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**To:** Finance & Audit Committee  
**From:** Jerry Chong  
General Manager, Finance and Corporate Services  
**Date:** April 10, 2026  
**File:** 03-0905-01/2025-Vol 01  
**Re:** **2025 Financial Statements for the Richmond Public Library**

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**Staff Recommendation**

That the 2025 Richmond Public Library audited financial statements for the year ended December 31, 2025, as presented in the attached report from the Chief Librarian, be received for information.

**Executive Summary**

The report presents the 2025 audited financial statements for the Richmond Public Library and recommends that they be received for information by the City of Richmond Finance and Audit Committee. The statements were prepared in accordance with Canadian Public Sector Accounting Standards, reviewed by the Library's Finance Committee on March 18, 2026, and approved by the Library Board on March 25, 2026. KPMG completed the audit and reported no significant deficiencies in internal control over financial reporting. In the auditor's opinion, the financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2025, and the results of its operations for the year then ended.

Respectfully submitted,

Jerry Chong, General Manager, Finance and Corporate Services

Endorsed by Serena Lusk, CAO

## 2025 Financial Statements for the Richmond Public Library

City of Richmond Finance and Audit Committee

March 18, 2026

THIS REPORT IS PROVIDED FOR INFORMATION
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### Recommendation

That the 2025 Financial Statements of the Richmond Public Library be received for information.



Susan Walters  
Chief Librarian & Secretary to the Board  
Richmond Public Library

Attachment:

Financial Statements of Richmond Public Library Year Ended December 31, 2025



**Origin**

The Library Act, Part 2, Section 11(2) states: “The library board must provide to the municipality annual financial statements that have been audited in the same manner and at the same time as the financial statements of the municipality.”

This report presents the 2025 financial statements of the Richmond Public Library Board.

**Analysis**

Please see the attached Financial Statements of the Richmond Public Library Board for the year ended December 31, 2025. The library’s financial statements are prepared in accordance with Canadian public sector accounting standards.

KPMG conducted the audit in person and did not identify any control deficiencies that they consider to be significant deficiencies in internal control for financial reporting.

The library’s Finance Committee reviewed the statements on March 18, 2026, and the Library Board approved them at their regular meeting on Wednesday, March 25, 2026.

**Statement of Financial Position**

	<b>2025 Actual</b>	<b>2024 Actual</b>	<b>Change</b>
Financial Assets	\$ 3,660,542	\$ 4,619,581	\$ (959,039)
Liabilities	1,476,490	1,924,723	(448,233)
<b>Net Financial Assets</b>	<b>2,184,052</b>	<b>2,694,858</b>	<b>(510,806)</b>
Non-Financial Assets	4,623,064	4,751,408	(128,344)
<b>Accumulated Surplus</b>	<b>\$ 6,807,116</b>	<b>\$ 7,446,266</b>	<b>\$ (639,150)</b>

The library’s overall financial position decreased by \$639,150, with accumulated surplus totaling \$6.8 million. The decrease in financial assets is mainly due to a decrease in the amount due from the City of Richmond as a result of higher expenditures in library operations. The decrease in liabilities is primarily due to a decrease in payroll accruals. The decrease in non-financial assets is mainly due to disposals of the physical collection during the year exceeding additions.

The accumulated surplus balance of \$6.8 million consists of tangible capital assets of \$3.6 million, appropriated surplus of \$2.7 million and surplus of \$493,977. Note that in 2025, the library received the last \$37,676 of Enhancement Grant from the province of BC, and this was recognized as revenue in 2025 and transferred to appropriated surplus to support library enhancements that will be completed in 2026. Appropriated surplus also includes provisions for future library enhancement, capital expenditures, IT infrastructure, training, budget stabilization, library operations and future salary and benefits obligations. This includes provisions for the future Steveston library’s collections.



