



A Regular Meeting of  
the Richmond Hill Public Library Board  
will be held in the boardroom at Central Branch  
on Thursday, June 20, 2024 at 4:00pm

## **AGENDA**

### **1.0 Call to Order**

### **2.0 Land Acknowledgement Read by Board Vice-Chair**

*We are gathering on lands that have been home to First Nations Peoples from time immemorial. We acknowledge that what we now call Richmond Hill is on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation and the Mississauga and Chippewa Nations of the Williams Treaty. We also recognize that we are on part of the traditional territories of the Haudenosaunee and the Huron Wendat.*

*We would also like to acknowledge all First Nation, Inuit and Métis peoples from across North America, also known as Turtle Island, who now reside in the City of Richmond Hill. We are committed to rebuilding constructive and cooperative relationships.*

### **3.0 Regrets**

Stephen Chait

### **4.0 Adoption of Agenda**

**4.1 Opening Remarks Board Vice-Chair**

**4.2 Adoption of Agenda**

### **5.0 Disclosure of Pecuniary Interest and the General Nature Thereof**

### **6.0 Delegations**

None

### **Approval of Consent Agenda Items**

All Consent Agenda Items (\*) are considered to be routine, which require no discussion or debate, and are recommended for approval by the Chair. They may be enacted in one motion or any item may be held for discussion.

### **7.0 Minutes**

**7.1 \*Library Board Draft Minutes – May 16, 2024**

**7.2 \*Library Board Special Meeting Draft Minutes – June 13, 2024**

### **8.0 Presentations**

None

## **9.0 Reports**

### **9.1 2023 Richmond Hill Public Library Audited Financial Statements Report SRLIB24.11**

### **9.2 2024 Q1 Strategic Plan Progress Report SRLIB24.12**

## **10.0 New Business**

### **10.1 New Motions**

10.1.1 CEO Recruitment / J. Cherniak

### **10.2 \*Correspondence**

10.2.1 Email from American Library Association – dated June 11, 2024

RHPL receives John Cotton Dana Award for libraries that  
demonstrate outstanding strategic communications

### **10.3 Member Announcements**

10.3.1 DEI Training / R. Fribance

## **11.0 Date of Next Meetings**

The next Special Meeting of the Library Board will be held on:

**Tuesday, June 25, 2024 @ 12:00 p.m.** virtually

The next Regular Meeting of the Library Board will be held on:

**Thursday, September 19, 2024 @ 4:00 p.m.** at Central Branch

## **12.0 Adjournment**

Please advise Robin Fribance and Susan Quinn of regrets for attendance, by noon of the day of the meeting at e-mail: rfribance@rhpl.ca and squinn@rhpl.ca



The Richmond Hill Public Library Board

Thursday, May 16, 2024

## MINUTES

The Richmond Hill Public Library Board held a regular meeting on Thursday, May 16, 2024 at 4:00 p.m. in the boardroom at Central Branch, 1 Atkinson Street, Richmond Hill, Ontario.

**Present:** Stephen Chait, Chair  
Jason Cherniak  
Councillor Carol Davidson  
Sadra Nasser  
Sugantha Raj, Vice Chair  
Mona Shahnazari

**Staff:** Robin Fribance, Interim CEO and Director, Strategy & Service Innovation  
Joshua Dyer, Director, Collections & Community Engagement  
Yunmi Hwang, Director, Customer and Branch Experiences  
Shawn Dillon, Finance and Administrative Assistant

### 1.0 Call to Order

The Chair called the meeting to order at 4:00 p.m.

## **2.0 Land Acknowledgement Read by Board Chair**

## **3.0 Regrets**

Councillor Castro Liu

Sofia Ma

Councillor Scott Thompson

## **4.0 Adoption of Agenda**

### **4.1 Opening Remarks Board Chair**

Board members were provided with the following update regarding the CEO recruitment. All Board members may attend the following meetings:

1. June 13 (virtual): The recruiting firm to advise the Board members regarding the response to the CEO position vacancy and recommend a short list of candidates to be interviewed. The recruiting firm will also recommend a draft interview guide/questionnaire and interview format.
2. June 25 (virtual): Interviews with short-listed candidates.
3. Date and time TBC: 2nd round of interviews with candidate(s).

### **4.2 Adoption of Agenda**

**Motion:**

24:45

**Moved by:**

S. Chait

**Seconded by:**

Councillor C. Davidson

**THAT** the Agenda of May 16, 2024 as amended by R. Fribance to add Acting CEO Update as item 10.1.2, be adopted.

**CARRIED UNANIMOUSLY**

**5.0 Disclosure of Pecuniary Interest and the General Nature Thereof**

There were no disclosures of pecuniary interest.

**6.0 Approval of Consent Agenda Items**

**Motion:**

24:46

**Moved by:**

S. Nasser

**Seconded by:**

M. Shahnazari

**THAT** the Richmond Hill Public Library Board approves the consent agenda.

**CARRIED UNANIMOUSLY**

**7.0 Minutes**

**7.1 Library Board Draft Minutes – April 18, 2024 (Adopted by Consent)**

**Motion:**

24:47

**Moved by:**

S. Nasser

**Seconded by:**

M. Shahnazari

**THAT** the Draft Minutes of April 18, 2024 be adopted.

**CARRIED UNANIMOUSLY**

**7.2 Library Board Master Plan Steering Committee Draft Minutes – April 12, 2024 (Received by Consent)**

**Motion:**

24:48

**Moved by:**

S. Nasser

**Seconded by:**

M. Shahnazari

**THAT** the Library Board Master Plan Steering Committee Meeting Draft Minutes of April 12, 2024 be received.

**7.3 Library Board Finance Steering Committee Draft Minutes – May 2, 2024 (Received by Consent)**

**Motion:**

24:49

**Moved by:**

S. Nasser

**Seconded by:**

M. Shahnazari

**THAT** the Library Board Finance Steering Committee Meeting Draft Minutes of May 2, 2024 be received.

**CARRIED UNANIMOUSLY**

## **8.0 Presentations**

### **8.1 RHPL Facilities Master Plan - Final**

Yunmi Hwang, Director, Branch & Customer Experiences

## **9.0 Reports**

### **9.1 RHPL Facilities Master Plan Final Report SRLIB24.08**

**Motion:**

24:50

**Moved by:**

S. Chait

**Seconded by:**

M. Shahnazari

**THAT** the Richmond Hill Public Library Board receive and approve the Final Library Facilities Master Plan.

**CARRIED UNANIMOUSLY**



## **9.2 2023 Financial Year-End Close Report SRLIB24.09**

### **Motion:**

24:51

### **Moved by:**

S. Chait

### **Seconded by:**

S. Nasseri

**THAT** the Richmond Hill Public Library Board:

1. Approve the transfer of the projected 2023 year-end surplus of \$55,553 to the Library's Special Purpose Reserve; and
2. Approve the closure of the following two capital projects and return all unexpended monies to City Reserves:
  - P/000614.01 2019 Online Payment Module
  - P/000625.01 2019 Presentation Equipment CE

**CARRIED UNANIMOUSLY**

## **9.3 2024 Q1 Financial Update Report SRLIB24.10**

### **Motion:**

24:52

### **Moved by:**

S. Nasseri

### **Seconded by:**

M. Shahnazari

That the Richmond Hill Public Library Board receive the *2024 First Quarter (Q1) Financial Report* for the period ending March 31, 2024.

**CARRIED UNANIMOUSLY**

**10.0 New Business**

**10.1 New Motions**

10.1.1 Declaration of vacancy on Board – S. Chait

**Motion:**

24:53

**Moved by:**

J. Cherniak

**Seconded by:**

Councillor C. Davidson

**That** the Richmond Hill Public Library Board:

1. Approve the declaration of a vacancy on the board due to member Sofia Ma being absent from the meetings of the board for three consecutive months without being authorized by a board resolution (PLA R.S.O. 1990, c. P.44, s. 13 c); and
2. Notify the appointing council accordingly (PLA R.S.O. 1990, c. P.44, s. 13). The appointing council shall promptly appoint a person to fill the vacancy and to hold office for the unexpired term, except where the unexpired term is less than forty-five days. (PLA R.S.O. 1990, c. P.44, s. 12).

**CARRIED UNANIMOUSLY**

#### 10.1.2 Acting CEO Update (verbal) – R. Fribance

J. Cherniak requested a copy of the City of Richmond Hill Naming Rights Policy, that library staff will provide to the library board.

**Motion:**

24:54

**Moved by:**

S. Chait

**Seconded by:**

S. Raj

**That** the Richmond Hill Public Library Board receive the CEO Update on Naming Rights and CUPE Negotiations.

**CARRIED UNANIMOUSLY**

#### 10.2 Correspondence

None

#### 10.3 Member Announcements

10.3.1 RHPL received letter from law firm regarding a \$10,000 Legacy from Estate of Shelagh Harris, long time board member/chair who passed away in late 2023. This undesignated bequest to be put into the Library Donation & Bequest Reserve Fund, as per RHPL Donations Policy. (verbal S. Chait)

10.3.2 J. Cherniak thanked RHPL for participating in Jewish Heritage Week.

## **11.0 Date of Next Meeting**

The next Regular Meeting of the Library Board will be held on:

**Thursday, June 20, 2024 @ 4:00 p.m.** at Central Branch.

## **12.0 Adjournment**

**Motion:**

24:55

**Moved by:**

S. Chait

**Seconded by:**

S. Nasseri

**THAT** the meeting be adjourned at 4:59 p.m.

**CARRIED UNANIMOUSLY**

Approved by:

Stephen Chait  
Chair

Robin Fribance  
Interim CEO



The Richmond Hill Public Library Board

Thursday, June 13, 2024

## MINUTES

The Richmond Hill Public Library Board held a special meeting on Thursday, June 13, 2024 at 10:30 a.m. virtually using video-teleconferencing technology.

