

**SASKATOON PUBLIC LIBRARY**

***CONSOLIDATED FINANCIAL  
STATEMENTS***

***December 31, 2020***

## Independent Auditor's Report

To the Board of Trustees of  
Saskatoon Public Library

### Opinion

We have audited the consolidated financial statements of Saskatoon Public Library (the "Library"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively 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 the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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.

### Unaudited Supplementary Information

We draw attention to the fact that the supplementary information included in Schedules 1 to 4 does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

### 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 PSAS, 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.

## **Auditor's 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 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 GAAS 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 financial statements.

As part of an audit in accordance with Canadian GAAS, 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 auditor's 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Library to express an opinion on the 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.

*Deloitte LLP*

Chartered Professional Accountants  
October 20, 2021

**Saskatoon Public Library**  
**Consolidated Statement of Financial Position**

As at December 31, 2020  
(in thousands of dollars)

	<b>2020</b>	2019
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents (Note 3)	\$ 2,881	\$ 207
Due from Related Parties (Note 12)	20,920	23,275
Accounts Receivable	175	53
Interest Receivable	55	81
Deposit	16	-
Investments (Note 5)	<u>14,405</u>	<u>17,761</u>
<b>Total Financial Assets</b>	<b>38,452</b>	<b>41,377</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts Payable	1,302	369
Employee Wages and Benefits Payable	861	1,439
Deferred Revenue	<u>63</u>	<u>10</u>
<b>Total Financial Liabilities</b>	<b>2,226</b>	<b>1,818</b>
<b>Total Net Financial Assets</b>	<b>36,226</b>	<b>39,559</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 6)	28,683	19,691
Prepaid Expenses	<u>273</u>	<u>104</u>
<b>Accumulated Surplus</b>	<b><u>\$ 65,182</u></b>	<b><u>\$ 59,354</u></b>

*See accompanying notes*

Approved by the Board of Directors:



John Thronberg, Vice-Chair, SPL Board



Brett Bradshaw, Chair, SPL Board

**Saskatoon Public Library**  
**Consolidated Statement of Operations**  
For the year ended December 31, 2020  
(in thousands of dollars)

	2020 Budget	<b>2020 Actual</b>	2019 Actual
<b>REVENUES</b>			
Taxation	\$ 26,251	\$ <b>26,162</b>	\$ 24,905
Provincial Funding for Library Consortium	-	<b>16</b>	15
Provincial Grants	688	<b>735</b>	732
Federal Grants	-	<b>9</b>	-
Fines	125	<b>28</b>	113
Interest	-	<b>362</b>	780
Other Revenue	129	<b>478</b>	90
<b>TOTAL REVENUES</b>	<u>27,193</u>	<u><b>27,790</b></u>	<u>26,635</u>
<b>EXPENSES</b>			
Administration	3,585	<b>3,424</b>	3,251
Direct Library Services	6,988	<b>7,456</b>	6,982
Local Branch Services	8,765	<b>7,809</b>	8,566
Services to Branches	1,157	<b>964</b>	1,011
<b>TOTAL EXPENSES</b>	<u>20,495</u>	<u><b>19,653</b></u>	<u>19,810</u>
Excess of Revenues over Expenses before Amortization Expense	6,698	<b>8,137</b>	6,825
Amortization Expense	2,353	<b>2,309</b>	2,353
<b>Surplus of Revenue over Expenses</b>	4,345	<b>5,828</b>	4,472
Accumulated Surplus, Beginning of Year		<b>59,354</b>	54,882
<b>Accumulated Surplus, End of Year</b>		<u><b>\$ 65,182</b></u>	<u>\$ 59,354</u>

See accompanying notes

# Saskatoon Public Library

## Consolidated Statement of Changes in Net Financial Assets

As at December 31, 2020  
(in thousands of dollars)

