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Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2020

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Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31 2020

a)	<input checked="" type="checkbox"/>	Approval of Statement of Financial Information
b)	<input checked="" type="checkbox"/>	A Management Report signed and dated by the Library Board and Library Director
		An operational statement including:
c)	<input checked="" type="checkbox"/>	i) Statement of Income
	<input checked="" type="checkbox"/>	ii) Statement of Changes in Financial Position, or, if omitted, an explanation in the Notes to the Financial Statements (audited ¹ financial statements)
d)	<input checked="" type="checkbox"/>	Statement of assets and liabilities (audited ¹ financial statements)
e)	<input checked="" type="checkbox"/>	Schedule of debts (audited ¹ financial statements) If there is no debt, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
f)	<input checked="" type="checkbox"/>	Schedule of guarantee and indemnity agreements including the names of the entities involved and the amount of money involved. If no agreements, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
		Schedule of Remuneration and Expenses, including:
	<input checked="" type="checkbox"/>	i) An alphabetical list of employees (first and last names) earning over \$75,000
	<input checked="" type="checkbox"/>	ii) Total amount of expenses paid to or on behalf of each employee under 75,000
	<input checked="" type="checkbox"/>	iii) If the total wages and expenses differs from the audited financial statements, an explanation is required
g)	<input checked="" type="checkbox"/>	iv) A list, by name and position, of Library Board Members with the amount of any remuneration paid to or on behalf of the member.
	<input checked="" type="checkbox"/>	v) The number of severance agreements started during the fiscal year and the range of months` pay covered by the agreement, in respect of excluded employees. If there are no agreements to report, an explanation is required.
		Schedule of Payments for the Provision of Goods and Services including:
h)	<input checked="" type="checkbox"/>	i) An alphabetical list of suppliers receiving over \$25,000 and a consolidated total for those suppliers receiving less than \$25,000. If the total differs from the Audited Financial Statements, an explanation is required.

¹ Municipal Libraries and Regional Library Districts must provide audited financial statements as per the *Libraries Act* section 11(2) and 26(2) (a). Audited statements are not required for the SOFI but if available, please include them.

As per the Libraries Act section 40(3)(a) Public Library Associations must prepare annual financial statements in accordance with generally accepted accounting principles. This also applies to Library Federations.

Board Approval Form

Financial Information Act - Statement of Financial Information

NAME OF LIBRARY <i>Richmond Public Library</i>	FISCAL YEAR END (YYYY) 2020
LIBRARY ADDRESS 100 – 7700 Minoru Gate	TELEPHONE NUMBER 604-231-6422
CITY Richmond	PROVINCE BC
	POSTAL CODE V6Y 1R8
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Jordan Oye	TELEPHONE NUMBER 778-828-0967
NAME OF THE LIBRARY DIRECTOR Susan Walters	TELEPHONE NUMBER 604-231-6466

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information of the year ended December 31, 2020 for Richmond Public Library as required under Section 2 of the Financial Information Act.

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD*

DATE SIGNED (DD-MM-YYYY)



29-04-2021

SIGNATURE OF THE LIBRARY DIRECTOR

DATE SIGNED (DD-MM-YYYY)



28-04-2021

Management Report

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2020

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of the Library is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

The external auditors, KPMG, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the board's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of Richmond Public Library

**Name. Chairperson of the
Library Board [Print]**

Jordan Oye

**Signature,
Chairperson of the Library
Board**



**Date
(MM-DD-YYYY)**

04-29-2021

**Name,
Library Director [Print]**

Susan Walters

**Signature,
Library Director**



**Date
(MM-DD-YYYY)**

04-28-2021

Financial Statements of

**RICHMOND PUBLIC
LIBRARY BOARD**

And Independent Auditor's Report thereon

Year ended December 31, 2020



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Richmond Public Library Board

Opinion

We have audited the financial statements of Richmond Public Library Board (the "Library"), which comprise:

- the statement of financial position as at December 31, 2020;
- the statement of operations for the year then ended;
- the statement of changes in net financial assets for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2020, and its results of operations, its changes in net financial assets and its 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
March 31, 2021

RICHMOND PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial Assets		
Due from City of Richmond (note 3)	\$ 3,831,286	\$ 2,001,330
Accounts receivable	96,072	98,001
	<u>3,927,358</u>	<u>2,099,331</u>
Liabilities		
Accounts payable and accrued liabilities (note 4)	1,291,342	1,187,264
Deferred revenue (note 5)	124,450	62,234
	<u>1,415,792</u>	<u>1,249,498</u>
Net financial assets	2,511,566	849,833
Non-Financial Assets		
Tangible capital assets (note 6)	2,862,421	3,176,057
Prepaid expenses	663,222	491,632
	<u>3,525,643</u>	<u>3,667,689</u>
Accumulated surplus (note 8)	\$ 6,037,209	\$ 4,517,522
Commitments (note 15)		
Economic dependence (note 18)		

See accompanying notes to financial statements.

