



MANAGEMENT REPORT

Date: May 16, 2024
Author: Julia Morrison, Director, Corporate Services & CFO
VanDocs #: DOC/2024/117902
Meeting Date: May 22, 2024

TO: Library Board
FROM: Tim Bottomer, Chair, SFHR Committee
SUBJECT: **2023 Statement of Financial Information (SOFI)**

PURPOSE

The purpose of the report is to present the annual financial statements prepared for the 2023 Statement of Financial Information (SOFI) and to seek Board approval of these statements and schedules.

RECOMMENDATION

That the Board approve the financial statements and schedules included in the 2023 Statement of Financial Information, produced under the Financial Information Act, and that the Chair of the Library Board sign the approval on behalf of the Board.

COMMITTEE DISCUSSION

The Committee recommended that the Board approve the financial statements and schedules included in the 2023 Statement of Financial Information, produced under the Financial Information Act, and that the Chair of the Library Board sign the approval on behalf of the Board.

POLICY

There is no Board policy with respect to this matter. Legislative requirements are discussed below.

INDIGENOUS CONSIDERATIONS

This report is related to financial reporting for compliance under legislation and to support trustees in ensuring their fiduciary obligations are met. Financial reporting does not directly

relate to the Library's activities and services to support the Truth and Reconciliation Calls to Action or implementation of the UN Declaration on the Rights of Indigenous Peoples in Canada, and the BC Declaration on the Rights of Indigenous Peoples does not contain financial reporting or audit requirements for libraries.

BACKGROUND

As VPL operates under the British Columbia *Library Act* and receives Provincial grants, VPL is required to file a Statement of Financial Information (SOFI) (under the *Financial Information Act*) each year.

The Board is required to approve the SOFI financial statements and schedules under the *Financial Information Act*, which states that "a Statement of Financial Information prepared by a corporation, other than a municipality, must be approved by its board of directors or, if the corporation has a governing body by a different name, by its governing body".

While there is no requirement in the *Financial Information Act* that the statements and schedules be audited, the *Library Act* section 11(2) states that "the library board must provide the municipality annual financial statements that have been audited in the same manner and at the same time as the financial statements of the municipality".

The City's Director of Finance advised the Board that the City does not require separate audited financial statements for the Library because the Library's financial numbers are fully contained within the City's financial accounting system (SAP), and are included in the City's financial numbers and SOFI which are audited annually by an external auditor.

In addition, the City's Internal Audit group performs a financial review of the VPL SOFI, which includes tests and examinations of the Library's financial numbers and schedules, to ensure agreement of financial information to records and the City's general ledger accounts. Their review includes analysis and discussion of financial information for reasonableness and consistency with the Council-approved budgets and accounting policies, and a review of relevant controls related to financial reporting to confirm the integrity of financial records and proper accounting for transactions, but this does not constitute an audit.

As a further check to ensure that VPL is meeting all of its requirements and obligations under the *Library Act* and the *Financial Information Act*, the Chief Librarian & CEO consulted with the Province in 2023, and the Province confirmed that VPL is meeting the requirements of these acts.

They identified that the requirement for audited statements in section 11(2) of the *Library Act* is for the municipality to have assurance that public funds provided by them are being spent appropriately, and that, as noted above, the City of Vancouver has indicated that the inclusion of

VPL's financials within the City of Vancouver's external audit meets their requirements for this purpose.

The Province also confirmed that while some municipal (and regional) libraries provide separately audited financial statements, this is because they operate separately from their municipal governments, while others (such as VPL) are highly integrated into their municipal corporate arrangements, including their audits.

The Province suggested that VPL may wish to include wording in our Management Report, similar to the practice of some other libraries, to make it clear that the City of Vancouver has determined that the inclusion of VPL's financials within the City's external audit meets their requirements as primary funder (and by extension, the Library Act).

Based upon this suggestion, the Management Report includes a paragraph to clarify that the VPL financial transactions are audited as part of the City of Vancouver's annual external audit.

DISCUSSION

Attached is the Statement of Financial Information for 2023. The letter from Internal Audit, including observations, is also attached.

The difference between the December 31 operating results, previously received by the Board, and these financial statements is due to year-end adjustments for deferred payroll costs, accruals, and tangible capital assets. The deferred payroll costs are determined using an actuarial valuation provided by Mercer to the City of Vancouver. The tangible capital assets effectively removes the expenses related to capital items (collections, furniture and equipment and computer equipment) from the operating budget, and records them on the balance sheet. The amounts capitalized are amortized over the useful lives of the assets.

In 2023, \$174,000 was added to salary expenses for deferred payroll costs (2022: \$613,000 deduction from salary expenses), most of which relates to long term disability and benefit continuation costs.

In 2023, \$2,848,935 (2022: \$2,907,514) was backed out of the operating expenses for capital assets, and \$3,916,443 (2022: \$3,678,051) was added for amortization expenses.