	2020	<b>2020</b>	2019
	Budget Note 10	<b>Actual</b>	Actual
Surplus of Revenues over Expenses	\$ 4,345	<b>\$ 5,828</b>	\$ 4,472
Acquisition of Tangible Capital Assets	(11,000)	<b>(11,587)</b>	(3,948)
Loss on Tangible Capital Assets written down	-	<b>286</b>	-
Amortization of Tangible Capital Assets	2,353	<b>2,309</b>	2,353
Deficit of Capital Expenditures over Expenditures	(8,647)	<b>(8,992)</b>	(1,595)
Net Change in Prepaid Expenses	-	<b>(169)</b>	(6)
Deficit from other Non-Financial Expenditures	(8,647)	<b>(9,161)</b>	(1,601)
(Decrease) increase in Net Financial Assets	(4,302)	<b>(3,333)</b>	2,871
Net Financial Assets, Beginning of Year	39,559	<b>39,559</b>	36,688
<b>Net Financial Assets, End of Year</b>	<b>\$ 35,257</b>	<b>\$ 36,226</b>	\$ 39,559

*See accompanying notes*

# Saskatoon Public Library Consolidated Statement of Cash Flow

As at December 31, 2020  
(in thousands of dollars)

	<b>2020</b>	<b>2019</b>
<b>Operating Activities:</b>		
Surplus of revenues over expenses	\$ 5,828	\$ 4,472
Changes in Non-Cash Items		
Due from Related Parties	2,355	(5,271)
Accounts Receivable	(122)	(53)
Prepaid Expenses	(169)	(6)
Interest Receivable	26	16
Accounts Payable	933	160
Employee Benefits Payable	(578)	628
Leasehold Deposit	(16)	-
SILS - Member deposits	-	35
Deferred Revenue	53	(6)
Loss on Tangible Capital Assets written down	286	-
Amortization of Tangible Capital Assets	<u>2,309</u>	<u>2,353</u>
Net Cash From Operating Activities	<u>10,905</u>	<u>2,328</u>
<b>Investing Activities:</b>		
Purchase of Investments	(13,661)	(8,097)
Proceeds from Disposal of Investments	17,017	7,586
Net Cash From Investing Activities	<u>3,356</u>	<u>(511)</u>
<b>Capital Activities:</b>		
Purchase of Tangible Capital Assets	<u>(11,587)</u>	<u>(3,948)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,674</b>	<b>(2,131)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>207</u>	<u>2,338</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,881</u>	<u>\$ 207</u>

See accompanying notes

**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

---

**1. PURPOSE AND AUTHORITY**

Saskatoon Public Library (the “Library”) offers services and programs under the authority of The Public Libraries Act, 1996. The purpose of the Library is to ensure the provision of library services, as set out in the Act, within the boundaries of the Library’s municipal area as established by regulation. The Library is exempt from income taxes under the Income Tax Act.

**2. ACCOUNTING POLICIES**

These consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”) as recommended by the Chartered Professional Accountants of Canada (“CPA Canada”).

**A) BASIS OF CONSOLIDATION**

- i) These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the general fund (Schedule 3) and reserve funds (Schedule 1). In addition, the consolidated reporting entity includes the Library’s interest in the Saskatchewan Information & Library Services Consortium (“SILS”) which has been proportionately consolidated. Any balances or transactions between the Library and SILS have been eliminated through the consolidation process.
- ii) Schedule 3 includes only those revenues and expenses reflected in the Library’s Annual Operating Budget, which is prepared to identify the Library’s property tax requirement.

**B) ACCOUNTING POLICIES**

- i) **Cash and Cash Equivalents**  
Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, with maturities of three months or less from the date of acquisition.
- ii) **Investments**  
All investments are recorded at amortized cost using the effective interest rate method.

Temporary investments consist of Canada treasury bills, commercial acceptances, and commercial paper.

Portfolio investments consist of municipal government and corporate bonds. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis.

When there has been a loss in a value of an investment that is other than temporary decline, the investment is written down to recognize the loss and the loss is recognized in the consolidated statement of operations.