Approved on behalf of the Library Board:



Trustee



Trustee

RICHMOND PUBLIC LIBRARY BOARD

Statement of Operations

Year ended December 31, 2020 with comparative information for 2019

	Budget 2020 (notes 2(a) and 17)	2020	2019
Revenue:			
Municipal contribution	\$ 10,179,100	\$ 10,066,310	\$ 9,710,500
Grants (note 9)	376,500	376,528	376,528
Fines and miscellaneous (note 10)	264,800	70,772	287,339
Donations (note 11)	-	24,577	66,063
Investment income (note 12)	18,400	20,531	20,532
Gain on sale of tangible capital assets	-	6,432	36,711
	10,838,800	10,565,150	10,497,673
Expenses:			
Salaries and employee benefits	7,933,600	6,334,633	7,754,774
Amortization	1,074,000	1,061,803	1,127,629
Library subscriptions and databases (note 13)	562,200	640,162	563,014
Supplies and equipment services	564,700	198,002	302,923
General and administration	407,200	364,696	356,111
Building, leases and maintenance	415,500	328,426	396,388
Utilities	138,200	117,741	137,435
	11,095,400	9,045,463	10,638,274
Annual surplus (deficit)	(256,600)	1,519,687	(140,601)
Accumulated surplus, beginning of year	4,517,522	4,517,522	4,658,123
Accumulated surplus, end of year	\$ 4,260,922	\$ 6,037,209	\$ 4,517,522

See accompanying notes to financial statements.

RICHMOND PUBLIC LIBRARY BOARD

Statement of Changes in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020 (notes 2(a) and 17)	2020	2019
Annual surplus (deficit)	\$ (256,600)	\$ 1,519,687	\$ (140,601)
Acquisition of tangible capital assets	(892,400)	(748,168)	(1,068,303)
Amortization of tangible capital assets	1,074,000	1,061,803	1,127,629
Gain on sale of tangible capital assets	-	(6,432)	(36,711)
Proceeds on sale of tangible capital assets	-	6,433	36,733
Decrease (increase) in prepaid expenses	-	(171,590)	78,163
Change in net financial assets	(75,000)	1,661,733	(3,090)
Net financial assets, beginning of year	849,833	849,833	852,923
Net financial assets, end of year	\$ 774,833	\$ 2,511,566	\$ 849,833

See accompanying notes to financial statements.

RICHMOND PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ 1,519,687	\$ (140,601)
Items not involving cash:		
Amortization	1,061,803	1,127,629
Gain on sale of tangible capital assets	(6,432)	(36,711)
Changes in non-cash operating working capital:		
Due from City of Richmond	(1,829,956)	74,155
Accounts receivable	1,929	(34,083)
Prepaid expenses	(171,590)	78,163
Accounts payable and accrued liabilities	104,078	11,649
Deferred revenue	62,216	(48,631)
Net change in cash from operating activities	741,735	1,031,570
Capital activities:		
Proceeds on sale of tangible capital assets	6,433	36,733
Acquisition of tangible capital assets	(748,168)	(1,068,303)
Net change in cash from capital activities	(741,735)	(1,031,570)
Net change in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying notes to financial statements.

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2020

1. Operations:

The Richmond Public Library Board (the "Library") is responsible for the administration of public libraries in the City of Richmond (the "City"). Funding for the provisions of these services is primarily through an annual contribution from the City. In addition, revenue is received from provincial government grants, library fees, donations and other miscellaneous sources. The Library is a registered charity under provisions of the Income Tax Act (Canada) and is not a taxable entity. The Library receives accounting services from, and operates primarily in facilities provided free of charge by, the City.

In March of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and continues to have an impact. This has resulted in Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The economic situation is dynamic and the ultimate duration and magnitude of the impact on the economy and to the Library is not fully known at this time. Management will continue to monitor the on-going financial impact on the Library, and adjust its operations as required to ensure its ability to fulfill its obligations and continue operations.

