

Statement of Financial Information

Year ended December 31, 2016

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



2016

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Financial Information Act - Statement of Financial Information

Library Name: Greater Victoria Public Library

Fiscal Year Ended: December 31, 2016

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 - Reconcile or explain if different from Financial Statements
9. Statement of Severance Agreements
10. Statement of Changes in Financial Position
11. Schedule of Payments for the Provision of Goods and Services including:
 - Reconcile or explain if different from Financial Statements

Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Greater Victoria Public Library

Fiscal Year Ended: December 31, 2016

Due Date: May 15th, 2017

-
- a) Approval of Statement of Financial Information
-
- b) A Management Report signed and dated by the Library Board and Library Director
-
- An operational statement including:
- c) i) Statement of Income
ii) Statement of Changes in Financial Position, or, if omitted, an explanation in the Notes to the Financial Statements (audited¹ financial statements)
-
- d) Statement of assets and liabilities (audited¹ financial statements)
-
- e) Schedule of debts (audited¹ financial statements) If there is no debt, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
-
- f) Schedule of guarantee and indemnity agreements including the names of the entities involved and the amount of money involved. If no agreements, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
-
- Schedule of Remuneration and Expenses, including:
- g) i) An alphabetical list of employees (first and last names) earning over \$75,000
 ii) Total amount of expenses paid to or on behalf of each employee under \$75,000
 iii) If the total wages and expenses differs from the audited financial statements, an explanation is required
 iv) A list, by name and position, of Library Board Members with the amount of any remuneration paid to or on behalf of the member.
 v) The number of severance agreements started during the fiscal year and the range of months` pay covered by the agreement, in respect of excluded employees. If there are no agreements to report, an explanation is required.
-
- Schedule of Payments for the Provision of Goods and Services including:
- h) i) An alphabetical list of suppliers receiving over \$25,000 and a consolidated total for those suppliers receiving less than \$25,000. If the total differs from the Audited Financial Statements, an explanation is required.
-

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) BOARD APPROVAL FORM

NAME OF LIBRARY Greater Victoria Public Library		YEAR 2016
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. Rob Martin		TELEPHONE NUMBER (250) 478-5999
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 Dec 31, 2016

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) 24/05/2017
SIGNATURE OF THE LIBRARY DIRECTOR Maureen Sawa	DATE SIGNED (dd-mmm-yyyy) May 24/17

* 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.

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2016

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



Rob Martin, Chairperson of the Library Board

Date:



Maureen Sawa, Library Director

Date:

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

Financial Statements of

**GREATER VICTORIA PUBLIC
LIBRARY BOARD**

Year ended December 31, 2016

GREATER VICTORIA PUBLIC LIBRARY BOARD

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Year ended December 31, 2016

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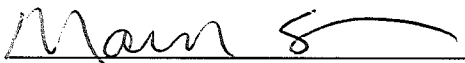
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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, 2016, 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, 2016, 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.

KPMG LLP

Chartered Professional Accountants

May 23, 2017
Victoria, Canada

GREATER VICTORIA PUBLIC LIBRARY BOARD

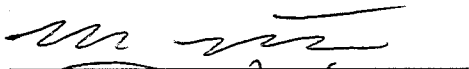
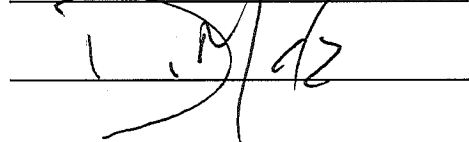
Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Financial assets:		
Cash and cash equivalents	\$ 1,243,257	\$ 1,600,213
Accounts receivable	176,628	121,744
Other receivable	3,192	2,999
Investments (note 2)	2,997,566	2,887,298
	<u>4,420,643</u>	<u>4,612,254</u>
Financial liabilities:		
Accounts payable and accrued liabilities	910,208	1,529,157
Accrued payroll, vacation and sick leave benefits	323,665	317,584
Deferred revenue (note 3)	351,047	353,438
Debt (note 4)	29,758	47,214
Obligations under capital leases (note 5)	4,353	11,363
Employee future benefit obligation (note 6)	406,575	419,607
	<u>2,025,606</u>	<u>2,678,363</u>
Net financial assets	2,395,037	1,933,891
Non-financial assets:		
Tangible capital assets (note 7)	7,226,688	6,568,784
Prepaid expenses and deposits	143,843	114,777
	<u>7,370,531</u>	<u>6,683,561</u>
Commitments (note 13)		
Accumulated surplus (note 8)	\$ 9,765,568	\$ 8,617,452

