

**REGINA PUBLIC LIBRARY BOARD**

***CONSOLIDATED FINANCIAL STATEMENTS***

***December 31, 2018***

To the Members of Regina Public Library Board:

## Opinion

We have audited the consolidated financial statements of Regina Public Library Board (the "Library"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and 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, 2018, 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.

- 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 26, 2019

*MNP LLP*

Chartered Professional Accountants

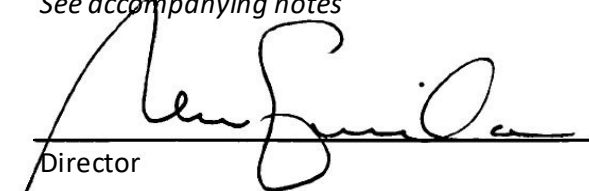
**REGINA PUBLIC LIBRARY BOARD**  
**Consolidated Statement of Financial Position**

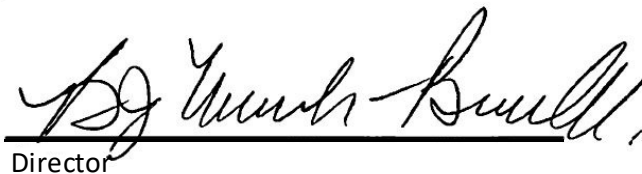
As at December 31, 2018

(000's)

	<u>2018</u>	<u>2017</u>
<b>FINANCIAL ASSETS</b>		
Cash (Note 4)	\$ 16,492	\$ 15,340
Accounts receivable	551	384
<b>Total financial assets</b>	<b>17,043</b>	<b>15,724</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	2,701	2,953
Deferred revenue	113	397
Employee benefits obligations (Note 5)	1,004	1,071
<b>Total financial liabilities</b>	<b>3,818</b>	<b>4,421</b>
<b>Net financial assets</b>	<b>13,225</b>	<b>11,303</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	16,151	16,129
Prepaid expenses	349	271
	<b>16,500</b>	<b>16,400</b>
<b>Accumulated surplus (Note 7)</b>	<b>\$ 29,725</b>	<b>\$ 27,703</b>

See accompanying notes

  
 Director

  
 Director

# REGINA PUBLIC LIBRARY BOARD

## Consolidated Statement of Operations and Changes in Accumulated Surplus

Year ended December 31, 2018

(000's)

	2018 Budget	2018	2017
<b>REVENUE</b>			
City of Regina tax levy	\$ 20,479	\$ 20,742	\$ 20,012
Grants-in-lieu of taxes	1,429	1,348	1,379
Provincial services agreement	598	578	597
Donations	130	61	42
Interest	135	321	145
Other grants	703	676	399
Other revenue	573	681	614
Gain on disposal of tangible capital assets	-	177	5
	<b>24,047</b>	<b>24,584</b>	<b>23,193</b>
<b>EXPENSES (Note 12)</b>			
Public services	14,453	14,034	13,076
Support services	4,335	4,437	3,964
Governance	111	83	110
Administration	1,917	1,436	1,433
Amortization	2,634	2,571	2,448
Loss on disposal of tangible capital assets	-	1	-
	<b>23,450</b>	<b>22,562</b>	<b>21,031</b>
<b>Surplus</b>	<b>597</b>	<b>2,022</b>	<b>2,162</b>
Accumulated surplus, beginning of year		<b>27,703</b>	25,541
<b>Accumulated surplus, end of year</b>		<b>\$ 29,725</b>	<b>\$ 27,703</b>

See accompanying notes

## REGINA PUBLIC LIBRARY BOARD

### Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2018

(000's)

	<u>2018</u>	<u>2017</u>
Surplus	\$ 2,022	\$ 2,162
Acquisition of tangible capital assets	(2,618)	(2,824)
Amortization of tangible capital assets	2,571	2,448
Proceeds on sale of tangible capital assets	180	-
Gain on disposal of tangible capital assets	(155)	-
	<u>(22)</u>	<u>(376)</u>
Acquisition of prepaid expenses	(349)	(271)
Use of prepaid expenses	271	386
	<u>(78)</u>	<u>115</u>
<b>Increase in net financial assets</b>	<b>1,922</b>	<b>1,901</b>
Net financial assets, beginning of year	<b>11,303</b>	<b>9,402</b>
<b>Net financial assets, end of year</b>	<b>\$ 13,225</b>	<b>\$ 11,303</b>

