



**GREATER VICTORIA
PUBLIC LIBRARY**

Statement of Financial Information

Year ended December 31, 2014

In compliance with the Public Bodies Financial Information Act Statutes of British Columbia, Chapter 140

A decorative graphic at the bottom of the page consisting of several overlapping, semi-transparent blue and grey geometric shapes. The year '2014' is printed in a large, black, sans-serif font on the right side of the graphic.

2014

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014

TABLE OF CONTENTS

Documents are arranged in the following order:

1. Approval of Statement of Financial Information
2. Financial Information Act Submission Checklist
3. Management Report
4. Financial Statements
 - 4a. Statement of Changes in Financial Position
5. Schedule of Debt
6. Schedule of Guarantee and Indemnity Agreements
7. Schedule of Remuneration and Expenses
 - 7a. Statement of Severance Agreements
8. Schedule of Payments for the Provision of Goods and Services



LIBRARIES STATEMENT OF FINANCIAL INFORMATION (SOFI) BOARD APPROVAL FORM

NAME OF LIBRARY GREATER VICTORIA PUBLIC LIBRARY BOARD		YEAR 2014
LIBRARY ADDRESS 735 BROUGHTON ST.		TELEPHONE NUMBER 250-940-4875
CITY VICTORIA	PROVINCE BC	POSTAL CODE V8W3H2
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD KEVIN MURDOCH		TELEPHONE NUMBER 250-588-5541
NAME OF THE LIBRARY DIRECTOR 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 DECEMBER 31, 2014

for the 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-mmm-yyyy) MAY 12, 2015
SIGNATURE OF THE LIBRARY DIRECTOR	DATE SIGNED (dd-mmm-yyyy) 12-MAY-2015

* As per the *Financial Information Regulation* section 9(1), a Statement of Financial Information prepared by a corporation must be approved its board of directors.

Financial Information Act - Submission Checklist

DUE DATE: MAY 15, 2015

- a) Approval of Statement of Financial Information.
- b) A Management Report approved by the Library Board and Library Director.
- c) An operational statement including, i) a Statement of Income and ii) a Statement of Changes in Financial Position, or, if omitted, an explanation in the Notes to Financial Statements (audited¹ financial statements)
- d) A statement of assets and liabilities (audited¹ financial statements).
- e) A schedule of debts (audited¹ financial statements). If no debt, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
- f) A 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.
- g) A schedule of remuneration and expenses, including:
 - i) an alphabetical list of employees (first and last names) earning over \$75,000, the total amount of expenses paid to or on behalf of each employee for the year reported and a consolidated total for employees earning under \$75,000. If the total wages and expenses differs from the audited financial statements, an explanation is required.
 - ii) a list by name and position of Board Members with the amount of any remuneration paid to or on behalf of the member.
 - iii) 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.
- h) A schedule of payments for the provision of goods and services including:
 - 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.

Library Name: _____

For Fiscal Year Ending: _____

¹ Municipal Libraries and Regional Library Districts must provide audited financial statements as per the *Libraries Act* section 11(2) and 26(2)(a).

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.

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014

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.

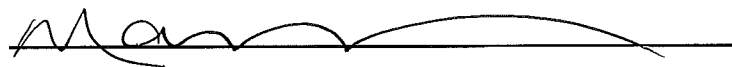
The external auditors, KPMG LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules of financial information required by the *Financial Information 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 Board



Kevin Murdoch, Chairperson of the Library Board

Date: *MAY 12, 2015*



Maureen Sawa, Library Director

Date: *MAY 12, 2015*

Financial Statements of

**GREATER VICTORIA PUBLIC
LIBRARY BOARD**

Year ended December 31, 2014

GREATER VICTORIA PUBLIC LIBRARY BOARD

Table of Contents

Year ended December 31, 2014

Management's Responsibility for the Financial Statements	1
Independent Auditors' Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7

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
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada

Telephone (250) 480-3500
Fax (250) 480-3539
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Greater Victoria Public Library Board

We have audited the accompanying financial statements of the Greater Victoria Public Library Board (the "Board"), which comprise the statement of financial position as at December 31, 2014, the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Board's preparation and fair presentation of the financial statements 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 Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Greater Victoria Public Library Board as at December 31, 2014, 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.

