

Statement of Financial Information

Year ended December 31, 2015

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



2015

Libraries
Statement of Financial Information (SOFI)

Library Name (___Greater Victoria Public Library___)

Fiscal Year Ended ___2015___

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
5. Schedule of Debt
6. Schedule of Guarantee and Indemnity Agreements
7. Schedule of Remuneration and Expenses including:
 - Statement of Severance Agreements
 - Reconcile or explain if different from Financial Statements
8. Schedule of Payments for the Provision of Goods and Services including:
 - Reconcile or explain if different from Financial Statements





LIBRARIES STATEMENT OF FINANCIAL INFORMATION (SOFI) BOARD APPROVAL FORM

NAME OF LIBRARY Greater Victoria Public Library		YEAR 2015
LIBRARY ADDRESS 735 Broughton Street		TELEPHONE NUMBER (250) 413-0355
CITY Victoria	PROVINCE BC	POSTAL CODE V8W 3H2
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Mr. Kevin Murdoch		TELEPHONE NUMBER (250) 588-5541
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 DECEMBER 31, 2015

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-mmm-yyyy) 24-MAY-2016
SIGNATURE OF THE LIBRARY DIRECTOR 	DATE SIGNED (dd-mmm-yyyy) 24-MAY-2016

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

Financial Information Act - Submission Checklist

DUE DATE: MAY 16, 2016

- 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: Greater Victoria Public Library

For Fiscal Year Ending: December 31, 2015

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, 2015

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 24, 2016*



Maureen Sawa, Library Director

Date: *MAY 24, 2016*

Prepared as required by *Financial Information Regulation*, Schedule 1, section 9

Financial Statements of

**GREATER VICTORIA PUBLIC
LIBRARY BOARD**

Year ended December 31, 2015

GREATER VICTORIA PUBLIC LIBRARY BOARD

Table of Contents

Year ended December 31, 2015

Management's Responsibility for the Financial Statements	1
Independent Auditors' Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8

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

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, 2015, 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, 2015, 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

May 4, 2016
Victoria, Canada

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets:		
Cash and cash equivalents (note 2)	\$ 1,600,213	\$ 1,158,349
Accounts receivable	121,744	176,890
Other receivable	2,999	818
Investments (note 3)	2,887,298	2,572,508
	<u>4,612,254</u>	<u>3,908,565</u>
Financial liabilities:		
Accounts payable and accrued liabilities	1,529,157	632,689
Accrued payroll, vacation and sick leave benefits	317,584	319,078
Deferred revenue (note 4)	353,438	230,228
Debt (note 5)	47,214	-
Obligations under capital leases (note 6)	11,363	17,837
Employee future benefit obligation (note 7)	419,607	375,457
	<u>2,678,363</u>	<u>1,575,289</u>
Net financial assets	1,933,891	2,333,276
Non-financial assets:		
Tangible capital assets (note 8)	6,568,784	6,476,438
Prepaid expenses and deposits	114,777	213,998
	<u>6,683,561</u>	<u>6,690,436</u>
Commitments (note 14)		
Accumulated surplus (note 9)	\$ 8,617,452	\$ 9,023,712

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, 2015, with comparative information for 2014

	Budget (note 12)	2015	2014
Revenue:			
Municipal contributions (note 10)	\$ 15,565,266	\$ 15,636,801	\$ 15,020,923
Fines, fees and printing	622,000	572,945	621,007
Government transfers:			
Provincial	643,011	641,527	643,011
Federal	5,534	7,379	5,534
Investment income	61,600	80,129	84,656
Contracts for service	27,019	27,630	26,489
Donations (note 11)	20,000	170,084	113,881
Contributed tangible capital assets	-	39,710	-
Total revenue	16,944,430	17,176,205	16,515,501
Expenses:			
Salaries and benefits	12,394,212	12,899,751	11,930,935
Library materials	856,941	803,028	678,403
Supplies and services	931,095	905,991	903,530
Building occupancy	854,709	721,861	675,420
Other	351,325	335,589	283,838
Amortization	1,840,000	1,727,131	1,722,689
Transfer to the Victoria Foundation	-	805	1,812
Loss on disposal of tangible capital assets	-	146,837	-
Loss (gain) on currency exchange	-	41,472	(9,152)
Total expenses	17,228,282	17,582,465	16,187,475
Annual surplus (deficit)	(283,852)	(406,260)	328,026
Accumulated surplus, beginning of year	9,023,712	9,023,712	8,695,686
Accumulated surplus, end of year	\$ 8,739,860	\$ 8,617,452	\$ 9,023,712