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, 2016, with comparative information for 2015

	Budget (note 11)	2016	2015
Revenue:			
Municipal contributions (note 9)	\$ 16,813,305	\$ 16,802,384	\$ 15,636,801
Fines, fees and printing	529,800	542,734	572,945
Government transfers:			
Provincial	641,527	642,339	641,527
Federal	5,534	7,379	7,379
Investment income	85,000	73,660	80,129
Contracts for service	27,560	27,450	27,630
Donations (note 10)	80,228	214,922	170,084
Contributed tangible capital assets	-	-	39,710
Total revenue	18,182,954	18,310,868	17,176,205
Expenses:			
Salaries and benefits	12,753,653	12,487,352	12,899,751
Library materials	966,014	861,691	803,028
Supplies and services	963,575	916,861	905,991
Building occupancy	855,433	760,591	721,861
Other	358,096	309,560	335,589
Amortization	1,750,000	1,803,547	1,727,131
Transfer to the Victoria Foundation	1,500	2,788	805
Loss on disposal of tangible capital assets	-	10,405	146,837
Loss on currency exchange	-	9,957	41,472
Total expenses	17,648,271	17,162,752	17,582,465
Annual surplus (deficit)	534,683	1,148,116	(406,260)
Accumulated surplus, beginning of year	8,617,452	8,617,452	9,023,712
Accumulated surplus, end of year	\$ 9,152,135	\$ 9,765,568	\$ 8,617,452

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, 2016, with comparative information for 2015

	Budget (note 11)	2016	2015
Annual surplus (deficit)	\$ 534,683	\$ 1,148,116	\$ (406,260)
Acquisition of tangible capital assets in cash and financed by capital lease	(2,367,864)	(2,474,028)	(1,935,028)
Contributed tangible capital assets	-	-	(39,710)
Amortization of tangible capital assets	1,750,000	1,803,547	1,727,131
Proceeds on sale of tangible capital assets	-	2,172	8,424
Loss on disposal of tangible capital assets	-	10,405	146,837
	(83,181)	490,212	(498,606)
Use of prepaid expenses	-	(29,066)	99,221
Change in net financial assets	(83,181)	461,146	(399,385)
Net financial assets, beginning of year	1,933,891	1,933,891	2,333,276
Net financial assets, end of year	\$ 1,850,710	\$ 2,395,037	\$ 1,933,891

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,148,116	\$ (406,260)
Item not involving cash:		
Amortization of tangible capital assets	1,803,547	1,727,131
Loss on disposal of tangible capital assets	10,405	146,837
Contributions of tangible capital assets	-	(39,710)
Change in non-cash operating assets and liabilities:		
Accounts receivable	(54,884)	55,146
Other receivable	(193)	(2,181)
Accounts payable and accrued liabilities	(618,949)	896,468
Accrued payroll, vacation and sick leave benefits	6,081	(1,494)
Employee future benefit obligation	(13,032)	44,150
Deferred revenue	(2,391)	123,210
Prepaid expenses and deposits	(29,066)	99,221
Net change in cash from operating activities	2,249,634	2,642,518
Capital activities:		
Acquisition of tangible capital assets	(2,474,028)	(1,935,028)
Proceeds on sale of tangible capital assets	2,172	8,424
Net change in cash from capital activities	(2,471,856)	(1,926,604)
Investing activities:		
Increase in investments	(110,268)	(314,790)
Financing activities:		
Proceeds of debt issued and assumed	-	57,300
Debt repaid	(17,456)	(10,086)
Principal payments on obligations under capital leases	(7,010)	(6,474)
Net change in cash from financing activities	(24,466)	40,740
Increase (decrease) in cash and cash equivalents	(356,956)	441,864
Cash and cash equivalents, beginning of year	1,600,213	1,158,349
Cash and cash equivalents, end of year	\$ 1,243,257	\$ 1,600,213

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2016

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, 2016

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, 2016

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(ii) Contributions of tangible capital assets

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

(iii) Leased tangible capital assets

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

(iv) Works of art and cultural and historic assets

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

(h) Contaminated sites:

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

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

(i) Employee future benefits:

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(j) Use of estimates:

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

2. Investments:

Investments include Municipal Finance Authority pooled investment funds which are recorded at cost plus earnings reinvested in the funds, and investments in guaranteed investment certificates. Investments held in the year earn interest at rates varying from 1.50% to 2.22%, and mature at varying dates to 2019.

