

SASKATOON PUBLIC LIBRARY

***CONSOLIDATED FINANCIAL
STATEMENTS***

December 31, 2021

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, 2021, 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, 2021, 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
June 15, 2022

Saskatoon Public Library Consolidated Statement of Financial Position

As at December 31, 2021
(in thousands of dollars)

	2021	2020
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 3)	\$ 409	\$ 2,881
Due from Related Parties (Note 12)	25,948	20,920
Accounts Receivable	96	175
Interest Receivable	77	55
Deposit	16	16
Investments (Note 5)	18,465	14,405
Total Financial Assets	45,011	38,452
FINANCIAL LIABILITIES		
Accounts Payable	2,312	1,302
Employee Wages and Benefits Payable	783	861
Deferred Revenue	11	63
Total Financial Liabilities	3,106	2,226
Total Net Financial Assets	41,905	36,226
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 6)	29,279	28,683
Prepaid Expenses	389	273
Accumulated Surplus	\$ 71,573	\$ 65,182

See accompanying notes

Approved by the Board of Directors:



Elise Truscott, Vice-Chair, SPL Board



Brett Bradshaw, Chair, SPL Board

Saskatoon Public Library Consolidated Statement of Operations

For the year ended December 31, 2021

(in thousands of dollars)

	2021 Budget	2021 Actual	2020 Actual
REVENUES			
Taxation	\$ 27,525	\$ 27,448	\$ 26,162
Provincial Funding for Library Consortium	-	16	16
Provincial Grants	688	760	735
Federal Grants	-	-	9
Fines	-	-	28
Interest	-	284	362
Other Revenue	254	436	478
TOTAL REVENUES	<u>28,467</u>	<u>28,944</u>	<u>27,790</u>
EXPENSES			
Administration	3,635	3,415	3,424
Direct Library Services	7,369	7,326	7,456
Local Branch Services	8,807	8,591	7,809
Services to Branches	1,243	1,068	964
TOTAL EXPENSES	<u>21,054</u>	<u>20,400</u>	<u>19,653</u>
Excess of Revenues over Expenses before Amortization Expense	7,413	8,544	8,137
Amortization Expense	2,153	2,153	2,309
Surplus of Revenue over Expenses	5,260	6,391	5,828
Accumulated Surplus, Beginning of Year		65,182	59,354
Accumulated Surplus, End of Year		<u>\$ 71,573</u>	<u>\$ 65,182</u>

See accompanying notes

Saskatoon Public Library
Consolidated Statement of Changes in Net Financial Assets
As at December 31, 2021
(in thousands of dollars)

	2021 Budget Note 10	2021 Actual	2020 Actual
Surplus of Revenues over Expenses	\$ 5,260	\$ 6,391	\$ 5,828
Acquisition of Tangible Capital Assets	(2,748)	(2,748)	(11,587)
Loss on Tangible Capital Assets written down	-	-	286
Amortization of Tangible Capital Assets	2,153	2,153	2,309
Deficit of Capital Expenditures over Expenditures	(595)	(595)	(8,992)
Net Change in Prepaid Expenses	-	(117)	(169)
Deficit from other Non-Financial Expenditures	(595)	(712)	(9,161)
Increase in Net Financial Assets	4,665	5,679	(3,333)
Net Financial Assets, Beginning of Year	36,226	36,226	39,559
Net Financial Assets, End of Year	\$ 40,891	\$ 41,905	\$ 36,226

See accompanying notes

Saskatoon Public Library Consolidated Statement of Cash Flow

As at December 31, 2021
(in thousands of dollars)

	2021	2020
Operating Activities:		
Surplus of revenues over expenses	\$ 6,391	\$ 5,828
Changes in Non-Cash Items		
Loss on Tangible Capital Assets written down	-	286
Amortization of Tangible Capital Assets	2,153	2,309
Changes in Working Capital		
Due from Related Parties	(5,028)	2,355
Accounts Receivable	79	(122)
Interest Receivable	(22)	26
Deposit	-	(16)
Accounts Payable	786	933
Employee Benefits Payable	(78)	(578)
Deferred Revenue	(52)	53
Prepaid Expenses	(117)	(169)
	4,112	10,905
Investing Activities:		
Purchase of Investments	(5,090)	(13,661)
Proceeds from Disposal of Investments	1,030	17,017
	(4,060)	3,356
Capital Activities:		
Purchase of Tangible Capital Assets	(2,524)	(11,587)
(Decrease) Increase in Cash and Cash Equivalents	(2,472)	2,674
Cash and Cash Equivalents, Beginning of Year	2,881	207
Cash and Cash Equivalents, End of Year	\$ 409	\$ 2,881

See accompanying notes

SASKATOON PUBLIC LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 and reserve funds. 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.

