

## TABLE OF CONTENTS

### Financial Information Act - Statement of Financial Information

**Library Name:** Greater Victoria Public Library

**Fiscal Year Ended:** 2019

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Documents are in the following order:

- 1) Table of Contents
- 2) Financial Information Act Submission Checklist
- 3) Board Approval Form
- 4) Management Report
- 5) Financial Statements
  - a. Statement of Revenue and Expenditures
  - b. Statement of Assets and Liabilities
- 6) Schedule of Debt
- 7) Schedule of Guarantee and Indemnity Agreements
- 8) Schedule of Remuneration and Expenses
- 9) Statement of Severance Agreements
- 10) Statement of Changes in Financial Position
- 11) Schedule of Payments for the Provision of Goods and Services

## Submission Checklist

### Financial Information Act - Statement of Financial Information

**Library Name:** Greater Victoria Public Library

**Fiscal Year Ended:** 2019

a)	<input checked="" type="checkbox"/>	Approval of Statement of Financial Information
b)	<input checked="" type="checkbox"/>	A Management Report signed and dated by the Library Board and Library Director
		An operational statement including:
c)	<input checked="" type="checkbox"/>	i) Statement of Income
	<input checked="" type="checkbox"/>	ii) Statement of Changes in Financial Position, or, if omitted, an explanation in the Notes to the Financial Statements (audited <sup>1</sup> financial statements)
d)	<input checked="" type="checkbox"/>	Statement of assets and liabilities (audited <sup>1</sup> financial statements)
e)	<input checked="" type="checkbox"/>	Schedule of debts (audited <sup>1</sup> financial statements) If there is no debt, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
f)	<input checked="" type="checkbox"/>	Schedule of guarantee and indemnity agreements including the names of the entities involved and the amount of money involved. If no agreements, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
		Schedule of Remuneration and Expenses, including:
	<input checked="" type="checkbox"/>	i) An alphabetical list of employees (first and last names) earning over \$75,000
	<input checked="" type="checkbox"/>	ii) Total amount of expenses paid to or on behalf of each employee under 75,000
	<input checked="" type="checkbox"/>	iii) If the total wages and expenses differs from the audited financial statements, an explanation is required
g)	<input checked="" type="checkbox"/>	iv) A list, by name and position, of Library Board Members with the amount of any remuneration paid to or on behalf of the member.
	<input checked="" type="checkbox"/>	v) The number of severance agreements started during the fiscal year and the range of months` pay covered by the agreement, in respect of excluded employees. If there are no agreements to report, an explanation is required.
		Schedule of Payments for the Provision of Goods and Services including:
h)	<input checked="" type="checkbox"/>	i) An alphabetical list of suppliers receiving over \$25,000 and a consolidated total for those suppliers receiving less than \$25,000. If the total differs from the Audited Financial Statements, an explanation is required.

<sup>1</sup> Municipal Libraries and Regional Library Districts must provide audited financial statements as per the *Libraries Act* section 11(2) and 26(2) (a). Audited statements are not required for the SOFI but if available, please include them.

As per the Libraries Act section 40(3)(a) Public Library Associations must prepare annual financial statements in accordance with generally accepted accounting principles. This also applies to Library Federations.

## Board Approval Form

### Financial Information Act - Statement of Financial Information

NAME OF LIBRARY <i>Greater Victoria Public Library</i>	FISCAL YEAR END (YYYY) 2019
LIBRARY ADDRESS 735 Broughton Street	TELEPHONE NUMBER 250-940-4875
CITY Victoria	PROVINCE British Columbia
	POSTAL CODE V8W 3H2
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Ms. Deborah Begoray	TELEPHONE NUMBER (250) 721-7886
NAME OF THE LIBRARY DIRECTOR Ms. Maureen Sawa	TELEPHONE NUMBER (250) 413-0356

#### **DECLARATION AND SIGNATURES**

*We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information of the year ended 2019 for Greater Victoria Public Library as required under Section 2 of the Financial Information Act.*

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD\*

DATE SIGNED (DD-MM-YYYY)



01-06-2020

SIGNATURE OF THE LIBRARY DIRECTOR

DATE SIGNED (DD-MM-YYYY)



01-06-2020

## Management Report

### Financial Information Act - Statement of Financial Information

**Library Name:** Greater Victoria Public Library

**Fiscal Year Ended:** 2019

#### MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of the Library is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

The external auditors, \_KPMG LLP\_, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the board's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of Greater Victoria Public Library