**Present:** Stephen Chait, Chair  
Jason Cherniak  
Councillor Carol Davidson  
Mona Shahnazari  
Councillor Scott Thompson

**Staff:** Robin Fribance, Interim CEO  
Tracey Steele, Commissioner, Community Services, City of Richmond Hill  
Sherry Adams, Commissioner CFS, City of Richmond Hill  
Ana Hunt, Human Resources, City of Richmond Hill  
Margaret Campbell, Odgers Berndtson Executive Search

### 1.0 Call to Order

The Chair called the meeting to order at 10:30 a.m.

**2.0    Land Acknowledgement Read by Board Chair**

**3.0    Regrets**

Councillor Castro Liu

Sadra Nasser

Sugantha Raj, Vice Chair

**4.0    Adoption of Agenda**

**4.1    Adoption of Agenda**

**Motion:**

24:56

**Moved by:**

Councillor S. Thompson

**Seconded by:**

M. Shahnazari

**THAT** the Agenda of June 13, 2024 be adopted.

**CARRIED UNANIMOUSLY**

**5.0    Disclosure of Pecuniary Interest and the General Nature Thereof**

There were no disclosures of pecuniary interest.

**6.0    Delegations**

None

## **7.0 Member Motion**

**7.1 Councillor Scott Thompson** - Committee to pre-select candidates to be interviewed for RHPL Chief Executive Officer (CEO) position

**Motion:**

24:57

**Moved by:**

Councillor S. Thompson

**Seconded by:**

Councillor C. Davidson

WHEREAS at the February 15th RHPL Board Meeting the following motion was passed regarding the recruitment of Chief Executive Officer (“CEO”) of the Richmond Hill Public Library;

“THAT the Board, through the City of Richmond Hill’s Human Resources Department, retain the services of an executive search firm for the purpose of leading the recruitment of a permanent Chief Executive Officer (“CEO”).

THAT the executive search firm be required to obtain the Board’s consent on any job description or posting, and the process to select a permanent CEO.”

WHEREAS there is no public record of the Board being engaged in approving a process to select the CEO;

WHEREAS Senior Staff Members from the City of Richmond Hill are expected to be part of the recruitment and interview process;

AND WHEREAS to ensure that an efficient and effective process is established for selecting candidates to be interviewed for the CEO position

NOW THEREFORE BE IT RESOLVED THAT:

The Board establish a Chief Executive Officer Recruitment Committee comprised of the following members: RHPL Chair (Stephen Chait), 1 Council Board Member (Carol Davidson), 2 Citizen Board Members (Mona Shahnazari and Jason Cherniak), Richmond Hill Commissioner of Community Services (Tracey Steele), and Richmond Hill Commissioner of Corporate and Financial Services (Sherry Adams).

The purpose of this Chief Executive Officer Recruitment Committee is to pre-select from the pool of Candidates provided by the Executive Search firm candidates for Board interviews.

**CARRIED UNANIMOUSLY**

**8.0     Resolution to Move into Closed Session to consider matters relating to:**

**8.1     To discuss personal matters about an identifiable individual, and labour relations or employee negotiations, in respect to library employees (Section 16.1(4)(b) and 16.1(4)d) of the Public Libraries Act”)**

**Motion:**

24:58

**Moved by:**

J. Cherniak

**Seconded by:**

M. Shahnazari

**THAT** the Board move into Closed Session to consider personal matters about an identifiable individual, and labour relations or employee



negotiations, in respect to library employees.

**CARRIED UNANIMOUSLY**

At 10:40 a.m. the Board moved into Closed Session.

**9.0 Resolution to Reconvene in Open Session**

**Motion:**

24:59

**Moved by:**

J. Cherniak

**Seconded by:**

M. Shahnazari

**THAT** the Board reconvene into Open Session.

**CARRIED UNANIMOUSLY**

At 11:22 a.m. the Board returned to Open Session.

**10.0 Adoption of Recommendations Arising from Closed Session (if any)**

None

**11.0 Date of Next Meeting**

The next Regular Meeting of the Library Board will be held on:

**Thursday, June 20, 2024 @ 4:00 p.m.** at Central Branch.

## **12.0 Adjournment**

**Motion:**

24:60

**Moved by:**

Councillor S. Thompson

**Seconded by:**

M. Shahnazari

**THAT** the meeting be adjourned at 11:25 a.m.

**CARRIED UNANIMOUSLY**

Approved by:

Stephen Chait  
Chair

Robin Fribance  
Interim CEO



**Subject:** 2023 Year-End Audited Financial Statements

**For:** Approval, Receipt

**Date:** June 20, 2024

**Report #:** SRLIB24.11

**To:** Richmond Hill Public Library Board

**From:** Robin Fribance, Interim CEO

### **SUMMARY**

The purpose of this report is to provide the audited financial results of the Library Board for the year ended December 31, 2023. The auditor has found that the RHPL Financial Statements present fairly.

This report was presented to the RHPL Board Finance Steering Committee at their June 20, 2023 meeting, earlier today, which recommended it to the Library Board for approval and receipt.

### **RECOMMENDATION**

**That** the Richmond Hill Public Library Board:

1. Approve the 2023 Audited Financial Statements; and

2. Receive the Grant Thornton Report to the Board of Directors: Audit Strategy and Results, for the year ended December 31, 2023 for information.

## **RATIONALE**

As required under the Public Libraries Act, an annual audit of the public library board accounts and transactions must be carried out by an auditor appointed under the Municipal Act. The Library depends on the City of Richmond Hill's Finance team to support the audit process and, working through them, the Library engaged the services of Grant Thornton, LLP, Chartered Professional Accountants, external auditor for the City of Richmond Hill.

Grant Thornton's responsibility is to express an opinion on these financial statements, based on their audit. In their opinion, these financial statements present fairly, in all material respects, the financial position of the Library Board as of December 31, 2023 and in accordance with Canadian generally accepted accounting principles.

The auditor will be in attendance to answer any questions on the report and findings.

## **ATTACHMENTS**

1. 2023 Audited Financial Statements
2. Report to the Board of Directors: Audit Strategy and Results for the year ended December 31, 2023

Financial statements of

**Richmond Hill Public  
Library Board**

December 31, 2023

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# Richmond Hill Public Library Board

December 31, 2023

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## Independent auditor's report

To the members of the Board of Directors of the Richmond Hill Public Library Board

### Opinion

We have audited the financial statements of the Richmond Hill Public Library Board ("the Library Board"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Richmond Hill Public Library Board as at December 31, 2023, and its results of operations, its changes in its 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 report. We are independent of the Library Board 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 these 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 Board's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library Board'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 these 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 Entity'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 Entity'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 Entity 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.

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.

Markham, Canada  
XX, 2024

Chartered Professional Accountants  
Licensed Public Accountants



**RICHMOND HILL PUBLIC LIBRARY BOARD**  
**Statement of Financial Position**  
**December 31, 2023**

	<u>2023</u> \$	<u>2022</u> \$
<b>FINANCIAL ASSETS</b>		
Cash	222,931	132,105
Accounts receivable		
City of Richmond Hill	1,607,055	2,391,541
Other	48,918	93,173
	<u>1,878,904</u>	<u>2,616,819</u>
<b>LIABILITIES</b>		
Accounts payable and accrued charges	492,160	763,108
Accrued vacation pay	154,550	182,840
Employee future benefits (Note 3)	132,009	133,663
	<u>778,719</u>	<u>1,079,611</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,100,185</u>	<u>1,537,208</u>
<b>NON - FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	4,837,755	5,060,674
Prepaid expenses	125,636	93,685
	<u>4,963,391</u>	<u>5,154,359</u>
<b>Accumulated surplus (Note 6)</b>	<u>6,063,576</u>	<u>6,691,567</u>

**RICHMOND HILL PUBLIC LIBRARY BOARD**  
**Statement of Operations**  
**Year ended December 31, 2023**

	2023 <u>Budget</u> \$ (Note 8)	2023 <u>Actual</u> \$	2022 <u>Actual</u> \$
<b>VENUE</b>			
Municipal contribution			
Operating	8,501,000	8,501,000	7,969,400
bution from City for maintenance, lity and supply charges	883,100	982,387	965,642
Repairs and replacement	1,126,600	1,126,600	900,000
buted tangible capital assets	1,369,215	583,277	968,529
Grants			
Province of Ontario	118,500	118,499	118,499
ther	3,700	4,494	39,700
York Region District School Board	242,800	300,900	297,200
Fines	21,800	14,957	16,380
Fees	86,100	70,084	44,794
Sales	246,100	40,677	24,481
Interest income	30,630	28,630	19,417
Donations and bequests	-	7,695	2,179
	<b>12,629,545</b>	<b>11,779,200</b>	<b>11,366,221</b>
<b>XPENSES</b>			
Salaries and benefits	7,554,700	7,605,133	6,802,187
Amortization of tangible capital assets	1,407,883	1,407,883	1,482,867
Maintenance, utility and supply charges	883,238	982,524	979,578
Contracts & services	1,601,100	1,299,470	1,408,962
Transfer to reserve of the City of Richmond Hill	51,500	567,700	300,000
Collection development	440,703	427,433	405,385
Materials & supplies	101,772	117,048	97,580
Special projects	-	-	81,429
	<b>12,040,896</b>	<b>12,407,191</b>	<b>11,557,988</b>
nnual (deficit) surplus	<b>588,649</b>	<b>(627,991)</b>	<b>(191,767)</b>
ccumulated surplus, beginning of year	<b>6,691,567</b>	<b>6,691,567</b>	<b>6,883,334</b>
<b>cumulated surplus, end of year</b>	<b>7,280,216</b>	<b>6,063,576</b>	<b>6,691,567</b>

**RICHMOND HILL PUBLIC LIBRARY BOARD**  
**Statement of Change in Net Financial Assets**  
**Year ended December 31, 2023**

	<b>2023 Budget</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	(Note 8)		
Annual (deficit) surplus	588,649	(627,991)	(191,767)
	588,649	(627,991)	(191,767)
Net acquisition of tangible capital assets	(1,185,102)	(1,185,102)	(1,506,604)
Amortization of capital assets	1,407,883	1,407,883	1,482,867
Loss on disposal of tangible capital assets	-	138	13,936
	222,781	222,919	(9,801)
Change in prepaid expenses	-	(31,951)	(14,044)
	222,781	190,968	(23,845)
Change in net financial assets	811,430	(437,023)	(215,612)
Net financial assets, beginning of year	1,537,208	1,537,208	1,752,820
<b>Net financial assets, end of year</b>	<b>2,348,638</b>	<b>1,100,185</b>	<b>1,537,208</b>

