



**BCLibraries**  
COOPERATIVE

## AGENDA

**Annual General Meeting - Friday, June 16, 2017**

**In Person:** [580 W. Hastings Street](#), Morris J. Wosk Centre for Dialogue, Strategy Room 320, Vancouver

**Teleconference:** 1 (888) 241-0326 ; *provide Operator with Event name "Co-op AGM"*

(1000 Pacific) Refreshments available for in-person attendees

(1015 Pacific) Teleconference participants – please dial-in to be placed in the queue

1. **(1030 Pacific)** Call to Order and Opening Remarks
2. Agenda for approval
3. Minutes of the 2016 Annual General Meeting, for approval
4. Reports for information:
  - a. Verbal Chair's report
  - b. Annual Report
5. Financial matters:
  - a. FY16/17 Audited Financial Statements, for information
  - b. Appointment of the auditor for FY17/18
  - c. FY17/18 working budget, for information
6. Governance Matters:
  - a. Election
    - i. Introduction of nominees in attendance and brief comments
    - ii. Last call for votes
7. Recognition of Service – June Stockdale
8. Appointment of Board Directors
  - a. Introduction of incoming Board Chair

b. Announcement of election results:

i. Board Director (2-year term)

9. Adjournment



## **DRAFT Minutes**

### **Annual General Meeting - Friday, June 17, 2016**

**In Person:** Multipurpose Room #4, Creekside Community Centre, 1 Athletes Way, Vancouver, BC

**Attendees:** **Jenny Benedict**, West Vancouver Memorial (V); **Melanie Houlden**, Surrey Public Library (V); **Ben Hyman**, BC Libraries Cooperative; **Hilary Bloom**, Squamish Public Library (V); **Anita Chan**, Burnaby Public Library (V); **Diana Davidson**, Alberta Public Library Services (V); **Christina deCastell**, Vancouver Public Library (V); **Michael deKoven**, Port Moody Public Library (V); **Sarah Felkar**, West Vancouver Memorial Library; **Anita Galanapolous**, Vancouver Public Library; **Stan Gardner**, University College of the North (V); **Alyssa Green**, Vancouver Public Library; **Sharon Herbert**, BC Libraries Cooperative; **Dawn Ibey**, Vancouver Public Library; **Paul Joseph**, University of British Columbia (V); **Scott Leslie**, BC Libraries Cooperative; **Mari Martin**, Libraries Branch – BC Ministry of Education (V); **Cindy Ralph**, Libraries Branch – BC Ministry of Education; **Corinne McConchie**, North Vancouver District Library (V); **Samantha Mills**, Vancouver Public Library; **Toby Mueller**, Lillooet and Area Public Library (V); **Matthew Murray**, SLAIS Graduate; **Emily Orr**, Vancouver Island Regional Library; **Jay Peters**, Coquitlam Public Library (V); **Tara Robertson**, Centre for Accessible Post Secondary Education Resources (V); **David Ryland**, BC Libraries Cooperative; **Tami Setala**, BC Libraries Cooperative; **Kate Sloan**, New Westminster Public Library; **Tracey Therrien**, Gibsons and District Public Library (V); **Baharak Yousefi**, Simon Fraser University (V).

#### **Teleconference:**

**Attendees:** **Dana McFarland**, Vancouver Island University Library (V); **Barbara Kelly**, British Columbia Library Trustees' Association (V); **Cynthia Ng**, BC Libraries Cooperative; **David Christensen**, Manitoba Public Library Services; **Dawna Turcotte**, Northern Lights College (V); **Hedi Rees**, Manitoba Public Library Services; **Jessica Gallinger**, Okanagan Regional Library; **Joanne Richards**, Kootenay Library Federation (V); **Karen Hudson**, Salt Spring Island Public Library (V); **Katherine Anderson**, North Central Library Federation/North East Library Federation (Vx2); **Mary Toma**, Spruce Library Cooperative/South Central Regional Library (Vx2); **Melissa Lowenberg**, Thompson-Nicola Regional District Library; **Sara Lewis**, Houston Public Library (V); **Ursula Brigl**, Cranbrook Public Library (V); **Vickie Short**, Lac du Bonnet Regional Library (V); **Lenora Lee** (KPMG), **John Kay** (Realize Strategies).