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Financial Information Act - Statement of Financial Information

Library Name: Vancouver Public Library Board

Fiscal Year Ended: December 31, 2023

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- 3) Board Approval Form
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- 11) Schedule of Payments for the Provision of Goods and Services

Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Public Library Board

Fiscal Year Ended: December 31, 2023

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

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

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

Board Approval Form

Financial Information Act - Statement of Financial Information

NAME OF LIBRARY <i>Vancouver Public Library Board</i>	FISCAL YEAR END (YYYY) 2023	
LIBRARY ADDRESS 350 West Georgia Street	TELEPHONE NUMBER 604 331 3761	
CITY Vancouver	PROVINCE BC	POSTAL CODE V6B 6B1
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Kevin Lowe	TELEPHONE NUMBER 604 331 4003	
NAME OF THE LIBRARY DIRECTOR Christina de Castell	TELEPHONE NUMBER 604 331 4007	

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, 2023 for Vancouver Public Library Board as required under Section 2 of the Financial Information Act.

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD*	DATE SIGNED (DD-MM-YYYY)
	22-05-2024

SIGNATURE OF THE LIBRARY DIRECTOR	DATE SIGNED (DD-MM-YYYY)
	22-05-2024

Management Report

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Public Library Board
Fiscal Year Ended: December 31, 2023

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 audit of Vancouver Public Library Board's financial transactions was conducted in conjunction with the audit of the City of Vancouver's consolidated financial statements for the fiscal year ending December 31, 2023. KPMG provided the opinion that the City of Vancouver's consolidated financial statements present fairly, in all material respects, in accordance with Canadian public sector accounting standards.

The Vancouver Public Library Board and management engages the City of Vancouver's Internal Audit Division to review the unaudited Vancouver Public Library financial statements, and perform specified procedures to help provide assurance that the statement has been prepared, in all material respects, in accordance with Canadian public sector accounting standards and consistently with the City's corporate accounting policies. Internal audit has reviewed the unaudited financial statements and reported to the Vancouver Public Library Board on the results of the review.

On behalf of Vancouver Public Library Board

Name. Chairperson of the Library Board [Print]	<u>Kevin Lowe</u>	Date (MM-DD-YYYY)	<u>05-22-2024</u>
Signature, Chairperson of the Library Board	<hr/>		

Name, Library Director [Print]	<u>Christina de Castell</u>	Date (MM-DD-YYYY)	<u>05-22-2024</u>
Signature, Library Director	<hr/>		



Office of the City Manager

Internal Audit Division

May 1, 2024

Members of the Vancouver Public Library Board,

At the request of the Board of the Vancouver Public Library, we have reviewed the Statement of Financial Information for the year ended December 31, 2023. This review does not constitute an independent audit or review engagement, and is not designed to detect fraud. Accordingly, there should be no such reliance.

Management is responsible for the preparation and fair representation of these financial statements and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Work Performed

We performed the following procedures with respect to the financial information presented:

- Agreed the financial information to the general ledger of the City of Vancouver (the City);
- Reviewed the financial statements for discrepancies;
- Analyzed the financial information for reasonableness and consistency with Corporate accounting policies;
- Reviewed the working papers prepared by the Library's Director, Corporate Services & CFO for reclassifications;
- Performed variance analysis based on Council approved budgets and obtained explanations from management where appropriate;
- Inquired as to the accounting, budget and other internal controls that provide reasonable assurance that transactions are properly authorized and accurately recorded, and that the Library's assets are properly safeguarded and accounted for, thereby maintaining the integrity of financial records; and
- Inquired and received written representation from the Library's Director, Corporate Services & CFO to identify any deviations from accounting policies and procedures that would affect the integrity of the financial statements.

Observations

We summarized notable variances in the Library's revenues and expenditures from 2022 to 2023 in the table below. Explanations for these changes are from management and are reasonable.

Table 1: Notable Variances – Library Revenues & Expenditures

	2023	2022	Increase (decrease) \$	Increase (decrease) %	Explanation for change
Provincial Government	3,200,837	1,488,221	1,712,616	115%	In 2023, VPL received more donations from the Province and transferred to reserves.
Investment income	473,773	178,831	294,942	165%	Investment income represents interest on amounts in reserve. The increase was attributed to fluctuations in interest rates and a growth in the reserve balance.
Charitable donations and bequests	904,596	1,380,143	(475,547)	-34%	In 2023, there were less donations disbursed from the VPL Foundation compared to 2022.
Other expenses	1,349,399	993,181	356,218	36%	In 2023, professional fees increased due to expenses associated with consulting services for VPL's Equity Project, as well as WorkSafe required violence risk assessments.
Salaries and benefits	43,207,668	41,842,386	1,365,282	3%	In comparison to 2022, which was impacted by COVID-related disruptions, 2023 observed an increase in programming and in-person activities throughout the year, leading to increased hours and services.

Conclusion

Based on the results of the procedures performed, the Library's financial statements were prepared, in all material respects, in accordance with Public Accounting Standards and consistently with the City's corporate accounting policies and general ledger.