3. Deferred revenue:

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

	2016	2015
Deferred municipal contributions and government grants	\$ 152,504	\$ 141,438
Restricted donations	198,543	212,000
	<u>\$ 351,047</u>	<u>\$ 353,438</u>

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2016

4. Debt:

During 2015, 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 payments on the loan for the duration of the term are as follows:

2017	\$	17,704
2018		12,054
<hr/>		
Total	\$	29,758

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 \$537 (2015 - \$414) 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.

5. Obligations under capital leases:

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

Total minimum lease payments	\$	4,658
Less amounts representing interest (at 16% rate)		305
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Present value of net minimum capital lease payments	\$	4,353

Interest of \$653 (2015 - \$1,188) 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, 2016

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:

	2016	2015
Obligations for retirement gratuity	\$ 406,575	\$ 419,607

Information about the Board's obligation is as follows:

	2016	2015
Balance, beginning of year	\$ 419,607	\$ 375,457
Current benefit cost and interest	31,726	62,262
Benefits paid	(44,758)	(18,112)
Balance, end of year	\$ 406,575	\$ 419,607

Included in the statement of operations is \$31,727 (2015 - \$62,262) in expense related to future benefit obligations.

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

	2016	2015
Discount rate for present value of future benefits	2.4 %	2.5 %
Rate of annual salary increases, including inflation	2.0 %	2.0 %

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2016

6. 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 189,000 active members and approximately 85,000 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, 2015 indicated a \$2,224 million funding surplus for basic pension benefits. The next valuation will be as at December 31, 2018, with results available later in 2019. The actuary does not attribute portions of the surplus or unfunded liability to individual employers.

The Board paid \$955,923 (2015 - \$875,759) for employer contributions while employees contributed \$795,948 (2015 - \$736,603) to the Plan in fiscal 2016.

The Board has set aside funds in reserve 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, 2016

7. Tangible capital assets:

2016	Library materials collection	Building improvements	Shelving	Computer equipment	Furniture and equipment	Automotive	Software	Total
Cost:								
Balance,								
beginning	\$ 20,054,698	\$ 810,491	\$ 1,276,064	\$ 2,391,347	\$ 3,184,864	\$ 106,997	\$ 193,809	\$ 28,018,270
Additions	1,863,490	44,836	-	103,498	418,008	41,675	2,521	2,474,028
Disposals	-	-	(667)	(1,257,980)	(20,603)	-	-	(1,279,250)
Balance, ending	21,918,188	855,327	1,275,397	1,236,865	3,582,269	148,672	196,330	29,213,048
Accumulated amortization:								
Balance,								
beginning	15,761,354	297,564	949,419	2,035,628	2,210,338	62,533	132,650	21,449,486
Disposals	-	-	(269)	(1,246,313)	(20,091)	-	-	(1,266,673)
Amortization	1,468,268	55,776	16,312	89,510	139,202	25,842	8,637	1,803,547
Balance, ending	17,229,622	353,340	965,462	878,825	2,329,449	88,375	141,287	21,986,360
Net book value,								
end of year	\$ 4,688,566	\$ 501,987	\$ 309,935	\$ 358,040	\$ 1,252,820	\$ 60,297	\$ 55,043	\$ 7,226,688

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2016

7. Tangible capital assets (continued):

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

Included in tangible capital assets are leased assets with cost and accumulated amortization of \$575,528 and \$473,044 (2015 - \$575,528 and \$456,623) respectively. Amortization expense of \$16,421 (2015 - \$19,748) 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, 2016

7. Tangible capital assets (continued):

(a) Contributed tangible capital assets:

No furniture and equipment (2015 - \$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 eleven 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, 2016

8. Accumulated surplus:

Accumulated surplus consists of:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 7,192,577	\$ 6,510,207
Unfunded employee future benefit obligation	(158,492)	(192,183)
Total surplus	7,034,085	6,318,024
Reserves:		
Capital improvement reserve	1,408,334	1,381,444
Operating reserves	1,098,579	668,085
Contingency reserve	161,264	225,452
Replacement reserve	63,306	24,447
Total reserves	2,731,483	2,299,428
	\$ 9,765,568	\$ 8,617,452