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**RICHMOND HILL PUBLIC LIBRARY BOARD**

**Statement of cash flows**

**Year ended December 31, 2023**

	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Annual deficit	(627,991)	(191,767)
Change in non-cash items		
Amortization of tangible capital assets	1,407,883	1,482,867
Revenue recognized on contributed capital assets	(583,277)	(968,530)
Loss on disposal of tangible capital assets	138	13,936
	824,744	528,273
Change in non-cash assets and liabilities		
Change in accounts receivable - City of Richmond Hill	784,486	(11,184)
Change in accounts receivable - other	44,255	(33,786)
Change in accounts payable and accrued liabilities	(270,948)	140,212
Change in accrued vacation pay	(28,290)	35,839
Change in employee future benefits liability	(1,654)	(4,564)
Change in prepaid expenses	(31,951)	(14,044)
	495,898	112,473
	692,651	448,979
<b>Capital activities</b>		
Acquisition of tangible capital assets	(601,825)	(538,074)
Net change in cash	90,826	(89,095)
Cash, beginning of year	132,105	221,200
<b>Cash, end of year</b>	<b>222,931</b>	<b>132,105</b>

## 1. Nature of operations

The Richmond Hill Public Library Board (the "Library Board") is a local board of The City of Richmond Hill (the "City") and operates under the provision of the Public Libraries Act. The Library Board is a registered charity and is not subject to income taxes under Section 149(1) of the Income Tax Act (Canada).

## 2. Significant accounting policies

The financial statements of the Richmond Hill Public Library Board (the "Library Board") are the representations of management prepared in accordance with accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants (CPA) Canada.

Significant accounting policies adopted by the Library Board are as follows:

### i) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and bankers acceptances, all of which are highly liquid, subject to insignificant risk of changes in value and have a short-term maturity of less than 90 days.

### ii) Revenues and expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired, and a legal liability is incurred or transfers are due.

### iii) 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 lives extending beyond the current year and are not intended for sale in the ordinary course of operations. Tangible capital assets and other non-financial assets are accounted for as assets by the Library Board because they can be used in the provision of services in future periods.

#### Tangible capital assets

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

Library collection	7 years
Machinery and equipment	4 - 15 years
Furniture and fixtures	3 - 10 years
Other	15 years

#### Amortization

One half of the amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

#### Contribution of tangible capital assets

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

## 2. Significant accounting policies (continued)

### Interest capitalization

The Library Board's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition of tangible capital assets.

#### iv) *Employee future benefits*

The present value of the cost of providing employees with future benefits programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

Any actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of all employees covered.

#### v) *Reserves and Reserve Funds*

The Richmond Hill Public Library Board Donation and Bequest Reserve Fund is to be used for such special purposes as may be approved by The Richmond Hill Public Library Board.

The reserve fund comprises:

- a) Donations and bequests to The Richmond Hill Public Library Board; and
- b) Earnings derived from investments held in this reserve fund.

Unrestricted donations and bequests are recorded as income in the statement of operations in the year of receipt and are transferred to the Donation and Bequest Reserve Fund. The Reserve Fund earns interest based on the rates earned through the investment portfolio managed by the Corporation of the City of Richmond Hill. Expenses incurred will be recorded in the year the cost is incurred, with an annual offsetting transfer from the Reserve Fund.

The Special Purpose Reserve relates to grants and other monies which have been allocated by the Board for special purposes.

#### vi) *Investment income*

Investment income earned (other than on restricted funds) is reported as revenue in the period earned.

#### vii) *Government transfers*

Government transfers are recognized in the financial statements as revenue in the financial period in which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be determined.

#### viii) *Use of estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these amounts.

#### ix) *Change in accounting policy by adopting new standards*

Effective January 1, 2023, the Library Board adopted new Public Sector Accounting Standards Sections PS3450 *Financial Instruments*, PS 2601 *Foreign Currency Translation* and PS1201 *Financial Statement Presentation* along with related amendments. New Section PS3450 requires the fair value measurement of derivatives and portfolio investments in equities quoted in an active market. All other financial assets and liabilities are measured at cost or amortized cost (using the effective interest method), or, by policy choice, at fair value when the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, liabilities, or both on a fair value basis.

## **2. Significant accounting policies (continued)**

### *ix) Change in accounting policy by adopting new standards (continued)*

The measurement requirements were applied prospectively. There were no adjustments required and there are no remeasurement gains or losses or embedded derivatives requiring the presentation of a statement of remeasurement gains or losses.

In compliance to PS 2601 *Foreign Currency Translation*, the Library Board has made the irrevocable election to directly recognize foreign exchange gains/losses in the statement of operations.

## **3. Employee future benefits liability**

The accrued benefit liability as at December 31, 2023 of \$132,009 (2022 - \$133,663) was based on an actuarial update used for the December 31, 2023 valuation.

The significant actuarial assumptions employed in the actuarial valuations are as follows:

### *i) General inflation*

Future general inflation levels were assumed to be 1.75% in 2023 (2022 – 1.75%) and thereafter.

### *ii) Interest (discount) rate*

The present value of the future benefits as at December 31, 2023 was determined using a discount rate of 3.25%. This corresponds to the assumed inflation rate plus an assumed rate of return of 1.50%.

### *iii) Health costs*

The 12-month ending March 31, 2020 Combined (active & retiree) Health Cost Rates, projected to July 1, 2022, are used as the basis for projecting the future retiree Health Cost Rates. The management assumption for the annual Health Cost Rate escalation for the Library Board is 4.4167% for 2023 vs. 2022 and decreasing by 0.3333% per year over the following 5 years, to 2.75% in 2028 vs. 2027 and later.

### *iv) Dental costs*

Dental costs were assumed to increase at 2.75 % for 2023 and thereafter.

## **4. Pension agreements**

The Library Board makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS). OMERS is a multi-employer defined benefit pension plan which provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The pension plan is financed by equal contributions from participating employers and employees, and by the investment earnings of the fund. Since OMERS is a multi-employer pension plan, the Library does not recognize any share of the pension plan surplus (deficit) of (\$4.2 billion) (2022 – (\$6.7 billion)) based on the fair market value of the Plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. The Library Board recognizes the expense related to this plan as contributions are made. The contribution rate was 9% for wages up to \$66,600 (2022 - 9%) and 14.6% for wages in excess of CPP earning limit \$66,600 (2022 – 14.6%). The amount contributed to OMERS for 2023 was \$509,072 (2022 - \$466,314) for current services and is included as an expense on the statement of operations.

## 5. Tangible capital assets

	Library Collections	Machine and Equipment	Furniture and Fixtures	W.I.P.	Total 2023	Total 2022
<b>Cost</b>						
Balance, beginning of year	7,320,588	3,680,499	2,628,055	253,304	13,882,446	13,966,835
Add: Additions during the year	618,457	237,543	59,464	269,638	1,185,102	1,506,604
Less: Disposals during the year	1,127,519	-	28,695	-	1,156,214	1,590,993
<b>Balance, end of year</b>	<b>6,811,526</b>	<b>3,918,042</b>	<b>2,658,824</b>	<b>522,942</b>	<b>13,911,334</b>	<b>13,882,446</b>
<b>Accumulated amortization</b>						
Balance, beginning of year	4,120,360	2,736,555	1,964,857	-	8,821,772	8,915,962
Add: Amortization	1,009,436	301,198	97,249	-	1,407,883	1,482,867
Less: Accum amortization on disposals	1,127,518	-	28,558	-	1,156,076	1,577,057
<b>Balance, end of year</b>	<b>4,002,278</b>	<b>3,037,753</b>	<b>2,033,548</b>	<b>-</b>	<b>9,073,579</b>	<b>8,821,772</b>
<b>Net book value, end of year</b>	<b>2,809,248</b>	<b>880,289</b>	<b>625,276</b>	<b>522,942</b>	<b>4,837,755</b>	<b>5,060,674</b>

## 6. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Invested in tangible capital assets	4,837,755	5,060,674
Unfunded employee future benefits	(132,009)	(133,663)
Unfunded vacation pay	(154,550)	(182,840)
Special Purpose Reserve Fund	847,458	1,308,104
Donation and Bequest Reserve Fund	664,922	639,292
	6,063,576	6,691,567

### *Reserves and Reserve Fund*

The Richmond Hill Public Library Board Donation and Bequest Reserve Fund is comprised of the following funds designated for projects as approved by the Library Board:

	2023	2022
	\$	\$
Special Purpose Reserve	847,458	1,308,104
Local History Digitization	123,000	123,000
Undesignated	541,922	516,292
	1,512,380	1,947,396



## 6. Accumulated surplus (continued)

### *DC Reserve Fund*

The City of Richmond Hill levies, collects and holds development charges, a component of which is specifically to fund expansion of library services to accommodate growth. Allocations from these funds are approved by the Library Board as part of the annual budget process. Currently, the City is reflecting a balance of \$2,278,482 (2022 - \$1,706,427) of the Library Board's related Development Charges in their segregated Development Charges accounts. This reserve fund is not reflected in these statements.

## 7. Related party transactions

The City of Richmond Hill provides contributions to the operations and capital projects of the Library Board through Municipal contributions as noted on the statement of operations.

The Statement of Operations reflects the fair value of the contribution from the City for maintenance, utility and supply charges which are provided for \$Nil consideration.

The Library Board operates from buildings owned by the City of Richmond Hill. The cost of these buildings are not included in these financial statements.

Additionally, the City provides accounting services to the Library Board and no fees are charged for these services.

## 8. Budget figures

The budgets originally approved by the Richmond Hill Public Library Board for 2023, adjusted as noted below, are reflected on the statement of operations and of change in net financial assets.