**Statement of Operations**

	<b>2025 Budget</b>	<b>2025 Actual</b>	<b>2024 Actual</b>
Revenue	\$ 12,301,000	\$ 12,496,841	\$ 11,941,830
Expenses	13,058,400	13,135,991	12,479,716
<b>Annual Deficit</b>	<b>\$ (757,400)</b>	<b>\$ (639,150)</b>	<b>\$ (537,886)</b>

Budget Variance

Revenue of \$12.5 million was greater than budgeted revenue by \$195,841 mainly due to:

- \$37,676 of recognized one-time Enhancement Grant that are not budgeted.
- \$26,275 of increased InterLINK revenue due to an increase in the library’s net lending over borrowing activity.
- \$24,212 of increased revenue related to library’s print and photocopier services.
- \$74,078 of recognized restricted donations relating to expenses incurred in the year that are not budgeted.
- \$14,674 of gain on sale of tangible capital assets that are not budgeted.

Expenses of \$13.1 million was higher than budgeted expenses by \$77,591 mainly due to:

- \$69,778 higher than budgeted library subscriptions and databases as the library continues to strengthen digital resources.
- \$198,788 higher than budgeted General and administration expenses mainly due to various IT projects and commencement of renovations at Brighthouse library administration and IT space, both funded by surplus provision funds
- \$53,325 higher than budgeted Building, leases and maintenance expenses primarily due to higher City’s trade costs.
- \$157,705 higher than expected amortization expense.
- The above items are offset by \$390,010 lower than budgeted salaries and employee benefits due to vacancies.

Year Over Year Change

Revenue of \$12.5 million increased by \$555,011 over 2024 mainly due to:

- \$517,900 increase in municipal contribution.
- \$21,187 increase in recognized restricted donations relating to an increase in programs and purchases funded by donations.
- \$12,084 increase in InterLINK revenue and print and photocopier revenue.

Expenses of \$13.1 million increased by \$656,275 over 2024 mainly due to:

- \$508,769 increase in salaries and employee benefits resulting from a number of filled vacancies and contractual obligations.
- \$53,754 increase in library subscriptions and databases as the library continues to strengthen digital resources.
- \$25,667 increase in supplies and equipment services mainly due to an increase in professional fees.
- \$67,618 increase in amortization expense.



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**Library Board Approval**

The Library Board reviewed the statements and approved them at their meeting on Wednesday, March 25, 2026.

A handwritten signature in black ink that reads "S. Walters." with a period at the end.

Susan Walters  
Chief Librarian & Secretary to the Board  
Richmond Public Library

Financial Statements of

**RICHMOND PUBLIC  
LIBRARY BOARD**

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Richmond Public Library Board

### ***Opinion***

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

- the statement of financial position as at December 31, 2025
- 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, 2025, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

## ***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 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 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 these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
March 25, 2026

# RICHMOND PUBLIC LIBRARY BOARD

## Statement of Financial Position


December 31, 2025, with comparative information for 2024


	2025	2024
<b>Financial Assets</b>		
Due from City of Richmond (note 3)	\$ 3,604,024	\$ 4,533,770
Accounts receivable	56,517	85,811
	<u>3,660,541</u>	<u>4,619,581</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	760,960	1,252,791
Post-employment benefits (note 5)	626,400	583,700
Deferred revenue (note 6)	89,130	88,232
	<u>1,476,490</u>	<u>1,924,723</u>
Net financial assets	2,184,051	2,694,858
<b>Non-Financial Assets</b>		
Tangible capital assets (note 7)	3,593,530	3,711,264
Prepaid expenses	1,029,535	1,040,144
	<u>4,623,065</u>	<u>4,751,408</u>
Accumulated surplus (note 8)	\$ 6,807,116	\$ 7,446,266

Commitments (note 15)  
Economic dependence (note 18)

See accompanying notes to financial statements.

