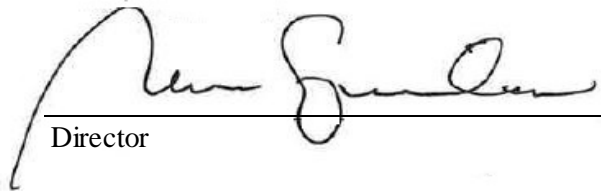
MNP LLP
Chartered Professional Accountants

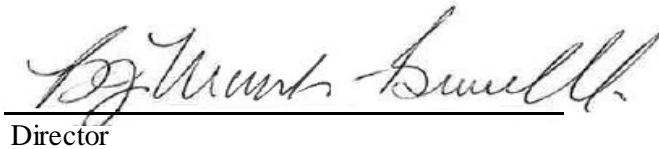
REGINA PUBLIC LIBRARY BOARD
Consolidated Statement of Financial Position
As at December 31, 2017

(000's)

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash (Note 3)	\$ 15,340	\$ 12,434
Accounts receivable	384	555
Total financial assets	15,724	12,989
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	2,953	2,380
Deferred revenue	397	144
Employee benefits obligations (Note 4)	1,071	1,063
Total financial liabilities	4,421	3,587
Net financial assets	11,303	9,402
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	16,129	15,753
Prepaid expenses	271	386
	16,400	16,139
Accumulated surplus (Note 6)	\$ 27,703	\$ 25,541

See accompanying notes


 Director


 Director

REGINA PUBLIC LIBRARY BOARD

Consolidated Statement of Operations and Changes in Accumulated Surplus Year ended December 31, 2017

(000's)

	<u>2017</u> <u>Budget</u>	<u>2017</u>	<u>2016</u>
REVENUE			
City of Regina tax levy	\$ 20,109	\$ 20,012	\$ 19,407
Grants-in-lieu of taxes	1,401	1,379	1,327
Provincial services agreement	598	597	597
Capital donations	-	35	23
Other grants	307	399	348
Other revenue	816	766	676
Gain on disposal of tangible capital assets	-	5	3
	<u>23,231</u>	<u>23,193</u>	<u>22,381</u>
EXPENSES (Note 11)			
Public services	13,759	13,076	12,373
Support services	4,186	3,964	3,883
Governance	122	110	115
Administration	2,082	1,433	1,413
Amortization	2,495	2,448	2,273
Loss on disposal of tangible capital assets	-	-	12
	<u>22,644</u>	<u>21,031</u>	<u>20,069</u>
Surplus	587	2,162	2,312
Accumulated surplus, beginning of year		25,541	23,229
Accumulated surplus, end of year		\$ 27,703	\$ 25,541

See accompanying notes

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2017

(000's)

	<u>2017</u>	<u>2016</u>
Surplus	\$ 2,162	\$ 2,312
Acquisition of tangible capital assets	(2,824)	(5,862)
Amortization of tangible capital assets	2,448	2,273
Loss on disposal of tangible capital assets	-	12
	<u>(376)</u>	<u>(3,577)</u>
Acquisition of prepaid expenses	(271)	(386)
Use of prepaid expenses	386	525
	<u>115</u>	<u>139</u>
Decrease (increase) in net financial assets	1,901	(1,126)
Net financial assets, beginning of year	9,402	10,528
Net financial assets, end of year	\$ 11,303	\$ 9,402

See accompanying notes

REGINA PUBLIC LIBRARY BOARD
Consolidated Statement of Cash Flows
Year ended December 31, 2017

(000's)	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Surplus	\$ 2,162	\$ 2,312
Add back non-cash items:		
Amortization of tangible capital assets	2,448	2,273
Loss on disposal of tangible capital assets	-	12
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivable	171	(246)
Decrease in prepaid expenses	115	139
Increase in accounts payable and accrued liabilities	573	849
Increase in deferred revenue	253	110
Increase (decrease) in employee benefits obligations	8	(33)
Cash provided by operating activities	5,730	5,416
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(2,824)	(5,862)
Cash applied to capital activities	(2,824)	(5,862)
Increase (decrease) in cash and cash equivalents	2,906	(446)
Cash and cash equivalents, beginning of year	12,434	12,880
Cash and cash equivalents, end of year	\$ 15,340	\$ 12,434

See accompanying notes

REGINA PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2017

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.

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, revenues 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 21.75% (2016 – 21.75%) and of māmawêyatitân centre was 5.79% (2016 – 5.79%).

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

d) Use of estimates

The preparation of the consolidated financial statements in conformity with the Canadian public sector accounting standards requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Actual results could differ from those estimates.

In particular, the useful life of tangible capital assets, collectability of receivables, employee benefits obligations, and the amounts recorded for the potential loss of revenue due to the assessment appeals are based on estimates. By their nature, these estimates are subject to measurement uncertainty, and the impact of the consolidated financial statements of future periods could be material.

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.

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases are classified as either capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the relates lease payments are charged to expenses incurred.