1. **(1030 Pacific)** Call To Order. Quorum was noted.
2. Agenda for approval. Moved by Michael deKoven, Port Moody seconded by June Stockdale, Nelson. Unanimous.
3. Minutes of the 2015 Annual General Meeting, for approval. Moved by Baharak Yousefi, SFU seconded by Tracey Therrien, Gibsons. Unanimous.
4. Reports for information:
  - a. Verbal Chair's report. Delivered by Melanie Houlden, SPL.
  - b. Verbal Executive Director's report. Delivered by Ben Hyman, Co-op ED.
  - c. Annual Report. Received.
5. Financial matters:
  - a. FY15/16 Audited Financial Statements, for information. Received.
  - b. Appointment of the auditor (KPMG) for FY16/17. Moved by June Stockdale, Nelson. Seconded by Jenny Benedict, WVML. Unanimous.
  - c. FY16/17 working budget, for information. Received.
6. Governance matters:
  - a. Governance review backgrounder. Received.
    - i. Draft revised Rules of Association
    - ii. Draft revised Service Management Agreement (SMA)  
  
Discussion included questions and remarks by Christina deCastell, VPL, Jenny Benedict, WVML, John Kay, Realize Strategies (Governance review consultant) and Ben Hyman, Co-op ED.
  - b. (Special Resolution) to accept the amendments to the Co-op's Rules of Association, as presented in the agenda package. Moved by Baharak Yousefi, SFU. Seconded by June Stockdale, Nelson. Unanimous.
  - c. (Ordinary Resolution) to accept the amendments to the Co-op's SMA, as presented in the agenda package. Moved by Jenny Benedict, WVML. Seconded by Christina deCastell, VPL. Unanimous.
  - d. Election
    - i. Introduction of nominees in attendance and brief comments. Nominees McFarland and Bloom presented; nominee Narver sent his regrets.
    - ii. Last call for votes using the secret ballot tool.
7. Recognition of Service – Houlden, Felkar, McKilligan. Gifts and thanks were presented by Hyman, Setala, and Herbert, respectively.

8. Appointment of Board Directors & Business Function Group Chair(s). Shirley Lew, VCC and member of the 2016 Nominations Committee was invited to observe the closing of the OpaVote Approval Poll and read the results.

i. Announcement of election results:

1. Board Director (2 year term): Hilary Bloom, Squamish
2. Board Director (2 year term): Dana McFarland, VIU

ii. Appointment by Acclamation:

1. Sitka Business Function Group Chair – David Christensen, Public Library Services Branch, Manitoba
2. (BC) Licensing Business Function Group Chair – Jay Peters, Coquitlam Public Library

Thanks to all nominees and for membership participation in the process

9. Adjournment at 11:54AM Pacific. Moved by Melanie Houlden, SPL. Seconded by June Stockdale, Nelson. Unanimous.



**BCLibraries**  
COOPERATIVE

## **Annual Report: Annual General Meeting 2017**

This report covers the period May 24, 2016 through May 24, 2017

Who we are:

The BC Libraries Cooperative (BCLC) is a national social enterprise with over 200 member libraries and related organizations across Canada.

Our mission is to help libraries help people, by making it easier and more affordable for libraries to access the technology, ideas, content, and expertise they need to deliver services to users.

BCLC is a member-owned cooperative. All our services are optional – members choose to participate - and our democratic model means that every BCLC member has a voice in the decisions we make together. At BCLC, our members call the shots.

When you become a member of BCLC, you're investing in a library community that supports each other – and libraries working together are stronger.

Statutorily required AGM:

The BC Libraries Cooperative is incorporated under the BC [Cooperative Association Act](#) and must hold an annual general meeting each year within four months of the end of its fiscal year. The business at each annual general meeting is determined by the association's [Rules](#) and the *Act*.

The June 15, 2016, Annual General Meeting was held at Creekside Community Centre in Vancouver and by teleconference, and was attended by nearly 60 individuals. Minutes from this meeting are expected to be approved at the June 16, 2017, AGM. At AGM 2016, gifts were presented to outgoing Board member Melanie Houlden, Surrey Public Library; outgoing Sitka Business Function Group Chair Toni McKilligan, Houston Public Library; and outgoing Licensing Business Function Group Chair Sarah Felkar, The Cooperative gratefully acknowledges the contributions of so many member

representatives, who have collectively contributed so much to shaping the direction of the Cooperative and its member services.

The following nominees were declared elected at AGM 2016:

- Hilary Bloom, Director of Library Services, Squamish Public Library – Two Year Term
- Dana McFarland, eResources Librarian, Vancouver Island University – Two Year Term

Two Business Function Group Chairs were also acclaimed at AGM 2016:

- David Christensen, Public Library Services Branch, Manitoba - Sitka Business Function Group Chair
- Jay Peters, Coquitlam Public Library - (BC) Licensing Business Function Group Chair

In addition to elections, the following business was conducted at the 2016 AGM:

- Acceptance and filing of the 2016 AGM minutes, the 2016 Board Director's Report, the FY15/16 audited financial statements, and the working FY16/17 budget.
- Appointment of an auditor (KPMG) for FY16/17.