Approved on behalf of the Library Board:

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

# RICHMOND PUBLIC LIBRARY BOARD

## Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	Budget 2025 (Notes 2(a) and 17)	2025	2024
Revenue:			
Municipal contribution	\$ 11,803,300	\$ 11,803,300	\$ 11,285,400
Grants (note 9)	397,700	435,209	434,722
Fines and miscellaneous (note 10)	80,000	135,434	123,350
Donations (note 11)	-	74,078	52,891
Investment income (note 12)	20,000	34,145	29,521
Gain on sale of tangible capital assets	-	14,674	15,946
	12,301,000	12,496,840	11,941,830
Expenses:			
Salaries and employee benefits	9,654,800	9,264,790	8,756,021
Amortization	910,700	1,068,405	1,000,787
Library subscriptions and databases (note 13)	789,800	859,578	805,824
Supplies and equipment services	519,300	530,786	505,119
General and administration	542,300	741,087	759,434
Building, leases and maintenance	480,000	533,324	523,214
Utilities	161,500	138,020	129,317
	13,058,400	13,135,990	12,479,716
Annual deficit	(757,400)	(639,150)	(537,886)
Accumulated surplus, beginning of year	7,446,266	7,446,266	7,984,152
Accumulated surplus, end of year	\$ 6,688,866	\$ 6,807,116	\$ 7,446,266

See accompanying notes to financial statements.

# RICHMOND PUBLIC LIBRARY BOARD

## Statement of Changes in Net Financial Assets

Year ended December 31, 2025, with comparative information for 2024

	Budget 2025 (Notes 2(a) and 17)	2025	2024
Annual deficit	\$ (757,400)	\$ (639,150)	\$ (537,886)
Acquisition of tangible capital assets	(610,100)	(950,671)	(992,729)
Amortization of tangible capital assets	910,700	1,068,405	1,000,787
Gain on sale of tangible capital assets	-	(14,674)	(15,946)
Proceeds on sale of tangible capital assets	-	14,674	15,946
Decrease in prepaid expenses	-	10,609	(40,959)
Change in net financial assets	(456,800)	(510,807)	(570,787)
Net financial assets, beginning of year	2,694,858	2,694,858	3,265,645
Net financial assets, end of year	\$ 2,238,058	\$ 2,184,051	\$ 2,694,858

See accompanying notes to financial statements.

# RICHMOND PUBLIC LIBRARY BOARD

## Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Annual deficit	\$ (639,150)	\$ (537,886)
Items not involving cash:		
Amortization	1,068,405	1,000,787
Gain on sale of tangible capital assets	(14,674)	(15,946)
Changes in non-cash operating working capital:		
Due from City of Richmond	929,746	368,221
Accounts receivable	29,294	9,723
Prepaid expenses	10,609	(40,959)
Accounts payable and accrued liabilities	(491,831)	194,196
Post-employment benefits	42,700	12,600
Deferred revenue	898	(13,953)
Net change in cash from operating activities	935,997	976,783
Capital activities:		
Proceeds on sale of tangible capital assets	14,674	15,946
Acquisition of tangible capital assets	(950,671)	(992,729)
Net change in cash from capital activities	(935,997)	(976,783)
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, 2025

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### 1. Operations:

The Richmond Public Library Board (the "Library"), which was established in 1976 pursuant to the Library Act of British Columbia (Part 2) as a Municipal Public Library, is responsible for the administration of public libraries in the City of Richmond. Funding for the provisions of these services is primarily through an annual contribution from the City of Richmond (the "City"). In addition, revenue is received from provincial government grants, library fees, donations, and other miscellaneous sources. The Library is a registered charity under provisions of the *Income Tax Act* (Canada) and is not a taxable entity. The Library receives accounting services from, and operates primarily in facilities provided free of charge by, the City. The Library is controlled by the City.

### 2. Significant accounting policies:

The accounting policies of the Library conform to Canadian Public Sector Accounting Standards and include the following specific policies:

(a) Budget data:

The budget data presented in these financial statements is based on the 2025 budget approved by the Board of Trustees (the "Board") on November 27, 2024. Note 17 reconciles the approved budget to the budget figures reported in these financial statements.

(b) Measurement uncertainty:

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. Areas requiring the use of management estimates relate to the valuation of employee future benefits obligations. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the year in which they become known.

(c) Revenue recognition:

Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time), the Library satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Revenues from transactions without performance obligations are recognized at realizable value when the Library has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

# RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2025

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## 2. Significant accounting policies (continued):

(d) Deferred revenue:

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

(e) 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.