*See accompanying notes*

**REGINA PUBLIC LIBRARY BOARD**  
**Consolidated Statement of Cash Flows**

Year ended December 31, 2018

(000's)

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
Surplus	\$ 2,022	\$ 2,162
Add back non-cash items:		
Amortization of tangible capital assets	2,571	2,448
Gain on disposal of tangible capital assets	(155)	-
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(167)	171
(Increase) decrease in prepaid expenses	(78)	115
(Decrease) increase in accounts payable and accrued liabilities	(252)	573
(Decrease) increase in deferred revenue	(284)	253
(Decrease) increase in employee benefits obligations	(67)	8
<b>Cash provided by operating activities</b>	<b>3,590</b>	<b>5,730</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(2,618)	(2,824)
Proceeds on sale of tangible capital assets	180	-
<b>Cash applied to capital activities</b>	<b>(2,438)</b>	<b>(2,824)</b>
<b>Increase in cash and cash equivalents</b>	<b>1,152</b>	<b>2,906</b>
Cash and cash equivalents, beginning of year	15,340	12,434
<b>Cash and cash equivalents, end of year</b>	<b>\$ 16,492</b>	<b>\$ 15,340</b>

*See accompanying notes*

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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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.

### 2. ADOPTED ACCOUNTING POLICIES

Effective January 1, 2018, the Library adopted the recommendations relating to the following sections as set out in the CPA Canada Public Sector Accounting Handbook:

PS 2200 Related Party Disclosures  
PS 3420 Inter-entity Transactions  
PS 3210 Assets  
PS 3320 Contingent Assets  
PS 3380 Contractual Rights

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements of adopting the new sections.

### 3. 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, 2018

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### 3. 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, consolidations 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 m̄maw̄yatit̄an centre. In the current year, the Library's share of SILS was 21.59% (2017 – 21.75%) and of m̄maw̄yatit̄an centre was 5.79% (2017 – 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, 2018

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### 3. 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, 2018

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### 3. 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 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, 2018

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#### 4. CASH

	<u>2018</u> <u>(000's)</u>	<u>2017</u> <u>(000's)</u>
Unrestricted cash	\$ 15,990	\$ 14,773
SILS cash	502	567
	<u>\$ 16,492</u>	<u>\$ 15,340</u>

The Library has an authorized line of credit available to a maximum amount of \$500,000 (2017 - \$500,000). The Library did not draw on these funds during the year (2017 - \$nil).

Funds are invested in an interest-bearing account earning interest at a rate of CIBC Monthly Average Prime Rate less 1.50% (2017 - Average Prime Rate less 1.50%).

#### 5. 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, 2018. 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 2.9% (2017 - 2.7%). 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, 2018

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

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

<b>Accrued benefits liability</b>	<b>2018</b>	<b>2017</b>
	<b>(000's)</b>	<b>(000's)</b>
Accrued benefits obligation, beginning of year	\$ 832	\$ 861
Current period benefit cost	56	61
Interest on accrued benefit obligation	23	18
Experience gain	(10)	(61)
Less: benefits paid	(109)	(47)
Accrued benefit obligation, end of year	792	832
Unamortized net actuarial gain	212	239
<b>Accrued benefits liability, end of year</b>	<b>\$ 1,004</b>	<b>\$ 1,071</b>

The obligation amount of \$792,000 (2017 - \$832,000) is unfunded and will be paid from future revenues.

<b>Employee benefits related expense</b>	<b>2018</b>	<b>2017</b>
	<b>(000's)</b>	<b>(000's)</b>
Benefit expense		
Current period benefit cost	\$ 56	\$ 61
Amortization of net actuarial gains	(37)	(24)
Total benefit expense	19	37
Interest expense		
Interest cost on accrued benefit obligations	23	18
<b>Total benefit plan related expense</b>	<b>\$ 42</b>	<b>\$ 55</b>

Actual benefits payments for the year were \$109,000 (2017 - \$47,000).