### **BC Corporate Registry Annual Report:**

Following the 2016 AGM, the Cooperative filed its obligatory annual report along with a notice of change of Directors with the Corporate Registry, Ministry of Finance, Province of BC. The Cooperative remains in good standing. The report lists the current elected Board of Directors as of June 17, 2016:

- **Tracey Therrien, Board Chair** (term ends 2017; renewable) Director, Gibsons & District Public Library, BC
- **Baharak Yousefi, Vice-Chair and Chair Elect** (term ends 2017; renewable) Head, Library Communications, Simon Fraser University Library, BC
- **Hilary Bloom** (term ends 2018; renewable) Director of Library Services, Squamish Public Library, BC
- **Dr. Diana Davidson** (term ends 2018; renewable) Director, Public Library Services Branch, Municipal Affairs, AB
- **Dr. Stan Gardner, Secretary** (term ends 2018; renewable) Dean of Library Services, University College of the North, MB
- **Dana McFarland** (term ends 2018; renewable) eResources Coordinator, Vancouver Island University, BC
- **June Stockdale, Treasurer** (term ends 2017; renewable) Chief Librarian, Nelson Public Library, BC

- **Mari Martin, *ex officio*** Director, Libraries Branch, BC Ministry of Education

Registered and Recorded offices for the Cooperative are listed as:

BC Libraries Cooperative 2009  
Suite 850 – 605 Robson Street, Vancouver, BC V6B 5J3

Meetings of the Board of Directors:

The [Board of Directors](#) met eight times during the period covered by this report. Additionally, the Board's sub committees met almost monthly. A standing member participation component exists at the top of each board agenda should any member wish to address the board. Meeting dates, Operational Reports and minutes of Board of Directors meetings are posted to the [Cooperative's web site](#). Minutes and reports are added as they are approved. Here are some select highlights from the Board's minutes:

This past year, the Board again advanced the objectives of its [Strategic Plan](#), making the Cooperative an increasingly diverse service provider, ever more capable of incubating opportunities and initiatives for its growing membership;

Staff developed strategic visions for all service areas, which the Board will use in the development of a new Strategic Plan in FY17/18;

The Co-op built on economies of scale in BC and Manitoba to negotiate favourable pricing for new and innovative licensed content, advocated for user privacy by providing detailed expectations for digital content vendors, and opened additional communication channels to strengthen our communities of practice;

The Sitka community welcomed several new libraries from BC and Manitoba and the Co-op continued its active participation in the Evergreen™ community, including a partnership with several large consortia and library systems to pool funds and identify strategic short- and long-term development priorities;

Every volume of the Truth and Reconciliation Commission became available for free and open download in e-text and Daisy audio formats at [nnels.ca](http://nnels.ca). The Marrakesh Treaty, which facilitates access to published works for persons with print disabilities, came into force in Canada in September and shortly after, NNELS finalized an historic international sharing agreement with Vision Australia;

Libpress continued to expand with over 60 members subscribed. A new multi-lingual framework was introduced and Manitoba libraries have launched bi-lingual sites;

The Library Toolshed service expanded its range to include exemplary programs and conference presentations, the site was redesigned and includes better statistical reporting and a revamped search engine;



The Co-op provided standalone hosting services to twelve organizations as well as server authentication support for numerous licensed products and libraries;

As in previous years, we facilitated, supported and encouraged several initiatives such as the annual BC ebook summit, code4libBC, Cooperate Now, Co-ops in Schools, ImagineBC, Vancouver Island Library Conference, and more. The Co-op also co-sponsored a preconference session on IT and Networking at the 2017 BC Library Conference;

The Board's Governance Sub committee developed and reviewed organizational policies, making numerous recommendations to the Board throughout the year;

The Board's Finance Sub Committee monitored the organization's financial progress and made recommendations to the Board with respect to the working FY16/17 and FY17/18 budgets and their dependencies;

The Board's Personnel Sub Committee continues to oversee the recruitment process for a new Executive Director.