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, 2015, with comparative information for 2014

	Budget (note 12)	2015	2014
Annual surplus (deficit)	\$ (283,852)	\$ (406,260)	\$ 328,026
Acquisition of tangible capital assets in cash and financed by capital lease	(1,798,521)	(1,935,028)	(1,760,867)
Contributed tangible capital assets	-	(39,710)	-
Amortization of tangible capital assets	1,840,000	1,727,131	1,722,689
Proceeds on sale of tangible capital assets	-	8,424	-
Loss on disposal of tangible capital assets	-	146,837	-
	(242,373)	(498,606)	289,848
Use of prepaid expenses	-	99,221	51,739
Change in net financial assets	(242,373)	(399,385)	341,587
Net financial assets, beginning of year	2,333,276	2,333,276	1,991,689
Net financial assets, end of year	\$ 2,090,903	\$ 1,933,891	\$ 2,333,276

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ (406,260)	\$ 328,026
Item not involving cash:		
Amortization of tangible capital assets	1,727,131	1,722,689
Loss on disposal of tangible capital assets	146,837	-
Contributions of tangible capital assets	(39,710)	-
Change in non-cash operating assets and liabilities:		
Accounts receivable	55,146	52,364
Other receivable	(2,181)	(654)
Accounts payable and accrued liabilities	896,468	(240,375)
Accrued payroll, vacation and sick leave benefits	(1,494)	110,031
Employee future benefit obligation	44,150	17,146
Deferred revenue	123,210	196,410
Prepaid expenses and deposits	99,221	51,739
Net change in cash from operating activities	2,642,518	2,237,376
Capital activities:		
Acquisition of tangible capital assets	(1,935,028)	(1,760,867)
Proceeds on sale of tangible capital assets	8,424	-
Net change in cash from capital activities	(1,926,604)	(1,760,867)
Investing activities:		
Increase in investments	(314,790)	(672,867)
Financing activities:		
Proceeds of debt issued and assumed	57,300	-
Debt repaid	(10,086)	-
Principal payments on obligations under capital leases	(6,474)	(36,085)
Net change in cash from financing activities	40,740	(36,085)
Increase (decrease) in cash and cash equivalents	441,864	(232,443)
Cash and cash equivalents, beginning of year	1,158,349	1,390,792
Cash and cash equivalents, end of year	\$ 1,600,213	\$ 1,158,349

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2015

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, 2015

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, 2015

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 and accrued liabilities. Actual results could differ from these estimates.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(j) Adoption of new accounting policy:

The Board adopted Public Sector Accounting Board Standard PS 3260, *Liability for Contaminated Sites*, effective January 1, 2015. Under PS 3260, 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. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The Board adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

(k) Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

2. Cash and cash equivalents:

Cash and cash equivalents consists of cash, guaranteed income certificates with terms to maturity of 90 days or less and investments with a maturity greater than 90 days but redeemable with no penalty. Investments held in the year earned interest at a rate of 1.15%.

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 held in the year earn interest at rates varying from 1.47% to 2.47%, and mature at varying dates to 2018.

4. Deferred revenue:

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

	2015	2014
Deferred municipal contributions and government grants	\$ 141,438	\$ 184,343
Restricted donations	212,000	45,885
	<u>\$ 353,438</u>	<u>\$ 230,228</u>

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Debt:

During the year, the Board entered into an Equipment Financing Loan Agreement with the Municipal Finance Authority of BC. The Board received proceeds of \$57,300 to finance the purchase of tangible capital assets.

The loan is to be repaid in blended monthly payments of \$1,500 with a maturity date of September 30, 2018. Estimated principal payments on the loan for the duration of the term are as follows:

2016	\$	17,463
2017		17,704
2018		12,047
Total	\$	47,214

Interest is charged on a daily floating rate basis and compounded monthly. At year end, the current floating rate was 1.38% per annum. Interest paid during the year was \$414 (2014 - nil) and has been included in expenses on the statement of operations. As a condition of borrowing, the Board has issued a promissory note in the value of \$57,300 to the MFA.