(f) Tangible capital assets:

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

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

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

Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the City to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

Work-in-progress is not amortized until the asset is available for productive use.

(g) 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.

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

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

(i) 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.

# RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2025

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## 2. Significant accounting policies (continued):

(j) 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 5).

(k) 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.

(l) 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.

(m) Financial instruments:

Financial instruments include cash, investments, accounts receivable, accrued salaries and benefits, and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition. Equity instruments and derivatives that are quoted in an active market are subsequently recorded at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless management elects to carry the instruments at fair value. The Library has not elected to carry any other financial instruments at fair value.

Unrealized changes in fair value are recognized on the statement of remeasurement gains and losses. They are recorded in the statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2025, and December 31, 2024. As a result, the Library does not have a statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

# RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2025

### 3. Due from City of Richmond:

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

### 4. Accounts payable and accrued liabilities:

	2025	2024
Accounts payable	\$ 156,457	\$ 280,945
Accrued liabilities	33,853	35,793
Accrued payroll liabilities	570,650	936,053
	\$ 760,960	\$ 1,252,791

### 5. 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.

	2025	2024
Balance, beginning of year	\$ 559,300	\$ 580,600
Current service cost	43,300	39,500
Interest cost	24,000	23,800
Past service credit	-	(1,600)
Benefits paid	(20,700)	(43,700)
Amortization of net actuarial gains and losses	(48,900)	(39,300)
Balance, end of year	\$ 557,000	\$ 559,300

An actuarial valuation for these benefits was performed to determine the Library's accrued benefit obligation as at December 31, 2025. These actuarial gains and losses are being amortized over a period equal to the employees' average remaining service lifetime of 12 years (2024 - 11 years).

	2025	2024
Accrued benefit obligation, end of year	\$ 557,000	\$ 559,300
Unamortized net actuarial gain (loss)	69,400	24,400
Accrued benefit liability, end of year	\$ 626,400	\$ 583,700

# RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2025

## 5. Post-employment benefits (continued):

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

	2025	2024
Discount rate	4.40%	4.30%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary increases	2.50% to 3.00%	2.50% to 3.00%

## 6. Deferred revenue:

	2025	2024
Balance, beginning of year	\$ 88,232	\$ 102,185
Contributions	74,976	38,938
Revenue recognized as donations revenue	(74,078)	(52,891)
Balance, end of year	\$ 89,130	\$ 88,232

## 7. Tangible capital assets:

Cost	Balance at December 31, 2024	Additions, net	Disposals	Balance at December 31, 2025
Library collections	\$ 7,520,846	\$ 780,213	\$ (968,451)	\$ 7,332,608
Furniture and fixtures	2,174,901	124,347	-	2,299,248
Equipment	3,087,752	46,111	-	3,133,863
	\$ 12,783,499	\$ 950,671	\$ (968,451)	\$ 12,765,719

Accumulated amortization	Balance at December 31, 2024	Additions	Disposals	Balance at December 31, 2025
Library collections	\$ 5,653,933	\$ 792,222	\$ (968,451)	\$ 5,477,704
Furniture and fixtures	1,055,243	91,002	-	1,146,245
Equipment	2,363,059	185,181	-	2,548,240
	\$ 9,072,235	\$ 1,068,405	\$ (968,451)	\$ 9,172,189

# RICHMOND PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2025

### 7. Tangible capital assets (continued):

<b>Net book value</b>	Balance at December 31, 2024	Balance at December 31, 2025
Library collections	\$ 1,866,913	\$ 1,854,904
Furniture and fixtures	1,119,658	1,153,003
Equipment	724,693	585,623
	<b>\$ 3,711,264</b>	<b>\$ 3,593,530</b>

### 8. Accumulated surplus:

	2025	2024
Operating:		
Appropriated surplus:		
Capital expenditures	\$ 714,590	\$ 898,451
Library enhancement	602,705	451,884
IT infrastructure	175,000	175,000
Training	100,000	100,000
Budget stabilization	172,000	216,000
Future capital acquisitions	649,838	726,237
Library operations	33,401	33,401
Future salary and benefit obligations	83,002	83,002
Library grants provision	189,071	515,165
Total appropriated surplus	2,719,607	3,199,140
Surplus	493,979	535,862
Invested in tangible capital assets	3,593,530	3,711,264
	<b>\$ 6,807,116</b>	<b>\$ 7,446,266</b>

During the year ended December 31, 2025, the Board approved the transfer from surplus of \$100,000 to Library enhancement (2024 - \$451,884).

# RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2025

## 9. Grants:

		2025	2024
Provincial Revenue Sharing Grant	(a)	\$ 373,688	\$ 373,688
One Card Grant	(b)	16,664	16,664
British Columbia Equity Grant	(c)	4,500	4,500
Resource Sharing Grants	(d)	2,681	2,901
Enhancement Grant	(e)	37,676	36,969
		<u>\$ 435,209</u>	<u>\$ 434,722</u>

- (a) Provincial Revenue Sharing Grant is funded by the Libraries Branch of the Ministry of Education and Child Care of the Province of British Columbia.
- (b) The One Card Grant is provided by the Libraries Branch of the Ministry of Education and Child Care of the Province of British Columbia to ensure that every British Columbian with a valid library card has complete access to all public libraries within the province, and that every school-age child in Richmond is given their own library card so that they may take full advantage of the library's resources.
- (c) British Columbia Equity Grant is awarded by the Libraries Branch of the Ministry of Education and Child Care of the Province of British Columbia to support the Library in its role in fostering literacy and life-long learning in our community through the purchase of additional library materials in the area of literacy and English as a Second Language.
- (d) Resource Sharing Grants are annual grants are provided to BC public libraries to encourage their participation in the province-wide inter library loan system.
- (e) Enhancement Grant is awarded by the Ministry of Municipal Affairs Public Libraries Branch to support local library service enhancement, including helping address shifting demands on services, collections, programs, and spaces. This targeted Enhancement Grant is intended to supplement local government funding and is not intended to replace it. Enhancement Grant funding may be used to enrich people's library experiences through augmented local services, programs, and collections and support libraries in working together to extend services.

## 10. Fines and miscellaneous:

	2025	2024
Book fines	\$ 17,732	\$ 12,936
InterLINK revenue	41,275	33,199
Photocopy and printer revenue	74,212	69,519
Miscellaneous	2,215	7,696
	<u>\$ 135,434</u>	<u>\$ 123,350</u>

# RICHMOND PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2025

### 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.

	2025	2024
Friends of the Library	\$ 35,000	\$ 23,613
Other	39,078	29,278
	\$ 74,078	\$ 52,891

### 12. Investment income:

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

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

The fund was established in 1994 and the contributed capital in the fund amounts to \$339,507 at December 31, 2025 (2024 - \$317,553). The balance is comprised of donations from Friends of the Library of \$156,000 (2024 - \$156,000), Vancouver Foundation's matching program of \$75,000 (2024 - \$75,000), other donors of \$52,000 (2024 - \$51,900) and recontribution of \$56,507 (2024 - \$34,653) in cumulative income generated as at December 31, 2025.

As at December 31, 2025, the fair value of the capital in the fund amounted to \$507,266 (2024 - \$463,483).

Under the terms of the agreement, the Library is entitled to withdraw only the investment income generated from the fund. Investment income of \$21,854 for the year ended December 31, 2025, was reinvested into the Endowment Fund's capital (2024 - \$20,795). This income is presented as investment income and the reinvestment is recorded in general and administration expense 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 \$162,548 at December 31, 2025 (2024 - \$156,548). The balance is comprised of donations from Friends of the Library of \$ 69,000 (2024 - \$64,000) and other donors of \$93,548 (2024 - \$92,548).

# RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2025

## 12. Investment income (continued):

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

As at December 31, 2025, the fair value of the capital in the fund amounted to \$279,976 (2024 - \$243,327).

Under the terms of the agreement, the Library is entitled to withdraw only the investment income generated from the fund. Investment income of \$12,291 for the year ended December 31, 2025, was reinvested into the Endowment Fund's capital (2024 - \$8,726). This income is presented as investment income and the reinvestment is recorded in general and administration expense on the statement of operations.

