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Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2018

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 - Reconcile or explain if different from Financial Statements

Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2018

Due Date: May 15th, 2019

a)	<input type="checkbox"/>	Approval of Statement of Financial Information
b)	<input type="checkbox"/>	A Management Report signed and dated by the Library Board and Library Director
An operational statement including:		
c)	<input type="checkbox"/>	i) Statement of Income
		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 type="checkbox"/>	Statement of assets and liabilities (audited ¹ financial statements)
e)	<input 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.
		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.
f)	<input type="checkbox"/>	Schedule of Remuneration and Expenses, including:
		i) An alphabetical list of employees (first and last names) earning over \$75,000
		<input type="checkbox"/> ii) Total amount of expenses paid to or on behalf of each employee under \$75,000
		<input type="checkbox"/> iii) If the total wages and expenses differs from the audited financial statements, an explanation is required
		<input 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.
g)	<input 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.
h)	<input type="checkbox"/>	Schedule of Payments for the Provision of Goods and Services including:

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.

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.

Board Approval Form

Financial Information Act - Statement of Financial Information

NAME OF LIBRARY <i>Richmond Public Library</i>	FISCAL YEAR END (YYYY) December 31, 2018
LIBRARY ADDRESS 100 – 7700 Minoru Gate	TELEPHONE NUMBER 604-231-6422
CITY Richmond	PROVINCE B.C.
	POSTAL CODE V6Y 1R8
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Robin Leung	TELEPHONE NUMBER 604-328-3286
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, 2018 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-May-2019

SIGNATURE OF THE LIBRARY DIRECTOR _____ DATE SIGNED (DD-MM-YYYY)
29-May-2019

Management Report

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2018

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

**Signature,
Chairperson of the
Library Board**

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

May-29-2019

**Signature,
Library Director**

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

May-29-2019

Prepared as required by *Financial Information Regulation*, Schedule 1, section 9

Financial Statements of

**RICHMOND PUBLIC
LIBRARY BOARD**

Year ended December 31, 2018



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 the 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, 2018
- 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, 2018, 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
April 17, 2019

RICHMOND PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Financial Assets		
Due from City of Richmond (note 3)	\$ 2,075,485	\$ 1,921,989
Accounts receivable	63,918	105,239
	<u>2,139,403</u>	<u>2,027,228</u>
Liabilities		
Accounts payable and accrued liabilities (note 4)	1,175,615	1,181,311
Deferred revenue (note 5)	110,865	66,811
	<u>1,286,480</u>	<u>1,248,122</u>
Net financial assets	852,923	779,106
Non-Financial Assets		
Tangible capital assets (note 6)	3,235,405	3,362,153
Prepaid expenses	569,795	447,389
	<u>3,805,200</u>	<u>3,809,542</u>
Accumulated surplus (note 8)	<u>\$ 4,658,123</u>	<u>\$ 4,588,648</u>

Commitments (note 15)
Economic dependence (note 19)

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, 2018 with comparative information for 2017

	Budget 2018	2018	2017
	(notes 2(a) and 17)		
Revenue:			
Municipal contribution	\$ 9,423,000	\$ 9,422,954	\$ 8,994,000
Grants (note 9)	402,200	380,074	420,875
Fines and miscellaneous (note 10)	295,500	280,118	292,864
Donations (note 11)	-	47,524	41,601
Investment income (note 12)	-	19,087	68,438
Gain on sale of tangible capital assets	-	35,803	13,501
	10,120,700	10,185,560	9,831,279
Expenses:			
Salaries and employee benefits	7,374,300	7,160,619	6,821,551
Amortization	1,538,700	1,189,876	1,221,696
Library subscriptions and databases (note 13)	566,300	590,350	516,534
Supplies and equipment services	413,000	239,388	285,283
General and administration	382,000	319,986	299,836
Building, leases and maintenance	350,400	384,750	346,777
Utilities	133,200	131,717	147,090
Contribution for capital improvements (note 18)	-	99,399	172,375
	10,757,900	10,116,085	9,811,142
Annual surplus (deficit)	(637,200)	69,475	20,137
Accumulated surplus, beginning of year	4,588,648	4,588,648	4,568,511
Accumulated surplus, end of year	\$ 3,951,448	\$ 4,658,123	\$ 4,588,648

See accompanying notes to financial statements.