**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

---

**2. ACCOUNTING POLICIES** (continued)

iii) Financial and Non-financial Assets and Liabilities

Financial assets and financial liabilities have been presented separately from the non-financial assets of the Library on the Consolidated Statement of Financial Position. A financial asset is defined as an asset that can be used to discharge existing liabilities or finance future operations and is not for consumption in the normal course of operations. A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. Non-financial assets are those that are normally employed to provide future services and have useful lives extending beyond the current year. Non-financial assets include tangible capital assets and prepaid expenses.

iv) 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:

Library Assets

Buildings	50 years
Land Improvements	30 years
Furniture and Fixtures	20 years
Books and Audio-Visual information	10 years
Periodicals	2 years
Computer Software	8 years
Computer Equipment	4 years

A full year's amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for use. Interest costs for the construction and development of tangible capital assets are capitalized.

a) Buildings and Leasehold Improvements

The Library operates several facilities on municipal reserve and other City of Saskatoon (the "City") land where residual ownership reverts to the City. These buildings have not been capitalized in the consolidated financial statements of the Library. Leasehold Improvements paid for by the Library in City owned buildings have been capitalized and amortized.

b) Cultural, historical and works of art

The Library owns various works of art and historical artifacts. These assets are not recorded as tangible capital assets and are expensed as acquired.

**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

---

**2. ACCOUNTING POLICIES** (continued)

v) Revenues and Expenses

Taxation revenue is recognized when authorized, the taxable event occurred, and collectability is expected.

Government transfers are recognized as revenue when authorized, all eligibility criteria are met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. For transfers with stipulations, revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are accounted for following the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year which related expenses are incurred.

Fine revenues are accounted for in the period when the payments have been received. Revenue from other fees and services are recognized in the year they are earned.

Expenses are reported on an accrual basis of accounting and expenses are accounted for in the period in which the goods and services are acquired and a liability is incurred.

vi) Employee Benefits

Employees of the Library participate in a multi-employer defined benefit pension plan. The Library follows defined contribution accounting for its participation in the plan. Accordingly, the Library expenses all contributions it is required to make in the year.

vii) Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Significant estimates include the amortization of tangible capital assets.

viii) Related Party

Parties are considered related when one party has the ability to exercise control or shared control over the other, it could be an individual or an entity. Key management personnel include members of council, general managers and their close family members including their spouse and dependents. Disclosure include information about the types of related party transactions and the relationship underlying them especially when they have occurred at a value different from that which would have been arrived at if the parties were unrelated; and they have, or could have, a material financial effect on the financial statements.

**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

---

**2. ACCOUNTING POLICIES** (continued)

vii) Future Accounting Policies Changes

A number of new standards and amendments to standards which may impact the Library are not yet effective for the year ended December 31, 2020 and have not been applied in preparing these consolidated financial statements. In particular, the following new standards and amendments to standards are effective for financial statements beginning on or after:

PS2601	Foreign Currency Translation	April 1, 2022
PS3041	Portfolio Investments	April 1, 2022
PS3280	Asset Retirement Obligations	April 1, 2022
PS3450	Financial Instruments	April 1, 2022
PS1201	Financial Statement Presentation	April 1, 2022
PS3400	Revenue	April 1, 2023

The extent of the impact on adoption of these standards is not known at this time.

**3. CASH AND CASH EQUIVALENTS**

	<b>2020</b>	2019
Cash and cash equivalents	<b>\$2,656</b>	\$ 60
Cash and cash equivalents (SILS)	<b>225</b>	147
	<b><u>\$2,881</u></b>	<b><u>\$ 207</u></b>

**4. INVESTMENT IN GOVERNMENT PARTNERSHIPS**

In 2008, the Saskatoon Public Library entered into a partnership with the Regina Public Library, the Saskatchewan Regional Libraries and the Province of Saskatchewan to establish a single integrated library information system for the Province, providing a common experience for library users throughout the Province. Subsequently, SILS was incorporated on November 6, 2009 as a non-profit organization. SILS is funded by grants from the Ministry of Education, Government of Saskatchewan and the member libraries. The member libraries share in the annual operating expenses based on a service level formula.