Chartered Accountants

May 12, 2015
Victoria, Canada

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
Financial assets:		
Cash and cash equivalents (note 2)	\$ 1,158,349	\$ 1,390,792
Accounts receivable	176,890	229,254
Other receivable	818	164
Investments (note 3)	2,572,508	1,899,641
	<u>3,908,565</u>	<u>3,519,851</u>
Financial liabilities:		
Accounts payable and accrued liabilities	632,689	873,064
Accrued payroll, vacation and sick leave benefits	319,078	209,047
Deferred revenue (note 4)	230,228	33,818
Obligations under capital leases (note 5)	17,837	53,922
Employee future benefit obligation (note 6)	375,457	358,311
	<u>1,575,289</u>	<u>1,528,162</u>
Net financial assets	2,333,276	1,991,689
Non-financial assets:		
Tangible capital assets (note 7)	6,476,438	6,438,260
Prepaid expenses and deposits	213,998	265,737
	<u>6,690,436</u>	<u>6,703,997</u>
Commitments (note 14)		
Accumulated surplus (note 8)	\$ 9,023,712	\$ 8,695,686

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, 2014, with comparative information for 2013

	Budget (note 12)	2014	2013
Revenue:			
Municipal contributions (note 9)	\$ 14,975,793	\$ 15,020,923	\$ 14,730,253
Fines, fees and printing	678,000	621,007	684,314
Government transfers:			
Provincial	644,503	643,011	805,665
Federal	7,592	5,534	7,592
Investment income	40,000	84,656	69,348
Contracts for service	25,970	26,489	25,970
Donations (note 10)	40,000	113,881	216,341
Gain on insurance settlement (note 11)	-	-	37,832
Total revenue	16,411,858	16,515,501	16,577,315
Expenses:			
Salaries and benefits	11,894,767	11,930,935	11,586,437
Library materials	846,993	678,403	656,965
Supplies and services	917,819	903,530	907,874
Building occupancy	766,191	675,420	719,850
Other	331,525	283,838	291,231
Amortization	1,700,000	1,722,689	1,829,449
Transfer to the Victoria Foundation	3,000	1,812	3,447
Loss on disposal of tangible capital assets	-	-	2,555
Loss (gain) on currency exchange	-	(9,152)	5,839
Total expenses	16,460,295	16,187,475	16,003,647
Annual surplus (deficit)	(48,437)	328,026	573,668
Accumulated surplus, beginning of year	8,695,686	8,695,686	8,122,018
Accumulated surplus, end of year	\$ 8,647,249	\$ 9,023,712	\$ 8,695,686

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, 2014, with comparative information for 2013

	Budget (note 12)	2014	2013
Annual surplus (deficit)	\$ (48,437)	\$ 328,026	\$ 573,668
Acquisition of tangible capital assets in cash and financed by capital lease	(1,575,500)	(1,760,867)	(1,944,700)
Amortization of tangible capital assets	1,700,000	1,722,689	1,829,449
Loss on disposal of tangible capital assets	-	-	2,555
	76,063	289,848	460,972
Use (acquisition) of prepaid expenses	-	51,739	(130,178)
Change in net financial assets	76,063	341,587	330,794
Net financial assets, beginning of year	1,991,689	1,991,689	1,660,895
Net financial assets, end of year	\$ 2,067,752	\$ 2,333,276	\$ 1,991,689

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 328,026	\$ 573,668
Item not involving cash:		
Amortization of tangible capital assets	1,722,689	1,829,449
Loss on disposal of tangible capital assets	-	2,555
Change in non-cash operating assets and liabilities:		
Accounts receivable	52,364	34,242
Other receivable	(654)	1,434
Accounts payable and accrued liabilities	(240,375)	325,973
Accrued payroll, vacation and sick leave benefits	110,031	22,184
Employee future benefit obligation	17,146	19,399
Deferred revenue	196,410	(151,873)
Prepaid expenses and deposits	51,739	(130,178)
	<u>2,237,376</u>	<u>2,526,853</u>
Capital activities:		
Acquisition of tangible capital assets	(1,760,867)	(1,925,454)
Investing activities:		
Decrease (increase) in investments	(672,867)	460,039
Financing activities:		
Principal payments on obligations under capital leases	(36,085)	(50,425)
Increase (decrease) in cash and cash equivalents	(232,443)	1,011,013
Cash and cash equivalents, beginning of year	1,390,792	379,779
Cash and cash equivalents, end of year	<u>\$ 1,158,349</u>	<u>\$ 1,390,792</u>
Supplemental cash flow information:		
Tangible capital asset acquisitions financed by capital lease	\$ -	\$ 19,246

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2014

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 (the "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, 2014

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	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, 2014

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) 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.

