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### Financial Information Act - Statement of Financial Information

**Library Name:** Powell River Public Library

**Fiscal Year Ended:** December 31, 2019

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## Submission Checklist

### Financial Information Act - Statement of Financial Information

**Library Name:** Powell River Public Library

**Fiscal Year Ended:** December 31, 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.

**Board Approval Form**

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

|   |                |  |
|---|----------------|--|
| NAME OF LIBRARY<br><i>Powell River Public Library</i>     |                | FISCAL YEAR END (YYYY)<br>2019           |
| LIBRARY ADDRESS<br>Unit 100 – 6975 Alberni St             |                | TELEPHONE NUMBER<br>604-485-4796         |
| CITY<br>Powell River                                      | PROVINCE<br>BC | POSTAL CODE<br>V8A 2B8                   |
| NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD<br>Rod Wiebe |                | TELEPHONE NUMBER<br>604-414-8557         |
| NAME OF THE LIBRARY DIRECTOR<br>Rebecca Burbank           |                | TELEPHONE NUMBER<br>604-485-4796 ext 202 |

**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 Powell River 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)



15-05-2020

SIGNATURE OF THE LIBRARY DIRECTOR

DATE SIGNED (DD-MM-YYYY)



15-05-2020

## Management Report

### Financial Information Act - Statement of Financial Information

**Library Name:** Powell River 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, BDO Canada 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 Powell River Public Library

**Chairperson of the Library  
Board**

Rod Wiebe

**Signature,  
Chairperson of the Library  
Board**



**Date  
(MM-DD-YYYY)**

May 15, 2020

**Library Director**

Rebecca Burbank

**Signature,  
Library Director**



**Date  
(MM-DD-YYYY)**

May 15, 2020

**Powell River Public Library**  
**Financial Statements**  
**For the year ended December 31, 2019**

**Powell River Public Library**  
**Financial Statements**  
**For the year ended December 31, 2019**

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## Management's Responsibility for the Financial Statements

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The accompanying financial statements of Powell River Public Library (the "Library") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Summary of Significant Accounting Policies section prior to the notes 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 Library'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 of Trustees meet with management 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 BDO Canada LLP, independent external auditors appointed by the Library. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Library's financial statements.



Chief Librarian

May 11, 2020

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## Independent Auditor's Report

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To the Board of Trustees of the Powell River Public Library

### Opinion

We have audited the financial statements of the Powell River Public Library (the "Library"), which comprise the Statement of Financial Position as at December 31, 2019, the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2019, and its results of operations, changes in net financial assets and 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 this report. We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Library or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of



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 Library's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Chartered Professional Accountants

Vancouver, British Columbia

May 11, 2020

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**Powell River Public Library**  
**Statement of Financial Position**

| <b>December 31</b>                        | <b>2019</b>       | <b>2018</b>       |
|---|-------------------|-------------------|
| <b>Assets</b>                             |                   |                   |
| <b>Financial Assets</b>                   |                   |                   |
| Cash (Note 1)                             | \$ 266,610        | \$ 277,204        |
| Accounts receivable (Note 2)              | 15,343            | 7,034             |
|   | <u>281,953</u>    | <u>284,238</u>    |
| <b>Liabilities</b>                        |                   |                   |
| Accounts payable and accrued liabilities  | 66,747            | 64,824            |
| Deferred revenue (Note 3)                 | 31,405            | 19,170            |
| Employee future benefits payable (Note 4) | 23,742            | 23,742            |
|   | <u>121,894</u>    | <u>107,736</u>    |
| <b>Net Financial Assets</b>               | <u>160,059</u>    | <u>176,502</u>    |
| <b>Non-Financial Assets</b>               |                   |                   |
| Tangible capital assets (Note 5)          | 633,023           | 681,420           |
| Prepaid expenses                          | 34,779            | 24,380            |
|   | <u>667,802</u>    | <u>705,800</u>    |
| <b>Accumulated Surplus (Note 6)</b>       | <b>\$ 827,861</b> | <b>\$ 882,302</b> |

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**Contractual Obligations (Note 7)**