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

### 6. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	<b>2018</b>	2017
	<b>(000's)</b>	(000's)
Buildings and leasehold improvements	\$ 6,650	\$ 6,943
Furnishings and information technology	2,489	2,155
Land	329	331
Land improvements	132	126
Library Materials	6,123	6,092
Shelving	349	384
Vehicles	79	98
	<b>\$ 16,151</b>	<b>\$ 16,129</b>

Tangible capital asset cost:

	Beginning of Year (000's)	Additions (000's)	Disposals and Write Downs (000's)	End of Year (000's)
<b>2018</b>				
Buildings and leasehold improvements	\$ 15,309	\$ 76	\$ 42	\$ 15,343
Furnishings and information technology	4,523	996	1,172	4,347
Land	331	-	2	329
Land improvements	175	14	1	188
Library Materials (Note 13)	11,878	1,531	1,293	12,116
Shelving	843	1	21	823
Vehicles	163	-	-	163
<b>2018 Totals</b>	<b>\$ 33,222</b>	<b>\$ 2,618</b>	<b>\$ 2,531</b>	<b>\$ 33,309</b>
<b>2017 Totals</b>	<b>\$ 32,256</b>	<b>\$ 2,824</b>	<b>\$ 1,858</b>	<b>\$ 33,222</b>

**REGINA PUBLIC LIBRARY BOARD**  
**Notes to the Consolidated Financial Statements**  
Year ended December 31, 2018

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**6. 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>2018</b>				
Buildings and leasehold improvements	\$ 8,366	\$ 369	\$ 42	\$ 8,693
Furnishings and information technology	2,368	660	1,170	1,858
Land improvements	49	8	1	56
Library Materials	5,786	1,500	1,293	5,993
Shelving	459	15	-	474
Vehicles	65	19	-	84
<b>2018 Totals</b>	<b>\$ 17,093</b>	<b>\$ 2,571</b>	<b>\$ 2,506</b>	<b>\$ 17,158</b>
<b>2017 Totals</b>	<b>\$ 16,503</b>	<b>\$ 2,448</b>	<b>\$ 1,858</b>	<b>\$ 17,093</b>

The Library purchased and expensed works of art of \$10,320 during the year (2017 - \$12,693).

## REGINA PUBLIC LIBRARY BOARD

### Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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#### 7. 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>2018</b>	2017
	<b>(000's)</b>	(000's)
Appropriated surplus:		
Capital project reserve	\$ 8,878	\$ 7,630
Operating reserve	1,705	1,705
Technology reserve	950	950
Vehicle reserve	23	3
Dunlop art projects reserve	172	118
SILS	188	183
	<b>11,916</b>	10,589
Obligations to be funded from future revenues:		
Employee benefits obligations	<b>(792)</b>	(832)
Investment in tangible capital assets	16,151	16,129
Unappropriated surplus	2,450	1,817
<b>Accumulated surplus</b>	<b>\$ 29,725</b>	<b>\$ 27,703</b>



# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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### 8. 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)
2019	\$ 327	\$ 186	\$ 62	\$ 575
2020	327	186	49	562
2021	335	186	24	545
2022	346	203	4	553
2023	346	221	4	571
<b>Total payments</b>	<b>\$ 1,681</b>	<b>\$ 982</b>	<b>\$ 143</b>	<b>\$ 2,806</b>

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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### 9. 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>2018</b>	2017
	<b>(000's)</b>	(000's)
<b>Statement of Financial Position</b>		
Financial assets	\$ 2,591	\$ 2,668
Financial liabilities	684	631
Net financial assets	<b>1,907</b>	2,037
Non-financial assets:		
Prepaid expenses	327	13
	<b>327</b>	13
Accumulated surplus	\$ 2,234	\$ 2,050
<b>Statement of Operations</b>		
Revenue	\$ 1,256	\$ 1,404
Expenses	1,073	1,051
Surplus	\$ 183	\$ 353