(i) 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. Actual results could differ from these estimates.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2014

2. Cash and cash equivalents:

Cash and cash equivalents consist of cash, a guaranteed income certificate with terms to maturity of 90 days or less and investments with a maturity greater than 90 days but redeemable with no penalty. Investments earns interest at rates 1.15%, and mature at varying dates in 2015.

3. 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 earn interest at rates varying from 1.65% to 2.25%, and mature at varying dates to 2017.

4. Deferred revenue:

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

	2014	2013
Deferred municipal contributions and government grants	\$ 184,343	\$ 7,938
Restricted donations	45,885	25,880
	\$ 230,228	\$ 33,818

5. Obligations under capital leases:

The amounts due for obligations under capital leases are as follows:

2015	\$ 7,662
2016	7,662
2017	4,470
Total minimum lease payments	19,794
Less amounts representing interest (at rates ranging from 1.25% to 16%)	1,957
Present value of net minimum capital lease payments	\$ 17,837

Interest of \$1,940 (2013 - \$6,855) relating to capital lease obligations has been included in expenses on the statement of operations.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2014

6. Employee future benefit obligation:

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

	2014	2013
Obligations for retirement gratuity	\$ 375,457	\$ 358,311

Information about the Board's obligation is as follows:

	2014	2013
Balance, beginning of year	\$ 358,311	\$ 338,912
Current benefit cost and interest	44,425	56,930
Benefits paid	(27,279)	(37,531)
	\$ 375,457	\$ 358,311

Included in the statement of operations is \$44,425 (2013 - \$56,930) in expense related to future benefit obligations.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2014

6. Employee future benefit obligation (continued):

	2014	2013
Discount rate for present value of future benefits	3 %	3 %
Rate of annual salary increases, including inflation	2 %	2 %

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. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. The actuary does not attribute portions of the surplus or unfunded liability to individual employers.

The Board paid \$816,213 (2013 - \$765,199) for employer contributions while employees contributed \$685,401 (2013 - \$632,505) to the Plan in fiscal 2014. The Board may be required to make additional employer contributions to the Plan for the eligibility period of certain employees. The amount of contributions is not yet known, dependent on voluntary participation by eligible employees and will be recorded as an expense in future periods when likely and measurable. Such claims are not expected to have a material effect on the Board's financial position.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2014

7. Tangible capital assets:

2014	Library materials collection	Building improvements	Shelving	Computer equipment	Furniture and equipment	Automotive	Software	Total
Cost:								
Balance,								
beginning	\$ 17,176,072	\$ 556,619	\$ 1,276,064	\$ 2,251,320	\$ 3,413,232	\$ 136,289	\$ 125,855	\$ 24,935,451
Additions	1,404,714	121,138	-	116,667	118,348	-	-	1,760,867
Balance, ending	18,580,786	677,757	1,276,064	2,367,987	3,531,580	136,289	125,855	26,696,318
Accumulated amortization:								
Balance,								
beginning	12,892,879	191,996	914,130	1,890,774	2,362,023	119,534	125,855	18,497,191
Amortization	1,438,590	48,576	18,097	95,443	116,956	5,027	-	1,722,689
Balance, ending	14,331,469	240,572	932,227	1,986,217	2,478,979	124,561	125,855	20,219,880
Net book value,								
end of year	\$ 4,249,317	\$ 437,185	\$ 343,837	\$ 381,770	\$ 1,052,601	\$ 11,728	\$ -	\$ 6,476,438