2. Significant accounting policies:

The accounting policies of the Library conform to Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada and include the following specific policies:

(a) Budget data:

The budget data presented in these financial statements is based on the 2020 budget approved by the Board of Trustees on September 25, 2019. Note 17 reconciles the approved budget to the budget figures reported in these financial statements.

(b) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the valuation of employee future benefits obligations. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the year in which they become known.

(c) Deferred revenue:

The Library records the receipt of restricted donations as deferred revenue and recognizes the revenue in the year in which related expenses are incurred.

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Significant accounting policies (continued):

(d) Non-financial assets:

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

(e) Tangible capital assets:

Tangible capital assets are initially recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost, less estimated residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Rate
Library collections	4 - 20 years
Furniture and fixtures	10 - 20 years
Equipment	5 - 10 years

Amortization is charged over the asset's useful life commencing when the asset is available for use.

(f) Donations of tangible capital assets:

Tangible capital assets received as donations are recorded at their fair value at the date of receipt and also are recorded as revenue.

(g) Works of art, and cultural and historical assets:

Works of art and cultural and historical assets are not recorded as assets in the financial statements.

(h) Functional and object reporting:

The operations of the Library are comprised of a single function, Library operations. As a result, the expenses of the Library are presented by object in the statement of operations.

(i) Employee future benefits:

The Library and its employees make contributions to the Municipal Pension Plan (the "Plan"). These contributions are expensed as incurred.

Sick leave and post-employment benefits are available to the Library's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefits plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits (note 7).

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Significant accounting policies (continued):

(j) Government transfers:

Restricted transfers from government are deferred and are recognized as revenue in the year in which the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably assured.

(k) Library subscriptions and databases:

Library subscriptions and databases not owned by the Library or that have useful lives that are less than one operating cycle are recorded as an expense when incurred.

3. Due from City of Richmond:

Amounts due from the City are comprised of transactions arising throughout the year and amounts held in the City's bank account on behalf of the Library. The amounts are unsecured, non-interest bearing and have no specific terms of repayment. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. Accounts payable and accrued liabilities:

	2020	2019
Accounts payable	\$ 200,778	\$ 160,039
Accrued liabilities	13,695	48,657
Accrued payroll liabilities	505,169	393,968
Post-employment benefits (note 7)	571,700	584,600
	<u>\$ 1,291,342</u>	<u>\$ 1,187,264</u>

5. Deferred revenue:

	2020	2019
Balance, beginning of year	\$ 62,234	\$ 110,865
Contributions	86,700	17,009
Revenue recognized as donations revenue	(24,484)	(65,640)
Balance, end of year	<u>\$ 124,450</u>	<u>\$ 62,234</u>

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Tangible capital assets:

Cost	Balance at December 31, 2019	Additions	Disposals	Balance at December 31, 2020
Library collections	\$ 6,652,582	\$ 569,991	\$ (741,012)	\$ 6,481,561
Furniture and fixtures	1,340,393	53,620	-	1,394,013
Equipment	1,945,837	124,557	-	2,070,394
	\$ 9,938,812	\$ 748,168	\$ (741,012)	\$ 9,945,968

Accumulated amortization	Balance at December 31, 2019	Amortization	Disposals	Balance at December 31, 2020
Library collections	\$ 4,280,918	\$ 905,783	\$ (741,011)	\$ 4,445,690
Furniture and fixtures	852,376	24,276	-	876,652
Equipment	1,629,461	131,744	-	1,761,205
	\$ 6,762,755	\$ 1,061,803	\$ (741,011)	\$ 7,083,547

Net book value	Balance at December 31, 2020	Balance at December 31, 2019
Library collections	\$ 2,035,871	\$ 2,371,664
Furniture and fixtures	517,361	488,017
Equipment	309,189	316,376
	\$ 2,862,421	\$ 3,176,057

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

7. Post-employment benefits:

The Library provides certain post-employment benefits, compensated absences and termination benefits to its employees. These benefits include accumulated non-vested sick leave and post-employment benefits.

Details of the accrued employee future benefit liability are as follows:

	2020	2019
Balance, beginning of year	\$ 638,000	\$ 452,000
Current service cost	47,000	32,900
Interest cost	15,300	15,100
Past service cost	-	24,200
Benefits paid	(74,600)	(15,900)
Actuarial (gain)/loss	(7,700)	129,700
Balance, end of year	\$ 618,000	\$ 638,000

An actuarial valuation for these benefits was performed to determine the Library's accrued benefit obligation as at December 31, 2019 and has been extrapolated by the actuary to December 31, 2020. This actuarial loss is being amortized over a period equal to the employees' average remaining service lifetime of 10 years.