Submitted by:



Carmen Fuellbrandt, CPA, CMA, CIA
Chief of Internal Audit



Becky Ma
Senior Internal Auditor



VANCOUVER PUBLIC LIBRARY BOARD

Financial Statements & Notes (Unaudited) For the Year Ending December 31, 2023

VANCOUVER PUBLIC LIBRARY BOARD
Statement of Financial Position (Unaudited)
As at December 31, 2023 with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Accounts receivable and accrued interest	\$ 145,071	\$ 200,095
Due from the City of Vancouver (Note 2)	13,150,921	9,764,284
	<u>13,295,991</u>	<u>9,964,379</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,685,999	\$ 1,378,300
Deferred income (Note 3)	45,949	176,830
	<u>1,731,948</u>	<u>1,555,130</u>
NET FINANCIAL ASSETS	<u>11,564,044</u>	<u>8,409,249</u>
NON-FINANCIAL ASSETS		
Inventory	133,814	90,564
Prepaid expenses	155,915	278,367
Tangible capital assets (Note 6)	18,334,696	18,063,594
	<u>18,624,424</u>	<u>18,432,525</u>
NET ASSETS	<u>\$ 30,188,467</u>	<u>\$ 26,841,774</u>
ACCUMULATED SURPLUS		
Reserves (Note 4)	\$ 13,319,771	10,070,180
Investments in tangible capital assets	18,334,696	18,063,594
Deferred liabilities (Note 5)	(1,466,000)	(1,292,000)
	<u>\$ 30,188,467</u>	<u>\$ 26,841,774</u>

To be read in conjunction with the Notes to the Financial Statements

VANCOUVER PUBLIC LIBRARY BOARD
Statement of Operations (Unaudited)
As at December 31, 2023 with comparative figures for 2022

	<u>2023 Budget</u>	<u>2023</u>	<u>2022</u>
REVENUES			
City of Vancouver	\$ 55,070,539	\$ 54,723,569	\$ 53,418,837
Other fees and recoveries	2,121,500	2,128,023	2,216,477
Other grants	-	9,500	6,000
Provincial Government	1,316,300	3,200,837	1,488,221
Investment income	-	473,773	178,831
Interlink reciprocal services	140,000	45,768	52,862
Charitable donations and bequests	220,400	904,596	1,380,143
	<u>58,868,739</u>	<u>61,486,065</u>	<u>58,741,371</u>
EXPENDITURES			
Amortization	-	3,916,443	3,678,051
Books and materials	5,299,733	2,798,654	2,428,023
Building occupancy and maintenance	6,708,675	6,440,822	6,184,050
Equipment and fleet	631,885	773,204	667,517
Loss on disposal of tangible capital assets	-	-	-
Other	1,191,110	1,349,399	993,181
Supplies and materials	1,039,600	845,423	867,306
Salaries and benefits	43,870,948	43,207,668	41,842,386
	<u>58,741,951</u>	<u>59,331,613</u>	<u>56,660,514</u>
ANNUAL SURPLUS (DEFICIT)	126,788	2,154,452	2,080,858
OPENING ACCUMULATED SURPLUS		26,841,774	23,464,143
Transfer to City Equipment Reserve	(77,369)	(90,819)	(63,069)
Transfer to City Insurance Reserve	(55,544)	(55,548)	(55,548)
Transfer from (to) City capital and reserve	6,125	1,338,610	1,415,389
ENDING ACCUMULATED SURPLUS	<u>\$ -</u>	<u>\$ 30,188,467</u>	<u>\$ 26,841,774</u>

To be read in conjunction with the Notes to the Financial Statements

VANCOUVER PUBLIC LIBRARY BOARD
Statement of Changes in Net Financial Assets (Unaudited)
As at December 31, 2023 with comparative figures for 2022

	<u>2023 Budget</u>	<u>2023</u>	<u>2022</u>
Annual surplus (deficit)	\$ 126,788	\$ 2,154,452	\$ 2,080,858
Acquisition of tangible capital assets	-	(4,187,545)	(4,322,903)
Amortization of tangible capital assets	-	3,916,443	3,678,051
Loss on disposal of tangible capital assets	-	-	-
Proceeds on disposal of tangible capital assets	-	-	-
	<u>-</u>	<u>(271,102)</u>	<u>(644,852)</u>
Change in inventory and prepaids	-	79,202	16,500
Transfer to City Equipment Reserve	(77,369)	(90,819)	(63,069)
Transfer to City insurance reserve	(55,544)	(55,548)	(55,548)
Transfer from Capital for tangible capital assets	6,125	1,338,610	1,415,389
Transfer to Capital	-	-	-
	<u>(126,788)</u>	<u>1,271,445</u>	<u>1,313,272</u>
Change in net financial assets	-	3,154,795	2,749,278
Net financial assets at beginning of year	8,409,249	8,409,249	5,659,970
NET FINANCIAL ASSETS AT END OF YEAR	<u>\$ 8,409,249</u>	<u>\$ 11,564,044</u>	<u>\$ 8,409,249</u>