6. Obligations under capital leases:

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

2016	\$	7,662
2017		4,470
Total minimum lease payments		12,132
Less amounts representing interest (at rates ranging from 1.25% to 16%)		769
Present value of net minimum capital lease payments	\$	11,363

Interest of \$1,188 (2014 - \$1,940) 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, 2015

7. Employee future benefit obligation:

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

	2015	2014
Obligations for retirement gratuity	\$ 419,607	\$ 375,457

Information about the Board's obligation is as follows:

	2015	2014
Balance, beginning of year	\$ 375,457	\$ 358,311
Current benefit cost and interest	62,262	44,425
Benefits paid	(18,112)	(27,279)
Balance, end of year	\$ 419,607	\$ 375,457

Included in the statement of operations is \$62,262 (2014 - \$44,425) in expense related to future benefit obligations.

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

	2015	2014
Discount rate for present value of future benefits	2.5 %	3.2 %
Rate of annual salary increases, including inflation	2.0 %	1.8 %

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2015

7. 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. The Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 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 later in 2016. The actuary does not attribute portions of the surplus or unfunded liability to individual employers.

The Board paid \$875,759 (2014 - \$816,213) for employer contributions while employees contributed \$736,603 (2014 - \$685,401) to the Plan in fiscal 2015.

The Board has recorded an estimated liability related to additional employer contributions to the Plan. The amount of contributions is dependent on voluntary participation by eligible employees and may be adjusted in future periods as more information regarding voluntary participation becomes known.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Tangible capital assets:

2015	Library materials collection	Building improvements	Shelving	Computer equipment	Furniture and equipment	Automotive	Software	Total
Cost:								
Balance,								
beginning	\$ 18,580,786	\$ 677,757	\$ 1,276,064	\$ 2,367,987	\$ 3,531,580	\$ 136,289	\$ 125,855	\$ 26,696,318
Additions	1,473,912	132,734	-	64,447	180,952	54,739	67,954	1,974,738
Disposals	-	-	-	(41,087)	(527,668)	(84,031)	-	(652,786)
Balance, ending	20,054,698	810,491	1,276,064	2,391,347	3,184,864	106,997	193,809	28,018,270
Accumulated amortization:								
Balance,								
beginning	14,331,469	240,572	932,227	1,986,217	2,478,979	124,561	125,855	20,219,880
Disposals	-	-	-	(39,519)	(376,921)	(81,085)	-	(497,525)
Amortization	1,429,885	56,992	17,192	88,930	108,280	19,057	6,795	1,727,131
Balance, ending	15,761,354	297,564	949,419	2,035,628	2,210,338	62,533	132,650	21,449,486
Net book value,								
end of year	\$ 4,293,344	\$ 512,927	\$ 326,645	\$ 355,719	\$ 974,526	\$ 44,464	\$ 61,159	\$ 6,568,784

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Tangible capital assets (continued):

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

Included in tangible capital assets are leased assets with cost and accumulated amortization of \$575,528 and \$456,623 (2014 - \$1,066,288 and \$719,763) respectively. Amortization expense of \$19,748 (2014 - \$42,108) 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, 2015

8. Tangible capital assets (continued):

(a) Contributed tangible capital assets:

Furniture and equipment with an estimated replacement value of \$39,710 was contributed during the year.

(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 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, 2015

9. Accumulated surplus:

Accumulated surplus consists of:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 6,510,207	\$ 6,458,601
Unfunded employee future benefit obligation	(192,183)	(141,958)
Total surplus	6,318,024	6,316,643
Reserves:		
Capital improvement reserve	1,381,444	1,388,777
Operating reserves	668,085	972,271
Contingency reserve	225,452	230,000
Replacement reserve	24,447	116,021
Total reserves	2,299,428	2,707,069
	\$ 8,617,452	\$ 9,023,712

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2015

10. Municipal contributions:

The following municipal contributions have been included in revenue:

	2015	2014
District of Saanich	\$ 5,265,007	\$ 5,167,444
City of Victoria	4,492,812	4,282,287
City of Langford	1,591,577	1,452,127
District of Oak Bay	1,002,255	974,639
Township of Esquimalt	853,589	831,626
District of Central Saanich	828,043	800,068
City of Colwood	752,578	722,244
Town of View Royal	483,398	436,931
District of Metchosin	259,297	246,276
District of Highlands	108,245	107,281
	\$ 15,636,801	\$ 15,020,923

During 2015, the Board approved the opening of a new branch in Langford in 2016. Municipal contributions from the City of Langford were approved up to \$765,000 for acquisition of tangible capital assets and moving expenses by the Board, of which \$17,142 (2014 - nil) has been incurred and recognized as revenue in 2015.