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, 2021
(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 and 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 Equipment	4 years

Amortization is charged monthly 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. 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.

v) Revenues and Expenses

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

SASKATOON PUBLIC LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In thousands of dollars)

2. ACCOUNTING POLICIES (continued)

v) Revenue and Expenses (continued)

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 that give rise to an obligation, revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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 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 of 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 spouses and dependents. The disclosure includes 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.

ix) 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, 2021, 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.

SASKATOON PUBLIC LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In thousands of dollars)

3. CASH AND CASH EQUIVALENTS

	2021	2020
Cash and cash equivalents	\$ 193	\$ 2,656
Cash and cash equivalents (SILS)	216	225
	\$ 409	\$ 2,881

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, the Government of Saskatchewan, and the member libraries. The member libraries share annual operating expenses based on a service level formula.

The condensed supplementary financial information of SILS is as follows:

	2021	2020
Statement of Financial Position		
Financial Assets	\$ 2,897	\$ 2,883
Financial Liabilities	682	689
Net Financial Assets	2,215	2,194
Non-Financial Assets	321	326
Accumulated Surplus	\$ 2,536	\$ 2,520
Statement of Operations		
Revenue	1,261	1,282
Expenses	1,245	1,117
Annual Surplus	\$ 16	\$ 165

SASKATOON PUBLIC LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In thousands of dollars)

4. INVESTMENT IN GOVERNMENT PARTNERSHIPS (continued)

The financial statements shown above are proportionately consolidated with the Library's financial statements at 25.36% (2020 – 25.37%) of the Library's interest in SILS. After eliminating intercompany transactions, the following amounts have been included in the consolidated financial statements:

	2021	2020
Statement of Financial Position		
Financial Assets	\$ 685	\$ 732
Financial Liabilities	123	175
Net Financial Assets	562	557
Non-Financial Assets	81	82
Accumulated Surplus	\$ 643	\$ 639
Statement of Operations		
Revenue	320	325
Expenses	(316)	(283)
Annual Surplus (Deficit)	\$ 4	\$ 42

5. INVESTMENTS

	Cost		Market	
	2021	2020	2021	2020
SILS Current investments	\$ 508	\$ 500	\$ 500	\$ 500
Temporary investments	-	1,024	-	1,024
Portfolio investments	17,957	12,882	17,817	13,110
	\$ 18,465	\$ 14,405	\$ 18,317	\$ 14,134

There were money market securities worth \$nil held at December 31, 2021 (2020, \$1,024). Municipal government and corporate bonds had maturities between 2022 –2026 (2020, 2022-2024) with effective interest rates of 0.95% to 3.75% (2020, 1.9% to 3.2%). SILS Current investments consist of term deposits that mature June 2022 with effective interest rates of 0.75% (2020; maturity is 2021 with effective interest rates of 1.00% to 1.55%).

SASKATOON PUBLIC LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	Tangible Capital Assets 2021	2020
Land	\$ 9,278	\$ -	\$ -	\$ 9,278	\$ -	\$ -	\$ -	\$ -	\$ 9,278	\$ 9,278
Land Improvements	341	-	-	341	(262)	-	(11)	(273)	68	80
Buildings	8,631	2	-	8,633	(2,232)	-	(173)	(2,405)	6,228	6,398
Furniture & Fixtures	5,837	31	-	5,868	(1,257)	-	(299)	(1,556)	4,312	4,581
Computer Equipment	1,003	36	-	1,039	(657)	-	(214)	(871)	168	345
Books	10,361	965	(1,106)	10,220	(5,713)	1,106	(942)	(5,549)	4,671	4,647
Audio-Visual Materials	5,191	364	(390)	5,165	(2,841)	390	(480)	(2,931)	2,235	2,350
Periodicals	129	58	(70)	117	(99)	70	(34)	(63)	54	30
Work In Progress-buildings	974	1,292	-	2,266	-	-	-	-	2,266	974
Total	\$ 41,745	\$ 2,748	\$(1,566)	\$ 42,927	\$(13,061)	\$ 1,566	\$(2,153)	\$(13,648)	\$ 29,279	\$ 28,683

SASKATOON PUBLIC LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In thousands of dollars)