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2014

7. Tangible capital assets (continued):

2013	Library materials collection	Building improvements	Shelving	Computer equipment	Furniture and equipment	Automotive	Software	Total
Cost:								
Balance,								
beginning	\$ 15,751,802	\$ 496,247	\$ 1,276,064	\$ 2,162,198	\$ 3,146,358	\$ 136,289	\$ 109,338	\$ 23,078,296
Additions	1,463,842	60,372	-	89,122	314,847	-	16,517	1,944,700
Disposals	(39,572)	-	-	-	(47,973)	-	-	(87,545)
Balance, ending	17,176,072	556,619	1,276,064	2,251,320	3,413,232	136,289	125,855	24,935,451
Accumulated amortization:								
Balance,								
beginning	11,391,041	151,483	895,081	1,802,796	2,290,640	112,353	109,338	16,752,732
Disposals	(39,572)	-	-	-	(45,418)	-	-	(84,990)
Amortization	1,541,409	40,514	19,049	87,978	116,801	7,181	16,517	1,829,449
Balance, ending	12,892,878	191,997	914,130	1,890,774	2,362,023	119,534	125,855	18,497,191
Net book value,								
end of year	\$ 4,283,194	\$ 364,622	\$ 361,934	\$ 360,546	\$ 1,051,209	\$ 16,755	\$ -	\$ 6,438,260

Included in tangible capital assets are leased assets with cost and accumulated amortization of \$1,066,288 and \$719,763 (2013 - \$1,066,288 and \$677,654) respectively. Amortization expense of \$42,108 (2013 - \$58,979) is included in the statement of operations related to leased tangible capital assets.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2014

7. Tangible capital assets (continued):

a) Contributed tangible capital assets

There were no contributions of tangible capital assets during the years presented.

b) Write-down of tangible capital assets

No write-down of capital assets occurred during the years presented. In 2013, library materials of \$39,572 were written off due to water damage. The assets were fully amortized when written off.

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 ten 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 Technology, Innovation and 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, 2014

8. Accumulated surplus:

Accumulated surplus consists of:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 6,458,601	\$ 6,384,338
Unfunded employee future benefit obligation	(141,958)	(130,312)
Total surplus	6,316,643	6,254,026
Reserves:		
Capital improvement reserve	1,388,777	1,352,561
Operating reserves	972,271	908,012
Contingency reserve	230,000	110,000
Replacement reserve	116,021	71,087
Total reserves	2,707,069	2,441,660
	\$ 9,023,712	\$ 8,695,686

9. Municipal contributions:

The following municipal contributions have been included in revenue:

	2014	2013
District of Saanich	\$ 5,167,444	\$ 5,200,582
City of Victoria	4,282,287	4,139,943
City of Langford	1,452,127	1,396,568
District of Oak Bay	974,639	931,826
Township of Esquimalt	831,626	804,994
District of Central Saanich	800,068	775,173
City of Colwood	722,244	705,564
Town of View Royal	436,931	425,758
District of Metchosin	246,276	244,448
District of Highlands	107,281	105,397
	\$ 15,020,923	\$ 14,730,253

During 2013, the Emily Carr branch was relocated to new premises. Municipal contributions from the District of Saanich were approved up to \$300,000 for acquisitions of tangible capital assets and relocation expenses by the Board, of which \$38,288 (2013 - \$261,712) has been incurred and recognized as revenue.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2014

10. 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.

	2014	2013
General endowment	\$ 305,888	\$ 285,853
T. Harry Wilson	67,188	63,209
JDB Victoria Library Fund	134,596	126,626
	<u>\$ 507,672</u>	<u>\$ 475,688</u>

Included in donations is \$19,878 (2013 - \$119,383) 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.

11. Gain on insurance settlement:

In March 2013, water damage occurred at the Central Branch resulting in the write-off of fully amortized library materials with an original cost of \$39,572 and remediation costs of \$12,631. Proceeds received from the insurance claim, net of a \$10,000 deductible, was \$40,463, resulting in a net gain of \$37,832.

12. Budget data:

The budget data presented in these financial statements is based upon the operating budget approved by the Board on February 25, 2014. The chart below reconciles the approved financial plan to figures reported in these financial statements.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2014

12. Budget data (continued):

	Budget amount
Revenues:	
Operating budget	\$ 16,489,858
Less:	
Transfers from other funds	(78,000)
Total revenue	16,411,858
Expenses:	
Operating budget	16,489,858
Amortization expense	1,700,000
Less:	
Transfers to other funds	(95,000)
Capital expenditures	(1,575,500)
Lease principal payments	(59,063)
Total expenses	16,460,295
Annual surplus	\$ (48,437)

13. Economic dependency:

Approximately 91% (2013 - 89%) 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.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2014

14. Commitments:

On June 1, 2014, the Board entered into a three-year lease agreement to lease office space for administrative use. Total estimated minimum annual lease payments relating to office space and equipment is as follows:

2015	\$	118,271
2016		157,023
2017		69,205
	\$	344,499

15. Trust funds:

Trust funds administered by the Board for the Juan de Fuca Branch Reserve Fund amount to \$161,949 (2013 - \$80,132) and have not been included in the statement of financial position nor have their operations 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.