**Name. Chairperson of the  
Library Board [Print]**

Deborah Begoray

**Signature,  
Chairperson of the Library  
Board**



**Date**

**(MM-DD-YYYY)**

01-06-2020

**Name,  
Library Director [Print]**

Maureen Sawa

**Signature,  
Library Director**



**Date**

**(MM-DD-YYYY)**

01-06-2020

Financial Statements of

**GREATER VICTORIA PUBLIC  
LIBRARY BOARD**

Year ended December 31, 2019

# GREATER VICTORIA PUBLIC LIBRARY BOARD

## Table of Contents

Year ended December 31, 2019

Management's Responsibility for the Financial Statements	1
Independent Auditors' Report	2
Financial Statements	
Statement of Financial Position	5
Statement of Operations	6
Statement of Change in Net Financial Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9

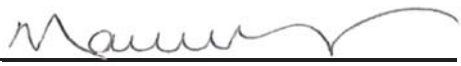
## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The accompanying financial statements of the Greater Victoria Public Library Board (the "Board") are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

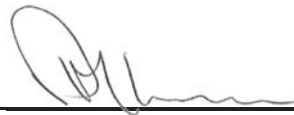
The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board's Finance Committee meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.



*Chief Executive Officer*



*Director of Finance*



KPMG LLP  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7  
Canada  
Telephone (250) 480-3500  
Fax (250) 480-3539

## INDEPENDENT AUDITORS' REPORT

*To the Members of Greater Victoria Public Library Board*

### ***Opinion***

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

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line.

Chartered Professional Accountants

Victoria, Canada  
May 26, 2020

# GREATER VICTORIA PUBLIC LIBRARY BOARD

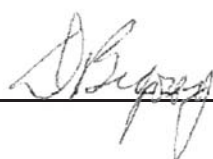
## Statement of Financial Position

December 31, 2019, with comparative information for 2018

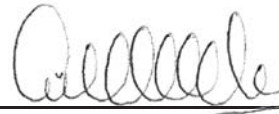
	2019	2018
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 3,939,149	\$ 3,804,771
Accounts receivable	230,358	100,928
Investments (note 2)	3,118,349	3,028,935
	<u>7,287,856</u>	<u>6,934,634</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	702,048	730,610
Accrued payroll, vacation and sick leave benefits	419,341	1,071,778
Deferred revenue (note 3)	675,756	668,511
Employee future benefit obligation (note 4)	447,320	442,702
	<u>2,244,465</u>	<u>2,913,601</u>
Net financial assets	5,043,391	4,021,033
<b>Non-financial assets:</b>		
Tangible capital assets (note 5)	7,830,515	7,812,062
Prepaid expenses and deposits	439,963	149,567
	<u>8,270,478</u>	<u>7,961,629</u>
Commitments (note 11)		
Subsequent event (note 13)		
<b>Accumulated surplus (note 6)</b>	<b>\$ 13,313,869</b>	<b>\$ 11,982,662</b>

The accompanying notes are an integral part of these financial statements.

On behalf of the Library Board:



Trustee



Trustee

# GREATER VICTORIA PUBLIC LIBRARY BOARD

## Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	Budget (note 9)	2019	2018
Revenue:			
Municipal contributions (note 7)	\$ 17,755,401	\$ 17,400,121	\$ 17,391,114
Fines, fees and printing	476,816	564,593	536,858
Government transfers:			
Provincial	642,339	632,707	638,618
Federal	-	4,741	14,118
Investment income	74,000	175,073	96,383
Contracts for service	28,450	29,560	29,020
Donations (note 8)	42,000	234,482	179,562
Total revenue	19,019,006	19,041,277	18,885,673
Expenses:			
Salaries and benefits	14,006,477	12,676,324	13,028,656
Library materials	862,000	529,122	925,097
Supplies and services	1,088,938	1,372,713	1,010,309
Building occupancy	894,056	839,951	723,714
Other	353,968	341,312	357,220
Amortization	1,522,200	1,949,440	1,901,498
Loss on disposal of tangible capital assets	-	-	23,748
Loss on currency exchange	-	1,208	4,415
Total expenses	18,727,639	17,710,070	17,974,657
Annual surplus	291,367	1,331,207	911,016
Accumulated surplus, beginning of year	11,982,662	11,982,662	11,071,646
Accumulated surplus, end of year	\$ 12,274,029	\$ 13,313,869	\$ 11,982,662

The accompanying notes are an integral part of these financial statements.