To be read in conjunction with the Notes to the Financial Statements

VANCOUVER PUBLIC LIBRARY BOARD
Statement of Cash Flows (Unaudited)
As at December 31, 2023 with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
CASH PROVIDED BY (USED IN):		
Operating Transactions		
Annual Surplus (deficit)	\$ 2,154,452	2,080,858
Items not involving cash		
Amortization	3,916,443	3,678,051
Loss on disposal of tangible capital assets	-	-
Net transfer from (to) capital	1,338,610	1,415,389
Transfer to City equipment reserve	(90,819)	(63,069)
Transfer to City insurance reserve	(55,548)	(55,548)
Proceeds on disposal of tangible capital assets	-	-
Change in non-cash items		
Decrease (increase) in inventory	(43,250)	10,997
Decrease (increase) in prepaids	122,452	5,504
Decrease (increase) in accounts receivable	55,024	26,613
Decrease (increase) in due from City of Vancouver	(3,386,636)	(2,000,334)
Decrease (increase) in accounts payable	307,700	(793,236)
	<u>4,318,428</u>	<u>4,305,225</u>
Financing Transactions		
Increase (decrease) in deferred income	(130,882)	17,678
Capital Transactions		
Increase (decrease) in capital assets	(4,187,545)	(4,322,903)
Investing		
Sale (purchase) of investments	-	-
NET INCREASE (DECREASE) IN CASH	<u>-</u>	<u>-</u>
Cash at beginning of year	-	-
CASH AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

To be read in conjunction with the Notes to the Financial Statements

VANCOUVER PUBLIC LIBRARY BOARD
NOTES TO FINANCIAL STATEMENTS (Unaudited)
Year Ended December 31, 2023

The Vancouver Public Library Board (the "Library"), which is funded and supported primarily by the City of Vancouver ("City"), was established in 1898, and is established under the Library Act of British Columbia (Part 2) as a Municipal Public Library. The Library Board, on behalf of the residents and taxpayers of the City, oversees the management and operation of the Library and further serves as a policy making body for the organization. The Library Board is appointed by the City.

The Library is economically dependent on the City to provide certain services on behalf of the Library and to provide sufficient operating grants to cover any expenses incurred directly by the Library. In addition, revenue is received from provincial government grants, library fees, donations and other miscellaneous sources.

The Library is a registered charity under provisions of the Canadian Income Tax Act and is not a taxable entity. Its principal activity is the operation of public libraries in the City of Vancouver (City).

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements of the Library are prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB"). These financial statements are included in the Consolidated Financial Statements of the City of Vancouver.

b) Budget Information

The budget data presented in these financial statements is based on the 2023 budget approved by Vancouver City Council on February 28, 2023, and approved by the Vancouver Public Library Board of Trustees (the "Board") on March 22, 2023.

c) Revenue Recognition

- (i) Revenues, with the exception of fines and fees, are recorded in the period in which the transaction or event occurs that give rise to the revenues or when the goods or services are delivered. All revenues are recorded on an accrual basis, except when the amounts cannot be determined with a reasonable degree of certainty. Amounts received in advance of services rendered are considered deferred income until the Library discharges the obligations that led to the collection of funds.
- (ii) The library recognizes fines and fees as revenue upon receipt as collectability is uncertain until that time.
- (iii) Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any stipulations are met.

d) Expense Recognition

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

e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may 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 assets. The cost, less residual value of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Collections (Library books and materials)	10 years
Furniture and equipment	3 to 25 years
Technology & Computer Systems	5 to 10 years

The cost of electronic resources, including books, magazines, database subscriptions, and other periodicals are expensed when acquired or over the period of benefit.

Annual amortization is charged over the asset's useful life commencing when the asset is acquired or available for use.

The City owns the land, buildings, leasehold improvements, and vehicles used by the Library. These assets are reported in the City's Consolidated Statement of Financial Position. Books and materials and furniture and equipment are owned by the Library and are recorded in these statements.

(ii) Inventory and Prepays

Inventory and prepaid expenses of supplies and materials held for consumption are recorded at the lower of cost with allowances made for obsolete stock. Cost is determined on a first in, first out basis.

f) Pension Plan and Deferred Employee Benefit Liabilities

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

Employees are entitled to earned benefits related to non-vested accumulating sick leave, sick leave gratuity and vacation entitlements at retirement. Employees may also defer current vacation entitlements. The cost of post-employment benefits is actuarially determined based on service provided, a best estimate of retirement ages, and expected future salary and wage increases. The liability under these benefit plans is accrued based on projected benefits as the employees render service necessary to earn the future benefits.

As well, certain employees are entitled to income continuation benefits under long term disability plans. The Library recognizes a liability and expense for these post-employment benefits in the period when the event occurs that obligates the Library to provide the benefit.

g) Reserves

Reserves are established at the discretion of the Library Board with the approval of City Council for future operating and capital expenditures. The reserves are held by the City.

h) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

VANCOUVER PUBLIC LIBRARY BOARD
NOTES TO FINANCIAL STATEMENTS (Unaudited)
Year Ended December 31, 2023

Significant areas requiring the use of management estimates and assumptions relate to the actuarial valuations of employee future benefits and the useful lives of tangible capital assets.