Expenditures to be funded from the Reserve Fund and included in the Statement of Operations amount to \$35,041 (2013 - \$nil). This amount is also included in the Statement of Financial Position as a receivable, and was approved for payment by Juan de Fuca Branch building owners in 2015.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Financial Position by Fund

(unaudited)

December 31, 2014, with comparative information for 2013

Schedule 1

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2014	2013
Financial assets:							
Cash and cash equivalents	\$ 879,993			\$ 29,353	\$ 249,003	\$ 1,158,349	\$ 1,390,792
Accounts receivable	176,890					176,890	229,254
Other receivable	818					818	164
Investments	640,523		792,211		1,139,774	2,572,508	1,899,641
	1,698,224	-	792,211	29,353	1,388,777	3,908,565	3,519,851
Financial liabilities:							
Accounts payable and accrued liabilities	632,689					632,689	873,064
Accrued payroll, vacation and sick leave benefits	319,078					319,078	209,047
Deferred revenue	230,228					230,228	33,818
Obligations under capital leases	17,837					17,837	53,922
Employee future benefit obligation	375,457					375,457	358,311
	1,575,289	-	-	-	-	1,575,289	1,528,162
Net financial assets (net debt)	122,935	-	792,211	29,353	1,388,777	2,333,276	1,991,689
Non-financial assets:							
Tangible capital assets	17,837	6,458,601				6,476,438	6,438,260
Prepaid expenses and deposits	213,998					213,998	265,737
	231,835	6,458,601	-	-	-	6,690,436	6,703,997
Accumulated surplus	\$ 354,770	\$ 6,458,601	\$ 792,211	\$ 29,353	\$ 1,388,777	\$ 9,023,712	\$ 8,695,686

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus by Fund

(unaudited)

Year ended December 31, 2014, with comparative information for 2013

Schedule 2

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2014	2013
Revenue:							
Municipal contributions	\$ 15,020,923					\$ 15,020,923	\$ 14,730,253
Fines, fees, photocopying	621,007					621,007	684,314
Government transfers:							
Provincial	643,011					643,011	805,665
Federal	5,534					5,534	7,592
Investment income	67,512			145	16,999	84,656	69,348
Contracts for service	26,489					26,489	25,970
Donations	79,018			15,645	19,218	113,881	216,341
Gain on insurance settlement	-					-	37,832
Total revenue	16,463,494	-	-	15,790	36,217	16,515,501	16,577,315
Expenses:							
Salaries and benefits	11,930,935					11,930,935	11,586,437
Library materials	678,403					678,403	656,965
Supplies and services	903,530					903,530	907,874
Building occupancy	675,420					675,420	719,850
Other	283,838					283,838	291,231
Amortization	1,722,689					1,722,689	1,829,449
Transfer to the Victoria Foundation	-			1,812		1,812	3,447
Loss (gain) on currency exchange	(9,152)					(9,152)	-
Loss on currency exchange	-					-	5,839
Loss on disposal of tangible capital assets	-					-	2,555
Total expenses	16,185,663	-	-	1,812	-	16,187,475	16,003,647
Annual surplus (deficiency)	277,831	-	-	13,978	36,217	328,026	573,668
Transfer to replacement reserve	(106,335)		106,335			-	-
Transfer from replacement reserve	61,401		(61,401)			-	-
Transfer to contingency reserve	(120,000)		120,000			-	-
Transfer to library materials reserve	(205,496)		205,496			-	-
Investment in tangible capital assets	(1,760,868)	1,760,868				-	-
Amortization of tangible capital assets	1,722,689	(1,722,689)				-	-
Capital lease payments	(36,084)	36,084				-	-
Accumulated surplus, beginning of year	521,632	6,384,338	421,781	15,375	1,352,560	8,695,686	8,122,018
Accumulated surplus, end of year	\$ 354,770	\$ 6,458,601	\$ 792,211	\$ 29,353	\$ 1,388,777	\$ 9,023,712	\$ 8,695,686

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014

STATEMENT OF CHANGES IN FINANCIAL POSITION

A Statement of Changes in Financial Position has not been prepared because this information is provided in the Financial Statements (entitled Statement of Cash Flows).