RICHMOND PUBLIC LIBRARY BOARD

Statement of Changes in Net Financial Assets

Year ended December 31, 2018, with comparative information for 2017

	Budget 2018	2018	2017
	(notes 2(a) and 17)		
Annual surplus (deficit)	\$ (637,200)	\$ 69,475	\$ 20,137
Acquisition of tangible capital assets	(892,400)	(1,066,941)	(1,113,754)
Amortization of tangible capital assets	1,538,700	1,189,876	1,221,696
Gain on disposal of tangible capital assets	-	(35,803)	(13,501)
Proceeds on disposal of tangible capital assets	-	39,616	38,689
Increase in prepaid expenses	-	(122,406)	(32,757)
Change in net financial assets	9,100	73,817	120,510
Net financial assets, beginning of year	779,106	779,106	658,596
Net financial assets, end of year	\$ 788,206	\$ 852,923	\$ 779,106

See accompanying notes to financial statements.

RICHMOND PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 69,475	\$ 20,137
Items not involving cash:		
Amortization	1,189,876	1,221,696
Gain on disposal of tangible capital assets	(35,803)	(13,501)
Changes in non-cash operating working capital:		
Due from City of Richmond	(153,496)	(103,355)
Accounts receivable	41,321	4,493
Prepaid expenses	(122,406)	(32,757)
Accounts payable and accrued liabilities	(5,696)	5,374
Deferred revenue	44,054	(27,022)
Net change in cash from operating activities	1,027,325	1,075,065
Capital activities:		
Proceeds on disposal of tangible capital assets	39,616	38,689
Acquisition of tangible capital assets	(1,066,941)	(1,113,754)
Net change in cash from capital activities	(1,027,325)	(1,075,065)
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, 2018

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 and from provincial government grants. In addition, revenue is received from 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.

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 of Canada and include the following specific policies:

(a) Budget data:

The budget data presented in these financial statements is based on the 2018 budget approved by the Board of Trustees on September 27, 2017. 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 determination of accrued sick benefits and useful lives of tangible capital assets. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings 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.

(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.

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued):

(e) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes 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:

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) 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.

(h) 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).

(i) 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.

(j) 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.

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

3. Due from City of Richmond:

Due from City of Richmond is comprised of funds held by the City on behalf of the Library. This balance is non-interest bearing and is due on demand.

4. Accounts payable and accrued liabilities:

	2018	2017
Accounts payable	\$ 252,035	\$ 144,174
Accrued liabilities	10,223	8,500
Accrued payroll liabilities	371,657	501,937
Post-employment benefits (note 7)	541,700	526,700
	\$ 1,175,615	\$ 1,181,311

5. Deferred revenue:

	2018	2017
Balance, beginning of year	\$ 66,811	\$ 93,833
Contributions	91,578	49,558
Revenue recognized	(47,524)	(76,580)
Balance, end of year	\$ 110,865	\$ 66,811

6. Tangible capital assets:

Cost	Balance at			Balance at
	December 31, 2017	Additions	Disposals	December 31, 2018
Library collections	\$ 6,191,136	\$ 903,746	\$ (674,768)	\$ 6,420,114
Furniture and fixture	1,203,787	109,521	-	1,313,308
Equipment	1,652,832	59,196	-	1,712,028
Work in progress	5,522	(5,522)	-	-
	\$ 9,053,277	\$ 1,066,941	\$ (674,768)	\$ 9,445,450

Accumulated amortization	Balance at			Balance at
	December 31, 2017	Amortization	Disposals	December 31, 2018
Library collections	\$ 3,463,185	\$ 1,063,625	\$ (670,955)	\$ 3,855,855
Furniture and fixture	815,429	18,665	-	834,094
Equipment	1,412,510	107,586	-	1,520,096
	\$ 5,691,124	\$ 1,189,876	\$ (670,955)	\$ 6,210,045

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

6. Tangible capital assets (continued):

Net book value	Balance at December 31, 2017	Balance at December 31, 2018
Library collections	\$ 2,727,951	\$ 2,564,259
Furniture and fixture	388,358	479,214
Equipment	240,322	191,932
Work in progress	5,522	-
	\$ 3,362,153	\$ 3,235,405

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:

	2018	2017
Balance, beginning of year	\$ 526,700	\$ 513,700
Current service cost	33,200	30,600
Interest cost	13,900	16,500
Amortization of actuarial gain	(8,200)	(4,300)
Benefits paid	(23,900)	(29,800)
Balance, end of year	\$ 541,700	\$ 526,700

An actuarial valuation for these benefits was performed to determine the Library's accrued benefit obligation as at December 31, 2018. The difference between the actuarially determined accrued benefit obligation of \$452,000 and the liability of \$541,700 as at December 31, 2018 is an unamortized net actuarial gain of \$89,700. This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 10 years.