- a) An amount for amortization expense has been added and is based on management's best estimate of amortization expense determined at the beginning of the year. Amortization expense was not included in the original Library Board approved budget.
- b) Amounts for the cost of contributed tangible capital assets and the related revenue have been added and are based on management's best estimate of the value of contributed tangible capital assets determined at the beginning of the year. Neither the cost of the contributed tangible capital assets nor the revenue was included in the original Library Board approved budget.
- c) Amounts included in the original Library Board approved capital budget which are not recognized as tangible capital assets are included in statement of operations under the appropriate functional expense category, while those recognized as tangible capital assets are included in the statement of change in net financial assets.

<b>Adopted budget</b>	<b>2023</b>
	\$
Budgeted annual surplus	-
Adjustments to the adopted budget	-
Increase in the Reserves and Reserve Funds	25,630
Amortization of tangible capital assets	(1,407,883)
Acquisition of contributed tangible assets	1,970,902
<b>Budgeted surplus per statement of operations</b>	<b>588,649</b>



# Richmond Hill Public Library Board

For the year ended December 31, 2023

Report to the Board of Directors  
Audit strategy and results

June 20, 2023

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# Executive summary

## Purpose of report and scope

The purpose of this report is to engage in an open dialogue with you regarding our audit of the financial statements of Richmond Hill Public Library Board (the "Library") for the year ended December 31, 2023. This communication will assist the Board of Directors in understanding our overall audit strategy and results of audit procedures and includes comments on misstatements, significant accounting policies, sensitive estimates and other matters.

The information in this document is intended solely for the information and use of the Board of Directors and management. It is not intended to be distributed or used by anyone other than these specified parties.

We have obtained our engagement letter dated January 14, 2022, which outlines our responsibilities and the responsibilities of management.

We were engaged to provide the following deliverables:

Deliverable
Report on the December 31, 2023 financial statements
Communication of audit strategy and results

## Status of our audit

We have substantially completed our audit of the financial statements of the Library and the results of that audit are included in this report.

We will finalize our report upon resolution of the following items that were outstanding as at June 20, 2024:

- Receipt of signed management representation letter (a draft has been attached in the appendices);
- Approval of the financial statements by the Board of Directors; and
- Procedures regarding subsequent events.

## Approach

Our audit approach requires that we establish an overall strategy that focuses on risk areas. We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error. The greater the risk of material misstatement associated with an area of the financial statements, including disclosures, the greater the audit emphasis placed on it in terms of audit verification and analysis. Where the nature of a risk of material misstatement is such that it requires special audit consideration, it is classified as a significant risk.

Our approach is discussed further in the Appendix A.

# Audit risks and results

## Significant risks

Area of focus	Why there is a risk	Our response and findings
<b>Fraud risk fro management override</b>	Due to the small accounting department there is a risk of management override of controls.	<ul style="list-style-type: none"> <li>We obtained a report of journal entries recorded during the year and perform data analytics.</li> <li>We tested of manual journal entries where override may be plausible.</li> </ul> <b>No issues noted.</b>

## Other areas of focus

Area of focus	Matter	Our response and findings
<b>Completeness and existence of operating expenses and accrued liabilities</b>	The accrued liabilities may be understated due to inaccurate estimates	<ul style="list-style-type: none"> <li>We reviewed accrued liabilities compared to prior year, detailed analytical review of expenses compared to prior year/budget. We tested a sample of expenses during the year and subsequent to year end.</li> </ul> <b>No issues noted.</b>
<b>Tangible capital assets</b>	Valuation of additions, including contributed assets, as well as appropriateness of amortization.	<ul style="list-style-type: none"> <li>We tested additions, recalculation of amortization expense and tested disposals including review of pooled asset categories.</li> </ul> <b>No issues noted.</b>

Area of focus	Matter	Our response and findings
<b>Completeness of employee compensation expenses</b>	Accrued liabilities may be understated for payroll-related costs, as well as actuarial-determined liabilities.	<ul style="list-style-type: none"> <li>We reviewed supporting documentation and management estimates with respect to completeness and accuracy of significant payroll-related accruals, analysed payroll expenses by department compared to expectations, and reviewed actuarial reports and key inputs that would impact the post-employment benefit liability.</li> </ul> <p><b>No issues noted.</b></p>

## Other findings from the audit

Area of focus	Matter	Our response and findings
<b>Fraud and illegal acts</b>	Our audit procedures were performed for the purpose of forming an opinion of the financial statements and although these procedures might bring possible fraudulent or illegal activities to our attention, our audit procedures are less likely to detect material misstatements arising from fraud or other illegal acts because such acts are usually accompanied by acts designed to conceal their existence.	Our inquiries of management did not reveal any fraud and illegal acts. We did not detect any fraudulent or illegal activities or any material misstatements resulting from fraudulent or illegal activities during our audit.
<b>Litigation matters</b>	We are required to ensure that all litigation and contingencies are identified and appropriately accounted for in the financial statements.	Based on management's representations and a review of legal invoices during the year, we are not aware of any claims or possible claims against the Library that would result in a contingent liability.

# Adjustments and uncorrected misstatements

## Adjustments

No adjustments were made as part of the audit.

## Uncorrected misstatements

We have no non-trivial unadjusted misstatements to report.

## Summary of disclosure matters

Our audit did not identify any unadjusted non-trivial misstatements of disclosure matters.

# Other reportable matters

## Internal control

The audit is designed to express an opinion on the consolidated financial statements. We obtain an understanding of internal control over financial reporting to the extent necessary to plan the audit and to determine the nature, timing and extent of our work. Accordingly, we do not express an opinion on the effectiveness of internal control.

If we become aware of a deficiency in your internal control over financial reporting, the auditing standards require us to communicate to Audit Committee those deficiencies we consider significant. However, a financial statement audit is not designed to provide assurance on internal control.

During the course of performing our audit, we did not identify any internal control matters.

## Independence

We have a rigorous process where we continually monitor and maintain our independence. The process of maintaining our independence includes, but is not limited to:

- Identification of threats to our independence and putting into place safeguards to mitigate those threats. For example, we evaluate the independence threat of any non-audit services provided to the Library
- Confirming the independence of our engagement team members

We have identified no information regarding our independence that in our judgment should be brought to your attention.

## Accounting and assurance updates

We have included details of the changes to accounting and assurance standards in the Appendices. No items have required adjustment in the current year financial statements. Note that there were a few standards that impacted disclosures in the 2023 financial statements.



# Technical updates – highlights

## Accounting

Accounting standards issued by the Accounting Standards Board that may affect the Library in the current year and future years include:

- PS 3450 *Financial Instruments*, Section PS2601 *Foreign currency translation*, and PS 1201 *Financial Statement Presentation*
- PS 3400 *Revenues*
- PS 3280 *Asset Retirement Obligations*

Further details of the changes to accounting standards, including management's preliminary comments on their applicability to the Library, are included in the Appendices.

## Assurance

See Appendix C for auditing standards issued by the Auditing and Assurance Standards Board that may change the nature, timing and extent of our audit procedures on the Library and our communication with the Audit Committee.

# Appendix A – Overview and approach

Our audit is planned with the objective of obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, so that we are able to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with Canadian public sectors accounting standards. The following outlines key concepts that are applicable to the audit, including the responsibilities of parties involved, our general audit approach and other considerations.

## Roles and responsibilities

<b>Role of the board of directors</b>	<ul style="list-style-type: none"><li>• Help set the tone for the organization by emphasizing honesty, ethical behaviour and fraud prevention</li><li>• Oversee management, including ensuring that management establishes and maintains internal controls to provide reasonable assurance regarding reliability of financial reporting</li><li>• Oversee the work of the external auditors</li></ul>
<b>Role of management</b>	<ul style="list-style-type: none"><li>• Prepare financial statements in accordance with Canadian public sectors accounting standards</li><li>• Design, implement and maintain effective internal controls over financial reporting processes, including controls to prevent and detect fraud</li><li>• Exercise sound judgment in selecting and applying accounting policies</li><li>• Prevent, detect and correct errors, including those caused by fraud</li><li>• Provide representations to external auditors</li><li>• Assess quantitative and qualitative impact of misstatements discovered during the audit on fair presentation of the financial statements</li></ul>
<b>Role of Grant Thornton LLP</b>	<ul style="list-style-type: none"><li>• Provide an audit opinion that the financial statements are in accordance with Canadian public sectors accounting standards</li><li>• Conduct our audit in accordance with Canadian Generally Accepted Auditing Standards (GAAS)</li><li>• Maintain independence and objectivity</li><li>• Be a resource to management and to those charged with governance</li><li>• Communicate matters of interest to those charged with governance</li><li>• Establish an effective two-way communication with those charged with governance, to report matters of interest to them and obtain their comments on audit risk matters</li></ul>

## Audit approach

Our understanding of the Library and its operations drives our audit approach, which is risk based and specifically tailored to Richmond Hill Public Library Board.

## The five key phases of our audit approach



Phase	Our approach
<b>1. Planning</b>	<ul style="list-style-type: none"> <li>We obtain our understanding of your operations, internal controls and information systems</li> <li>We plan the audit timetable together</li> </ul>
<b>2. Assessing risk</b>	<ul style="list-style-type: none"> <li>We use our knowledge gained from the planning phase to assess financial reporting risks</li> <li>We customize our audit approach to focus our efforts on key areas</li> </ul>
<b>3. Evaluating internal controls</b>	<ul style="list-style-type: none"> <li>We evaluate the design of controls you have implemented over financial reporting risks</li> <li>We identify areas where our audit could be more effective or efficient by taking an approach that includes testing the controls</li> <li>We provide you with information about the areas where you could potentially improve your controls</li> </ul>
<b>4. Testing accounts and transactions</b>	<ul style="list-style-type: none"> <li>We perform tests of balances and transactions</li> <li>We use technology and tools, including data interrogation tools, to perform this process in a way that enhances effectiveness and efficiency</li> </ul>
<b>5. Concluding and reporting</b>	<ul style="list-style-type: none"> <li>We conclude on the sufficiency and appropriateness of our testing</li> <li>We finalize our report and provide you with our observations and recommendations</li> </ul>

Our tailored audit approach results in procedures designed to respond to an identified risk. The greater the risk of material misstatement associated with the account, class of transactions or balance, the greater the audit emphasis placed on it in terms of audit verification and analysis.