Included in 2014 municipal contribution revenue is \$38,288 for acquisitions of tangible capital assets and relocation expenses incurred by the Board to relocate the Emily Carr branch to a new premises.

11. 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.

	2015	2014
General endowment	\$ 308,999	\$ 305,888
T. Harry Wilson	67,654	67,188
JDB Victoria Library Fund	135,531	134,596
	\$ 512,184	\$ 507,672

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2015

11. Donations (continued):

Included in donations is \$61,290 (2014 - \$19,878) 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.

12. Budget data:

The budget data presented in these financial statements is based upon the operating budget approved by the Board on February 17, 2015. The chart below reconciles the approved financial plan to figures reported in these financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 17,317,620
Less:	
Transfers from other funds	(373,190)
Total revenue	16,944,430
Expenses:	
Operating budget	17,317,620
Amortization expense	1,840,000
Less:	
Transfers to other funds	(95,000)
Capital expenditures	(1,798,521)
Lease principal payments	(35,817)
Total expenses	17,228,282
Annual surplus	\$ (283,852)

13. Economic dependency:

Approximately 91% (2014 - 91%) 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, 2015

14. 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 are as follows:

2016	\$	356,884
2017		102,515
	\$	459,399

15. Trust funds:

Trust funds administered by the Board for the Juan de Fuca Branch Reserve Fund amount to \$208,979 (2014 - \$161,949) 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.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Financial Position by Fund
(Unaudited)

December 31, 2015, with comparative information for 2014

Schedule 1

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2015	2014
Financial assets:							
Cash and cash equivalents	\$ 1,511,269			\$ 22,776	\$ 66,168	\$ 1,600,213	\$ 1,158,349
Accounts receivable	121,744					121,744	176,890
Other receivable	2,999					2,999	818
Investments	826,857		745,165		1,315,276	2,887,298	2,572,508
	<u>2,462,869</u>	<u>-</u>	<u>745,165</u>	<u>22,776</u>	<u>1,381,444</u>	<u>4,612,254</u>	<u>3,908,565</u>
Financial liabilities:							
Accounts payable and accrued liabilities	1,529,157					1,529,157	632,689
Accrued payroll, vacation and sick leave benefits	317,584					317,584	319,078
Deferred revenue	353,438					353,438	230,228
Debt	47,214					47,214	-
Obligations under capital leases	11,363					11,363	17,837
Employee future benefit obligation	419,607					419,607	375,457
	<u>2,678,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,678,363</u>	<u>1,575,289</u>
Net financial assets (net debt)	(215,494)	-	745,165	22,776	1,381,444	1,933,891	2,333,276
Non-financial assets:							
Tangible capital assets	58,577	6,510,207				6,568,784	6,476,438
Prepaid expenses and deposits	114,777					114,777	213,998
	<u>173,354</u>	<u>6,510,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,683,561</u>	<u>6,690,436</u>
Accumulated surplus	-\$ 42,140	\$ 6,510,207	\$ 745,165	\$ 22,776	\$ 1,381,444	\$ 8,617,452	\$ 9,023,712

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus by Fund
(Unaudited)