	2018	2017
Actuarial benefit obligation:		
Accrued liability, end of year	\$ 541,700	\$ 526,700
Unamortized net actuarial gain	(89,700)	(46,500)
Balance, end of year	\$ 452,000	\$ 480,200

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

7. Post-employment benefits (continued):

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

	2018	2017
Discount rate	3.30%	2.90%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary increases	2.50% to 3.00%	2.50% to 3.00%

8. Accumulated surplus:

	2018	2017
Operating:		
Appropriated surplus	\$ 230,313	\$ 291,299
Surplus	1,192,405	935,196
Invested in tangible capital assets	3,235,405	3,362,153
	<u>\$ 4,658,123</u>	<u>\$ 4,588,648</u>

Appropriated surplus includes \$64,879 (2017 - \$165,478) approved for capital expenditures, \$49,030 (2017 - \$9,417) for future capital acquisitions, \$33,401 (2017 - \$33,401) from community foundation interest, and \$83,003 (2017 - \$83,003) for future salary and benefit obligations.

9. Grants:

	2018	2017
Provincial Revenue Sharing Grant (a)	\$ 352,990	\$ 369,836
One Card Grant (b)	20,593	30,299
Government of Canada - Tech Buddies Grant (c)	-	12,274
British Columbia Equity Grant (d)	4,500	4,500
Writers in Library Grant (e)	-	1,800
Resource Sharing Grants (f)	1,991	2,166
	<u>\$ 380,074</u>	<u>\$ 420,875</u>

(a) Provincial Revenue Sharing Grant is funded by the Libraries Branch of the Ministry of Education.

(b) The One Card Grant is provided by the Libraries Branch of the Ministry of Education 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.

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

9. Grants (continued):

- (c) This Government of Canada grant was from the “New Horizons for Seniors” program for a project called “Tech Buddies”.
- (d) British Columbia Equity Grant is awarded by the Libraries Branch of the Ministry of Education 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 (“ESL”).
- (e) The Writers in Library Grant was funded by the Canada Council for the Arts for the secondment of writers to attend libraries and perform readings.
- (f) Resource Sharing Grants - Annual grants are provided to BC public libraries to encourage their participation in the province-wide inter library loan system.

10. Fines and miscellaneous:

	2018	2017
Book fines	\$ 160,382	\$ 173,003
InterLINK revenue	30,068	47,976
Photocopy and printer revenue	50,580	47,289
Miscellaneous	39,088	24,596
	<u>\$ 280,118</u>	<u>\$ 292,864</u>

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.

	2018	2017
Friends of the Library	\$ 35,847	\$ 30,730
Other	11,677	10,871
	<u>\$ 47,524</u>	<u>\$ 41,601</u>

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

12. Investment income:

The Library has endowment funds administered by the Vancouver Foundation and Richmond Community Foundation. The Library receives the net income generated from each fund after deduction of administrative costs.

(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, 2018 (2017 - \$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, 2018, the fair value of the capital in the fund amounted to \$353,839 (2017 - \$372,829).

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, 2018 was \$13,872 (2017 - \$48,087) and is presented as investment income on the statement of operations.

(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 \$135,518 at December 31, 2018 (2017 - \$130,518). The balance is comprised of donations from Friends of the Library (\$44,000) and other donors (\$91,518).

As at December 31, 2018, the fair value of the capital in the fund amounted to \$145,376 (2017 - \$152,250).

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, 2018 was \$5,215 (2017 - \$20,351) and is presented as investment income on the statement of operations.

13. Library subscriptions and databases:

	2018	2017
Digital books and multimedia	\$ 404,472	\$ 335,389
Databases, newspapers and magazines	185,878	181,145
	<u>\$ 590,350</u>	<u>\$ 516,534</u>

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

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, 2018, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 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.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Library paid \$560,852 (2017 - \$501,329) for employer contributions while employees contributed \$485,427 (2017 - \$432,191) to the plan in fiscal 2018.

The next valuation will be as at December 31, 2018, with results available in 2019.

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.

15. Commitments:

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

2019	\$	267,442
2020		171,825
2021		171,825
2022		171,825
2023 and thereafter		157,506

RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

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.