Prepared as required by *Financial Information Regulation*, Schedule 1, section 3

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014

SCHEDULE OF DEBT

Information on all long term debt is included in the [Audited¹] Financial Statements.

Prepared as required by *Financial Information Regulation*, Schedule 1, section 4.

¹ Municipal Libraries and Regional Library Districts must provide audited financial statements as per the *Libraries Act* section 11(2) and 26(2)(a).

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

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

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

Prepared as required by *Financial Information Regulation*, Schedule 1, section 5.

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014

SCHEDULE OF REMUNERATION AND EXPENSES

		Total Remuneration	Total Expenses
<u>Board Members</u>	<u>Position</u>		
Mr. David Alexander	Board Member	\$ -	\$ 40
Mr. Wayne Bembridge	Board Member	\$ -	\$ 40
Mr. Greg Bunyan	Chair	\$ -	\$ 480
Ms. Roberta Burris	Board Member	\$ -	\$ 325
Ms. Donna Curtis	Board Member	\$ -	\$ -
Ms. Gabrielle Goudy	Board Member	\$ -	\$ 275
Ms. Lynda Hundleby	Board Member	\$ -	\$ -
Mr. Zeb King	Board Member	\$ -	\$ -
Ms. Anne Kirkaldy	Board Member	\$ -	\$ 235
Ms. Pamela Madoff	Board Member	\$ -	\$ 325
Mr. Rob Martin	Board Member	\$ -	\$ -
Mr. Paul McNair	Board Member	\$ -	\$ 325
Ms. Moralea Milne	Board Member	\$ -	\$ -
Mr. Kevin Murdoch	Vice Chair	\$ -	\$ 580
Mr. Dean Murdock	Board Member	\$ -	
Ms. Karen Potts	Board Member	\$ -	\$ 325
Mr. Karel Roessingh	Board Member	\$ -	\$ 325
Mr. John Rogers	Board Member	\$ -	\$ 75
Ms. Kathy Santini	Board Member	\$ -	\$ -
Mr. David Screech	Board Member	\$ -	\$ 525
Mr. Lanny Seaton	Board Member	\$ -	\$ -
Total Board Members		\$ -	\$ 3,835
<u>Detailed Employees Exceeding \$75,000</u>			
Ms. Olivia Anderson		\$ 81,798	\$ 1,883
Ms. Ursula Benoit		\$ 77,142	\$ 480
Mr. Matthew Bingham		\$ 77,441	\$ 10
Ms. Andrea Brimmell		\$ 82,032	\$ 1,246
Ms. Philippa Brown		\$ 80,661	\$ 1,906

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014

SCHEDULE OF REMUNERATION AND EXPENSES

<u>Detailed Employees Exceeding \$75,000 (continued)</u>		
Ms. Theresa Chyzowski	\$ 87,552	\$ 1,305
Ms. Audrey Driscoll	\$ 77,443	\$ 110
Ms. Patricia Eaton	\$ 82,679	\$ 28
Ms. Rina Hadziev	\$ 81,256	\$ 1,215
Ms. Lynne Jordon	\$ 126,909	\$ 4,593
Ms. Tracy Kendrick	\$ 81,370	\$ 318
Mr. Holman Louis	\$ 78,535	\$ 836
Ms. Judy Moore	\$ 80,551	\$ 2,468
Mr. Daniel Phillips	\$ 106,118	\$ 3,934
Ms. Donna Phillips	\$ 104,202	\$ 2,922
Ms. Alyssa Polinsky	\$ 87,558	\$ 1,060
Ms. Kate Pollock	\$ 81,797	\$ 958
Ms. Lara Riecken	\$ 75,834	\$ 374
Ms. Jennifer Rowan	\$ 81,123	\$ 684
Ms. Maureen Sawa	\$ 160,377	\$ 7,956
Mr. Peter Thompson	\$ 78,981	\$ -
Total Detailed Employees Exceeding \$75,000	\$ 1,871,358	\$ 34,286
Total Employees Equal to or Less Than \$75,000	\$ 7,871,671	\$ 28,104
Consolidated Total	\$ 9,743,029	\$ 66,265
Receiver General of Canada - Employer portion of EI & CPP	\$ 587,076	
Employer portion of other employment benefit contributions	\$ 1,600,830	
Total Salaries and Benefits per Statement of Revenue and Expenditure	\$11,930,935	

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014
STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between Greater Victoria Public Library Board and its non-unionized employees during fiscal year 2014.