# GREATER VICTORIA PUBLIC LIBRARY BOARD

## Statement of Change in Net Financial Assets

Year ended December 31, 2019, with comparative information for 2018

	Budget (note 9)	2019	2018
Annual surplus	\$ 291,367	\$ 1,331,207	\$ 911,016
Acquisition of tangible capital assets in cash and financed by capital lease	(2,070,067)	(1,967,893)	(2,263,797)
Amortization of tangible capital assets	1,522,200	1,949,440	1,901,498
Proceeds on sale of tangible capital assets	-	-	1,107
Loss on disposal of tangible capital assets	-	-	23,748
	(256,500)	1,312,754	573,572
(Purchase) use of prepaid expenses	-	(290,396)	121,718
Change in net financial assets	(256,500)	1,022,358	695,290
Net financial assets, beginning of year	4,021,033	4,021,033	3,325,743
Net financial assets, end of year	\$ 3,764,533	\$ 5,043,391	\$ 4,021,033

The accompanying notes are an integral part of these financial statements.

# GREATER VICTORIA PUBLIC LIBRARY BOARD

## Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 1,331,207	\$ 911,016
Items not involving cash:		
Amortization of tangible capital assets	1,949,440	1,901,498
Gain (loss) on disposal of tangible capital assets	-	23,748
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(129,430)	514,628
Other receivable	-	8,409
Accounts payable and accrued liabilities	(28,562)	(231,761)
Accrued payroll, vacation and sick leave benefits	(652,437)	488,131
Employee future benefit obligation	4,618	33,289
Deferred revenue	7,245	53,093
Prepaid expenses and deposits	(290,396)	121,718
Net change in cash from operating activities	2,191,685	3,823,769
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(1,967,893)	(2,263,797)
Proceeds on sale of tangible capital assets	-	1,107
Net change in cash from capital activities	(1,967,893)	(2,262,690)
<b>Investing activities:</b>		
Increase in investments	(89,414)	(66,826)
<b>Financing activities:</b>		
Debt repaid	-	(12,087)
Net change in cash from financing activities	-	(12,087)
Change in cash and cash equivalents	134,378	1,482,166
Cash and cash equivalents, beginning of year	3,804,771	2,322,605
Cash and cash equivalents, end of year	\$ 3,939,149	\$ 3,804,771

The accompanying notes are an integral part of these financial statements.

# GREATER VICTORIA PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2019

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Greater Victoria Public Library Board (the "Board") was established under the Library Act of British Columbia. Its principal activity is the operation of the public libraries serving residents of the Cities of Victoria, Colwood and Langford, the Town of View Royal, the Township of Esquimalt and the Districts of Central Saanich, Highlands, Metchosin, Oak Bay and Saanich.

The Board also provides service to residents of the communities of Willis Point, Durrance, Malahat, and of the Esquimalt, Songhees, Tsawout, Tsartlip and Becher Bay Reserves.

The Board is a registered charity and is exempt from income tax.

### 1. Significant accounting policies:

The financial statements of Greater Victoria Public Library Board are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the Board are as follows:

(a) Reporting entity:

The financial statements include the combination of all the assets, liabilities, revenues, expenses, and changes in net financial assets of the Board. The Board does not control any external entities and accordingly, no entities have been consolidated with the financial statements. Inter-fund balances and transactions have been eliminated.

(b) Basis of accounting:

The Board follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Fines are recorded when received as a result of the difficulty in determining collectability.

Receipts that are restricted by legislation or by agreement with external parties are deferred and reported as deferred revenue. When qualifying expenses are incurred, deferred revenue are brought into revenue in equal amounts.

(d) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Government transfers with stipulations are recognized as revenue when authorized and eligibility criteria have been met, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 1. Significant accounting policies (continued):

### (e) Cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition or redeemable without penalty.

### (f) Investments:

Investments are recorded at cost plus accrued interest. Investment income is reported as revenue in the period earned. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

### (g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

### (i) Tangible capital assets:

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

Asset	Rate
Library materials collection	7 years
Building improvements	10%
Shelving	5%
Computer equipment	20%
Furniture and equipment	10%
Software	10 - 100%
Automotive	30%

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.

When a tangible capital asset no longer contributes to the Board's ability to provide services, its carrying amount is written down to its residual value.



# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

---

## 1. Significant accounting policies (continued):

### (g) Non-financial assets (continued):

#### (ii) Contributions of tangible capital assets:

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

#### (iii) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

#### (iv) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

### (h) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the Board is directly responsible or accepts responsibility for the liability
- (iv) future economic benefits will be given up, and
- (v) a reasonable estimate of the liability can be made

### (i) Employee future benefits:

- (i) The Board pays a retirement gratuity directly to employees upon retirement. The cost of this benefit is actuarially determined based on periods of service and best estimates of retirement ages and expected future salary increases. The obligation under this benefit is accrued based on projected benefits as the employees render services necessary to earn the future benefit. Actuarial gains and losses are recognized immediately in the statement of operations.
- (ii) The Board and its employees make contributions to the Municipal Pension Plan, which provides benefits directly to employees upon retirement. These contributions are expensed as incurred.

# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 1. Significant accounting policies (continued):

### (j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include obligations related to employee future benefits and accrued liabilities. Actual results could differ from these estimates.

## 2. Investments:

Investments include Municipal Finance Authority pooled investment funds which are recorded at cost plus earnings reinvested in the funds, and investments in guaranteed investment certificates. Investments held in the year earn interest at rates varying from 1.60% to 2.96%, and mature at varying dates to 2022.

## 3. Deferred revenue:

Deferred revenue, reported on the statement of financial position, is made up of the following:

	2019	2018
Deferred municipal contributions and government grants	\$ 237,872	\$ 382,760
Restricted donations	437,884	285,751
	<u>\$ 675,756</u>	<u>\$ 668,511</u>

# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 4. Employee future benefit obligation:

The Board provides one month salary as benefit on retirement to its employees. The estimated amounts due are as follows:

	2019	2018
Obligations for retirement gratuity	\$ 447,320	\$ 442,702

Information about the Board's obligation is as follows:

	2019	2018
Balance, beginning of year	\$ 442,702	\$ 409,413
Current benefit cost and interest	44,886	69,549
Benefits paid	(40,268)	(36,260)
Balance, end of year	\$ 447,320	\$ 442,702

Included in the statement of operations is \$44,886 (2018 - \$69,549) in expense related to future benefit obligations.

The significant actuarial assumptions used in estimating employee future benefit obligations are as follows:

	2019	2018
Discount rate for present value of future benefits	2.5 %	3.2 %
Rate of annual salary increases, including inflation	2.0 %	2.0 %

# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 4. Employee future benefit obligation (continued):

### Pension plan:

The Board and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Board paid \$963,271 (2018 - \$898,702) for employer contributions while employees contributed \$854,678 (2018 - \$781,094) to the Plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 5. Tangible capital assets:

2019	Library materials collection	Building improvements	Shelving	Computer equipment	Furniture and equipment	Automotive	Software	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 25,259,620	\$ 1,335,712	\$ 1,605,007	\$ 1,347,703	\$ 3,463,021	\$ 148,672	\$ 203,811	\$ 33,363,546
Additions	1,662,093	81,370	-	188,387	32,528	-	3,515	1,967,893
Balance, end of year	26,921,713	1,417,082	1,605,007	1,536,090	3,495,549	148,672	207,326	35,331,439
<b>Accumulated amortization:</b>								
Balance, beginning of year	20,295,994	553,063	1,099,162	948,801	2,371,287	123,950	159,227	25,551,484
Amortization	1,595,511	86,530	25,292	117,454	112,426	7,417	4,810	1,949,440
Balance, end of year	21,891,505	639,593	1,124,454	1,066,255	2,483,713	131,367	164,037	27,500,924
Net book value, end of year	\$ 5,030,208	\$ 777,489	\$ 480,553	\$ 469,835	\$ 1,011,836	\$ 17,305	\$ 43,289	\$ 7,830,515

# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 5. Tangible capital assets (continued):

2018	Library materials collection	Building improvements	Shelving	Computer equipment	Furniture and equipment	Automotive	Software	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 23,615,783	\$ 1,080,713	\$ 1,274,697	\$ 1,356,909	\$ 3,577,306	\$ 148,672	\$ 196,330	\$ 31,250,410
Additions	1,643,837	207,623	73,421	128,211	210,705	-	-	2,263,797
Disposals	-	-	-	(142,136)	(8,525)	-	-	(150,661)
Transfers	-	47,376	256,889	4,719	(316,465)	-	7,481	-
Balance, end of year	25,259,620	1,335,712	1,605,007	1,347,703	3,463,021	148,672	203,811	33,363,546
<b>Accumulated amortization:</b>								
Balance, beginning of year	18,747,418	437,347	980,641	964,061	2,386,179	113,355	146,791	23,775,792
Disposals	-	-	-	(117,281)	(8,525)	-	-	(125,806)
Amortization	1,548,576	86,961	26,600	99,726	121,258	10,595	7,782	1,901,498
Transfers	-	28,755	91,921	2,295	(127,625)	-	4,654	-
Balance, end of year	20,295,994	553,063	1,099,162	948,801	2,371,287	123,950	159,227	25,551,484
Net book value, end of year	\$ 4,963,626	\$ 782,649	\$ 505,845	\$ 398,902	\$ 1,091,734	\$ 24,722	\$ 44,584	\$ 7,812,062

Included in tangible capital assets are leased assets with cost and accumulated amortization of \$575,528 and \$486,794 (2018 - \$575,528 and \$486,794) respectively.

# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 5. Tangible capital assets (continued):

### (a) Contributed tangible capital assets:

There were no tangible capital assets contributed during the years presented.

### (b) Write-down of tangible capital assets:

No write-down of capital assets occurred during the years presented.

### (c) Work of art and historical treasures:

The Board manages and controls various works of art and non-operational historical cultural assets including artifacts, paintings and sculptures located at branch sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

### (d) Ownership of premises:

Land and buildings for the twelve library branches are owned or leased by the respective municipalities in which the branches are located or in accordance with title registration. The Central Branch building, located at 735 Broughton Street, Victoria, is jointly owned by the City of Victoria, Township of Esquimalt, Districts of Saanich and Oak Bay and the Town of View Royal. Shared Services BC, a division of the BC Ministry of Citizens' Services has an option to purchase the premises of the Central Branch if it ceases to be used for library purposes.

The fair value of the cost to lease the premises has not been recognized in the statement of operations.

# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 6. Accumulated surplus:

Accumulated surplus consists of:

	2019	2018
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 7,830,515	\$ 7,812,062
Unfunded employee future benefit obligation	(208,405)	(191,833)
Total surplus	7,622,110	7,620,229
<b>Reserves:</b>		
Capital improvement reserve	1,518,757	1,474,556
Operating reserve	1,972,022	1,181,583
Contingency reserve	1,464,461	1,506,280
Replacement reserve	736,519	200,014
Total reserves	5,691,759	4,362,433
	<b>\$ 13,313,869</b>	<b>\$ 11,982,662</b>

## 7. Municipal contributions:

The following municipal contributions have been included in revenue:

	2019	2018
District of Saanich	\$ 5,890,304	\$ 5,755,527
City of Victoria	4,958,458	4,886,762
City of Victoria - new branch (year opened: 2018)	-	334,037
City of Langford	1,862,234	1,722,083
District of Oak Bay	1,188,789	1,166,019
Township of Esquimalt	909,408	918,319
District of Central Saanich	892,918	894,107
City of Colwood	829,362	804,393
Town of View Royal	510,969	553,141
District of Metchosin	229,676	245,244
District of Highlands	128,003	111,482
	<b>\$ 17,400,121</b>	<b>\$ 17,391,114</b>

## 8. Donations:

Included in donation revenue are distributions from the following endowment funds held at the Victoria Foundation. These funds are shown below in their endowed amounts.



# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 8. Donations (continued):

	2019	2018
General endowment	\$ 351,068	\$ 319,386
T. Harry Wilson	76,007	69,159
	<u>\$ 427,075</u>	<u>\$ 388,545</u>

Included in donations is \$43,925 (2018 - \$49,712) of unrestricted donations which have not been dedicated to any specific projects or programs and have not been spent. As no external restrictions were placed on the use of the funds, the amounts have been recognized as revenue when received.

## 9. Budget data:

The budget data presented in these financial statements is based upon the operating budget approved by the Board on October 16, 2018. The chart below reconciles the approved financial plan to figures reported in these financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 19,295,506
Less:	
Transfers from other funds	(276,500)
Total revenue	19,019,006
Expenses:	
Operating budget	19,295,506
Amortization expense	1,522,200
Less:	
Transfers to other funds	(20,000)
Capital expenditures	(2,070,067)
Total expenses	18,727,639
Annual surplus	<u>\$ 291,367</u>

# GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## **10. Economic dependency:**

Approximately 91% (2018 - 92%) of the Board's revenues are derived from contributions from municipalities participating under the Library Operating Agreement (the "Agreement"). Should this Agreement be cancelled or not renewed, management is of the opinion that continued viability of operations would not be assured.

## **11. Commitments:**

The Board has entered into operating leases for premises and equipment, and has a contractual obligation for janitorial services. Estimated commitments for the duration of the lease terms which end in 2020 are \$245,256.

## **12. Trust funds:**

Trust funds administered by the Board for the Juan de Fuca Branch Reserve Fund amount to \$409,092 (2018 - \$321,668) and have not been included in the statement of financial position nor have their activities been included in the statement of operations and accumulated surplus.

The trust was established to hold and administer reserves to fund major building maintenance and renewals.