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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

The financial statements shown are proportionately consolidated with the Library financial statements at 21.59% (2017 – 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:

	<b>2018</b>	2017
	<b>(000's)</b>	(000's)
<b>Statement of Financial Position</b>		
Financial assets	\$ 559	\$ 568
Financial liabilities	<b>148</b>	126
<b>Net financial assets</b>	<b>411</b>	442
Non-financial assets:		
Prepaid expenses	<b>70</b>	3
<b>Accumulated surplus</b>	<b>\$ 481</b>	\$ 445
<b>Statement of Operations</b>		
Revenue	\$ 217	\$ 252
Expenses	<b>181</b>	176
<b>Surplus</b>	<b>\$ 36</b>	\$ 76

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, 2018, SILS plans to continue operations for the foreseeable future.

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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### 9. 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:

	<b>2018</b>	2017
	<u>(000's)</u>	<u>(000's)</u>
Tangible Capital Assets	<b>\$ 36,450</b>	\$ 35,515

The above financial information has been proportionately consolidated with the Library's financial statements at the Library's partnership share of 5.79% (2017 – 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:

	<b>2018</b>	2017
	<u>(000's)</u>	<u>(000's)</u>
Tangible Capital Assets	<b>\$ 2,051</b>	\$ 2,056

### 10. 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% (2017 – 8.8%) of their earnings below the CPP maximum and 13.1% (2017 - 13.1%) of earnings above the CPP maximum. The Library contributed 9.8% (2017 - 9.8%) of their earnings below the CPP maximum and 14.6% (2017 – 14.6%) of earnings above the CPP maximum.

## **REGINA PUBLIC LIBRARY BOARD**

### **Notes to the Consolidated Financial Statements**

**Year ended December 31, 2018**

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#### **10. PENSION AND BENEFIT PLANS (continued)**

The financial statements as at December 31, 2017 indicate the plan had a surplus of net assets available to pay accrued pension benefits of \$43,772,000 (2016 - deficit [unfunded liability] \$47,438,000). 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 \$1,004,000 (2017 - \$977,000) were expensed during the year.

#### **11. 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, 2017 indicate a surplus of net assets available for benefits of \$33,940,000 (2016 - \$35,840,000).

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 (2017 - 0.92%). The Library recorded disability premium costs of \$43,000 for the year (2017 - \$42,000).

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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### 12. EXPENSES BY OBJECT

	<b>2018</b>		<b>2018</b>		<b>2017</b>
	<b>Budget</b>		<b>(000's)</b>		<b>(000's)</b>
	<b>(000's)</b>		<b>(000's)</b>		<b>(000's)</b>
Wages, benefits and honoraria	\$ 13,793	\$	13,409	\$	12,680
Purchased goods and services	7,001		6,560		5,885
Interest	22		22		18
Amortization	2,634		2,571		2,448
	<b>\$ 23,450</b>	\$	<b>22,562</b>	\$	<b>21,031</b>

### 13. LIBRARY MATERIALS

	<b>2018</b>		<b>2018</b>		<b>2017</b>
	<b>Budget</b>		<b>(000's)</b>		<b>(000's)</b>
	<b>(000's)</b>		<b>(000's)</b>		<b>(000's)</b>
Books	\$ 1,005	\$	999	\$	971
E-audio & E-books	220		228		246
DVDs	215		223		250
Sound recordings	83		81		100
	<b>\$ 1,523</b>	\$	<b>1,531</b>	\$	<b>1,567</b>

Purchases of serials/periodicals of \$123,000 (2017 - \$123,000) and electronic information of \$382,000 (2017 - \$428,000) were expensed during the year.

# REGINA PUBLIC LIBRARY BOARD

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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### 14. CONTRACTUAL RIGHTS

The Library has signed agreements with various entities (Saskatchewan Arts Board, Canada Council for the Arts, and Minister of Canadian Heritage) that will provide future funding for several projects.

Future collections for the Library from the above entities are estimated as follows:

<u>Year</u>	<u>Amount</u>
2019	247,000
2020	15,000