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.

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.

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 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 Library has minimal credit risk since it has minimal accounts receivable.

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 manage 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.

3. CASH

	2017	2016
	<u>(000's)</u>	<u>(000's)</u>
Unrestricted cash	\$ 14,773	\$ 12,049
SILS cash	567	385
	<u>\$ 15,340</u>	<u>\$ 12,434</u>

The Library has an authorized line of credit available to a maximum amount of \$500,000 (2016 - \$500,000). The Library did not draw on these funds during the year (2016 - \$nil).

Funds are invested in an interest-bearing account earning interest at a rate of CIBC Monthly Average Prime Rate less 1.50% (2016 - 1.05% to 1.25%).

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, 2017. 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 2.7% (2016 - 2.0%). 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 3.0% per annum for 2018 and 2019 and 2.25% per annum thereafter.

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

4. EMPLOYEE BENEFITS OBLIGATIONS (continued)

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

Accrued benefits liability	2017 (000's)	2016 (000's)
	<u> </u>	<u> </u>
Accrued benefits obligation, beginning of year	\$ 861	\$ 1,009
Current period benefit cost	61	80
Interest on accrued benefit obligation	18	23
Experience (gain) loss	(61)	(126)
Less: benefits paid	(47)	(125)
Accrued benefit obligation, end of year	<u>832</u>	<u>861</u>
Unamortized net actuarial gain	<u>239</u>	<u>202</u>
Accrued benefits liability, end of year	<u>\$ 1,071</u>	<u>\$ 1,063</u>

The obligation amount of \$832,000 (2016 - \$861,000) is unfunded and will be paid from future revenues.

Employee benefits related expense	2017 (000's)	2016 (000's)
	<u> </u>	<u> </u>
Benefit expense		
Current period benefit cost	\$ 61	\$ 80
Amortization of net actuarial gains	(24)	(11)
Total benefit expense	<u>37</u>	<u>69</u>
Interest expense		
Interest cost on accrued benefit obligations	<u>18</u>	<u>23</u>
Total benefit plan related expense	<u>\$ 55</u>	<u>\$ 92</u>

Actual benefits payments for the year were \$47,000 (2016 - \$125,000).

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2017	2016
	(000's)	(000's)
Buildings and leasehold improvements	\$ 6,943	\$ 5,118
Construction in progress	-	1,712
Furnishings and information technology	2,155	2,056
Land	331	331
Land improvements	126	134
Library Materials	6,092	5,998
Shelving	384	326
Vehicles	98	78
	\$ 16,129	\$ 15,753

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)
2017					
Buildings and leasehold improvements	\$ 13,119	\$ 134	\$ -	2,056	15,309
Construction in progress	1,712	344	-	(2,056)	-
Furnishings and information technology	4,335	667	479	-	4,523
Land	331	-	-	-	331
Land improvements	175	-	-	-	175
Library Materials (Note 12)	11,684	1,567	1,373	-	11,878
Shelving	769	74	-	-	843
Vehicles	131	38	6	-	163
2017 Totals	\$ 32,256	\$ 2,824	\$ 1,858	\$ -	\$ 33,222
 2016 Totals	 \$ 28,348	 \$ 5,862	 \$ 1,954	 \$ -	 \$ 32,256

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

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)
2017				
Buildings and leasehold improvements	\$ 8,001	\$ 365	\$ -	\$ 8,366
Furnishings and information technology	2,279	568	479	2,368
Land improvements	41	8	-	49
Library Materials	5,686	1,473	1,373	5,786
Shelving	443	16	-	459
Vehicles	53	18	6	65
2017 Totals	\$ 16,503	\$ 2,448	\$ 1,858	\$ 17,093
2016 Totals	\$ 16,172	\$ 2,273	\$ 1,942	\$ 16,503

The Library purchased and expensed works of art of \$12,693 during the year (2016 - \$5,499).

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

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:

	2017	2016
	(000's)	(000's)
Appropriated surplus:		
Capital project reserve	\$ 7,630	\$ 6,008
North Central Shared Facility reserve	-	1,661
Operating reserve	1,705	1,705
Technology reserve	950	950
Vehicle reserve	3	20
Dunlop art projects reserve	118	84
Fine arts reserve	-	(26)
SILS	183	237
	10,589	10,639
Obligations to be funded from future revenues:		
Employee benefits obligations	(832)	(861)
Investment in tangible capital assets	16,129	15,753
Unappropriated surplus	1,817	10
Accumulated surplus	\$ 27,703	\$ 25,541

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

7. COMMITMENTS AND CONTINGENCIES

a) 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)
2018	\$ 327	\$ 186	\$ 115	\$ 628
2019	327	186	57	570
2020	327	186	45	558
2021	335	186	20	541
2022	346	203	-	549
Total payments	\$ 1,662	\$ 947	\$ 237	\$ 2,846

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

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:

	2017	2016
	(000's)	(000's)
Statement of Financial Position		
Financial assets	\$ 2,668	\$ 1,975
Financial liabilities	631	617
Net financial assets	2,037	1,358
Non-financial assets:		
Tangible capital assets	0	1
Prepaid expenses	13	338
	13	339
Accumulated surplus	\$ 2,050	\$ 1,697
Statement of Operations		
Revenue	\$ 1,404	\$ 1,184
Expenses	1,051	1,016
Surplus	\$ 353	\$ 168

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

8. INVESTMENT IN GOVERNMENT PARTNERSHIPS (continued)

The financial statements shown are proportionately consolidated with the Library financial statements at 21.75% (2016 – 21.75%) representing the Library’s interest in SILS. After eliminating inter-company transactions, the following amounts have been included in the consolidated financial statements:

	2017	2016
	(000's)	(000's)
Statement of Financial Position		
Financial assets	\$ 568	\$ 418
Financial liabilities	126	123
Net financial assets	442	295
Non-financial assets:		
Tangible capital assets	-	1
Prepaid expenses	3	74
	3	75
Accumulated surplus	\$ 445	\$ 370
Statement of Operations		
Revenue	\$ 252	\$ 207
Expenses	176	171
Surplus	\$ 76	\$ 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, 2017, SILS plans to continue operations for the foreseeable future.

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

8. INVESTMENT IN GOVERNMENT PARTNERSHIPS (continued)

The Library has entered into a master agreement with the City of Regina and the Board of Education of the Regina School Division No. 4 to construct an integrated educational/library/community facility in the North Central area of the City of Regina known as the māmawêyatitân centre. Construction began in 2015 and was completed in 2017. 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:

	2017	2016
	<u>(000's)</u>	<u>(000's)</u>
<u>Tangible Capital Assets</u>	<u>\$ 35,515</u>	<u>\$ 29,568</u>

The above financial information has been proportionately consolidated with the Library's financial statements at the Library's partnership share of 5.79% (2016 – 5.79%). 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:

	2017	2016
	<u>(000's)</u>	<u>(000's)</u>
<u>Tangible Capital Assets</u>	<u>\$ 2,056</u>	<u>\$ 1,712</u>

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% (2016 – 8.8%) of their earnings below the CPP maximum and 13.1% (2016 - 13.1%) of earnings above the CPP maximum. The Library contributed 9.8% (2016 - 9.8%) of their earnings below the CPP maximum and 14.6% (2016 – 14.6%) of earnings above the CPP maximum.

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

9. PENSION AND BENEFIT PLANS (continued)

The financial statements of the plan as at December 31, 2016 indicate the plan had a deficit (unfunded liability) of net assets available to pay accrued pension benefits of \$47,438,000 (2015 - \$25,727,000). The plan is a multiemployer defined benefit plan, therefore neither benefits nor contributions are segregated by employer. The Plan managers have been unable to determine the portion of the unfunded liability attributable to each employer. Accordingly, no portion of the deficiency has been recognized as a liability or expense in the financial statements.

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 \$977,000 (2016 - \$964,000) 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 of the Disability Plan as of December 31, 2016 indicate a surplus of net assets available for benefits of \$35,840,000 (2015 - \$33,421,000).

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 0.92% for both employees and employers (2016 - 0.92%). The Library recorded disability premium costs of \$42,000 for the year (2016 - \$84,000).

As a result of discussions between participating employers and employee groups held in 2016, the Plan's actuary recommended that contributions to the Plan be reduced from 0.92% to 0.46% of eligible earnings as at January 1, 2017. To align the timing of the change with benefit changes being considered at the time, contribution rates remained at the higher rate for the first 6 months of 2017. No contributions were collected in the latter half to approximate the total contributions that would have been made had the rate been set at 0.46% effective January 1, 2017.

REGINA PUBLIC LIBRARY BOARD
Notes to the Consolidated Financial Statements
Year ended December 31, 2017

11. EXPENSES BY OBJECT

	2017		
	Budget	2017	2016
	(000's)	(000's)	(000's)
	<hr/>	<hr/>	<hr/>
Wages, benefits and honoraria	\$ 13,494	\$ 12,680	\$ 12,383
Purchased goods and services	6,629	5,885	5,390
Interest	26	18	23
Amortization	2,495	2,448	2,273
	<hr/>	<hr/>	<hr/>
	\$ 22,644	\$ 21,031	\$ 20,069
	<hr/>	<hr/>	<hr/>

12. LIBRARY MATERIALS

	2017		
	Budget	2017	2016
	(000's)	(000's)	(000's)
	<hr/>	<hr/>	<hr/>
Books	\$ 1,036	\$ 971	\$ 1,004
E-audio & E-books	220	246	306
DVDs	211	250	219
Sound recordings	81	100	81
	<hr/>	<hr/>	<hr/>
	\$ 1,548	\$ 1,567	\$ 1,610
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Purchases of serials/periodicals of \$123,000 (2016 - \$123,000) and electronic information of \$428,000 (2016 - \$337,000) were expensed during the year.