	2020	2019
Actuarial benefit obligation:		
Accrued liability, end of year	\$ 618,000	\$ 638,000
Unamortized net actuarial gain/(loss)	(46,300)	(53,400)
Balance, end of year	\$ 571,700	\$ 584,600

Actuarial assumptions used to determine the Library's accrued benefit obligation are as follows:

	2020	2019
Discount rate	2.00%	2.40%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary increases	2.5% to 3.00%	2.50% to 3.00%

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Accumulated surplus:

	2020	2019
Operating:		
Appropriated surplus:		
Capital expenditures	\$ 480,723	\$ 142,676
Budget stabilization	300,000	-
Future capital acquisitions	137,472	131,040
Library operations	33,401	33,401
Future salary and benefit obligations	83,003	83,003
Total appropriated surplus	1,034,599	390,120
Surplus	2,140,189	951,345
Invested in tangible capital assets	2,862,421	3,176,057
	\$ 6,037,209	\$ 4,517,522

9. Grants:

	2020	2019
Provincial Revenue Sharing Grant (a)	\$ 352,990	\$ 352,990
One Card Grant (b)	16,664	16,664
British Columbia Equity Grant (c)	4,500	4,500
Resource Sharing Grants (d)	2,374	2,374
	\$ 376,528	\$ 376,528

- (a) Provincial Revenue Sharing Grant is funded by the Libraries Branch of the Ministry of Education of the Province of British Columbia.
- (b) The One Card Grant is provided by the Libraries Branch of the Ministry of Education of the Province of British Columbia to ensure that every British Columbian with a valid library card has complete access to all public libraries within the province, and that every school-age child in Richmond is given their own library card so that they may take full advantage of the library's resources.
- (c) British Columbia Equity Grant is awarded by the Libraries Branch of the Ministry of Education of the Province of British Columbia to support the Library in its role in fostering literacy and life-long learning in our community through the purchase of additional library materials in the area of literacy and English as a Second Language.
- (d) Resource Sharing Grants are annual grants are provided to BC public libraries to encourage their participation in the province-wide inter library loan system.

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

10. Fines and miscellaneous:

	2020	2019
Book fines	\$ 31,059	\$ 154,650
InterLINK revenue	(326)	27,930
Photocopy and printer revenue	12,779	60,326
Miscellaneous	27,260	44,433
	\$ 70,772	\$ 287,339

11. Donations:

Donations revenue is a combination of unrestricted donations received in the year and the recognition of restricted donations relating to expenses incurred in the year.

	2020	2019
Friends of the Library	\$ 17,664	\$ 31,402
Other	6,913	34,661
	\$ 24,577	\$ 66,063

12. Investment income:

The Library has endowment funds administered by the Vancouver Foundation and Richmond Community Foundation. Under the terms of the related agreements, the Vancouver Foundation and Richmond Community Foundation will retain, invest, and disburse income on the endowment funds. The Library receives the net income generated from each fund after deduction of administrative costs. The endowment funds are not reflected in these financial statements.

(a) Richmond Public Library Endowment Fund administered by Vancouver Foundation:

The fund was established in 1994 and the contributed capital in the fund amounts to \$282,900 at December 31, 2020 (2019 - \$282,900). The balance is comprised of donations from Friends of the Library (\$156,000), Vancouver Foundation's matching program (\$75,000), and other donors (\$51,900).

As at December 31, 2020, the fair value of the capital in the fund amounted to \$395,876 (2019 - \$379,349).

Under the terms of the agreement, the Library is entitled to withdraw only the investment income generated from the fund. Investment income for the year ended December 31, 2020 was \$14,765 (2019 - \$14,398) and is presented as investment income on the statement of operations.

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

12. Investment income (continued):

- (b) Richmond Public Library Permanent Agency Endowment Fund administered by the Richmond Community Foundation:

The fund was established in 2010 and the contributed capital in the fund amounts to \$145,518 at December 31, 2020 (2019 - \$140,518). The balance is comprised of donations from Friends of the Library of \$54,000 (2019 - \$49,000) and other donors of \$91,518 (2019 - \$91,518).