9. Municipal contributions:

The following municipal contributions have been included in revenue:

	2016	2015
District of Saanich	\$ 5,395,089	\$ 5,265,007
City of Victoria	4,653,424	4,492,812
City of Langford	2,386,130	1,591,577
District of Oak Bay	1,029,769	1,002,255
Township of Esquimalt	873,093	853,589
District of Central Saanich	846,232	828,043
City of Colwood	762,988	752,578
Town of View Royal	491,186	483,398
District of Metchosin	254,316	259,297
District of Highlands	110,157	108,245
	\$ 16,802,384	\$ 15,636,801

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 \$736,936 (2015 - \$17,142) has been incurred and recognized as revenue in 2016.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2016

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.

	2016	2015
General endowment	\$ 331,063	\$ 308,999
T. Harry Wilson	71,831	67,654
JDB Victoria Library Fund	143,900	135,531
	<hr/>	<hr/>
	\$ 546,794	\$ 512,184

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2016

10. Donations (continued):

Included in donations is \$20,330 (2015 - \$61,290) 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. Budget data:

The budget data presented in these financial statements is based upon the operating budget approved by the Board on February 16, 2016. The chart below reconciles the approved financial plan to figures reported in these financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 18,390,604
Less:	
Transfers from other funds	(207,650)
Total revenue	18,182,954
Expenses:	
Operating budget	18,390,604
Amortization expense	1,750,000
Less:	
Transfers to other funds	(100,000)
Capital expenditures	(2,367,864)
Lease principal payments	(24,468)
Total expenses	17,648,272
Annual surplus	\$ 534,682

12. Economic dependency:

Approximately 92% (2015 - 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, 2016

13. 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:

2017	\$ 102,515
	<hr/> \$ 102,515 <hr/>

14. Trust funds:

Trust funds administered by the Board for the Juan de Fuca Branch Reserve Fund amount to \$202,186 (2015 - \$208,979) 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, 2016, with comparative information for 2015

Schedule 1

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2016	2015
Financial assets:							
Cash and cash equivalents	\$ 1,191,238			\$ 28,508	\$ 23,511	\$ 1,243,257	\$ 1,600,213
Accounts receivable	174,117			2,511		176,628	121,744
Other receivable	3,192					3,192	2,999
Investments	925,369		687,374		1,384,823	2,997,566	2,887,298
	2,293,916	-	687,374	31,019	1,408,334	4,420,643	4,612,254
Financial liabilities:							
Accounts payable and accrued liabilities	910,208					910,208	1,529,157
Accrued payroll, vacation and sick leave benefits	323,665					323,665	317,584
Deferred revenue	351,047					351,047	353,438
Debt	29,758					29,758	47,214
Obligations under capital leases	4,353					4,353	11,363
Employee future benefit obligation	406,575					406,575	419,607
	2,025,606	-	-	-	-	2,025,606	2,678,363
Net financial assets (net debt)	268,310	-	687,374	31,019	1,408,334	2,395,037	1,933,891
Non-financial assets:							
Tangible capital assets	34,111	7,192,577				7,226,688	6,568,784
Prepaid expenses and deposits	143,843					143,843	114,777
	177,954	7,192,577	-	-	-	7,370,531	6,683,561
Accumulated surplus	\$ 446,264	\$ 7,192,577	\$ 687,374	\$ 31,019	\$ 1,408,334	\$ 9,765,568	\$ 8,617,452

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus by Fund
(Unaudited)