7. LIBRARY RESERVES AND APPROPRIATED BALANCES

	2021 Beginning Balance	2021 Ending Balance
Capital Expansion Reserve	\$ 15,449	\$ 16,551
Equipment Replacement Reserve	2,554	2,635
New Central Library Reserve	11,001	14,443
Maintenance Reserves	4,455	4,917
Materials Stabilization Reserve	166	166
Levy Stabilization Reserve	416	416
Materials Purchase Reserve	-	99
IT Reserve	1,461	2,027
Other Funds	358	397
Total Library Reserves and Funds	<u>\$ 35,860</u>	<u>\$ 41,651</u>
Library Tangible Capital Assets	28,683	29,279
SILS Accumulated Surplus	639	643
Consolidated Accumulated Surplus	<u>\$ 65,182</u>	<u>\$ 71,573</u>

A) Library Reserves

Of the total Reserve balance of \$ 41,652 (2020 - \$ 35,860), \$ 25,611 (2020 - \$24,554 has been committed for future expenditures based on 2021 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 \$643 for 2021 (2020 - \$639).

SASKATOON PUBLIC LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 2021 in comparison to 2020 actual and 2021 Budget.

Tangible Capital Assets (Note 6)	2021 Budget	2021 Actual	2020 Actual
Books	\$ 1,132	\$ 965	\$ 832
Audio-Visual Materials	550	364	404
Periodicals	74	58	59
Total Tangible Capital Assets	1,756	1,387	1,295
Library Materials	753	812	868
Total Purchases of Library Materials	\$ 2,509	\$ 2,199	\$ 2,162

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, 2021 General Superannuation Plan had 190 active members and 124 retired members; the Seasonal and Non-Permanent Part Time Employees Plan had 19 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). Because the plans record accrued liabilities and accrued assets in aggregate, this results in no consistent and reliable basis for allocating the obligation, assets and costs separately to the various employers participating in the plans (City of Saskatoon, Saskatoon Public Library, SaskTel Centre, Remai Modern, and TCU Place.)

Pension expense for the year amounted to \$950 (2020 - \$ 915) and is included in wages/benefits.

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 November 18, 2020.

SASKATOON PUBLIC LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 not related to maintenance and utility costs required under these agreements over the next five years are as follows:

2022	\$ 666
2023	469
2024	385
2025	334
2026	3

The Library has an administrative agreement, a facility service agreement, and an energy management agreement with the City of Saskatoon. The fees with these agreements are set annually and disclosed in note 12.

The Library has signed new contracts with various parties for their New Central Library project for \$8.4m. The amount committed over the next five years are as follows:

2022	\$ 1,453
2023	1,681
2024	1,652
2025	1,637
2026	649

12. RELATED PARTY TRANSACTIONS

The Library leases several buildings from the City of Saskatoon at \$ nil (2020, \$nil) value; ownership of the buildings remains with the City and reverts to them should the Library vacate the premises. Total lease expense recorded with the City is \$nil (2020, \$nil), administration service agreement is \$315 (2020, \$315), facility service agreement is \$1,434 (2020, \$1,406), and energy management agreement is \$13 (2020, \$35) respectively.

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.

SASKATOON PUBLIC LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In thousands of dollars)

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 year:

2022	\$ 156
------	--------

14. COVID-19

The COVID-19 pandemic continued during the whole year. The pandemic's impact on the global economic environment remained due to federal, provincial and municipal government regulations. Management assessed the impact of the COVID-19 pandemic on its operations by implementing measures as required by the three levels of government.

Facilities opened to the public in September 2021, all remote workforce returned May 2022 and all Facilities returned to regular hours of operation June 2022.

Schedule 1
Saskatoon Public Library
Schedule of Reserves
As at December 31, 2021
(in thousands of dollars)
(Unaudited)

	2021 Beginning Balance	Transfers to Reserves	Net Additions to Tangible Capital Assets	Transfers out (Expenses)	Donations	Interest Earnings	Amortization Expenses	2021 Ending Balance
Library Reserves								
Capital Expansion Reserve	\$ 15,449	\$ 947	\$ -	\$ (26)	\$ -	\$ 181	\$ -	\$ 16,551
Equipment Replacement Reserve	2,554	146	(92)	(6)	-	33	-	2,635
New Central Library Reserve	11,001	4,630	(1,205)	-	-	17	-	14,443
Maintenance Reserves	4,455	482	(26)	-	-	6	-	4,917
Materials Stabilization Reserve	166	-	-	-	-	-	-	166
Material Purchase Reserve	-	1,485	(1,387)	-	-	1	-	99
Levy Stabilization	416	-	-	-	-	-	-	416
IT Reserve	1,461	600	(36)	-	-	2	-	2,027
Other Funds	358	-	-	-	38	1	-	397
Total Library Reserves and Funds	35,860	8,290	(2,746)	(32)	38	241	-	41,651
Library Tangible Capital Assets	28,683	-	2,749	-	-	-	(2,153)	\$ 29,279
SILS Accumulated Surplus	639	-	-	(14)	-	18	-	643
SILS Consolidation Adjustment entry								-
Consolidated Accumulated Surplus	\$ 65,182	\$ 8,290	\$ 3	\$ (46)	\$ 38	\$ 259	\$ (2,153)	\$ 71,573