Throughout the execution of our audit approach, we maintained our professional skepticism, recognizing the possibility that a material misstatement due to fraud could exist notwithstanding our past experiences with the entity and our beliefs about management's honesty and integrity.

## Materiality

The purpose of our audit is to provide an opinion as to whether the financial statements are prepared, in all material respects, in accordance with Canadian public sectors accounting standards as at December 31, 2023. Therefore, materiality is a critical auditing concept and as such we apply it in all stages of our engagement.

The concept of materiality recognizes that an auditor cannot verify every balance, transaction or judgment made in the financial reporting process. During audit planning, we made a preliminary assessment of materiality for the purpose of developing our audit strategy, including the determination of the extent of our audit procedures. During the completion stage, we consider not only the quantitative assessment of materiality, but also qualitative factors, in assessing the impact on the financial statements, our audit opinion and whether the matters should be brought to your attention.

## Fraud risk factor considerations

We are responsible for planning and performing the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement caused by error or by fraud. Our responsibility includes:

- The identification and assessment of the risks of material misstatement of the financial statements due to fraud through procedures including discussions amongst the audit team and specific inquiries of management
- Obtaining sufficient appropriate audit evidence to respond to the fraud risks noted
- Responding appropriately to any fraud or suspected fraud identified during the audit

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected and this is particularly true in relation to fraud. The primary responsibility for the prevention and detection of fraud rests with those charged with governance.

We are required to communicate with you on fraud-related matters, including:

- Obtaining an understanding of how you exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks
- Inquiring as to whether you have knowledge of any actual, suspected or alleged fraud affecting the entity

The following provides a summary of some of the fraud related procedures that are performed during the audit:

- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- Reviewing accounting estimates for biases
- Evaluating the business rationale (or the lack thereof) for significant transactions that are or appear to be outside the normal course of operations

## Quality management

We have a robust quality management program that forms a core part of our client service. We combine internationally developed audit methodology, advanced audit technology, rigorous review procedures, mandatory professional development requirements, and the use of specialists to consistently deliver high quality audit services to our

clients. In addition to our internal processes, we are subject to inspection and oversight by standard setting and regulatory bodies. We are proud of our firm's approach to quality management and would be pleased to discuss any aspect with you at your convenience.

## IDEA Data Analysis Software

We apply our audit methodology using advanced software tools. IDEA Data Analysis Software is a powerful analysis tool that allows audit teams to read, display, analyze, manipulate, sample and extract data from almost any electronic source. The tool has the advantages of enabling the audit team to perform data analytics on very large data sets in a very short space of time, while providing the checks, balances and audit trail necessary to ensure that the data is not corrupted and that the work can be easily reviewed. SmartAnalyzer, an add-on to IDEA, further improves the efficiency and effectiveness of the audit by providing automated routines for certain common analytical tasks, such as identifying unusual and potentially fraudulent journal entries. Grant Thornton continues to invest in developing industry-leading audit data analytical tools.

# Appendix B – Draft management representation letter

Date

Grant Thornton LLP  
Suite 400  
123 Commerce Valley Dr. East  
Markham, ON  
L3T 7W8

Dear Sir/Madam:

We are providing this letter in connection with your audit of the financial statements of Richmond Hill Public Library Board ("the Library Board") as of December 31, 2023, and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Richmond Hill Public Library Board in accordance with Canadian public sector accounting standards.

We acknowledge that we have fulfilled our responsibilities for the preparation of the financial statements in accordance with Canadian public sector accounting standards and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards (GAAS) so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of Date, the following representations made to you during your audit.

## **Financial statements**

1. The financial statements referred to above present fairly, in all material respects, the financial position of the Library Board as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, as agreed to in the terms of the audit engagement.

**Completeness of information**

2. We have made available to you all financial records and related data and all minutes of the meetings of directors, and committees of directors, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which minutes have not yet been prepared have been provided to you. All significant board and committee actions are included in the summaries.
2. We have provided you with unrestricted access to persons within the Library Board from whom you determined it necessary to obtain audit evidence.
3. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
4. There were no restatements made to correct a material misstatement in the prior period financial statements that affect the comparative information.
5. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
6. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
7. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
8. We have identified to you all known related parties and related party transactions, including revenues, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration.

**Fraud and error**

9. We have no knowledge of fraud or suspected fraud affecting the Library Board involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the Library Board's financial statements communicated by employees, former employees, analysts, regulators or others.
11. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

**Recognition, measurement and disclosure**

12. We believe that the methods, significant assumptions and data used by us in making accounting estimates and related disclosures are appropriate to achieve recognition, measurement and disclosure that are in accordance with Canadian public sector accounting standards.

13. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the financial statements.
14. All related party transactions have been appropriately measured and disclosed in the financial statements.
15. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
16. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
17. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
18. With respect to environmental matters:
  - a) at year end, there were no liabilities or contingencies that have not already been disclosed to you;
  - b) liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the financial statements; and
  - c) commitments have been measured and disclosed, as appropriate, in the financial statements.
19. The Library Board has satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the Library Board's assets nor has any been pledged as collateral.
20. We have disclosed to you, and the Library Board has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
21. The Harmonized Sales Tax (HST) transactions recorded by the Library Board are in accordance with the federal and provincial regulations. HST liability/receivable amounts recorded by the Library Board are considered complete.
22. Employee future benefit costs, assets, and obligations have been determined, accounted for and disclosed in accordance with the requirements of Section PS 3255 *Post-employment benefits, compensated absences and termination benefits* of the Chartered Professional Accountants of Canada (CPA Canada) Public Sector Accounting Handbook.
23. There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.



**Other**

24. We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the Library Board's ability to continue as a going concern, and have concluded that no such events or conditions are evident.

Yours very truly,

---

Robin Fribance, Acting Chief Executive Officer

# Appendix C – PSAS Accounting Developments

Public Sector Accounting Standards	Effective date
<p><b>2022-2023 Annual Improvements to PSAS</b></p> <p>The Public Sector Accounting Board (PSAB) has adopted an annual improvements process to make minor improvements to standards which include clarifying guidance or wording within the standards or correcting relatively minor unintended consequences, conflicts or oversights.</p> <p>The following standards were amended in the 2022-2023 process:</p> <ul style="list-style-type: none"> <li>Section PS 3160 <i>Public Private Partnerships</i> The amendment updated the transitional provisions to explicitly state that early adoption is permitted.</li> <li>Section PS 3420 <i>Inter-Entity Transactions</i> The amendment clarifies that PSG-8 <i>Purchased Intangibles</i> applies to inter-entity transactions</li> </ul>	Effective April 1, 2023 (Immediately)
<p><b>Conceptual Framework for Financial Reporting in the Public Sector</b></p> <p>PSAB's Conceptual Framework for Financial Reporting in the Public Sector replaces Sections PS 1000 <i>Financial Statement Concepts</i> and PS 1100 <i>Financial Statement Objectives</i>.</p> <p>The new Conceptual Framework includes:</p> <ul style="list-style-type: none"> <li>Characteristics of public sector entities</li> <li>Objectives of financial reporting</li> <li>Primary users of financial reporting and their expectations</li> <li>Role of financial statements</li> <li>Foundations and objectives of financial statements</li> <li>Qualitative characteristics of information in financial statements</li> <li>Qualitative characteristics of information in financial statements and related considerations</li> <li>Definitions of elements</li> <li>Criteria of general recognition and derecognition; and,</li> <li>Concepts of general measurement and presentation</li> </ul> <p>As a result of the issuance of the Conceptual Framework, various Sections and Guidelines of the Handbook have been amended to include references to the new Conceptual Framework, add/clarify key definitions that are consistent with the Conceptual Framework, and/or remove references to qualitative characteristics that are no longer qualitative characteristics in the new Conceptual Framework. These Sections include:</p> <ul style="list-style-type: none"> <li>Introduction to the Public Sector Accounting Handbook (formerly the Introduction to the Public Sector Accounting Standards)</li> <li>PS 1150 <i>Generally accepted Accounting Principles</i></li> <li>PS 1201 <i>Financial Statement Presentation</i></li> <li>PS 1300 <i>Government Reporting Entity</i></li> <li>PS 2200 <i>Related Party Transactions</i></li> <li>PS 3150 <i>Tangible Capital Assets</i></li> <li>PS 3200 <i>Liabilities</i></li> <li>PS 3210 <i>Assets</i></li> <li>PS 3400 <i>Revenue</i></li> </ul>	<p>Fiscal years beginning on or after April 1, 2026.</p> <p>Earlier adoption is permitted.</p>