Approved by

  
Chair of the Board of Trustees

  
Chief Librarian

**Powell River Public Library**  
**Statement of Operations**

| <b>December 31</b>                            | <b>Budget</b>     | <b>2019</b>       | <b>2018</b>       |
|---|-------------------|-------------------|-------------------|
|   | (Note 8)          |                   |                   |
| <b>Revenues</b>                               |                   |                   |                   |
| City of Powell River Grant                    | \$ 829,365        | \$ 829,365        | \$ 771,468        |
| qathet Regional District Grant                | 366,050           | 366,181           | 340,619           |
| Province of British Columbia Grant            | 56,611            | 56,611            | 56,611            |
| Other BC provincial grants                    | 34,348            | 34,563            | 34,348            |
| Other federal grants                          | 3,714             | -                 | 3,239             |
| Other grants                                  | 8,778             | 18,551            | 21,779            |
| Fines   | 8,306             | 8,978             | 8,306             |
| Donations                                     | -                 | -                 | 130,510           |
| Other income                                  | 17,324            | 21,132            | 17,195            |
| Interest income                               | 2,554             | 2,420             | 2,554             |
|   | <b>1,327,050</b>  | <b>1,337,801</b>  | <b>1,386,629</b>  |
| <b>Expenses</b>                               |                   |                   |                   |
| Advertising and promotion                     | 7,900             | 6,366             | 7,291             |
| Periodicals                                   | 35,090            | 32,787            | 34,225            |
| Amortization                                  | 175,759           | 181,059           | 174,456           |
| Bank charges and interest                     | 550               | 694               | 526               |
| Staff development and strategic planning      | 10,500            | 6,978             | 6,338             |
| Employee benefits                             | 138,687           | 141,871           | 128,903           |
| Equipment                                     | 9,000             | 6,863             | 8,620             |
| Donation                                      | -                 | -                 | 65,210            |
| Building maintenance and utilities            | 304,111           | 288,432           | 278,198           |
| Memberships                                   | 1,542             | 1,913             | 1,520             |
| Supplies                                      | 25,707            | 27,118            | 21,114            |
| Programs                                      | 16,397            | 19,576            | 12,818            |
| Professional fees                             | 7,650             | 33,144            | 9,316             |
| Book processing                               | 3,500             | 7,113             | 2,104             |
| Moving and other new library costs            | -                 | -                 | 3,468             |
| Wages   | 635,711           | 638,328           | 601,088           |
|   | <b>1,372,104</b>  | <b>1,392,242</b>  | <b>1,355,195</b>  |
| <b>Annual (deficit) surplus</b>               | <b>(45,054)</b>   | <b>(54,441)</b>   | <b>31,434</b>     |
| <b>Accumulated Surplus, beginning of year</b> | <b>882,302</b>    | <b>882,302</b>    | <b>850,868</b>    |
| <b>Accumulated Surplus, end of year</b>       | <b>\$ 837,248</b> | <b>\$ 827,861</b> | <b>\$ 882,302</b> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Powell River Public Library**  
**Statement of Change in Net Financial Assets (Debt)**

| <b>For the year ended December 31</b>              | <b>Budget</b>      | <b>2019</b>        | <b>2018</b>       |
|--|--------------------|--------------------|-------------------|
|  | <b>(Note 8)</b>    |                    |                   |
| <b>Annual (deficit) surplus</b>                    | <b>\$ (45,054)</b> | <b>\$ (54,441)</b> | <b>\$ 31,434</b>  |
| Acquisition of tangible capital assets             | <b>(145,539)</b>   | <b>(132,662)</b>   | <b>(110,326)</b>  |
| Amortization of tangible capital assets            | <b>175,759</b>     | <b>181,059</b>     | <b>174,456</b>    |
|  | <b>30,220</b>      | <b>48,397</b>      | <b>64,130</b>     |
| Acquisition of prepaid expenses                    | -                  | <b>(34,779)</b>    | <b>(24,380)</b>   |
| Use of prepaid expenses                            | -                  | <b>24,380</b>      | <b>23,973</b>     |
|  | -                  | <b>(10,399)</b>    | <b>(407)</b>      |
| <b>Change in net financial assets for the year</b> | <b>(14,834)</b>    | <b>(16,443)</b>    | <b>95,157</b>     |
| <b>Net financial assets, beginning of year</b>     | <b>176,502</b>     | <b>176,502</b>     | <b>81,345</b>     |
| <b>Net financial assets, end of year</b>           | <b>\$ 161,668</b>  | <b>\$ 160,059</b>  | <b>\$ 176,502</b> |