**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

**4. INVESTMENT IN GOVERNMENT PARTNERSHIPS (Continued)**

The condensed supplementary financial information of SILS is as follows:

	<b>2020</b>	2019
<b>Statement of Financial Position</b>		
Financial Assets	<b>\$ 2,883</b>	\$ 2,736
Financial Liabilities	<b>689</b>	706
<b>Net Financial Assets</b>	<b>2,194</b>	2,030
Non-Financial Assets	<b>326</b>	325
<b>Accumulated Surplus</b>	<b>\$ 2,520</b>	\$ 2,355
<b>Statement of Operations</b>		
Revenue	<b>1,282</b>	1,260
Expenses	<b>1,117</b>	1,138
<b>Annual Surplus</b>	<b>\$ 165</b>	\$ 122

The financial statements shown above are proportionately consolidated with the Library financial statements at 25.37% (2019 – 25.01%) the Library's interest in SILS. After eliminating intercompany transactions, the following amounts have been included in the consolidated financial statements:

	<b>2020</b>	2019
<b>Statement of Financial Position</b>		
Financial Assets	<b>\$ 732</b>	\$ 634
Financial Liabilities	<b>175</b>	126
<b>Net Financial Assets</b>	<b>557</b>	508
Non-Financial Assets	<b>82</b>	81
<b>Accumulated Surplus</b>	<b>\$ 639</b>	\$ 589
<b>Statement of Operations</b>		
Revenue	<b>325</b>	315
Expenses	<b>(283)</b>	(285)
<b>Annual Surplus</b>	<b>\$ 42</b>	\$ 30

**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

---

**5. INVESTMENTS**

	<b>Cost</b>		<b>Market</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
SILS current investments	<b>\$ 500</b>	\$ 483	<b>\$ 500</b>	\$ 483
Temporary investments	<b>1,024</b>	3,806	<b>1,024</b>	3,816
Portfolio investments	<b>12,882</b>	13,472	<b>13,110</b>	13,130
	<b>\$ 14,405</b>	\$ 17,761	<b>\$ 14,134</b>	\$ 17,429

There were money market securities worth \$1,024 held at December 31, 2020 (2019, \$3,806). Municipal government and corporate bonds had maturities between 2022 –2024 (2019, 2020-2024) with effective interest rates of 1.9% to 3.2% (2019, 1.4% to 4.5%). SILS current investments consist of term deposits that mature June 2021 with effective interest rates of 1.00% to 1.55%. (2019: maturity is 2020 with effective interest rates of 1% to 1.95%).

**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

**6. TANGIBLE CAPITAL ASSETS**

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals & Write-downs	Balance End of Year	Accumulated Amortization Beginning of Year	Disposals & write-downs	Amortization	Accumulated Amortization End of Year	2020	2019
Land	\$ 278	\$ 9,000	\$ -	\$ 9,278	\$ -	\$ -	\$ -	\$ -	<b>\$9,278</b>	\$ 278
Land Improvements	341	-	-	341	(250)	-	(11)	(261)	<b>80</b>	91
Buildings	8,286	344	-	8,630	(2,059)	-	(173)	(2,232)	<b>6,398</b>	6,227
Furniture & Fixtures	5,806	397	(366)	5,837	(1,367)	366	(255)	(1,256)	<b>4,581</b>	4,439
Computer Equipment	978	162	(138)	1,002	(544)	138	(251)	(657)	<b>345</b>	434
Books	10,509	832	(980)	10,361	(5,658)	980	(1,036)	(5,714)	<b>4,647</b>	4,851
Audio-Visual Materials	5,172	404	(386)	5,190	(2,707)	386	(519)	(2,840)	<b>2,350</b>	2,465
Periodicals	145	59	(76)	128	(110)	76	(64)	(98)	<b>30</b>	35
Work in Progress-buildings	871	389	(286)	974	-	-	-	-	<b>974</b>	871
<b>Total</b>	<b>\$ 32,386</b>	<b>\$ 11,587</b>	<b>\$(2,232)</b>	<b>\$ 41,741</b>	<b>\$(12,695)</b>	<b>\$ 1,946</b>	<b>\$(2,309)</b>	<b>\$(13,058)</b>	<b>\$ 28,683</b>	<b>\$ 19,691</b>