Prepared as required by *Financial Information Regulation*, Schedule 1, subsection 6(7)

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014

SCHEDULE OF PAYMENTS FOR THE PROVISION OF GOODS AND SERVICES

Name of Individual, Firm or Corporation	Paid During Fiscal Year
3M Canada Company	\$ 158,892
Agenda Office Interiors	\$ 30,653
Amazon.com, Inc.	\$ 45,437
BC Hydro	\$ 36,659
BC Libraries Cooperative	\$ 196,845
BC Life & Casualty Company	\$ 51,009
BMO Nesbitt Burns	\$ 116,818
Bridgeall Libraries Limited	\$ 26,550
British Columbia Pension Corporation	\$ 1,506,385
Canada Savings Bonds	\$ 69,950
Commissionaires	\$ 63,088
Cupe Local 410	\$ 177,787
CVS Midwest Tape LLC	\$ 434,259
Dynamic Facility Services Ltd.	\$ 54,969
Ebsco Canada Limited	\$ 96,889
GVLRA/CUPE LTD Trust	\$ 216,604
Innovative Interfaces Canada Inc.	\$ 92,723
IslandLink Library Federation	\$ 76,885
Jardine Lloyd Thompson Canada	\$ 66,524
Library Bound Inc.	\$ 463,454
Medical Services Plan	\$ 155,482
Ministry of Finance	\$ 43,966
Monk Office Supply Ltd.	\$ 73,597
Municipal Finance Authority	\$ 31,835
Munro's Book Store Ltd.	\$ 84,759
Netlink Computer Inc. (including NCIX.com)	\$ 65,118
OverDrive Inc.	\$ 68,008
Pacific Blue Cross	\$ 325,688
Pacific Coast Commercial Cleaning Inc.	\$ 197,463
Quadra Pacific Properties Corp.	\$ 26,323
Receiver General for Canada	\$ 2,517,742
Recorded Books, LLC	\$ 37,900
Ricoh Canada Inc.	\$ 81,015
Saanich, District of	\$ 78,821
Shaw Business Solutions	\$ 224,929
Unique Management Services Inc.	\$ 28,259
United Library Services Inc.	\$ 350,824

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2014

SCHEDULE OF PAYMENTS FOR THE PROVISION OF GOODS AND SERVICES

Name of Individual, Firm or Corporation		Total Amount Paid During Fiscal Year
Victoria, Corporation of the City of		\$ 30,648
Waddington Building Strata Plan VIS4516		\$ 211,393
West Shore Parks and Recreation Society		\$ 62,014
Whitehots Inc.		\$ 45,926
WorkSafe BC		\$ 41,214
Total (Suppliers with payments exceeding \$25,000)	(A)	\$ 8,765,304
Total (Suppliers where payments are \$25,000 or less)	(B)	\$ 1,016,665
Consolidated Total		\$ 9,781,969
Reconciliation of Above to Statement of Revenue and Expenditures		
Total of aggregate payments exceeding \$25,000 paid to suppliers (A)		\$ 8,765,304
Consolidated total of payments of \$25,000 or less paid to suppliers (B)		\$ 1,016,665
Reconciling items		
1. Add Remuneration and Expenses		\$ 9,813,169
2. Deduct employee's portion of employment benefit contributions		\$ (2,970,883)
3. Capital lease principal payments		\$ (36,084)
4. Amortization expense		\$ 1,722,689
5. Tangible capital asset additions		\$ (1,760,867)
6. Municipal cost recovery for building maintenance		\$ (181,876)
7. Increase in employee future benefit obligation		\$ 17,146
8. Decrease in non-salary prepaid expenses		\$ 51,738
9. Decrease in non-salary accrued expenses		\$ (240,374)
Total per Statement of Revenue and Expenditure		\$ 16,196,627
Variance		Nil