Actual results could differ from the estimate and adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate.

i) Comparative Figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year. These changes did not have an impact on the annual surplus.

j) Segment Disclosure

The operations of the Library are comprised of a single function, library operations. As a result, the expenses of the Library are presented by object in the statement of operations.

2. DUE FROM THE CITY OF VANCOUVER

All cash transactions of the Library are handled by the City, including payroll and accounts payable processing. The amount shown as due from City represents the net cash balance held by the City owed to the Library, primarily for Reserves.

During the year, certain employees of the City performed administrative services for the Library, including legal, human resources, risk management, payroll and financial services. The Library was not charged by the City for these services for the year ended December 31, 2023 or 2022.

3. DEFERRED REVENUE

Amounts will be recognized as income in the year the related service is provided.

	<u>2023</u>	<u>2022</u>
Advanced receipts at the beginning of year	\$176,831	\$159,153
Contributions received in the year	45,949	174,281
Recognized as revenue in the year	<u>(176,831)</u>	<u>(156,603)</u>
Advanced receipts at the end of year	\$45,949	\$176,831

4. RESERVES

These amounts are set aside by the Library Board with the approval of City Council for specific purposes, and the library earns interest on these reserves from the City. Interest income for the year ended December 31, 2023 was \$473,773 (2022 - \$178,831) and is presented as investment income on the Statement of Operations.

	<u>2022</u>	<u>Transfers to</u>	<u>Transfers from</u>	<u>2023</u>
Grants and Donation	\$ 7,108,144	\$ 3,123,596	(\$ 75,000)	\$ 10,156,740
Other	1,850,433	89,995	0	1,940,429
Equipment Replacement	1,111,603	111,000	0	1,222,603
	\$ 10,070,180	\$ 3,324,592	(\$ 75,000)	\$ 13,319,771

VANCOUVER PUBLIC LIBRARY BOARD
NOTES TO FINANCIAL STATEMENTS (Unaudited)
Year Ended December 31, 2023

5. DEFERRED LIABILITIES

The liabilities reported in the 2023 financial statements are based on an actuarial valuation as at December 31, 2023 using the following valuation assumptions:

	<u>2023</u>	<u>2022</u>
Discount rate	3.13%	3.02%
Inflation rate	3.50%	2.50%
Rate of compensation increase	0% to 2.20%	2.58% to 4.50%

Employee benefit liabilities as at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Sick leave gratuity	\$ 471,000	\$ 352,000
Deferred Vacation	1,303,000	786,000
Non-vested accumulating sick leave	777,000	652,000
Other post-employment benefits	<u>634,000</u>	<u>1,221,000</u>
	3,185,000	3,011,000
Unamortized actuarial gain (loss)	<u>(1,719,000)</u>	<u>(1,719,000)</u>
Liabilities to be funded from future revenues	\$1,466,000	\$1,292,000

The continuity of the Library's employee benefit liabilities are as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$1,292,000	\$1,905,000
Current service cost	(361,000)	(125,000)
Interest cost	89,000	102,000
Amortization of Actuarial gain (loss)	766,000	(206,000)
Actual benefits paid	<u>(320,000)</u>	<u>(384,000)</u>
Balance, end of year	\$1,466,000	\$1,292,000

6. GOVERNMENT TRANSFERS

The Library recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The Government transfers reported on the Statement of Operations are:

	<u>2023</u>	<u>2022</u>
Per Capita Operating grant	\$1,181,732	\$1,126,986
Resource Sharing grant	19,705	22,086
BC One Card grant	40,207	40,207
Literacy grant	50,800	50,728
Immigration, Refugees and Citizenship Canada	44,231	44,367
Covid 19 Relief & Recovery grant	-	203,847
Indigenous Rights & Reconciliation Strategy grant	150,000	-
Provincial Enhancement grant	<u>1,714,162</u>	<u>-</u>
	\$3,200,837	\$1,488,221

7. CONTINGENCIES AND COMMITMENTS

(a) Municipal Pension Plan

The Vancouver Public Library 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 administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. The Municipal Pension Plan had 240,549 active members who worked for 971 employers as at December 31, 2022. The total membership was 421,666.

There are four types of members:

- Active: Currently contributing, on a leave of absence or receiving benefits from an approved long-term disability plan. There were 240,549 active plan members, an increase of 5.7 per cent from 2021.
- Inactive: Not currently contributing; has ended employment with a plan employer and left contributions in the plan. Inactive members may be eligible for a pension in the future, or may become eligible if they return to work for a plan employer to contribute to the plan and accrue additional service. There were 57,209 inactive plan members, a 9.3 per cent increase from 2021.
- Retired: Currently receiving a pension, including a survivor pension or disability benefit. There were 123,908 retired plan members, a 5.0 per cent increase from 2021.
- Limited: A plan member's former spouse who has the right to a portion of the plan member's pension and applies to become a limited member after a separation or divorce. These members are included in the retired total if they are receiving a pension.