Public Sector Accounting Standards	Effective date
<ul style="list-style-type: none"> <li>• PS 2100 <i>Disclosure of Accounting Policies</i></li> <li>• PS 2120 <i>Accounting Changes</i></li> <li>• PS 2130 <i>Measurement Uncertainty</i></li> <li>• PS 3430 <i>Restructuring Transactions</i></li> <li>• PS 3450 <i>Financial Instruments; and</i></li> <li>• PS 4230 <i>Capital Assets Held by Not-for-Profit Organizations</i></li> </ul>	
The Conceptual Framework will be applied prospectively.	
<b>Section PS 3160 <i>Public Private Partnerships</i></b>	
<p>New Section PS 3160 <i>Public Private Partnerships</i> establishes standards on how to account for public private partnerships between public and private sector entities where infrastructure is procured by a public sector entity using a private sector partner that is obligated to design, build, acquire or better infrastructure; finance the infrastructure past the point where the infrastructure is ready for use and operate and/or maintain the infrastructure. Infrastructure typically includes items such as tangible capital assets (i.e., complex network systems), but may also include items that are intangible in nature. The main features of the new Section are:</p>	<p>Fiscal years beginning on or after April 1, 2023.</p> <p>Earlier adoption is permitted.</p>
<ul style="list-style-type: none"> <li>• The infrastructure is recognized as an asset when the public sector entity acquires control of the infrastructure. A liability is also recognized when the public sector entity recognizes an asset</li> <li>• The infrastructure asset and corresponding liability are initially measured at the cost of the infrastructure asset</li> <li>• Subsequent measurement of the infrastructure asset is based on the asset cost amortized in a rational and systematic manner over the useful life of the asset</li> <li>• Subsequent measurement of the financial liability is at amortized cost using the effective interest method. When all or a portion of the liability represents a performance obligation, revenue is recognized, and the liability reduced in accordance with the substance of the public private partnership agreement (as performance is achieved)</li> </ul>	
Retrospective or prospective application is permitted.	
<b>Section PS 1000 <i>Financial statement concepts</i>, Section 1201 <i>Financial Statement Presentation</i>, and PSG-8 <i>Purchased intangibles</i></b>	
<p>Section PS 1000 has been amended to remove the prohibition of recognition of purchased intangibles in public sector financial statements. Consequentially, Section PS 1201 has also been amended to remove disclosure requirements for unrecognized purchased intangibles since entities can now recognize purchased intangibles in their financial statements. Entities still reporting in accordance with Section PS 1200 <i>Financial Statement Presentation</i> can also adopt the amendments and recognize purchased intangible assets. New Public Sector Guideline, PSG-8 <i>Purchased intangibles</i>, has been issued to explain the scope of the intangibles that are allowed to be recognized in the financial statements given this amendment to Section PS 1000. However, it is important to note that no further recognition, measurement, disclosure and presentation guidance has been provided.</p>	<p>Fiscal years beginning on or after April 1, 2023.</p> <p>Earlier adoption is permitted.</p>
The main features of PSG-8 include:	
<ul style="list-style-type: none"> <li>• A definition of purchased intangibles (which does not include those received through a government transfer, contribution or inter-entity transaction)</li> <li>• Examples of items that are not purchased intangibles</li> <li>• References to other guidance in the Handbook on intangibles</li> <li>• Reference to the asset definition, general recognition criteria and the GAAP hierarchy for accounting for purchased intangibles</li> </ul>	
Retrospective or prospective application is permitted.	

**Section PS 3400 Revenues**

New Section PS 3400 *Revenue* establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers, tax revenue or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). The main features of the new Section are:

- Performance obligations are defined as enforceable promises to provide specific goods or services to a specific payer
- Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payer
- Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset

Fiscal years beginning on or after April 1, 2023.

Earlier adoption is permitted.

(NOTE: The effective date was previously April 1, 2022, but in August 2020, as a result of the COVID-19 pandemic, the Public Sector Accounting Board (PSAB) has deferred the effective date by one year.)

**Section PS 3450 Financial instruments and Section PS 2601 Foreign currency translation**

PS 2601 *Foreign currency translation* has been amended:

- To provide an irrevocable accounting policy election for all financial assets and financial liabilities arising from a foreign currency transaction. This election allows a public sector entity to elect on initial recognition to recognize their exchange gains and losses on a financial asset or financial liability directly in the statement of operations. If this election is not chosen, unrealized foreign exchange gains and losses are included in remeasurement gains and losses until they are realized, upon which they are reclassified to the statement of operations
- To require for financial assets and financial liabilities in the fair value category, that the exchange gain or loss component of the change in fair value be separated and recognized directly in the statement of operations in cases where the above accounting policy election was made and amounts subject to this election would not be considered remeasurement gains and losses

For those public sector entities that applied PS 2601 to fiscal years beginning on or after April 1, 2012, the election may be made on a one-time basis for existing financial assets and financial liabilities arising from a foreign currency transaction. For any financial asset or financial liability for which this election is made, cumulative unrealized exchange gains and losses arising at the date of the election are recognized as an adjustment to the accumulated surplus or deficit at the beginning of the fiscal year in which this election is applied. Disclosure is required to indicate the use of this election and any adjustment to the accumulated surplus or deficit in the year of application.

As a result of accounting policy election in PS 2601 noted above, PS 3450 has also been amended to require the disclosure of the carrying amounts of financial assets and financial liabilities in which exchange gains and losses are recognized directly in the statement of operations

For governments - Fiscal years beginning on or after April 1, 2022.

For those public sector entities that applied PS 2601/PS 3450 to fiscal years beginning on or after April 1, 2012, the election in paragraph PS 2601.19A may be made on a one-time basis, at the beginning of the fiscal year, for existing financial assets and financial liabilities arising from a foreign currency transaction. This election may be applied no later than the fiscal year beginning on or after April 1, 2022. Earlier application is permitted.

**Section PS 3280 Asset retirement obligations**

New Section PS 3280 *Asset Retirement Obligations* establishes standards on how to account for and report a liability for asset retirement obligations. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.

Asset retirement costs associated with a tangible capital asset increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner, while asset retirement costs associated with an asset no longer in productive use are expensed. Measurement of the liability for an asset retirement obligation should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date. A present value technique is often the best method to estimate the liability. Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset, or an expense, depending on the nature of the remeasurement or whether the asset remains in productive use.

As a result of the issuance of Section PS 3280, the PSAB approved the withdrawal of Section PS 3270 *Solid waste landfill closure and post-closure liability* as asset retirement obligations associated with landfills will be within the scope of PS 3280. PS 3280 does not address costs related to remediation of contaminated sites, which will continue to be addressed in Section PS 3260 *Liability for contaminated sites*. Some consequential amendments have been made to PS 3260 to conform with PS 3280 and further clarify the scope of each standard.

Fiscal years beginning on or after April 1, 2022.

Earlier adoption is permitted.

(NOTE: The effective date was previously April 1, 2021, but in August 2020, as a result of the COVID-19 pandemic, the PSAB has deferred the effective date by one year.)

**Section PS 3450 Financial instruments, Section PS 2601 Foreign currency translation, Section PS 1201 Financial statement presentation, and PS 3041 Portfolio investments**

Public Sector Accounting Standards	Effective date
<p>PS 3450 <i>Financial instruments</i> is a new Section that establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Some highlights of the requirements include:</p> <ul style="list-style-type: none"> <li>• a public sector entity should recognize a financial asset or a financial liability on its statement of financial position when it becomes a party to the contractual provisions of the instrument</li> <li>• financial instruments within the scope of the Section are assigned to one of two measurement categories: fair value, or cost / amortized cost</li> <li>• almost all derivatives are measured at fair value</li> <li>• fair value measurement is required for portfolio investments in equity instruments that are quoted in an active market</li> <li>• other financial assets and financial liabilities are generally measured at cost or amortized cost</li> <li>• until an item is derecognized, gains and losses arising due to fair value remeasurement are reported in the statement of remeasurement gains and losses when the public sector entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, the entity may elect to include these items in the fair value category</li> <li>• additional disclosures with respect to financial instruments will be required, including the nature and extent of risks arising from a public sector entity's financial instruments</li> </ul> <p>PS 2601 <i>Foreign currency translation</i> revises and replaces Section PS 2600 <i>Foreign currency translation</i>. Some highlights of the requirements include:</p> <ul style="list-style-type: none"> <li>• the deferral and amortization of foreign exchange gains and losses relating to long-term foreign currency denominated monetary items is discontinued</li> <li>• until the period of settlement, foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses rather than the statement of operations, unless an irrevocable election is made at initial measurement to recognize exchange gains and losses on a financial asset or financial liability directly in the statement of operations</li> </ul> <p>PS 1201 <i>Financial statement presentation</i> revises and replaces Section PS 1200 <i>Financial statement presentation</i>. The main amendment to this Section is the addition of the statement of remeasurement gains and losses.</p> <p>PS 3041 <i>Portfolio investments</i> revises and replaces Section PS 3040 <i>Portfolio investments</i>.</p> <p>The issuance of these new sections also includes consequential amendments to:</p> <ul style="list-style-type: none"> <li>• Introduction to accounting standards that apply only to government not-for-profit organizations</li> <li>• PS 1000 Financial statement concepts</li> <li>• PS 1100 Financial statement objectives</li> <li>• PS 2125 First-time adoption by government organizations</li> <li>• PS 2500 Basic principles of consolidation</li> <li>• PS 2510 Additional areas of consolidation</li> <li>• PS 3050 Loans receivable</li> <li>• PS 3060 Government partnerships</li> <li>• PS 3070 Investments in government business enterprises</li> <li>• PS 3230 Long-term debt</li> <li>• PS 3310 Loan guarantees</li> <li>• PS 4200 Financial statement presentation by not-for-profit organizations</li> </ul> <p>PSG-6 <i>Including results of organizations and partnerships applying fair value measurement</i> was withdrawn as a result of the issuance of these sections.</p> <p>In April 2020, the PSAB issued amendments to clarify aspects of Section PS 3450's application and add new guidance to its transitional provisions.</p>	<p>The new requirements are all required to be applied at the same time.</p> <p>For governments - Fiscal years beginning on or after April 1, 2022.</p> <p>For government organizations that applied the CPA Canada Handbook – Accounting prior to their adoption of the CPA Canada Public Sector Accounting Handbook - Fiscal years beginning on or after April 1, 2012.</p> <p>For all other government organizations - Fiscal years beginning on or after April 1, 2022.</p> <p>Earlier adoption is permitted.</p> <p>(NOTE: For public sector entities other than government organizations that applied the CPA Canada Handbook – Accounting prior to adopting the CPA Canada Public Sector Accounting Handbook, the effective date was previously April 1, 2021, but in August 2020, as a result of the COVID-19 pandemic, the PSAB has deferred the effective date by one year.)</p>

The amendments introduce changes to the accounting treatment for bond repurchase transactions. Specifically, the amendments no longer require bond repurchase transactions to be treated as extinguishments, unless they are discharged or legally released from the obligation or the transactions meet certain criteria to be considered an exchange of debt.