As at December 31, 2020, the fair value of the capital in the fund amounted to \$168,144 (2019 - \$168,388).

Under the terms of the agreement, the Library is entitled to withdraw only the investment income generated from the fund. Investment income for the year ended December 31, 2020 was \$5,766 (2019 - \$6,134) and is presented as investment income on the statement of operations.

13. Library subscriptions and databases:

	2020	2019
Digital books and multimedia	\$ 483,557	\$ 395,137
Databases, newspapers and magazines	156,605	167,877
	<u>\$ 640,162</u>	<u>\$ 563,014</u>

14. Pension plan:

The Library and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

14. Pension plan (continued):

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Library paid \$457,463 (2019 - \$560,054) for employer contributions while employees contributed \$408,866 (2019 - \$497,289) to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

15. Commitments:

The Library has committed to operating lease payments for the Ironwood and Cambie Branch premises, with minimum annual lease payments as follows:

2021	\$ 295,260
2022	289,059
2023	276,013
2024	91,129
2025	15,544

16. Contractual rights:

The Library has a longstanding agreement with InterLINK, entitling them to compensation subject to net circulation services to non-residents. The compensation varies from year to year.

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

17. Budget data:

The budget data presented in these financial statements is based on the 2020 budget approved by the Board of Trustees on September 25, 2019. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Board Approved Budget	Financial Statement Budget
Revenue:		
Operating budget	\$ 10,838,800	\$ 10,838,800
Expenses:		
Operating budget	(9,946,400)	(9,946,400)
Less: Transfer from / to surplus	-	(75,000)
Less: Acquisition of tangible capital assets	(892,400)	-
Less: Amortization of tangible capital assets	-	(1,074,000)
Annual deficit	\$ -	\$ (256,600)

18. Economic dependence:

The Library is economically dependent on receiving funding from the City.

19. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year.

RICHMOND PUBLIC LIBRARY BOARD

Unaudited Statement of Operations by Fund

Year ended December 31, 2020

	2020			2019		
	Operating	Capital	Total	Operating	Capital	Total
Revenue:						
Municipal contribution	\$ 9,173,910	\$ 892,400	\$ 10,066,310	\$ 8,818,100	\$ 892,400	\$ 9,710,500
Grants	376,528	-	376,528	376,528	-	376,528
Fines and miscellaneous	70,772	-	70,772	277,313	10,026	287,339
Donations	24,577	-	24,577	66,063	-	66,063
Investment income	20,531	-	20,531	20,532	-	20,532
Gain on sale of tangible capital assets	-	6,432	6,432	-	36,711	36,711
	9,666,268	898,832	10,565,150	9,558,536	939,137	10,497,673
Expenses:						
Salaries and employee benefits	6,334,633	-	6,334,633	7,754,774	-	7,754,774
Amortization	-	1,061,803	1,061,803	-	1,127,629	1,127,629
Library subscriptions and databases	640,162	-	640,162	563,014	-	563,014
Supplies and equipment services	198,002	-	198,002	302,923	-	302,923
General and administration	364,696	-	364,696	356,111	-	356,111
Building, leases and maintenance	328,426	-	328,426	396,388	-	396,388
Utilities	117,741	-	117,741	137,435	-	137,435
	7,983,660	1,061,803	9,045,463	9,510,645	1,127,629	10,638,274
Annual surplus (deficit)	1,682,658	(162,971)	1,519,687	47,891	(188,492)	(140,601)
Accumulated surplus, beginning of year	737,529	3,779,993	4,517,522	689,638	3,968,485	4,658,123
Accumulated surplus, end of year	\$ 2,420,187	\$ 3,617,022	\$ 6,037,209	\$ 737,529	\$ 3,779,993	\$ 4,517,522

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2020

The **Richmond Public Library** has no long term debt.

Schedule of Guarantee and Indemnity

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2020

Richmond Public Library has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.