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

The most recent actuarial valuation for the Plan, as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be at December 31, 2024, with results available in 2025.

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

The Library paid \$2,800,700 (2022 - \$2,713,400) for employer contributions to the Plan in 2023. Employees contributed \$2,590,200 (2022 - \$2,509,400) in 2023.

(b) Contingent Legal Liabilities

As at December 31, 2023, there were no legal claims pending against the Library.

VANCOUVER PUBLIC LIBRARY BOARD
NOTES TO FINANCIAL STATEMENTS (Unaudited)
Year Ended December 31, 2023

(c) Operating Leases

The Library is committed to operating leases for buildings and equipment. Minimum future lease payments are as follows:

2024	\$844,300
2025	\$834,700
2026	\$856,000
2027	\$877,900
2028	\$900,300

8. TANGIBLE CAPITAL ASSETS

Cost	<u>2022</u>	<u>Additions</u>	<u>2023</u>
Furniture and Equipment	\$14,038,074	\$88,977	\$14,127,051
Technology	10,344,790	1,332,976	11,677,766
Collections	44,594,054	2,765,592	47,359,646
	<u>\$68,976,918</u>	<u>\$4,187,545</u>	<u>\$73,164,463</u>
Accumulated Amortization	<u>2022</u>	<u>Amortization</u>	<u>2023</u>
Furniture and Equipment	\$11,183,487	\$440,716	\$11,624,203
Technology	7,670,681	1,029,939	8,700,620
Collections	32,059,156	2,445,788	34,504,944
	<u>\$50,913,324</u>	<u>\$3,916,443</u>	<u>\$54,829,767</u>
Net Book value	<u>2022</u>	<u>Change</u>	<u>2023</u>
Furniture and Equipment	\$2,854,587	(\$351,739)	\$2,502,848
Technology	2,674,109	303,037	2,977,146
Collections	12,534,898	319,804	12,854,703
	<u>\$18,063,594</u>	<u>\$271,102</u>	<u>\$18,334,696</u>

9. DONATIONS

Donations revenue, on the Statement of Operations, is a combination of restricted and unrestricted donations received in the year:

	<u>2023</u>	<u>2022</u>
Vancouver Public Library Foundation	\$819,769	\$1,338,241
Friends of the VPL	34,000	33,000
VPL Trust	40,000	-
Other	10,827	8,902
	<u>\$904,596</u>	<u>\$1,380,143</u>

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Public Library Board

Fiscal Year Ended: December 31, 2023

The Vancouver Public Library Board has no long term debt.

Schedule of Guarantee and Indemnity

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Public Library Board

Fiscal Year Ended: December 31, 2023

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

Schedule 8 - Remuneration and Expenses
Financial Information Act - Statement of Financial Information

Please enter data only in white fields - leave grey fields untouched.

Library Name:	Vancouver Public Library Board
Fiscal Year Ended:	December 31, 2023

Note: Total Remuneration and Total Expenses columns MUST REMAIN SEPARATE throughout the form.

Table 1: Total Remuneration and Expenses - Board and Employees

Board Members	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
Bottomer, T	\$0	\$0
Huang, V	\$0	\$186
Lapper, E	\$0	\$25
Lowe, K	\$0	\$0
Ma, M	\$0	\$418
Mangat, R	\$0	\$0
Meiszner, P	\$0	\$0
Pruden, H	\$0	\$0
Spears, K	\$0	\$443
Yang, Z	\$0	\$53
Yusuf, A	\$0	\$0
Total Board Members	\$0	\$1,125

Detailed Employees Exceeding \$75,000	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
AMIGO GONZALEZ MARISCAL, J	\$95,965	\$0
ARGO, P	\$99,402	\$125
ASHDOWN, M	\$147,272	\$631
ASPINWALL, E	\$82,219	\$6,052
BAGSHAW, S	\$75,260	\$0
BAYANPOUR, N	\$131,154	\$1,950
BORDIGNON, D	\$116,201	\$8
BROUGHTON, M	\$78,888	\$375
CAHILL, K	\$167,791	\$4,932
CALDWELL, J	\$87,618	\$0
CAMPBELL, I	\$138,448	\$761
CHADWICK, D	\$75,507	\$0
CHALUT, R	\$77,775	\$318
CHAN, P	\$91,444	\$129
CHEN, G	\$96,060	\$760
CHENG, A	\$110,845	\$2,664
CHIRNSIDE, A	\$76,295	\$0
CHONG, P	\$114,675	\$0
CONSTABLE, K	\$131,851	\$764
COOPER, T	\$101,972	\$0
CROWE, C	\$88,296	\$0
DANAY, B	\$82,910	\$0
DAOUST, L	\$126,470	\$5,228