The amendments also provide clarification on the application of certain areas of Section PS 3450, these include:

- Section PS 3450 does not apply unless a contractual right or a contractual obligation underlies a receivable or payable
- how a transfer of collateral pursuant to a credit risk management mechanism in a derivative contract is accounted for, and
- derecognition of a financial asset does not occur if the transferor retains substantially all the risks and benefits of ownership

Finally, the amendments have added new guidance to the transitional provisions as follows:

- controlling governments should use the carrying values of the financial assets and liabilities in the records of its government organizations when consolidating a government organization
- any unamortized discounts, premiums, or transaction costs associated with a financial asset or financial liability in the cost/amortized cost category should be included in the item's opening carrying value, and
- in cases where derivatives were not recognized or were not measured at fair value prior to adopting PS 3450, any difference between the previous carrying value and fair value should be recognized in the opening balance of accumulated remeasurement gains and losses

## Strategic plan for not-for-profit organizations in the public sector

Since 2012, government not-for-profit organizations (GNPOs) have been required to adopt PSAS but were given the option of applying the specific GNPO accounting standards (PS 4200 series) in PSAS. Some GNPOs have utilized those standards, while others have not. The PSAB recognized that a “one-size-fits-all” approach may not be appropriate for all stakeholders. In March 2022, having deliberated feedback from two Consultation Papers, the PSAB decided to incorporate the PS 4200 series, with potential customizations, into PSAS as its strategy for GNPOs. This solution was defined as reviewing and amending, as appropriate, the PS 4200 series guidance and incorporating it within the PSA Handbook available for all public sector entities to apply, if appropriate. That is, the existing standards in the PS 4200 series will be reviewed to determine if they should be retained and added to PSAS. This may involve amending standards to update them and ensuring consistency with PSAB’s conceptual framework. The PSAB believes this strategy will likely:

- improve the comparability and understandability of financial statements, as all public sector entities would be applying a common reporting model;
- provide the PSAB with a tool and some flexibility to address matters warranting a different presentation or accounting treatment for GNPOs when appropriate; and
- make some of the guidance currently found only in the PS 4200 series available to all public sector entities with similar transactions, improving comparability and consistent application of accounting standards.

The implementation plan for this strategy was approved at its June 2022 meeting, and an overview of the implementation plan was presented at its December 2022 meeting. The current ordering of standard level projects will start with tangible capital assets as well as contributions (including endowments), then controlled and related entities, finishing with the reporting model. The capital asset project will focus on proposing amendments to Section PS 3150 *Tangible Capital Assets*, as a result of reviewing Section PS 4230 *Capital Assets Held by Not-for-Profit Organizations* and Section PS 4240 *Collections Held by Not-for-Profit Organizations*. PSAB plans to consult stakeholders throughout the implementation phase and issue an Exposure Draft in the Fall of 2023.

# Appendix D – Auditing developments

Canadian Auditing Standards (CASs) and other Canadian Standards issued by the AASB	Effective date
<p><b>Issuance of CSQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements</i>, CSQM 2 <i>Engagement Quality Reviews</i> and revised CAS 220 <i>Quality Management for an Audit of Financial Statements</i></b></p> <p>Auditors must effectively manage audit quality, both at the firm level and the engagement level. The IAASB recognised a need to strengthen standards addressing quality control and the AASB implemented similar changes to those made at the international level. In January 2021, the AASB unanimously approved the suite of quality management standards.</p> <p>CSQM 1 introduces a new approach to “managing quality”. Quality management is intended to be proactive in nature and to be a continuous process. Implementing the new standard requires firms to analyse and enhance many of their internal processes to achieve effective quality management. This standard replaces the extant standard, CSQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements</p> <p>CSQM 2 deals specifically with the topic of engagement quality reviews (EQRs), which are performed by firms to obtain an objective evaluation of the significant judgments made by the engagement team and the conclusions reached. The standards setters recognized the importance of EQRs and noted that many stakeholders (including oversight bodies) were concerned that the requirements of CSQM 1 with respect to EQRs were not sufficiently robust. As a result, CSQM 2 was issued. CSQM 1 deals with the topic of when an EQR should be performed, while CSQM 2 covers the appointment and eligibility considerations related to the person performing the EQR and the performance and documentation requirements.</p> <p>CAS 220 was revised to clarify and strengthen the key elements of quality management at the engagement level by:</p> <ul style="list-style-type: none"> <li>• emphasizing that the engagement partner is responsible for managing and achieving quality at the engagement level</li> <li>• clarifying the engagement partner’s responsibilities, and acknowledging the engagement partner can assign certain tasks/procedures to members of the engagement team who are appropriately skilled or suitably experienced in managing and achieving quality</li> <li>• modernizing the standard for the evolving environment</li> </ul>	<p>CSQM 1 is effective for audits or reviews of financial statements or other assurance engagements as of December 15, 2022 and related services engagements as of December 15, 2023.</p> <p>CSQM 2 is effective for audits or reviews of financial statements with periods beginning on or after December 15, 2022, other assurance engagements beginning on or after December 15, 2022 and related services engagements beginning on or after December 15, 2023.</p> <p>CAS 220 is effective for audits of financial statements for periods beginning on or after December 15, 2022.</p>
Canadian Exposure Drafts issued by the AASB	Effective date
<p><b>Potential revisions to CAS 500 <i>Audit Evidence</i></b></p> <p>The current audit evidence standard was issued many years ago. Since then, developments in technology have affected how entities operate and process information and how audits are performed. In December 2020, the IAASB initiated a project to revise the current standard to respond to changes in the business environment. The Exposure Draft proposes several key changes:</p> <ul style="list-style-type: none"> <li>• To respond to changes in the information auditors use, including the nature and source of the information, a set of attributes has been developed to enhance the auditor’s principle-based judgments related to audit evidence in a wide variety of circumstances. Enhancements and clarifications have also been made regarding the auditor’s role when using information prepared by management’s expert</li> <li>• To modernise the standard and support a principles-based approach that recognises the evolution in technology, new application material has been added, including explanations of how automated tools may affect auditor bias and examples that recognise the use of technology by the entity or the auditor</li> <li>• To foster professional skepticism when making judgments about information to be used as audit evidence and sufficient appropriate audit evidence, language has been added to emphasise the importance of maintaining professional skepticism at various stages, such as when attempting to ensure that audit procedures are being designed and performed in an unbiased manner.</li> </ul>	<p>The comment period for the Exposure Draft ended on March 15, 2023. It is expected that the effective date for the revised standard will be for periods beginning in 2025, but the exact effective date will depend on when the standard is approved.</p>

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### Potential revisions to CAS 570 *Going Concern*

Auditors are required to obtain sufficient appropriate audit evidence on the appropriateness of management's use of the going concern basis of accounting and conclude on whether a material uncertainty exists in relation to going concern. Financial statement users have raised questions about how much auditors should be able to detect from their audit procedures in this area, and what is communicated to users about the entity's ability to continue as a going concern. This led the IAASB to initiate a project to revise the standard. In April 2023, the IAASB issued its Exposure Draft and the AASB has issued a corresponding Exposure Draft. The Exposure Draft proposes several key changes, which include:

- Defining material uncertainty related to going concern
- Enhancing the risk identification and assessment requirements so they are consistent with those set out in CAS 315 (Revised) *Identifying and Assessing the Risks of Material Misstatement*
- Enhancing the auditor's evaluation of management's going concern assessment, including requirements to support the auditor's application of professional skepticism
- Adding a requirement for the auditor to request management to extend its going concern assessment of the entity to cover at least 12 months from the date of approval of the financial statements if management has not already done so
- Enhancing the auditor's consideration of information related to management's going concern assessment that becomes available to the auditor after the date of the auditor's report but before the date the financial statements are issued
- Adding requirements to enhance communications about going concern in the auditor's report.

The comment period for the Exposure Draft ends on July 31, 2023. It is expected that the effective date for the revised standard will be for periods beginning in 2026, but the exact effective date will depend on when the standard is approved.





**Subject:** 2024 Q1 Strategic Plan Progress Report

**For:** Receipt

**Date:** June 20, 2024

**Report #:** SRLIB24.12

**To:** Richmond Hill Public Library Board

**From:** Robin Fribance, Director, Strategy and Service Innovation

### **SUMMARY**

This is the Q1 2024 update to the Richmond Hill Public Library Board on the progress on our Strategic Plan.

Progress on Strategic Plan Priorities is proceeding well, although three initiatives have been paused due to the turnover in the CEO position. On the other hand, several initiatives reached completion, in particular modernization of meeting room facilities, two facilities-related studies, and the final draft of the Facilities Master Plan, as well as innovation and branch experience planning.

Progress on Strategic Plan Objectives was mixed. Nine out of thirteen indicators are exceeding expectations or within the acceptable range of normal fluctuations.

Of concern is the large number of lapsed memberships which is inconsistent with historical data and warrants further investigation. Immediate corrective measures include proactively emailing all patrons with no account activity every three months and implementing a CRM system to allow for more targeted customer communications.

Social media engagement rates are slightly below the acceptable range, and average program attendance is firmly outside the normal range and warrant close monitoring.

*Note: The mobile app launched in Q2 and therefore has no data for Q1.*

## **RECOMMENDATION**

That the Richmond Hill Public Library Board receive the 2024 Q1 Strategic Plan Progress Report for information.