17. Budget data:

The budget data presented in these financial statements is based on the 2018 budget approved by the Board on September 27, 2017. 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	\$ 10,120,700	\$ 10,120,700
Expenses:		
Operating budget	(9,219,200)	(9,219,200)
Less: Transfer to surplus	(9,100)	-
Less: Acquisition of tangible capital assets	(892,400)	-
Less: Amortization of tangible capital assets	-	(1,538,700)
Annual deficit	\$ -	\$ (637,200)

18. Contribution for capital improvements:

In 2018, the Library incurred \$99,399 (2017 - \$172,375) for capital improvements towards Brighthouse Library. As the infrastructure is owned by the City, the Library's contribution is expensed in the year that it was incurred.

19. Economic dependence:

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

20. 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, 2018

	2018			2017		
	Operating	Capital	Total	Operating	Capital	Total
Revenue:						
Municipal contribution	\$ 8,453,604	\$ 969,350	\$ 9,422,954	\$ 7,719,600	\$ 1,274,400	\$ 8,994,000
Grants	380,074	-	380,074	420,875	-	420,875
Fines and miscellaneous	280,118	-	280,118	292,864	-	292,864
Donations	47,524	-	47,524	41,601	-	41,601
Investment income	19,087	-	19,087	68,438	-	68,438
Gain on sale of tangible capital assets	-	35,803	35,803	-	13,501	13,501
	<u>9,180,407</u>	<u>1,005,153</u>	<u>10,185,560</u>	<u>8,543,378</u>	<u>1,287,901</u>	<u>9,831,279</u>
Expenses:						
Salaries and employee benefits	7,160,619	-	7,160,619	6,821,551	-	6,821,551
Amortization	-	1,189,876	1,189,876	-	1,221,696	1,221,696
Library subscriptions and databases	590,350	-	590,350	516,534	-	516,534
Supplies and equipment services	239,388	-	239,388	285,283	-	285,283
General and administration	319,986	-	319,986	299,836	-	299,836
Building, leases and maintenance	384,750	-	384,750	346,777	-	346,777
Utilities	131,717	-	131,717	147,090	-	147,090
Contribution for capital improvements	99,399	-	99,399	172,375	-	172,375
	<u>8,926,209</u>	<u>1,189,876</u>	<u>10,116,085</u>	<u>8,589,446</u>	<u>1,221,696</u>	<u>9,811,142</u>
Annual surplus (deficit)	254,198	(184,723)	69,475	(46,068)	66,205	20,137
Accumulated surplus, beginning of year	435,440	4,153,208	4,588,648	481,508	4,087,003	4,568,511
Accumulated surplus, end of year	<u>\$ 689,638</u>	<u>\$ 3,968,485</u>	<u>\$ 4,658,123</u>	<u>\$ 435,440</u>	<u>\$ 4,153,208</u>	<u>\$ 4,588,648</u>

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2018

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, 2018

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, 2018

	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences etc.)
Board Members		
1) Koch, Susan Chair	\$	\$
2) Leung, Robin Vice-Chair	\$	\$ 143
3) McPhail, Linda Councillor	\$	\$
4) Gillanders, Chaslynn	\$	\$ 143
5) Corr, Traci	\$	\$ 521
6) Cousar, Diane	\$	\$
7) Oye, Jordan	\$	\$ 143
8) Shchedrinskiy, Arseniy	\$	\$
9) Liu, Caty	\$	\$ 119
Total Board Members	\$	\$ 1069

Detailed Employees Exceeding \$75,000		
1) Adams, Kate	\$ 77,857	\$ 753
2) Au, Melanie	\$ 89,291	\$
3) Bechard, Anne	\$ 95,738	\$ 3,679
4) Beecroft, Chad	\$ 80,789	\$
5) Chi, Allen	\$ 78,469	\$ 314
6) Ellis, J. Mark	\$ 119,042	\$ 545
7) Gettel, Cathy	\$ 77,724	\$ 82
8) He, Ping	\$ 93,095	\$ 783
9) Ho, Cindy	\$ 75,818	\$ 1,485
10) Jang, Wendy	\$ 88,500	\$ 18
11) Lo, Dennis	\$ 81,432	\$
12) Rahman, Shaneena	\$ 97,970	\$ 75
13) Smith, Lee Anne	\$ 98,712	\$ 38
14) Vokey, Stephanie	\$ 89,774	\$ 3
15) Walters, Susan	\$ 170,371	\$ 2,825
15) Zhang, Ying	\$ 76,203	\$
Total Detailed Employees Exceeding \$75,000	\$1,490,785	\$10,600

Total Employees Equal to or Less Than \$75,000	\$4,587,136	\$ 6,109
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Prepared as required by Financial Information Regulation, Schedule 1, section 6

Consolidated Total* (Sum of column)	\$6,077,921	\$16,709
Total Employer Premium for Canada Pension Plan and Employment Insurance (Component of Receiver General for Canada Supplier Payment)	DO NOT USE	\$

* Must reconcile to the financial statements. If not, explanation must be provided.