**Powell River Public Library**  
**Statement of Cash Flows**

| <b>December 31</b>                       | <b>2019</b>              | <b>2018</b>              |
|--|--------------------------|--------------------------|
| <b>Cash provided by (used in)</b>        |                          |                          |
| <b>Operating transactions</b>            |                          |                          |
| Annual (deficit) surplus                 | \$ (54,441)              | \$ 31,434                |
| Items not involving cash                 |                          |                          |
| Amortization                             | 181,059                  | 174,456                  |
| Deferred revenue recognized              | (293)                    | (138,001)                |
|  | <u>126,325</u>           | <u>67,889</u>            |
| Changes in non-cash balances             |                          |                          |
| Accounts receivable                      | (8,308)                  | 126,378                  |
| Accounts payable and accrued liabilities | 1,923                    | (165,795)                |
| Prepaid expenses                         | (10,399)                 | (407)                    |
|  | <u>109,540</u>           | <u>28,065</u>            |
| <b>Capital transactions</b>              |                          |                          |
| Tangible capital assets purchased        | (132,662)                | (110,326)                |
|  | <u>(132,662)</u>         | <u>(110,326)</u>         |
| <b>Financing Transaction</b>             |                          |                          |
| Repayment of capital loan                | -                        | (13,790)                 |
| Deferred revenue                         | 12,528                   | 39,644                   |
|  | <u>12,528</u>            | <u>25,854</u>            |
| <b>Decrease in cash</b>                  | <b>(10,594)</b>          | <b>(56,407)</b>          |
| <b>Cash, beginning of year</b>           | <u><b>277,204</b></u>    | <u><b>333,611</b></u>    |
| <b>Cash, end of year</b>                 | <u><b>\$ 266,610</b></u> | <u><b>\$ 277,204</b></u> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## Powell River Public Library Summary of Significant Accounting Policies

**December 31, 2019**

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The Powell River Public Library (the "Library"), which is funded and supported primarily by the City of Powell River, was established in 1973 pursuant to the Library Act of British Columbia. The Library transitioned from an Association to a Municipal Public Library under Part 2 of the Library Act in 2004. The Library Board, on behalf of the residents and taxpayers of the City of Powell River ("City"), oversees the management and operation of the Library and further serves as a policy making body for the organization. The Library Board is appointed by the City.

The Library is economically dependent on the City to provide certain services on behalf of the Library and to provide sufficient operating grants to cover any expenses incurred directly by the Library.

**Nature of Operations**      The Library provides public library services, including maintaining a collection for public lending, internet access, and a range of other programs and services to the citizens of the Powell River area. The Library is a government entity and is not subject to income taxes.

**Basis of Accounting**      The Library prepares its financial statements in accordance with Canadian public sector accounting standards ("PSAS") as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

**Tangible Capital Assets**      Tangible capital assets are recorded at cost, or fair value if contributed. Amortization is provided over the estimated useful life of each asset using the straight-line method over the following terms:

|                         |            |
|-------------------------|------------|
| Book collection         | - 5 years  |
| Furniture and equipment | - 10 years |
| Computer equipment      | - 5 years  |
| Leasehold improvements  | - 25 years |

**Revenue Recognition**      Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are initially recorded as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Other library revenues are recorded on an accrual basis, except for fines and unrestricted donations, which are recorded on a cash basis.

**Employee Future Benefits**      The Library and its employees participate in the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. Payments in the year are expensed.

Employees are entitled to earned benefits related to non-vesting accumulated sick leave. Accumulated sick leave represents the liability for sick leave banks accumulated for possible draw down at future dates.

Employee future benefits are presented using a projected benefit valuation method prorated on services.