Year ended December 31, 2015, with comparative information for 2014

Schedule 2

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2015	2014
Revenue:							
Municipal contributions	\$ 15,636,801					\$ 15,636,801	\$ 15,020,923
Fines, fees, photocopying	572,945					572,945	621,007
Government transfers:							
Provincial	641,527					641,527	643,011
Federal	7,379					7,379	5,534
Investment income	55,449			128	24,552	80,129	84,656
Contracts for service	27,630					27,630	26,489
Donations	88,807			19,987	61,290	170,084	113,881
Contributed tangible capital assets	39,710					39,710	-
Total revenue	17,070,248	-	-	20,115	85,842	17,176,205	16,515,501
Expenses:							
Salaries and benefits	12,841,378		24,548		33,825	12,899,751	11,930,935
Library materials	788,028			15,000		803,028	678,403
Supplies and services	905,661			330		905,991	903,530
Building occupancy	721,861					721,861	675,420
Other	334,964			625		335,589	283,838
Amortization	1,727,131					1,727,131	1,722,689
Transfer to the Victoria Foundation	-			805		805	1,812
Loss on disposal of tangible capital assets	146,837					146,837	-
Loss (gain) on currency exchange	42,122				650	41,472	9,152
Total expenses	17,507,982	-	24,548	16,760	33,175	17,582,465	16,187,475
Annual surplus (deficiency)	(437,734)	-	(24,548)	3,355	52,667	(406,260)	328,026
Transfer to replacement reserve	(75,000)		75,000			-	-
Transfer from replacement reserve	166,574		(166,574)			-	-
Transfer to contingency reserve	(20,000)		20,000			-	-
Transfer to library materials reserve	(49,076)		49,076			-	-
Investment in tangible capital assets	(1,692,245)	1,762,177		(9,932)	(60,000)	-	-
Amortization of tangible capital assets	1,727,131	(1,727,131)				-	-
Capital lease and debt payments	(16,560)	16,560				-	-
Accumulated surplus, beginning of year	354,770	6,458,601	792,211	29,353	1,388,777	9,023,712	8,695,686
Accumulated surplus, end of year	\$ (42,140)	\$ 6,510,207	\$ 745,165	\$ 22,776	\$ 1,381,444	\$ 8,617,452	\$ 9,023,712

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2015

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, 2015

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, 2015

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, 2015

SCHEDULE OF REMUNERATION AND EXPENSES

		Total Remuneration	Total Expenses
<u>Board Members</u>	<u>Position</u>		
Mr. David Alexander	Board Member	\$ -	\$ -
Mr. Greg Bunyan	Board Member	\$ -	\$ -
Ms. Roberta Burris	Board Member	\$ -	\$ 444
Ms. Beth Burton-Krahn	Board Member	\$ -	\$ 444
Ms. Donna Curtis	Board Member	\$ -	\$ -
Ms. Gabrielle Goudy	Board Member	\$ -	\$ -
Ms. Marie Graf	Board Member	\$ -	\$ -
Mr. Zeb King	Board Member	\$ -	\$ -
Ms. Anne Kirkaldy	Vice Chair	\$ -	\$ -
Ms. Pamela Madoff	Board Member	\$ -	\$ -
Mr. Rob Martin	Board Member	\$ -	\$ -
Mr. Paul McNair	Board Member	\$ -	\$ -
Ms. Moralea Milne	Board Member	\$ -	\$ -
Mr. Kevin Murdoch	Chair	\$ -	\$ -
Mr. Dean Murdock	Board Member	\$ -	\$ -
Ms. Karen Potts	Board Member	\$ -	\$ 75
Mr. Karel Roessingh	Board Member	\$ -	\$ -
Mr. John Rogers	Board Member	\$ -	\$ -
Ms. Kathy Santini	Board Member	\$ -	\$ -
Mr. Lanny Seaton	Board Member	\$ -	\$ -
Total Board Members		\$ -	\$ 963
<u>Detailed Employees Exceeding \$75,000</u>			
Ms. Olivia Anderson		\$ 83,072	\$ 1,322
Mr. John Au		\$ 75,029	\$ 626
Ms. Ursula Benoit		\$ 78,320	\$ -
Mr. Matthew Bingham		\$ 78,650	\$ 425
Ms. Andrea Brimmell		\$ 83,245	\$ 760
Ms. Phillippa Brown		\$ 81,875	\$ 793

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2015

SCHEDULE OF REMUNERATION AND EXPENSES

Detailed Employees Exceeding \$75,000 (continued)

Ms. Theresa Chyzowski	\$ 102,957	\$ 1,554
Ms. Audrey Driscoll	\$ 78,644	\$ -
Ms. Rina Hadziev	\$ 82,524	\$ 737
Ms. Helen Hughes	\$ 75,598	\$ 2,696
Ms. Lynne Jordon	\$ 128,830	\$ 4,569
Ms. Tracy Kendrick	\$ 83,109	\$ 1,120
Mr. Philippe Lajoie	\$ 76,208	\$ 3,083
Mr. Daniel Phillips	\$ 109,294	\$ 4,277
Ms. Donna Phillips	\$ 105,500	\$ 4,607
Ms. Kate Pollock	\$ 83,081	\$ 551
Ms. Lara Riecken	\$ 78,088	\$ -
Ms. Jennifer Rowan	\$ 83,226	\$ 1,204
Ms. Maureen Sawa	\$ 162,596	\$ 9,174
Mr. Peter Thompson	\$ 80,138	\$ 250
Ms. Jennifer Windecker	\$ 97,282	\$ 8,375
Total Detailed Employees Exceeding \$75,000	\$ 1,907,266	\$ 46,123
Total Employees Equal to or Less Than \$75,000	\$ 8,014,820	\$ 24,102
Consolidated Total	\$ 9,922,086	\$ 70,225
Receiver General of Canada - Employer portion of EI & CPP	\$ 614,212	
Employer portion of other employment benefit contributions	\$ 2,363,453	
Total Salaries and Benefits per Statement of Revenue and Expenditure	\$ 12,899,751	

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2015
STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between Greater Victoria Public Library Board and its non-unionized employees during fiscal year 2015.