**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

---

**7. LIBRARY RESERVES AND APPROPRIATED BALANCES (Schedule 1)**

	2020 Beginning Balance	2020 Ending Balance
Capital Expansion Reserve	\$ 13,169	<b>\$ 15,449</b>
Equipment Replacement Reserve	2,444	<b>2,554</b>
New Central Library Reserve	16,475	<b>11,001</b>
Maintenance Reserves	4,407	<b>4,455</b>
Materials Stabilization Reserve	165	<b>166</b>
Levy Stabilization Reserve	414	<b>416</b>
IT Reserve	1,673	<b>1,461</b>
Other Funds	<u>327</u>	<u><b>358</b></u>
Total Library Reserves and Funds	<b>\$ 39,074</b>	<b>\$ 35,860</b>
Employee Benefits Payable	-	-
Library Tangible Capital Assets	19,691	<b>28,683</b>
SILS Accumulated Surplus	589	<b>639</b>
SILS Consolidated Adjustment entry	<u>-</u>	<u>-</u>
Consolidated Accumulated Surplus	<b>\$ 59,354</b>	<b>\$ 65,182</b>

**A) Library Reserves**

Of the total Reserve balance of \$ 35,860 (2019 - \$ 39,074), \$ 24,554 (2019 - \$ 3,348) has been committed for future expenditures based on 2020 and prior years' Capital Budgets and Board approvals.

The withdrawal of funding from these reserves is directed by the Library's Board of Trustees.

**B) SILS Reserves & Surplus**

The Saskatoon Public Library's share of SILS net financial assets is \$639 for 2020 (2019 - \$589).

**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

**8. PURCHASE OF LIBRARY MATERIALS**

For information purposes, the following is information on the Library's purchases of library materials for 2020 in comparison to 2019 actual and 2020 Budget.

<b>Tangible Capital Assets (Note 6)</b>	2020 Budget	<b>2020 Actual</b>	2019 Actual
Books	\$ 1,132	<b>\$ 832</b>	\$ 1,138
Audio-Visual Materials	525	<b>404</b>	499
Periodicals	74	<b>59</b>	70
<b>Total Tangible Capital Assets</b>	<b>1,731</b>	<b>1,295</b>	1,707
Library Materials	746	<b>868</b>	782
<b>Total Purchases of Library Materials</b>	<b>\$ 2,477</b>	<b>\$ 2,162</b>	\$ 2,490

**9. PENSION EXPENSE**

Employees of the Library participate in retirement plans with the City of Saskatoon (a related party) who is responsible for the plans. The General Superannuation Plan is treated as a multi-employer defined benefit plan for the purpose of the Library's financial statements. It provides for a benefit that is integrated with the Canada Pension Plan and is based on years of contributory service times a percentage of average earnings. The Part Time and Seasonal Employee Superannuation Plan is a defined contribution plan, and provides a benefit based on the annuity that can be purchased with the funds in the employee's account (i.e. a money purchase plan). Pension fund assets are invested entirely in marketable investments of organizations external to the City and its subsidiaries.

The boards of trustees, representing plan members and employers, are responsible for administering the plans, including investment of assets and administration of benefits. As at December 31, 2020 General Superannuation Plan had 186 active members and 120 retired members; the Seasonal and Non-Permanent Part Time Employees Plan had 18 active members. The Library's obligation to the plans is limited to making required payments to match amounts contributed by employees for current services. The library records its pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting).

Pension expense for the year amounted to \$778 (2019 - \$ 778) and is included in wages/benefits in Schedule 3.

**10. BUDGETED FIGURES**

Budgeted figures represent consolidated budget of SILS and the Library and have been derived from the estimates approved by the Board of Trustees on June 19, 2019.



**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

---

**11. COMMITMENTS**

The Library is obligated under long-term agreements for premises leased from the City of Saskatoon, Saskatoon Housing Authority, and Luthercare Holdings. Minimum future payments required under these agreements over the next five years are as follows:

2021	\$ 417
2022	434
2023	434
2024	331
2025	331

The Library has an administrative agreement with the City of Saskatoon. Facility service charges are set annually and are disclosed in note 12. The expected charges for the next financial year end is \$1,432,400.

The Library has signed new contracts with various parties for their New Central Library project for an amount of \$7.6m. The amount committed over the next five years are as follows:

2021	\$ 765
2022	143
2023	3,701
2024	149
2025	1,220

**12. RELATED PARTY TRANSACTIONS**

The Library leases several buildings from the City of Saskatoon at \$ nil (2019 - \$nil) value. Total lease expense recorded with the City is \$nil (2019, \$nil). Facility service charge is \$1,847,000 (2019 - \$1,851,170).