DE CASTELL, C	\$294,669	\$4,743
DE GROOT, P	\$86,241	\$197
DHILLON, J	\$83,242	\$0
DOUGLAS, J	\$93,415	\$0
DOWNEY, M	\$118,525	\$45
DUNBAR, D	\$77,691	\$0
ENS, A	\$77,805	\$31
FONG, J	\$77,810	\$58
FORTIN, A	\$113,314	\$0
FRASER, S	\$130,823	\$41
FU, H	\$104,099	\$33
GALANOPOULOS, A	\$77,802	\$400
GALANOPOULOS, C	\$82,109	\$400
GALBRAITH, A	\$80,271	\$678
GATLEY, R	\$97,412	\$8
GAUDET, G	\$96,058	\$0
GERBER, C	\$75,689	\$0
GIBEAUX, M	\$82,479	\$181
GRANT, L	\$77,691	\$374
GREEN, A	\$134,083	\$652
GREENWOOD, A	\$104,086	\$427
GUILMANT-SMITH, G	\$106,591	\$6,429
GURNIAK, S	\$76,130	\$0
HAAPALAINEN, R	\$79,954	\$125
HAMA, G	\$83,805	\$98
HANSON, L	\$95,722	\$0
HMAIDAN, M	\$81,088	\$0
HO, V	\$78,043	\$0
HOLDBAK, N	\$81,095	\$0
HORNE, J	\$156,553	\$138
HUANG, J	\$90,958	\$34
IBEY, M	\$178,113	\$298
KEVLAHAN, C	\$104,099	\$0
KIFT, J	\$76,759	\$268
KNUDSEN, T	\$91,164	\$424
KOEP, M	\$104,099	\$0
KRABBENHOFT, L	\$79,282	\$86
KRIPPS, S	\$104,099	\$310
KUNG, N	\$132,171	\$1,328
KUSHNER, E	\$86,710	\$31
LAFRANCE, D	\$86,881	\$794
LEE, J	\$135,018	\$247
LEE, S	\$95,477	\$155
LI, H	\$80,983	\$26
LIANG, V	\$81,086	\$418
LIEBEL, K	\$96,621	\$125
LONG, T	\$77,691	\$0
LOWE, C	\$88,321	\$62
LUM, W	\$81,222	\$0
MACKICHAN, M	\$96,530	\$0
MACPHERSON, M	\$79,193	\$0
MAO, J	\$94,772	\$0
MATHESON, A	\$78,167	\$0
MATTISON, K	\$75,857	\$0

MCKNIGHT, J	\$90,316	\$0
MCMILLAN, T	\$104,878	\$155
MIDDLETON, S	\$127,925	\$1,189
MILLS, S	\$96,128	\$0
MITCHELL, A	\$104,664	\$842
MORRISON, J	\$190,122	\$4,077
NELSON, C	\$167,692	\$735
NORCOTT, A	\$77,914	\$0
O'COFFEY, T	\$95,826	\$0
OLIVER, N	\$77,691	\$0
PARKER, K	\$81,788	\$417
PATENAUDE, M	\$84,311	\$0
PATER, C	\$94,990	\$0
PETERSON, Z	\$112,796	\$618
PINTOS, A	\$100,232	\$173
RAI, B	\$170,970	\$25
REED, J	\$121,725	\$197
REMPEL, G	\$86,986	\$0
RITCHIE, A	\$75,275	\$0
ROBERTS, K	\$86,824	\$0
SAAYMAN, E	\$95,560	\$0
SAVAGE, K	\$83,810	\$0
SCHERTZER, W	\$77,675	\$0
SHAFFER, E	\$86,860	\$46
STOLBENKO, U	\$77,197	\$0
STRECKMANN, J	\$82,518	\$45
THIRIAR, C	\$77,713	\$0
TOLENTINO, C	\$90,014	\$2
TURNER, S	\$89,490	\$0
WADDELL, D	\$110,869	\$1,481
WALKER, C	\$88,035	\$0
WANG, S	\$96,568	\$576
WATKINS, E	\$131,296	\$322
WATT, L	\$83,523	\$0
WHIPPLE, J	\$79,210	\$0
WIENS, M	\$76,536	\$1,285
WILDE, M	\$102,856	\$71
WILKINSON, A	\$77,691	\$0
WILLIAMS, K	\$87,514	\$0
WONG, B	\$115,015	\$1,271
WONG, J	\$75,806	\$9
WOODHOUSE, M	\$88,764	\$25
WOTHERSPOON, P	\$91,181	\$0
YOSHIDA, N	\$78,156	\$99
ZIEGENFUSS, E	\$88,577	\$0
Total Employees Exceeding \$75,000	\$12,075,371	\$58,021

Total Employees Equal to or Less Than \$75,000	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
DO NOT USE - list totals only	\$24,167,255	\$178,530

Consolidated Total	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
DO NOT USE - list totals only	\$36,242,626	\$237,676

Table 2: Total Employer Premium to Receiver General for Canada

Total Employer Premium for Canada Pension Plan and Employment Insurance (Component of Receiver General for Canada Supplier Payment)	\$0.00
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Table 3: Reconciliation of Remuneration and Expenses

	Amount
Total Remuneration	\$36,242,626

Reconciling Items	Amount
Employer share of EI, CPP, and other benefits*	\$7,460,301
Employer contributions not included on T4	-\$495,259
Total Reconciling Items	\$6,965,042

	Amount
Total Per Statement of Revenue & Expenditure	\$43,207,668

	Amount
Variance	\$0

Variance explanation (if required):

* Payments to the Receiver General are made directly by the City of Vancouver on behalf of the Library. These payments are shown on this schedule at the standard rate allocated by the City of Vancouver, and not on the Schedule of Payments for the Provision of Goods and Services.