Year ended December 31, 2016, with comparative information for 2015

Schedule 2

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2016	2015
Revenue:							
Municipal contributions	\$ 16,802,384					\$ 16,802,384	\$ 15,636,801
Fines, fees, photocopying	542,734					542,734	572,945
Government transfers:							
Provincial	642,339					642,339	641,527
Federal	7,379					7,379	7,379
Investment income	48,799			126	24,735	73,660	80,129
Contracts for service	27,450					27,450	27,630
Donations	168,551		7,136	18,905	20,330	214,922	170,084
Contributed tangible capital assets	-					-	39,710
Total revenue	18,239,636	-	7,136	19,031	45,065	18,310,868	17,176,205
Expenses:							
Salaries and benefits	12,469,177				18,175	12,487,352	12,899,751
Library materials	861,691					861,691	803,028
Supplies and services	908,861			8,000		916,861	905,991
Building occupancy	760,591					760,591	721,861
Other	305,115		4,445			309,560	335,589
Amortization	1,803,547					1,803,547	1,727,131
Transfer to the Victoria Foundation	-			2,788		2,788	805
Loss on disposal of tangible capital assets	10,405					10,405	146,837
Loss on currency exchange	9,957					9,957	41,472
Total expenses	17,129,344	-	4,445	10,788	18,175	17,162,752	17,582,465
Annual surplus (deficiency)	1,110,292	-	2,691	8,243	26,890	1,148,116	(406,260)
Transfer to replacement reserve	(80,000)		80,000			-	-
Transfer from replacement reserve	41,141		(41,141)			-	-
Transfer from contingency reserve	66,880		(66,880)			-	-
Transfer from library materials reserve	32,461		(32,461)			-	-
Investment in tangible capital assets	(2,461,452)	2,461,452				-	-
Amortization of tangible capital assets	1,803,547	(1,803,547)				-	-
Capital lease and debt payments	(24,466)	24,466				-	-
Accumulated surplus, beginning of year	(42,140)	6,510,207	745,165	22,776	1,381,444	8,617,452	9,023,712
Accumulated surplus, end of year	\$ 446,263	\$ 7,192,578	\$ 687,374	\$ 31,019	\$ 1,408,334	\$ 9,765,568	\$ 8,617,452

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2016

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, 2016

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, 2016

SCHEDULE OF REMUNERATION AND EXPENSES

		Total Remuneration	Total Expenses
<u>Board Members</u>	<u>Position</u>		
Mr. David Alexander	Board Member	\$ -	\$ -
Mr. Deborah Begoray	Board Member	\$ -	\$ -
Mr. Greg Bunyan	Board Member	\$ -	\$ -
Ms. Roberta Burris	Board Member	\$ -	\$ 143
Ms. Beth Burton-Krahn	Board Member	\$ -	\$ -
Ms. Donna Curtis	Board Member	\$ -	\$ 751
Ms. Gabrielle Goudy	Board Member	\$ -	\$ -
Mr. Zeb King	Board Member	\$ -	\$ -
Ms. Anne Kirkaldy	Vice Chair	\$ -	\$ -
Ms. Pamela Madoff	Board Member	\$ -	\$ -
Mr. Rob Martin	Board Member	\$ -	\$ 832
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		\$ -	\$ 1,801
<u>Detailed Employees Exceeding \$75,000</u>			
Ms. Olivia Anderson		\$ 101,208	\$ 720
Mr. John Au		\$ 77,106	\$ 756
Ms. Ursula Benoit		\$ 80,275	\$ -
Mr. Matthew Bingham		\$ 80,719	\$ -
Ms. Andrea Brimmell		\$ 101,280	\$ 1,022
Ms. Phillipa Brown		\$ 83,931	\$ 871

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2016

SCHEDULE OF REMUNERATION AND EXPENSES

	Total Remuneration	Total Expenses
<u>Detailed Employees Exceeding \$75,000 (continued)</u>		
Mr. Ross Carroll	\$ 83,417	\$ 6,107
Ms. Bonnie Fraser	\$ 75,978	\$ 2,528
Ms. Eileen Gillette	\$ 92,952	\$ 7,510
Ms. Rina Hadziev	\$ 98,560	\$ 1,701
Ms. Lynne Jordon	\$ 131,691	\$ 5,045
Ms. Tracy Kendrick	\$ 85,180	\$ 407
Mr. Philippe Lajoie	\$ 76,750	\$ 720
Mr. Daniel Phillips	\$ 112,222	\$ 8,562
Ms. Donna Phillips	\$ 109,318	\$ 4,302
Ms. Kate Pollock	\$ 85,203	\$ 334
Ms. Lara Riecken	\$ 80,417	\$ 268
Ms. Jennifer Rowan	\$ 85,329	\$ 43
Ms. Maureen Sawa	\$ 163,651	\$ 11,956
Mr. Daniel Sinclair	\$ 76,121	\$ 3,006
Ms. Jennifer Windecker	\$ 101,689	\$ 1,716
Ms. Daphne Wood	\$ 106,897	\$ 1,508
Total Detailed Employees Exceeding \$75,000	\$ 2,089,894	\$ 59,083
Total Employees Equal to or Less Than \$75,000	\$ 8,041,883	\$ 35,829
Consolidated Total	\$ 10,131,777	\$ 94,912
Receiver General of Canada - Employer portion of EI & CPP	\$ 630,120	
Employer portion of other employment benefit contributions	\$ 1,725,455	
Total Salaries and Benefits per Statement of Revenue and Expenditure	\$ 12,487,352	