The City of Saskatoon holds investments and reserves on behalf of the Library. The Library's due from balance is due from the City of Saskatoon for their share of these investments net of other receivable and payable balances.

**13. CONTRACTUAL RIGHTS**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Library's contractual rights arise because of contracts entered for short term leases. Contractual rights arise from the normal course of business and are not reflected in the consolidated financial statements until revenues or assets are received. The following table summarizes the contractual rights of the Library for future lease rental income over the next two years:

2021	\$339
2022	\$170

**SASKATOON PUBLIC LIBRARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands of dollars)

---

**14. COVID 19**

During the year, there was a global outbreak of COVID-19 which was declared a pandemic by the World Health Organization on March 11, 2020. Since the first quarter of 2020, the COVID-19 pandemic has impacted the global economic environment due to federal, provincial and municipal government imposed lockdowns and social distancing requirements. Management continues to assess the impact of the COVID-19 pandemic on its operations and by implementing measures as governed by the Government. At this time, the full extent of the financial impact is currently indeterminable due to the evolving nature of the COVID-19 pandemic.

**Schedule 1**  
**Saskatoon Public Library**  
**Schedule of Reserves**  
**As at December 31, 2020**  
**(in thousands of dollars)**  
**(Unaudited)**

	<b>2020 Beginning Balance</b>	<b>Transfers to Reserves</b>	<b>Net Additions to Tangible Capital Assets</b>	<b>Transfers out ( Expenses)</b>	<b>Donations</b>	<b>Interest Earnings</b>	<b>Amortization Expenses</b>	<b>2020 Ending Balance</b>
<b>Library Reserves</b>								
Capital Expansion Reserve	\$ 13,169	\$ 1,806	\$ 285	\$ (24)	\$ -	\$ 213	\$ -	\$ 15,449
Equipment Replacement Reserve	2,444	146	(78)	(5)	-	47	-	2,554
New Central Library Reserve	16,475	3,990	(9,525)	-	-	61	-	11,001
Maintenance Reserves	4,407	482	(455)	-	-	21	-	4,455
Materials Stabilization Reserve	165	-	-	-	-	1	-	166
Levy Stabilization	414	-	-	-	-	2	-	416
IT Reserve	1,673	-	(220)	-	-	8	-	1,461
Other Funds	327	-	-	-	30	1	-	358
<b>Total Library Reserves and Funds</b>	<b>39,074</b>	<b>6,424</b>	<b>(9,993)</b>	<b>(29)</b>	<b>30</b>	<b>354</b>	<b>-</b>	<b>35,860</b>
Library Tangible Capital Assets	19,691	-	11,586	(285)	-	-	(2,309)	\$ 28,683
SILS Accumulated Surplus	589	8	-	20	14	8	-	639
<b>Consolidated Accumulated Surplus</b>	<b>\$ 59,354</b>	<b>\$ 6,432</b>	<b>\$ 1,593</b>	<b>\$ (294)</b>	<b>\$ 44</b>	<b>\$ 362</b>	<b>\$ (2,309)</b>	<b>\$ 65,182</b>

**Schedule 2**  
**Saskatoon Public Library**  
**Schedule of Capital Operations**  
For the Year Ended December 31, 2020  
(in thousands of dollars)  
(Unaudited)

	<u>2020</u>	<u>2019</u>
<b>SOURCE OF FUNDS</b>		
Capital Expansion Reserve	\$ 15	\$ 1,684
Equipment Replacement Reserve	78	49
Information Technology Reserve	220	147
New Central Library Reserve	9,525	186
Maintenance Reserves	455	115
Friends of the Library Donation	-	37
	<u>10,292</u>	<u>2,218</u>
<b>EXPENSES</b>		
Equipment Expansion	57	-
Equipment Replacement	320	86
Information Technology	163	202
Branch Renovations	228	1,629
Land	9,000	-
WIP	525	323
	<u>10,292</u>	<u>2,240</u>
<b>INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>	<b>10,292</b>	<b>2,240</b>
<b>Total Expenses</b>	<u>-</u>	<u>-</u>
<b>Unexpended Capital Financing, Beginning of Year</b>	<u>-</u>	<u>-</u>
<b>Unexpended Capital Financing, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>