## **13. Subsequent event:**

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

# GREATER VICTORIA PUBLIC LIBRARY BOARD

## Statement of Financial Position by Fund

December 31, 2019, with comparative information for 2018

Schedule 1

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2019	2018
<b>Financial assets:</b>							
Cash and cash equivalents	\$ 2,110,547	\$ -	\$ 1,763,563	\$ 65,039	\$ -	\$ 3,939,149	\$ 3,804,771
Accounts receivable	230,358	-	-	-	-	230,358	100,928
Investments	493,417	-	1,106,175	-	1,518,757	3,118,349	3,028,935
	2,834,322	-	2,869,738	65,039	1,518,757	7,287,856	6,934,634
<b>Financial liabilities:</b>							
Accounts payable and accrued liabilities	702,048	-	-	-	-	702,048	730,610
Accrued payroll, vacation and sick leave benefits	419,341	-	-	-	-	419,341	1,071,778
Deferred revenue	675,756	-	-	-	-	675,756	668,511
Employee future benefit obligation	447,320	-	-	-	-	447,320	442,702
	2,244,465	-	-	-	-	2,244,465	2,913,601
Net financial assets (net debt)	589,857	-	2,869,738	65,039	1,518,757	5,043,391	4,021,033
<b>Non-financial assets:</b>							
Tangible capital assets	-	7,830,515	-	-	-	7,830,515	7,812,062
Prepaid expenses and deposits	439,963	-	-	-	-	439,963	149,567
	439,963	7,830,515	-	-	-	8,270,478	7,961,629
<b>Accumulated surplus</b>	\$ 1,029,820	\$ 7,830,515	\$ 2,869,738	\$ 65,039	\$ 1,518,757	\$ 13,313,869	\$ 11,982,662

# GREATER VICTORIA PUBLIC LIBRARY BOARD

## Statement of Operations and Accumulated Surplus by Fund

Year ended December 31, 2019, with comparative information for 2018

Schedule 2

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2019	2018
<b>Revenue:</b>							
Municipal contributions	\$ 17,400,121	\$ -	\$ -	\$ -	\$ -	<b>17,400,121</b>	\$ 17,391,114
Fines, fees, photocopying	564,593	-	-	-	-	<b>564,593</b>	536,858
Government transfers:							
Provincial	632,707	-	-	-	-	<b>632,707</b>	638,618
Federal	4,741	-	-	-	-	<b>4,741</b>	14,118
Investment income	130,124	-	-	748	44,201	<b>175,073</b>	96,383
Contracts for service	29,560	-	-	-	-	<b>29,560</b>	29,020
Donations	213,066	-	-	21,416	-	<b>234,482</b>	179,562
Total revenue	18,974,912	-	-	22,164	44,201	<b>19,041,277</b>	18,885,673
<b>Expenses:</b>							
Salaries and benefits	12,676,324	-	-	-	-	<b>12,676,324</b>	13,028,656
Library materials	529,122	-	-	-	-	<b>529,122</b>	925,097
Supplies and services	1,372,713	-	-	-	-	<b>1,372,713</b>	1,010,309
Building occupancy	839,951	-	-	-	-	<b>839,951</b>	723,714
Other	341,312	-	-	-	-	<b>341,312</b>	357,220
Amortization	1,949,440	-	-	-	-	<b>1,949,440</b>	1,901,498
Loss on disposal of tangible capital assets	-	-	-	-	-	<b>-</b>	23,748
Loss on currency exchange	1,208	-	-	-	-	<b>1,208</b>	4,415
Total expenses	17,710,070	-	-	-	-	<b>17,710,070</b>	17,974,657
Annual surplus (deficiency)	1,264,842	-	-	22,164	44,201	<b>1,331,207</b>	911,016
Transfer to replacement reserve	(120,000)	-	120,000	-	-	<b>-</b>	-
Transfer from replacement reserve	154,511	-	(154,511)	-	-	<b>-</b>	-
Transfer from contingency reserve	52,802	-	(52,802)	-	-	<b>-</b>	-
Transfer to contingency reserve	(20,000)	-	20,000	-	-	<b>-</b>	-
Transfer from consulting reserve	149,018	-	(149,018)	-	-	<b>-</b>	-
Investment in tangible capital assets	(1,967,893)	1,967,893	-	-	-	<b>-</b>	-
Amortization of tangible capital assets	1,949,440	(1,949,440)	-	-	-	<b>-</b>	-
Transfer Prior Year to Reserve	(911,016)	-	911,016	-	-	<b>-</b>	-
TCA Disposal Net	-	-	-	-	-	<b>-</b>	-
Accumulated surplus, beginning of year	478,116	7,812,062	2,175,053	42,875	1,474,556	<b>11,982,662</b>	11,071,646
<b>Accumulated surplus, end of year</b>	<b>\$ 1,029,820</b>	<b>\$ 7,830,515</b>	<b>\$ 2,869,738</b>	<b>\$ 65,039</b>	<b>\$ 1,518,757</b>	<b>\$ 13,313,869</b>	<b>\$ 11,982,662</b>

**Schedule of Debt**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Greater Victoria Public Library

**Fiscal Year Ended:** 2019

The **Greater Victoria Public Library** has no long term debt.