## **Q1 2024 PROGRESS**

### **Strategic Plan Priorities**

#### Priority 1: Inspiring In-person Experiences

P1.1 Launch New Central Café	Completed
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P1.2 Modernize Meeting Room Facilities	Completed
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*Completed ahead of schedule. All branches now have hybrid meeting technologies.*

P1.3 Develop RHPL Master Plan	On track
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*Final draft of the plan prepared for presentation to the Board Master Plan Steering Committee on April 12, 2024.  
Plan to be presented to the Board May 2024.*

**P1.3a Explore Branch Specialization** **Completed**

*Dependency: P1.3 RHPL Master Plan*

*Assessment completed as part of Master Plan research.*

**P1.3b Access After-hours Model** **Completed**

*Dependency: P1.3 RHPL Master Plan*

*Assessment completed as part of Master Plan research.*

**P1.4 Redesign Service Model** **On track**

*Dependency: Organization realignment*

*Expected Completion 2025*

**Priority 2: Accelerated Digital Experiences**

**P2.1 Redevelop RHPL Website** **On track**

*External dependency: CRH IT, Procurement*

*Phase 1 completed May 15, 2023. Phase 2 completed March 2024. Full site completion early 2025.*

**P2.2 Develop Digital Product Strategy** **On track**

*Expected completion: Q2 2024*

**P2.3 Integrate Personalization** **Delayed**

*Dependency: CRM System procurement & onboarding*

*Delayed until Q3 2024 due to turnover and backlog in the IT Project Management Office.*

### Priority 3: Customer- and Mission-focused Content

P3.1 Develop Future-ready Content

On track

*Ongoing*

P3.2 Support Entrepreneurs & Small Business

Not started

*Progress on this initiative is TBD, pending conversation with CRH.*

P3.3 Enhance Multilingual Offerings

On track

*Being integrated into multiple department plans for ongoing work. Expanded multilingual digital collection and storytimes through 2024.*

P3.4 Expand Membership in Relevant Organizations

On track

*No new activity in Q1 2024.*

*Activities to date includes: partnership with Soulpepper Theatre, Black Creek Pioneer Village, Richmond Hill Performing Arts Centre; Experience Passes (museums, attractions) to ROM, McMichael Collection.*

### Priority 4: Expanded & Deeper Engagement

P4.1 Develop a Brand Strategy & New Identity	Completed
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P4.2 Build & Execute a Marketing & Media Plan	Completed
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P4.3 Integrate Proof Point of Library Value into Customer Journeys	In progress
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*Work underway on social return on investment in library services; 2022 complete, 2023 in progress.*

P4.4 Build Librarians into Personalities	In progress
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*With the implementation of BiblioCommons, enhanced booklists and integration with social media.*

P4.5 Develop a Literacy Initiative	Not started
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*Expected start 2024*

#### Priority 5: Insights & Innovation

P5.1 Create an Innovation & Insights Strategy	Completed
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P5.2 Develop Innovation & Foresight Capabilities	On track
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*Dependency: Organization realignment*

*Ongoing*

#### Priority 6: Information & Technology Advancement

P6.1 Application Management Program	On track
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*External dependency: CRH IT*

*Ongoing*

P6.2 Expand Collaboration Tools

On track

*External dependency: CRH IT*

*Partially complete with Outlook, Teams, Sharepoint in place.*

P6.3 Develop Data Strategy

Completed

#### Priority 7: Effective Governance

P7.1 Develop Financial Sustainability Strategy

On hold

*On hold pending recruitment of CEO.*

P7.2 Conduct Board Governance Review

On hold

*On hold pending recruitment of CEO.*

P7.3 Develop Environmental Sustainability Strategy

On track

*Conversation with CRH sustainability team has begun.  
Specific plans arising from that conversation are TBD.*

P7.4 Develop Department Plans

On track

*Dependency: Organization realignment*

*Branch Experience, Innovation plans complete;  
Customer Experience, Community Engagement  
expected completion Q2 2024; Annual planning cycle  
being on-boarded now.*

## Priority 8: Expanded & Deeper Partnerships

P8.1 Participate at Local/Regional Planning Tables

On track

*Dependency: Organization realignment*

*Incremental start, plan included in Community*

*Engagement Department Plan.*

P8.2 Broaden Library Best Practices

On track

No new activity in Q1 2024.

Activities to date includes:

- Library visits to Vancouver area, Calgary, Seattle, Washington DC, Cambridge, Barrie
- Employee Performance Assessment program
- Governance committee
- Leadership on CULC Futures Lab
- Steering Committee for OLS “Valuing Ontario Libraries” initiative (social return on investment)
- Member of ULC Strategic Plan Steering Committee
- Initiated Multicultural Community Advisory Group
- York Region Collaborative Programming Partnership

P8.3 Expand Volunteer Program

Not started

*Dependency: Organization realignment and new*

*Collective Agreement*

*Expected start 2024*

## Priority 9: High-performance Organization

### P9.1 Develop Culture

On track

*Ongoing. Next culture survey in Spring 2024.*

### P9.2 Develop Performance Management Program

On hold

*External dependency: City of Richmond Hill HR and Organization realignment.*

*On hold pending recruitment of CEO.*

### P9.3 Align Org Structure to Strat Plan

Completed

## **Strategic Plan Objectives**

RHPL has identified three indicators of Library health: Customer Use, Customer Satisfaction, and Customer Retention and Growth. When assessing progress toward strategic objectives, RHPL measures the success of the customer journey through the stages of interaction, perception, and outcome.

Key considerations in Q1 include:

- KPIs have been reformulated based on evolving data standards and reorganized to align to the corresponding Strategic Plan Priority Objectives in the customer portfolio.
- Select strategic priorities do not have 5 comparable quarters of data to draw from based on some significant changes to vendors. In particular, the new BiblioCommons discovery layer, a new in-branch Wi-Fi vendor, and major changes to Google Analytics' measurement model mean we cannot make direct comparisons to prior measures. Wherever possible, we have adjusted for



consistency. Where consistency across the past year is not possible, we have indicated so.

- 2024 targets have been set to reflect past performance, industry standards, relative performance to comparable libraries, and strategic initiatives. Where noted, 2024 will be used to validate assumptions in the targets and/or establish baselines if existing data does not yield a clear target.
- RHPL continues to address data quality issues, and while much progress has been made, there may be reason to adjust measures and/or targets as we go forward.

KPIs measure RHPL's four Customer Priorities, specifically the progress toward accomplishing the objective associated with each priority. The four priorities and their associated KPIs are:

### **Priority 1: Inspiring In-person Experiences**

Strategic objective: Provide creative, flexible, convenient, and inclusive community spaces and service excellence.

#### Computer Logins

The total number of computer logins across all branches in the quarter. Demonstrates interaction with in-branch computer offerings, including desktop computers and Early Learning Stations (ELS), which are computers designed specifically for children.

Q1 Result: 31% toward the annual target, exceeding expectations for the quarter.

#### WIFI Usage

The total number of WIFI logins during the quarter. Demonstrates customer interaction with library-provided WIFI.

Q1 Result: 30% toward the annual target, exceeding expectations for the quarter.

### In-person Visits

The total number of customers who visited a branch in the quarter. Demonstrates the outcome of initiatives intended to drive traffic to the branches.

Q1 Result: 24% to the annual target, approaching expectations for the quarter.

## **Priority 2: Accelerated Digital Experiences**

Strategic Objective: Modern digital experiences to deliver products and services more widely, intuitively, effectively and efficiently.

### Mobile App Users

The number of customers who used the RHPL mobile app, demonstrating interaction with the digital branch by mobile devices.

Q1 Result: N/A due to launch of new app in Q2.

### Website Sessions

Measures each time a customer lands on the RHPL website, demonstrating interaction with, or use of, the digital branch.

Q1 Result: 30% toward the annual target, exceeding expectations for the quarter.

### Web Events

The number of customer interactions on rhpl.ca, such as a download, form submission, or button click. Demonstrates the outcome of improving our website functionality and content by measuring customer engagement with the site's functions and offerings.

Q1 Result: 25% toward the annual target at the end of Q1; on track.

## **Priority 3: Customer & Mission-focused Content**

Strategic Objective: Evolve curated offerings to always be relevant to our community through a future-ready approach.

### Circulation

The total number of items checked out and renewed in the quarter (digital and physical). Demonstrates the outcome of customer engagement with the RHPL collection, including as a result of marketing, website and catalogue improvements, and collection development initiatives.

Q1 Result: 23% toward the annual target, approaching expectations for the quarter. Fluctuations in circulation are typical throughout the year. Variations plus or minus 6.5% from target are in-line with expectations.

### Program Attendees

The total number of Community Engagement program participants in the quarter, which demonstrates interaction with RHPL offerings.

Q1 Result: 30% toward the annual target, exceeding expectations for the quarter.

### Average Program Attendance Rate

The average number of customers across all programs in the quarter, measuring the outcome of program-related offerings.

Q1 Result: 6% below the target, and below the acceptable range of 3.5% fluctuation.

## **Priority 4: Expanded & Deeper Engagement**

Strategic Objective: Build Customer relationships, awareness and appreciation of our services and value.

### Membership

The total number of new & renewed memberships in the quarter, demonstrating the outcome of customer interaction and satisfaction with library offerings through retention and growth of members.

Q1 Result: New memberships are at 29% of the annual, exceeding expectations. Renewals are at 24.5% of the annual target and are on track. Lapsed members are 36% to the annual target, elevated above expectations for the quarter.

#### Newsletter Subscriber Growth

The rate at which customers signed-up to the RHPL newsletter, demonstrating interaction with the library's communications channels.

Q1 Result: 1.7% shy of the target. Subscriber growth fluctuates throughout the year and has an acceptable range of fluctuation to 1.02% below the target. Q1 was beyond the acceptable range by 0.2%.

#### Newsletter Click-to-open Rate (CTOR)

The percent of customers who clicked on a link in RHPL newsletters, demonstrating engagement with RHPL content.

Q1 Result: 0.59% shy of target. This is within the 1.88% range of fluctuation and considered acceptable.

#### Social Media Engagement Rate

The average number of interactions made by followers across RHPL social media channels, demonstrating engagement with RHPL content.

Q1 Result: 0.29% over the quarterly target, exceeding expectations for the quarter.

### **RELATED DOCUMENT**

1. Strategic Plan Progress Q1 2024 Slides

**From:** Kelly Sitzman

**Sent:** Tuesday, June 11, 2024 1:55 PM

**Subject:** Congratulations on your John Cotton Dana Award!

Hi,

I was hoping to catch you on the phone, but –

Congratulations! It is my pleasure, on behalf of ALA's Core Division, to share that your library was selected as a winner of this year's John Cotton Dana Award! Your application stood out amongst the rest.

The award will be presented at the American Library Association in San Diego on Sunday, June 30, 4:30-7:30 (Pacific Time).

We hope you and your marketing team will be able to accept the award and the \$10,000 check. While it's OK for your director to accept, we strive to have your marketing team accept on your library's behalf. We invite each winner to say a few words about their campaign.

We ask that you only tell your immediate team of your award until the press release is sent out next week.

You will receive an email in the next few days from Jessica Holmes from EBSCO who will share all of the details and answer any questions you may have.

Again, congratulations! I hope to meet you in San Diego!

Thanks,



**Kelly Sitzman, MLIS**

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