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**Powell River Public Library**  
**Summary of Significant Accounting Policies**

**December 31, 2019**

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|                              |  |
|------------------------------|--|
| <b>Deferred Revenue</b>      | Funds received that are restricted to provide services or for assets to be acquired in subsequent years are deferred and recognized when the related services are provided or assets acquired.   |
| <b>Donations</b>             | Unconditional donations are recognized when received. Restricted donations are recognized to the extent the restrictions imposed on them have been fulfilled.  |
| <b>Financial Instruments</b> | The Library's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Amounts receivable and amounts payable are carried at amortized cost. Cash is carried at fair value. Unless otherwise noted, it is management's opinion that the Library is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of financial instruments carried at amortized cost approximate their carrying values, unless otherwise noted. |
| <b>Use of Estimates</b>      | 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 the reported amounts of revenues and expenses during the reporting period. Areas requiring significant estimation include employee future benefits payable and useful lives of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.      |

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**Powell River Public Library**  
**Notes to Financial Statements**

**December 31, 2019**

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**1. Cash**

The Library's cash is held at one credit union and earns interest at Nil% to 1.05% (2018 - Nil% to 1.2%).

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**2. Accounts Receivable**

|   | <u>2019</u>      | <u>2018</u>     |
|---|------------------|-----------------|
| Grants receivable from City of Powell River | 10,228           | 968             |
| GST receivable                              | 5,115            | 6,066           |
|   | <u>\$ 15,343</u> | <u>\$ 7,034</u> |

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**3. Deferred Revenue**

Deferred revenue represents contributions externally restricted for the following purposes:

|   | <u>2019</u>      | <u>2018</u>      |
|---|------------------|------------------|
| Balance, beginning of year                        | \$ 19,170        | \$ 117,527       |
| Add: Contributions restricted for the New Library | 12,528           | 39,644           |
| Less: Amounts recognized as revenue               | (293)            | (138,001)        |
| Balance, end of year                              | <u>\$ 31,405</u> | <u>\$ 19,170</u> |



**Powell River Public Library**  
**Notes to Financial Statements**

December 31, 2019

**4. Employee Future Benefits**

The amount recorded represents the best estimate of the liability related to the amount of sick leave earned that will be used in the future.

**5. Tangible Capital Assets**

|                         | Cost               | Accumulated<br>Amortization | 2019<br>Net Book<br>Value | 2018<br>Net Book<br>Value |
|-------------------------|--------------------|-----------------------------|---------------------------|---------------------------|
| Book collection         | \$1,355,582        | \$1,151,812                 | \$ 203,770                | \$ 197,673                |
| Furniture and equipment | 585,855            | 205,852                     | 380,003                   | 422,249                   |
| Computer equipment      | 188,023            | 164,275                     | 23,748                    | 34,837                    |
| Leasehold improvements  | 28,979             | 3,477                       | 25,502                    | 26,661                    |
|                         | <b>\$2,158,439</b> | <b>\$1,525,416</b>          | <b>\$ 633,023</b>         | <b>\$ 681,420</b>         |

**6. Accumulated Surplus**

The Library segregates its accumulated surplus in the following categories:

|                                  | 2019              | 2018              |
|----------------------------------|-------------------|-------------------|
| Operating Fund                   | \$ 160,059        | \$ 176,502        |
| Invested in non-financial assets | 667,802           | 705,800           |
|                                  | <b>\$ 827,861</b> | <b>\$ 882,302</b> |

**Operating Fund**

The Operating Fund includes the normal day to day financial operations of the Library.

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**Powell River Public Library**  
**Notes to Financial Statements**

**December 31, 2019**

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**7. Contractual Obligations**

**(a) System Contract**

On February 24, 2015 the Library entered into an agreement with SirsiDynix (Canada) Inc. a provider of library enterprise resource planning tools to establish an Integrated Library System (ILS) for the Library. The expected payments over the next 2 years are:

| <b>Year</b> | <b>Amount</b>    |
|-------------|------------------|
| 2020        | \$ 9,870         |
| 2021        | 10,053           |
|             | <u>\$ 19,923</u> |

**(b) Lease Agreement**

On May 15, 2017, the Library had entered into a 25 year lease agreement with the City of Powell River for Library premises. The expected payments are as follows:

| <b>Year</b> | <b>Amount</b>       |
|-------------|---------------------|
| 2020        | \$ 217,603          |
| 2021        | 217,603             |
| 2022        | 217,603             |
| 2023        | 217,603             |
| 2024        | 217,603             |
| Thereafter  | 4,012,241           |
|             | <u>\$ 5,100,256</u> |