Schedule of Guarantee and Indemnity

Financial Information Act - Statement of Financial Information

Library Name: Greater Victoria Public Library

Fiscal Year Ended: 2019

**Greater Victoria Public Library** has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.

## Schedule of Remuneration and Expenses

### Financial Information Act - Statement of Financial Information

**Library Name:** **Greater Victoria Public Library**

**Fiscal Year Ended:** **2019**

		<b>Total Remuneration</b>	<b>Total Expenses</b>
<b><u>Board Members</u></b>	<b><u>Position</u></b>		
Andrew Appleton	Trustee	\$ -	\$ -
Andy MacKinnon	Vice-Chair	\$ -	\$ -
Bob Beckett	Trustee	\$ -	\$ -
Deborah Begoray	Chair	\$ -	\$ 1,985
Donna Curtis	Trustee	\$ -	\$ -
Doug Kobayashi	Trustee	\$ -	\$ -
Elysia Glover	Trustee	\$ -	\$ 481
Jane Vermeulen	Trustee	\$ -	\$ -
Jeremy Loveday	Trustee	\$ -	\$ -
John Rogers	Trustee	\$ -	\$ -
Joy Davis	Trustee	\$ -	\$ -
Karel Roessingh	Trustee	\$ -	\$ -
Karen Harper	Trustee	\$ -	\$ 354
Kathy Santini	Trustee	\$ -	\$ -
Matthew Boyd	Trustee	\$ -	\$ 293
Matthew Salstrom	Trustee	\$ -	\$ -
Susan Laidlaw	Trustee	\$ -	\$ -
Tzu-I Chung	Trustee	\$ -	\$ -
Zeb King	Trustee	\$ -	\$ -
<b>Total Board Members</b>		<b>\$ -</b>	<b>\$ 3,112</b>

#### **Detailed Employees Exceeding \$75,000**

Aiyang Ma	\$ 79,244	\$ -
Andrea Brimmell	\$ 99,666	\$ 2,051
Bonnie Fraser	\$ 79,580	\$ 1,034
Cheryl Landry	\$ 79,112	\$ -
Cory Cherie	\$ 80,060	\$ 1,572
Daphne Wood	\$ 138,899	\$ -

**Schedule of Remuneration and Expenses**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Greater Victoria Public Library

**Fiscal Year Ended:** 2019

	<b>Total Remuneration</b>	<b>Total Expenses</b>
<b><u>Detailed Employees Exceeding \$75,000 (continued)</u></b>		
Debra Main	\$ 138,795	\$ -
Devon Tatton	\$ 78,866	\$ 1,833
Eilleen Gillette	\$ 102,295	\$ 1,681
Fatima Ferreira	\$ 84,511	\$ 543
Helen Hughes	\$ 78,071	\$ 385
Jennifer Rowan	\$ 90,722	\$ 69
Jennifer Windecker	\$ 138,537	\$ -
John Au	\$ 85,216	\$ 902
Kirsten Andersen	\$ 81,502	\$ 4,748
Lara Riecken	\$ 88,125	\$ 168
Leah Pearse	\$ 77,459	\$ 2,766
Lynne Jordon	\$ 128,092	\$ -
Matthew Bingham	\$ 88,341	\$ 991
Maureen Sawa	\$ 182,808	\$ -
Paul McKinnon	\$ 129,218	\$ -
Phillippa Brown	\$ 92,858	\$ 112
Rachel Rogers	\$ 86,516	\$ 1,834
Rina Hadziev	\$ 79,233	\$ 141
Sarah Harrison	\$ 78,884	\$ 775
Scott Munro	\$ 78,701	\$ -
Tracy Kendrick	\$ 93,117	\$ 716
Ursula Benoit	\$ 87,897	\$ 164
Victoria Neilson	\$ 77,881	\$ 419
Vruti Patel	\$ 76,460	\$ 1,172



<b>Total Detailed Employees Exceeding \$75,000</b>	<b>\$ 2,880,665</b>	<b>\$ 24,077</b>
<b>Total Employees Equal to or Less Than \$75,000</b>	<b>\$ 7,325,553</b>	
<b>Consolidated Total</b>	<b>\$ 10,206,218</b>	<b>\$ 24,077</b>

**Reconciliation**

Base Salary Renumeration (Not incl Taxable Benefits)	\$ 10,206,218
Receiver General of Canada - Employer portion of EI & CPP	\$ 644,470
Employer portion of other employment benefit contributions	\$ 1,825,637
<b>Total Salaries and Benefits</b>	<b>\$ 12,676,324</b>

Total Salaries and Benefits per Statement of Revenue and Expenses **\$ 12,676,324**

\* A Reconciliation to the financial statements is required, and any variance must be explained.