Schedule 2
Saskatoon Public Library
Schedule of Capital Operation
For the Year Ended December 31, 2021
(in thousands of dollars)
(Unaudited)

	2021	2020
SOURCE OF FUNDS		
Capital Expansion Reserve	\$ -	\$ 15
Equipment Replacement Reserve	93	78
Information Technology Reserve	36	220
New Central Library Reserve	1,206	9,525
Maintenance Reserves	26	454
Materials Purchase Reserve	1,387	-
	<u>2,748</u>	<u>10,292</u>
EXPENSES		
Equipment Expansion	-	57
Equipment Replacement	31	320
Information Technology	36	163
Branch Renovations	2	228
Land	-	9,000
Collection	1,387	-
Work in Progress	1,292	525
	<u>2,748</u>	<u>10,292</u>
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Unexpended Capital Financing, Beginning of Year	-	-
Unexpended Capital Financing, End of Year	\$ -	\$ -

Schedule 3
Saskatoon Public Library
Schedule of General Fund Revenues and Expenditures
For the Year Ended December 31, 2021
(in thousands of dollars)
(Unaudited)

	2021 Budget	2021 Actual	2020 Actual
REVENUES			
Taxation			
Property Levy	\$ 27,470	\$ 27,352	\$ 26,080
Municipal Service Agreement	55	96	82
	<u>27,525</u>	<u>27,448</u>	<u>26,162</u>
Government Grants			
Province of Saskatchewan	688	744	710
Federal Government of Canada	-	-	7
	<u>688</u>	<u>744</u>	<u>717</u>
Fines			
Overdue books	-	-	28
Other Revenue			
Copier Revenues	-	-	3
Auditorium Rental	-	-	7
Lost and Damaged Items	-	-	5
Other	254	455	462
	<u>254</u>	<u>455</u>	<u>477</u>
TOTAL REVENUE	<u>28,467</u>	<u>28,647</u>	<u>27,384</u>
EXPENSES			
Administration			
Wages/Benefits, Honoraria/Grants	1,767	2,131	2,286
Purchase of Goods & Services	1,807	1,176	1,082
Tax Abatements	61	75	58
	<u>3,635</u>	<u>3,382</u>	<u>3,426</u>
Direct Library Services			
Wages/Benefits, Honoraria/Grants	6,113	5,925	6,122
Purchase of Goods & Services	503	589	293
Library Materials	753	812	868
	<u>7,369</u>	<u>7,326</u>	<u>7,283</u>
Local Branch Services			
Wages/Benefits, Honoraria/Grants	5,691	5,700	5,021
Purchase of Goods & Services	3,116	2,891	2,789
	<u>8,807</u>	<u>8,591</u>	<u>7,810</u>
Services to Branches			
Wages/Benefits, Honoraria/Grants	428	443	436
Purchase of Goods & Services	815	611	691
	<u>1,243</u>	<u>1,054</u>	<u>1,127</u>
TOTAL EXPENSES	<u>21,054</u>	<u>20,353</u>	<u>19,646</u>
Revenues less Expenses	\$ 7,413	\$ 8,294	\$ 7,738
Transfers to Reserves	(7,413)	(7,093)	(4,968)
Tangible Capital Asset Purchases	-	-	(1,295)
Net General Fund	<u>\$ -</u>	<u>\$ 1,201</u>	<u>\$ 1,475</u>

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.

Schedule 4
Saskatoon Public Library
Schedule of Expenses by Object
For the Year Ended December 31, 2021
(in thousands of dollars)
(Unaudited)

	2021 Budget	Administration	Direct Library Services	Local Branch Services	Services to Branches	2021 Actual	2020 Actual
Wages/Benefits, Honoraria/Grants	\$ 13,999	\$ 2,131	\$ 5,925	\$ 5,700	\$ 443	\$ 14,199	\$ 13,865
Purchased Goods and Services	6,241	1,176	589	2,891	611	\$ 5,267	4,855
Library Materials (Note 8)	753	-	812	-	-	\$ 812	868
Tax Abatements	61	75	-	-	-	\$ 75	58
	<u>\$ 21,054</u>	<u>\$ 3,382</u>	<u>\$ 7,326</u>	<u>\$ 8,591</u>	<u>\$ 1,054</u>	<u>\$ 20,353</u>	<u>\$ 19,646</u>