Libraries
Statement of Financial Information (SOFI)
Greater Victoria Public Library Board
Fiscal Year Ended December 31, 2016
STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between Greater Victoria Public Library Board and its non-unionized employees during fiscal year 2016.

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, 2016

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, 2016

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	\$ 129,590
Amazon.com, Inc.	\$ 66,186
BC Hydro	\$ 42,281
BC Libraries Cooperative	\$ 242,122
BC Life & Casualty Company	\$ 47,543
Bibliotheca ITG Inc	\$ 190,635
British Columbia Pension Corporation	\$ 2,395,439
Canada Savings Bonds	\$ 46,700
Chase Office Interiors	\$ 60,137
Commissionaires	\$ 64,918
Cupe Local 410	\$ 172,181
CVS Midwest Tape, LLC	\$ 626,815
Dell Canada Inc.	\$ 73,214
Disc Go Technologies Inc.	\$ 32,642
Ebsco Canada Ltd	\$ 106,833
GVLRA / CUPE LTD TRUST	\$ 234,683
Jardine Lloyd Thompson Canada	\$ 57,424
Jonathan Morgan & Company Limited	\$ 64,774
Library Bound Inc	\$ 600,006
Medical Services Plan	\$ 176,146
Ministry of Finance	\$ 50,928
Monk Office Supply Ltd	\$ 83,361
Munro's Book Store Ltd	\$ 68,259
Netlink Computer Inc. (including NCIX.com)	\$ 26,647
Pacific Blue Cross	\$ 360,879
Pacific Coast Commercial Cleaning Inc	\$ 243,886
Quadra Pacific Properties Corp - 747 Fort St. Trust	\$ 117,273
Receiver General	\$ 2,653,654
Ricoh Canada Inc	\$ 88,376
Saanich, District of	\$ 43,322
Shaw Business Solutions	\$ 282,189
SirsiDynix (Canada) Inc	\$ 188,493

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)

SoftChoice Corporation	\$ 41,432
Suburban Motors	\$ 39,791
Unique Management Services Inc.	\$ 27,918
United Library Services Inc	\$ 142,898
Waddington Bldg Strata Plan VIS4516	\$ 187,631
West Shore Parks and Recreation	\$ 101,377
Whitehots Inc	\$ 535,935
Work Safe BC	<u>\$ 46,023</u>
Total (Suppliers with payments exceeding \$25,000)	(A) \$ 10,760,542
Total (Suppliers where payments are \$25,000 or less)	(B) \$ 981,697
Consolidated Total	<u>\$ 11,742,239</u>

Reconciliation of Above to Statement of Revenue and Expenditures

Total of aggregate payments exceeding \$25,000 paid to suppliers (A)	\$ 10,760,542
Consolidated total of payments of \$25,000 or less paid to suppliers (B)	\$ 981,697

Reconciling items

1. Add Remuneration and Expenses	\$ 10,228,490
2. Deduct employee's portion of employment benefit contributions	\$ (3,714,937)
3. GST rebates on expenditures	\$ (254,675)
4. Capital lease principal and debt repayments	\$ (24,466)
5. Amortization expense	\$ 1,803,547
6. Tangible capital asset additions net of contributed assets	\$ (2,474,028)
7. Loss on disposal of assets	\$ 10,405
8. Loss on currency exchange	\$ 9,957
9. Municipal cost recovery for building maintenance	\$ (163,500)
10. Decrease in employee future benefit obligation	\$ (13,032)
11. Increase in non-salary prepaid expenses	\$ (29,066)
12. Increase in non-salary accrued expenses	<u>\$ 41,818</u>
Total per Statement of Revenue and Expenditure	<u>\$ 17,162,752</u>
Variance	<u>Nil</u>