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

## **Statement of Severance Agreements**

### **Financial Information Act - Statement of Financial Information**

**Library Name:** Greater Victoria Public Library

**Fiscal Year Ended:** 2019

There were 0 severance agreements made between (Greater Victoria Public Library) Library and its non-unionized employees during fiscal year 2019.

These agreements represent 0 months' compensation.

**Schedule of Changes in Financial Position**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Greater Victoria Public Library

**Fiscal Year Ended:** 2019

A Statement of Changes in Financial Position has not been prepared because this information is provided in the Financial Statements.

**Schedule of Payments Made For the Provision of Goods and Services**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Greater Victoria Public Library

**Fiscal Year Ended:** 2019

<b>Name of Individual, Firm or Corporation</b>	<b>Total Amount Paid During Fiscal Year</b>
Affinity Staffing Inc	\$ 80,459
Amazon.com, Inc.	\$ 40,590
ARI Financial Services T46163	\$ 27,231
BC Hydro	\$ 47,023
BC Libraries Cooperative	\$ 190,403
BC Life & Casualty Company	\$ 60,852
Bibliotheca Canada Inc.(3M Canada Company)	\$ 500,185
British Columbia Pension Corporation	\$ 1,817,949
Brodart Co.	\$ 26,587
CDW Canada Inc	\$ 153,394
Chase Office Interiors	\$ 25,734
Cupe Local 410	\$ 210,872
CVS Midwest Tape, LLC	\$ 451,031
District of Saanich	\$ 52,367
Ebsco Canada Ltd	\$ 59,966
Greater Victoria Labour Relations Association	\$ 25,598
GVLRA / CUPE LTD TRUST	\$ 231,164
Haro Group Solutions Inc	\$ 38,333
HCMA Architecture & Design	\$ 29,846
Indigo	\$ 30,318
Jardine Lloyd Thompson Canada	\$ 55,860
Library Bound Inc	\$ 857,678
Library Services Centre	\$ 54,177
Medical Services Plan	\$ 82,480
Ministry of Finance	\$ 162,954
Monk Office Supply Ltd	\$ 54,493
Munro's Book Store Ltd	\$ 113,584
North East Library Federation	\$ 27,489
Pacific Blue Cross	\$ 465,232
Paladin Security	\$ 83,344
Receiver General	\$ 2,905,884
Ricoh Canada Inc	\$ 70,098

**Schedule of Payments Made For the Provision of Goods and Services**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Greater Victoria Public Library

**Fiscal Year Ended:** 2019

**Name of Individual, Firm or Corporation (continued)**

Roper Greyell LLP	\$	67,616
Shaw Business Solutions	\$	305,694
SirsiDynix (Canada) Inc	\$	43,772
SoftChoice Corporation	\$	42,655
TNG	\$	35,248
Tricom Building Maintenance Ltd	\$	362,161
Unique Management Services Inc.	\$	26,141
United Library Services Inc	\$	80,011
Urban Arts Architecture	\$	48,463
West Shore Parks and Recreation	\$	110,728
Whitehots Inc	\$	273,982
Work Safe BC	\$	37,228

<b>Total</b> (Suppliers with payments exceeding \$25,000)	(A) \$	<b>10,466,874</b>
<b>Total</b> (Suppliers where payments are \$25,000 or less)	(B) \$	<b>950,003</b>
<b>Consolidated Total</b>	\$	<b>11,416,877</b>

**Expenditures**

Total of aggregate payments exceeding \$25,000 paid to suppliers (A)	\$	10,466,874
Consolidated total of payments of \$25,000 or less paid to suppliers (B)	\$	950,003

**Reconciling items**

1. Add Remuneration and Expenses	\$	10,233,407
2. Deduct employee's portion of employment benefit contributions	\$	(3,339,260)
3. GST rebates on expenditures	\$	(249,720)
4. Capital lease principal and debt repayments	\$	-
5. Amortization expense	\$	1,901,498
6. Tangible capital asset additions net of contributed assets	\$	(1,967,893)
7. Loss on disposal of assets	\$	-
8. Loss on currency exchange	\$	1,208
9. Municipal cost recovery for building maintenance	\$	(135,701)
10. Increase in employee future benefit obligation	\$	4,618
11. Increase in non-salary prepaid expenses	\$	(290,396)
12. Increase in salary accrued expenses	\$	135,431
<b>Total per Statement of Revenue and Expenditure</b>	<b>\$</b>	<b>17,710,070</b>
Variance		Nil