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Public Library Board

Fiscal Year Ended: December 31, 2023

There was one severance agreement made between Vancouver Public Library Board and its non-unionized employees during fiscal year 2023.

This agreement represents 12 months' compensation.

Schedule of Changes in Financial Position

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Public Library Board

Fiscal Year Ended: December 31, 2023

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

Schedule 11 - Provision of Goods and Services
Financial Information Act - Statement of Financial Information

Please enter data only in white fields - leave grey fields untouched.

Library Name:	Vancouver Public Library Board
Fiscal Year Ended:	December 31, 2023

Table 1: Suppliers of Goods and Services

Name of Individual, Firm or Corporation	Total Amount Paid During Fiscal Year
Activated Automatic Door	\$34,694
Alblaster Pressure Washing Ltd	\$45,140
Arete Safety And Protection Inc	\$49,076
BC Libraries Cooperative	\$301,523
Beijing Bookstore	\$112,821
Bell Mobility Inc	\$45,580
Bibliocommons Corp.	\$152,810
Bibliotheca Canada Inc.	\$93,827
Black & Mcdonald Limited	\$42,805
CDW Canada Corp	\$188,824
Centre For Equitable Library Access	\$46,370
Coldfront Labs Inc.	\$75,335
Communico Software LLC	\$36,117
Compugen Inc	\$102,718
Contemporary Office Interiors Ltd.	\$32,493
CVS Midwest Tape LLC	\$171,024
DC Consulting Service LLC	\$27,002
Ebsco Canada Ltd	\$309,711
Faronics Corporation	\$27,794
Global Consumer Services Inc	\$41,395
Grand & Toy	\$48,919
Hays Specialist Recruitment Canada	\$31,406
HCMA Architecture + Design	\$120,768
Hemlock Printers Ltd	\$25,452
Info-Tech Research Group	\$30,242
ITC Systems	\$33,843
Jonathan Morgan & Company Ltd	\$42,804
Kanopy Inc	\$126,734
Konica Minolta Business Solutions	\$69,502
LexisNexis Canada Inc.	\$30,653
Liang You Book Co. Ltd.	\$33,495
Librairie Monet Inc	\$30,513
Library Bound Inc.	\$1,205,622
Lyngsoe Systems Inc	\$77,066
Mallory International Ltd.	\$33,552
Microserve, V8205	\$346,260
Mott Electric GP	\$31,491
Newspaperdirect Inc	\$80,014
OCLC, Inc	\$96,675
Overdrive Inc	\$1,629,595
ProQuest LLC	\$191,018
ProQuest LLC	\$54,410
Public Library Interlink	\$119,958
Rasmussen Bindery	\$45,841
Scott Special Project	\$92,057
Securiguard Services Ltd	\$1,386,179
Sino United Publishing (Can) Ltd.	\$137,813
Staples Business Advantage	\$82,955
The Commons Inclusion Strategies In	\$42,849
The Cushion Shop	\$25,273
Thomson Reuters Canada Limited	\$50,742
Today'S Books	\$32,780
Uline Canada Corporation	\$28,624
United Library Services Inc.	\$415,107

Unitus Painting Ltd	\$30,171
Vancouver Kidsbooks Ltd	\$84,789
Waste Management of Canada	\$37,758
Western Imperial Magnetics Ltd.	\$67,790
Whitehots Inc.	\$437,113
Zoom Video Communications Inc	\$36,758
Total of all suppliers exceeding \$25,000	\$9,461,649

Totals	Amount
Total (Suppliers with payments exceeding \$25,000 (total from above))	\$9,461,649
Total (Suppliers with payments less than or equal to \$25,000)	\$1,452,835
Consolidated Total	\$10,914,484

Table 2: Reconciliation of Goods and Services

Reconciliation of Goods and Services	Amount
Total of Aggregate Payments Exceeding \$25,000 Paid to Suppliers	\$9,461,649
Consolidated total of suppliers with payments less than or equal to \$25,000	\$1,452,835

Reconciling Items	Amount
Salaries and benefits per statement of revenue and expenditure	\$43,207,668
Amortization	\$3,916,443
Tangible Capital Assets Additions	-\$2,848,935
Amounts charged by City of Vancouver departments	\$3,921,527
Amounts charged to City, Capital accounts, GST rebates, Accruals, and Other	\$220,427
Total Reconciling Items	\$48,417,130

Reconciliation	Amount
Total Per Statement of Revenue and Expenditure	\$59,331,613
Variance	\$48,417,130

Variance explanation (if required):