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

Total Remuneration Per Schedule of Remuneration and Expenses:

Board of Trustees	\$0
Employees - Richmond Public Library	\$6,077,921

Total Salaries Per Financial Statements

Salaries and Benefits	\$7,160,619
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The variance between the Schedule of Remuneration and the salaries and benefits expenses reported in the financial statements of the Richmond Public Library are due to various factors including:

- The remuneration schedule is based on actual cash payments made during the fiscal year (including payouts of vacations gratuity, and overtime banks) whereas the financial statement is on an accrual basis;
- The remuneration schedule includes taxable benefits while the financial statements include items such as non-taxable benefits and employer pension contributions.

Prepared as required by Financial Information Regulation, Schedule 1, section 6

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2018

There were no severance agreements made between Richmond Public Library and its non-unionized employees during fiscal year 2018.

Schedule of Changes in Financial Position

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2018

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 Provisions of Goods and Services

Financial Information Act - Statement of Financial Information

Library Name: Richmond Public Library

Fiscal Year Ended: December 31, 2018

Name of Individual, Firm or Corporation	Total Amount Paid During Fiscal Year
Receiver General of Canada Note 1	\$1,517,707
Municipal Pension Fund	\$1,030,935
Library Bound Inc.	\$812,361
Overdrive Inc.	\$225,572
CVS Midwest Tape	\$193,898
Ironwood Developments	\$188,141
Innovative Interfaces Global Limited	\$150,124
Ma Eng-Tech Construction	\$110,933
BC Hydro	\$94,966
Master Care Janitorial	\$86,359
Dorset Realty Group	\$83,341
Convergent Library Technologies Inc.	\$69,015
Public Library Interlink	\$54,360
BC Libraries Cooperative	\$52,796
Heritage Office Furnishings Ltd	\$48,796
Mills Printing & Stationery Co Ltd	\$35,181
Ricoh Canada Inc	\$27,881
Proquest LLC	\$27,862
United Library Services Inc	\$27,467
Bibliocommons Inc	\$25,603
Linkedin Ireland Unlimited Company	\$25,090
Total (Suppliers with payments exceeding \$25,000)	\$4,888,388
Total (Suppliers where payments are \$25,000 or less)	\$ 454,893
Consolidated Total	\$5,343,281

Note 1

The payment to the Receiver General of Canada for 2018 is broken down as follows:

Prepared as required by Financial Information Regulation, Schedule 1, section 7

Income tax	\$ 865,437
CPP (employee and employer)	\$ 467,413
EI (employee and employer)	<u>\$ 184,857</u>
Total	\$ 1,517,707

Reconciliation to financial statements:

Reconciling Items	Total Amount
Total - suppliers with payments exceeding \$25,000	\$4,888,388
Total - suppliers with payments less than \$25,000	\$454,893
Salaries per schedule of remuneration and expenses	\$6,077,921
Other benefits premiums	\$171,078
Amortization	\$1,189,876
Total tangible capital asset additions	-\$1,066,941
Income tax	-\$865,437
Municipal Pension Fund (Employees' portion)	-\$470,083
CPP / EI (Employees' portion)	-\$301,503
Prepaid expenses items including e-book materials	-\$122,406
Janitorial supplies (managed by City of Richmond)	\$112,490
Insurance (managed by City of Richmond)	\$14,100
Vehicle charges (managed by City of Richmond)	\$12,060
City of Richmond Public Works support	\$9,844
Credit Card charges & Foreign exchange	\$2,696
Water and sewer expense from City	\$1,980
Others	\$7,129
Total of Reconciling Items	\$10,116,085
Total per Statement of Operations	\$10,116,085
Variance	\$NIL

Prepared as required by Financial Information Regulation, Schedule 1, section 7

SOFI 2018 – Schedule of Payments for Provision of Goods and Services