**Powell River Public Library**  
**Notes to Financial Statements**

**December 31, 2019**

**8. Budget Amounts**

The budgeted figures are presented in a format that differ from the Annual Budget approved by the City of Powell River on December 10, 2018, as the budget presented is required to be consistent with the Public Sector Accounting Standards. The City of Powell River approves both the Library's operating and capital budgets. Public Sector Accounting Standards follows a method that records amortization of the tangible capital assets as an expense rather than the capital expenditures. The budget figures presented in the Statements of Financial Activities and Change in Net Financial Assets represent the Annual Budget approved by the City of Powell River with adjustments as follows:

|  | <u>2019</u>        |
|--|--------------------|
| Budget surplus for the year                | \$ -               |
| Add: Book expenditures                     | 121,705            |
| Equipment expenditures                     | 9,000              |
| Less: Amortization                         | <u>(175,759)</u>   |
| Budget deficit per Statement of Operations | <u>\$ (45,054)</u> |

**9. Expenses by Object**

|                                  | <u>2019</u>         | <u>2018</u>         |
|----------------------------------|---------------------|---------------------|
| Wages & Staff Development        | \$ 787,177          | \$ 736,329          |
| Building Maintenance & Equipment | 295,295             | 290,286             |
| Amortization                     | 181,059             | 174,456             |
| Administrative                   | 128,711             | 88,914              |
| Donation                         | -                   | 65,209              |
|                                  | <u>\$ 1,392,242</u> | <u>\$ 1,355,194</u> |

December 31, 2019

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**10. Municipal Pension Plan**

(a) Pension Plan

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 195,000 active members and approximately 100,000 retired members. Active members include approximately 39,000 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 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. As a result of the 2018 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$2,485 million was transferred to the rate stabilization account.

The Library paid \$51,575 (2017 - \$48,928) for employer contributions to the plan in fiscal 2019. The next valuation will be as at December 31, 2021 with results available in 2022.

As the plan is a multi-employer plan, 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.

**December 31, 2019**

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**11. Subsequent Events**

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Library, its patrons, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Library's assets and future ability to deliver services. At this time, the full potential of COVID-19 on the Library is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of the disruption and the related financial impact cannot be reasonably estimated at this time. The Library's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from various levels of government. The Library will continue to focus on managing expenditures to ensure it is able to continue providing essential services to its patrons.

**Schedule of Debt**

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

**Library Name:** Powell River Public Library

**Fiscal Year Ended:** December 31, 2019

The **Powell River Public Library** has no long term debt.

**Schedule of Guarantee and Indemnity**

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

**Library Name:** Powell River Public Library

**Fiscal Year Ended:** December 31, 2019

**The Powell River 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:** Powell River Public Library

**Fiscal Year Ended:** December 31, 2019

**Table 1 – Total Remuneration & Total Expenses**

|  | <b>Total<br/>Remuneration<br/>(Wages/Salaries)</b> | <b>Total Expenses<br/>(Reimbursement for<br/>Conferences/Mileage etc.)</b> |
|--|--|--|
| <b>Board Members</b>                                     |  |  |
| 1) Rod Wiebe, Chair                                      | \$0.00   | \$0.00   |
| 2) Chloe Smith, Vice-Chair                               | \$0.00   | \$0.00   |
| 3) Rob Southcott, City Council Representative            | \$0.00   | \$0.00   |
| 4) Jim Palm, City Council Alternate                      | \$0.00   | \$0.00   |
| 5) Clay Brander, qathet Regional District Representative | \$0.00   | \$0.00   |
| 6) Mark Gisborne, qathet Regional District Alternate     | \$0.00   | \$0.00   |
| 7) Wendy Cocksedge, Trustee                              | \$0.00   | \$0.00   |
| 8) Amanda Hunter, Trustee                                | \$0.00   | \$0.00   |
| 9) Linda Rosen, Trustee                                  | \$0.00   | \$0.00   |
| 10) Selina Smith, Trustee                                | \$0.00   | \$0.00   |
| 11) Paddy Treavor, Trustee                               | \$0.00   | \$0.00   |
| <b>Total Board Members</b>                               | <b>\$0.00</b>                                      | <b>\$0.00</b>  |