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, 2015

SCHEDULE OF PAYMENTS FOR THE PROVISION OF GOODS AND SERVICES

Name of Individual, Firm or Corporation	Total Amount Paid During Fiscal Year
3M Canada Company	\$ 148,583
Amazon.com, Inc.	\$ 68,977
BC Hydro	\$ 37,000
BC Libraries Cooperative	\$ 191,603
BC Life & Casualty Company	\$ 55,443
British Columbia Pension Corporation	\$ 1,612,362
Canada Savings Bonds	\$ 68,470
Commissionaires	\$ 64,197
Cupe Local 410	\$ 197,174
CVS Midwest Tape, LLC	\$ 518,086
Delaney & Associates	\$ 29,264
Dell Canada Inc.	\$ 35,825
Ebsco Canada Ltd	\$ 96,593
Greater Victoria Labour Relations Association	\$ 43,904
GVLRA / CUPE LTD TRUST	\$ 259,896
Hi Cube Storage Products Ltd.	\$ 39,470
IslandLink Library Federation	\$ 66,051
Jardine Lloyd Thompson Canada	\$ 65,800
Library Bound Inc	\$ 483,103
Medical Services Plan	\$ 167,603
Ministry of Finance	\$ 35,884
Monk Office Supply Ltd	\$ 89,309
Munro's Book Store Ltd	\$ 63,040
OverDrive Inc	\$ 62,628
Pacific Blue Cross	\$ 337,837
Pacific Coast Commercial Cleaning Inc	\$ 240,779
Quadra Pacific Properties Corp - 747 Fort St. Trust	\$ 76,616
Receiver General of Canada	\$ 2,593,947
Ricoh Canada Inc	\$ 81,002
Saanich, District of	\$ 68,042
Shaw Business Solutions	\$ 261,290
SirsiDynix (Canada) Inc	\$ 102,503

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2015

SCHEDULE OF PAYMENTS FOR THE PROVISION OF GOODS AND SERVICES

Name of Individual, Firm or Corporation (continued)

Story Construction	\$	45,264
Suburban Motors	\$	54,064
United Library Services Inc	\$	158,475
Victoria, Corporation of the City of	\$	25,698
Waddington Bldg Strata Plan VIS4516	\$	203,191
West Shore Parks and Recreation	\$	72,836
Whitehots Inc	\$	305,110
Work Safe BC	\$	<u>38,262</u>
Total (Suppliers with payments exceeding \$25,000)	(A) \$	9,165,179
Total (Suppliers where payments are \$25,000 or less)	(B) \$	<u>1,126,877</u>
Consolidated Total		<u>\$ 10,292,055</u>

Reconciliation of Above to Statement of Revenue and Expenditures

Total of aggregate payments exceeding \$25,000 paid to suppliers (A)	\$	9,165,179
Consolidated total of payments of \$25,000 or less paid to suppliers (B)	\$	1,126,877

Reconciling items

1. Add Remuneration and Expenses	\$	9,996,508
2. Deduct employee's portion of employment benefit contributions	\$	(3,286,124)
3. GST rebates on expenditures	\$	(193,118)
4. Capital lease principal and debt repayments	\$	(16,560)
5. Amortization expense	\$	1,727,131
6. Tangible capital asset additions net of contributed assets	\$	(1,935,028)
7. Loss on disposal of assets	\$	146,837
8. Loss on currency exchange	\$	41,472
9. Municipal cost recovery for building maintenance	\$	(181,275)
10. Increase in employee future benefit obligation	\$	44,150
11. Decrease in non-salary prepaid expenses	\$	99,221
12. Increase in non-salary accrued expenses	\$	<u>847,196</u>

Total per Statement of Revenue and Expenditure **\$ 17,582,465**

Variance Nil