Schedule of Remuneration and Expenses

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2020

Table 1 – Total Remuneration & Total Expenses

	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
Board Members		
1) Leung, Robin (Chair as of Dec 31, 2020)	\$	\$
2) Oye, Jordan (Vice Chair as of Dec 31, 2020)	\$	\$850
3) McPhail, Linda Councillor	\$	\$
4) Corr, Traci	\$	\$
5) Lemon, Danielle	\$	\$
6) Hawthorne, Denise	\$	\$
7) Gillanders, Chaslynn	\$	\$
8) Hui, Denise	\$	\$
8) Liu, Caty	\$	\$217
Total Board Members	\$	\$1,067

Detailed Employees Exceeding \$75,000		
1) Adam, Kate	\$81,939	\$
2) Bechard, Anne	\$111,127	\$ 2,275
3) Beecroft, Chad	\$79,282	\$450
4) Chi, Allen	\$85,625	\$
5) Ellis, J. Mark	\$118,180	\$
6) Galeano, Ariana	\$75,056	\$450
7) He, Ping	\$84,548	\$
8) Jang, Wendy	\$88,191	\$
9) Lai, Victor	\$92,990	\$953
10) Lee, Iris	\$110,704	\$
11) Lo, Dennis	\$76,478	\$
12) Rahman, Shaneena	\$111,049	\$1,171
13) Smith, Lee Anne	\$76,423	\$
14) Vokey, Stephanie	\$87,684	\$
15) Walters, Susan	\$174,675	\$4,921
Total Detailed Employees Exceeding \$75,000	\$1,453,951	\$10,220

Total Employees Equal to or Less Than \$75,000	\$3,582,939	\$

Consolidated Total* (Sum of column)	\$5,036,890	\$
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Table 2 – Total Employer Premium to Receiver General for Canada

Total Employer Premium for Canada Pension Plan and Employment Insurance	DO NOT USE	\$304,233
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* A Reconciliation to the financial statements is required, and any variance must be explained.

* The Total Remuneration column and the Total Expenses Column **MUST REMAIN SEPARATE** throughout the form.

Total Remuneration Per Schedule of Remuneration and Expenses	5,036,890
Add Net Taxable Benefits & Non-compensation Payments to Employees	1,266,125
Contractual estimates	124,144
Accruals and timing differences	(92,526)
Total Salaries and Benefits per financial statement	<u>6,334,633</u>

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2020

There were 1 severance agreements made between the Richmond Public Library and its non-unionized employees during fiscal year 2020.

These agreements represent from 2.25 to 2.25 months' compensation.

Schedule of Changes in Financial Position

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2020

A Statement of Changes in Financial Position has not been prepared because this information is provided in the Financial Statements.

Schedule of Payments Made For the Provision of Goods and Services

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2020

Name of Individual, Firm or Corporation	Total Amount Paid During Fiscal Year
1) Receiver General of Canada	\$1,325,120
2) Municipal Pension Fund	\$875,567
3) Library Bound Inc	\$532,048
4) Overdrive Books	\$378,341
5) Ironwood Developments Ltd	\$188,872
6) CVS Midwest Tape	\$174,890
7) Innovative Interfaces Inc	\$94,006
8) Dorset Realty Group	\$92,656
9)BC Libraries Cooperative	\$84,049
10) BC Hydro	\$80,740
11) Innovative Interfaces Global Ltd	\$79,410
12) Bibliocommons Inc	\$65,321
13) Province of BC Government	\$64,749
14) Convergent Library Technologies Inc	\$53,782
15) Public Library Interlink	\$53,746
16) Heritage Office Furnishings Ltd	\$53,620
17) Envisionware Inc	\$48,597
18) Master Care Janitorial	\$35,804
19) ITRE SRL	\$34,213
Total (Suppliers with payments exceeding \$25,000)	\$4,315,531
Total (Suppliers where payments are \$25,000 or less)	\$453,424
Consolidated Total	\$ 4,768,955

Total of Suppliers with Payments Exceeding \$25,000		4,315,531
Consolidated Total of Supplier Payments of \$25,000 or Less		453,424
Reconciling Items		
	Salaries per schedule of remuneration and expenses	\$5,036,890
	Contractual Estimates	\$124,144
	Other benefits premiums	\$347,155
	Amortization	\$1,061,803
	Tangible Capital Asset Additions	-\$748,168
	Income Tax	-\$754,152
	Municipal Pension Fund (Employees' Portion)	-\$418,104
	CPP / EI (Employees' portion)	-\$266,735
	Prepaid Expenses items including e-book materials	-\$171,590
	Janitorial supplies (managed by City of Richmond)	\$38,006
	Insurance (managed by City of Richmond)	\$14,100
	Vehicle charges & foreign exchange	\$16,952
	Public Works expense	\$12,252
	Water and sewer expense	\$2,078
	Others	-\$18,123
Total Per Statement of Revenue and Expenditure		9,045,463
Variance		0