**Schedule 3**  
**Saskatoon Public Library**  
**Schedule of General Fund Revenues and Expenditures**  
For the Year Ended December 31, 2020  
(in thousands of dollars)  
(Unaudited)

	2020 Budget	2020 Actual	2019 Actual
<b>REVENUES</b>			
<b>Taxation</b>			
Property Levy	\$ 26,199	\$ 26,080	\$ 24,871
Municipal Service Agreement	53	82	34
	<u>26,252</u>	<u>26,162</u>	<u>24,905</u>
<b>Government Grants</b>			
Province of Saskatchewan	668	710	716
Federal Government of Canada	-	7	-
	<u>668</u>	<u>717</u>	<u>716</u>
<b>Fines</b>			
Overdue books	125	28	113
<b>Other Revenue</b>			
Copier Revenues	15	3	12
Auditorium Rental	40	7	34
Lost and Damaged Items	17	5	14
Other	77	462	54
	<u>149</u>	<u>477</u>	<u>114</u>
<b>TOTAL REVENUE</b>	<u>27,194</u>	<u>27,384</u>	<u>25,848</u>
<b>EXPENSES</b>			
<b>Administration</b>			
Wages/Benefits, Honoraria/Grants	1,830	2,286	1,871
Purchase of Goods & Services	1,696	1,082	1,293
Tax Abatements	58	58	56
	<u>3,584</u>	<u>3,426</u>	<u>3,220</u>
<b>Direct Library Services</b>			
Wages/Benefits, Honoraria/Grants	5,758	6,122	5,876
Purchase of Goods & Services	483	293	324
Library Materials	746	868	782
	<u>6,987</u>	<u>7,283</u>	<u>6,982</u>
<b>Local Branch Services</b>			
Wages/Benefits, Honoraria/Grants	5,531	5,021	5,435
Purchase of Goods & Services	3,235	2,789	3,201
	<u>8,766</u>	<u>7,810</u>	<u>8,636</u>
<b>Services to Branches</b>			
Wages/Benefits, Honoraria/Grants	420	436	456
Purchase of Goods & Services	738	691	570
	<u>1,158</u>	<u>1,127</u>	<u>1,026</u>
<b>TOTAL EXPENSES</b>	<u>20,495</u>	<u>19,646</u>	<u>19,864</u>
<b>Revenues less Expenses</b>	\$ 6,699	\$ 7,738	\$ 5,984
Transfers to Reserves	(4,968)	(4,968)	(4,221)
Tangible Capital Asset Purchases	(1,731)	(1,295)	(3,948)
	<u>-</u>	<u>1,475</u>	<u>(2,185)</u>
<b>Net General Fund deficit</b>	<u>\$ -</u>	<u>\$ 1,475</u>	<u>\$ (2,185)</u>

**Schedule 4**  
**Saskatoon Public Library**  
**Schedule of Expenses by Object**  
**For the Year Ended December 31, 2020**  
(in thousands of dollars)  
(Unaudited)

	2020 Budget	Administration	Direct Library Services	Local Branch Services	Services to Branches	<b>2020 Actual</b>	2019 Actual
Wages/Benefits, Honoraria/Grants	\$ 13,539	\$ 2,286	\$ 6,122	\$ 5,021	\$ 436	<b>\$ 13,865</b>	\$ 13,638
Purchased Goods and Services	6,152	1,082	293	2,789	691	<b>\$ 4,855</b>	5,388
Library Materials (Note 8)	746	-	868	-	-	<b>\$ 868</b>	782
Tax Abatements	<u>58</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>\$ 58</u></b>	<u>56</u>
	<b><u>\$ 20,495</u></b>	<b><u>\$ 3,426</u></b>	<b><u>\$ 7,283</u></b>	<b><u>\$ 7,810</u></b>	<b><u>\$ 1,127</u></b>	<b><u>\$ 19,646</u></b>	<b><u>\$ 19,864</u></b>