|  |                 |              |
|--|-----------------|--------------|
| <b>Detailed Employees Exceeding \$75,000</b>       |                 |              |
| 1) Rebecca Burbank, Chief Librarian                | \$88,613        | \$709        |
| <b>Total Detailed Employees Exceeding \$75,000</b> | <b>\$88,613</b> | <b>\$709</b> |

|   |                  |                |
|---|------------------|----------------|
| <b>Total Employees Equal to or Less Than \$75,000</b> | <b>\$549,715</b> | <b>\$5,000</b> |
|   |                  |                |
| <b>Consolidated Total (Sum of column)</b>             | <b>\$638,328</b> | <b>\$5,709</b> |

**Table 2 – Total Employer Premium to Receiver General for Canada**

|  |                   |                 |
|--|-------------------|-----------------|
| <b>Total Employer Premium for Canada Pension Plan and Employment Insurance</b> | <b>DO NOT USE</b> | <b>\$40,421</b> |
|--|-------------------|-----------------|



**Reconciliation of Remuneration and Expenses**

|   |   |           |
|---|---|-----------|
| <b>Total Remuneration</b>                             |   | \$638,328 |
| <b>Reconciling Items</b>                              |   |           |
|   | Total Employer Premium for Canada Pension Plan and Employment Insurance | \$40,421  |
|   | Employer Portion of Other Employment Benefit Contributions              | \$101,450 |
| <b>Total Remuneration With Reconciling Items</b>      |   | \$780,199 |
| <b>Total Per Statement of Revenue and Expenditure</b> |   | \$780,199 |
| <b>Variance</b>                                       |   | \$NIL     |

**Statement of Severance Agreements**

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

**Library Name:** Powell River Public Library

**Fiscal Year Ended:** December 31, 2019

There were no severance agreements made between the Powell River Public Library and its non-unionized employees during fiscal year 2019.

**Schedule of Changes in Financial Position**

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

**Library Name:** Powell River Public Library

**Fiscal Year Ended:** December 31, 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:** Powell River Public Library

**Fiscal Year Ended:** December 31, 2019

| <b>Name of Individual, Firm or Corporation</b>               | <b>Total Amount Paid During Fiscal Year</b> |
|--|---|
| 1) City of Powell River                                      | \$295,007                                   |
| 2) Municipal Pension Plan                                    | \$97,074                                    |
| 3) Norton Rose Fulbright Canada LLP                          | \$26,846                                    |
| 4) Pacific Blue Cross  | \$25,802                                    |
| 5) Receiver General For Canada                               | \$171,404                                   |
| 6) United Library Services Inc.                              | \$88,978                                    |
| <b>Total (Suppliers with payments exceeding \$25,000)</b>    | <b>\$705,111</b>                            |
|  |   |
| <b>Total (Suppliers where payments are \$25,000 or less)</b> | <b>\$164,156</b>                            |
|  |   |
| <b>Consolidated Total</b>                                    | <b>\$869,267</b>                            |

**Reconciliation of Goods and Services**

|  |                             |                     |
|--|-----------------------------|---------------------|
| <b>Total of Suppliers with Payments Exceeding \$25,000</b>         |                             | <b>\$ 705,011</b>   |
| <b>Consolidated Total of Supplier Payments of \$25,000 or Less</b> |                             | <b>\$ 164,156</b>   |
| <b>Reconciling Items</b>   |                             |                     |
|  | Remuneration                | \$ 638,328          |
|  | Board Member total expenses | \$ 0                |
|  | Chief Librarian expenses    | \$709               |
|  | Other employee expenses     | \$5,000             |
|  | Accrued accounts payable    | \$11,600            |
|  | Tangible capital assets     | \$(132,662)         |
| <b>Total with Reconciling Items</b>                                |                             | <b>\$1,392,662</b>  |
| <b>Total Per Statement of Revenue and Expenditure</b>              |                             | <b>\$ 1,392,242</b> |
| <b>Variance</b>  |                             | <b>\$ 0</b>         |