## 13. Library subscriptions and databases:

	2025	2024
Digital books and multimedia	\$ 725,937	\$ 670,289
Databases, newspapers and magazines	133,641	135,535
	\$ 859,578	\$ 805,824

## 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, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 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 actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The Library paid \$608,060 (2024 - \$539,601) for employer contributions while employees contributed \$ 562,872 (2024 - \$499,029) to the plan in fiscal 2025.

The next valuation will be as at December 31, 2027.

# RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2025

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## 14. Pension plan (continued):

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:

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2026	\$ 345,517
2027	353,831
2028	335,550
2029	116,584

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## 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 2025 budget approved by the Board of Trustees on November 27, 2024. The table below reconciles the approved budget to the budget figures reported in these financial statements.

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	Board Approved Budget	Financial Statement Budget
Revenue:		
Operating budget	\$ 12,301,000	\$ 12,301,000
Expenses:		
Operating budget	(12,147,700)	(12,147,700)
Less: Transfer from Surplus	412,800	-
Less: Transfer from Budget Stabilization	44,000	-
Less: Acquisition of tangible capital assets	(610,100)	-
Less: Amortization of tangible capital assets		(910,700)
Annual deficit	\$ -	\$ (757,400)

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# RICHMOND PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2025

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## **18. Economic dependence:**

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

## **19. Financial risk management:**

The Board ensures that the Library has identified its major risks and ensures that management monitors and mitigates them.

### **(a) Credit risk:**

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Library is exposed to credit risk with respect to its due from the City of Richmond and accounts receivable. The Library's credit risk related to due from the City of Richmond and accounts receivable is minimal as receivables are with parties that have a low risk of collectability.

### **(b) Liquidity risk:**

Liquidity risk is the risk that the Library will not be able to meet its obligations as they fall due. The Library is exposed to liquidity risk with respect to its accrued salaries and benefits, accounts payable and accrued liabilities. The Library maintains adequate levels of working capital to ensure all obligations can be met when they fall due.

There has been no change to the financial risks from 2024.

# RICHMOND PUBLIC LIBRARY BOARD

Unaudited Statement of Operations by Fund

Year ended December 31, 2025

	2025			2024		
	Operating	Capital	Total	Operating	Capital	Total
<b>Revenue:</b>						
Municipal contribution	\$ 11,193,200	\$ 610,100	\$11,803,300	\$ 10,675,400	\$ 610,000	\$ 11,285,400
Grants	435,209	-	435,209	434,722	-	434,722
Fines and miscellaneous	135,434	-	135,434	123,350	-	123,350
Donations	74,078	-	74,078	52,891	-	52,891
Investment income	34,145	-	34,145	29,521	-	29,521
Gain on sale of tangible capital assets	-	14,674	14,674	-	15,946	15,946
	11,872,066	624,774	12,496,840	11,315,884	625,946	11,941,830
<b>Expenses:</b>						
Salaries and employee benefits	9,264,790	-	9,264,790	8,756,021	-	8,756,021
Amortization	-	1,068,405	1,068,405	-	1,000,787	1,000,787
Library subscriptions and databases	859,578	-	859,578	805,824	-	805,824
Supplies and equipment services	530,786	-	530,786	505,119	-	505,119
General and administration	741,087	-	741,087	759,434	-	759,434
Building, leases and maintenance	533,324	-	533,324	523,214	-	523,214
Utilities	138,020	-	138,020	129,317	-	129,317
	12,067,585	1,068,405	13,135,990	11,478,929	1,000,787	12,479,716
Annual surplus (deficit)	(195,519)	(443,631)	(639,150)	(163,045)	(374,841)	(537,886)
Accumulated surplus, beginning of year	3,735,002	3,711,264	7,446,266	4,264,830	3,719,322	7,984,152
Transfer to capital funds from operating funds	(325,897)	325,897	-	(366,783)	366,783	-
Accumulated surplus, end of year	\$ 3,213,586	\$ 3,593,530	\$ 6,807,116	\$ 3,735,002	\$ 3,711,264	\$ 7,446,266