The Board has two standing committees: the Sitka Business Function Group (SBFG) and the BC Licensing Business Function Group (LBFG) which meet regularly; the Chairs of these groups offered these thoughts about the ongoing work in their communities:

- From David Christensen, SBFG Chair: "The collaboration between Sitka libraries to give themselves a world-class ILS without breaking the bank continues to be an outstanding example of cooperation in the best tradition of library services. Highlights from this past year include agreement on our Terms of Reference, the tremendous work done in smoothly upgrading to Evergreen 2.12, and all of the preparation going into the upcoming web client transition. I am particularly delighted with our participation in the MassLNC development partnership, giving Sitka members a voice in shaping the ongoing development of the Evergreen system. It's been a great year, and I'd like to thank you all for being a part of it!"
- From Jay Peters, LBFG Chair: "Some highlights for this year include: exploring a shared provincial eBook collection, offering new products in new formats: comics and video games, and creating OverDrive Collection Development Guidelines. I'm looking forward to more of the same in the coming year."

Thanks to the support of the Board, the membership, our staff and partners, the Cooperative's diversification is occurring on many fronts – all to better support the membership within today's fiscal realities. The Co-op undertook new, and continued existing incubation initiatives in FY16/17. Please refer to the Co-op's regular [Operational Reports](#) for information. As always, the [Board of Directors](#) invites questions and comments from members and non-members.

Financial Statements of

**BC LIBRARIES COOPERATIVE 2009**

Year ended March 31, 2017



**KPMG LLP**  
**Chartered Professional Accountants**  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7

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

## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of BC Libraries Cooperative 2009

We have audited the accompanying financial statements of BC Libraries Cooperative 2009, which comprise the statement of financial position as at March 31, 2017, the statement of operations and changes in fund balances 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 accounting standards for not-for-profit organizations, 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 the 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 entity'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 entity'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 BC Libraries Cooperative 2009 as at March 31, 2017, and its results of operations and its cash flows for the year then ended accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants  
DATE  
Victoria, Canada

# BC LIBRARIES COOPERATIVE 2009

## Statement of Financial Position

March 31, 2017, with comparative information for 2016

	General Fund	Sitka Fund	Licensing Fund	2017	2016
<b>Assets</b>					
Current assets:					
Cash	\$ 680,047	-	-	\$ 680,047	\$ 915,396
Accounts receivable	469	1,962	56,412	58,844	243,851
Prepaid expenses	16,445	-	1,990,333	2,006,778	2,020,227
Receivable from other funds	-	416,605	762,924	1,179,529	1,083,666
	696,961	418,567	2,809,669	3,925,198	4,263,140
Capital assets (note 2)	75,681	-	-	75,681	39,159
	\$ 772,642	418,567	2,809,669	\$ 4,000,879	\$ 4,302,299

## Liabilities

### Current liabilities:

Accounts payable and accrued liabilities (note 3)	\$ 36,951	8,225	78,874	\$ 124,050	\$ 87,655
Accrued payroll expense	56,693	-	2,225	58,918	42,415
Deferred revenue	-	-	2,354,142	2,354,142	2,321,856
Deferred contributions	50,000	-	-	50,000	104,000
Payable to other funds	1,179,529	-	-	1,179,529	1,083,666
	1,323,173	8,225	2,435,241	3,766,639	3,639,592

## Fund Balances


Share capital	10,450	-	-	10,450	9,700
Fund balances:					
Invested in capital assets	75,681	-	-	75,681	39,159
General fund	(636,662)	-	-	(636,662)	(370,394)
Sitka fund	-	410,342	-	410,342	371,590
Licensing fund	-	-	374,428	374,428	612,652
	(560,981)	410,342	374,428	223,789	653,007
	(550,531)	410,342	374,428	234,239	662,707

### Commitments (note 4)

	\$ 772,642	418,567	2,809,669	\$ 4,000,879	\$ 4,302,299
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See accompanying notes to financial statements.

Approved by the Board:

 Director

 Director

# BC LIBRARIES COOPERATIVE 2009

## Statement of Operations and Changes in Fund Balances

Year ended March 31, 2017, with comparative information for 2016

	General Fund	Sitka Fund	Licensing Fund	2017	2016
<b>Revenue:</b>					
Provincial government funding	\$ 626,591	250,000	205,000	\$ 1,081,591	\$ 805,000
Database products	-	42,816	3,448,738	3,491,554	3,801,663
Integrated library system user fees	-	285,015	-	285,015	304,733
Other	139,333	7,937	265,721	412,991	435,186
	765,924	585,768	3,919,459	5,271,151	5,346,582
<b>Expenses:</b>					
Database products	14,622	-	3,634,062	3,648,683	3,592,223
Service contracts	41,570	4,361	164,103	210,034	365,346
Technology infrastructure	16,508	8,225	-	24,733	8,820
Salaries and benefits	527,280	534,427	310,634	1,372,341	1,184,307
Office and general	282,755	-	4,074	286,828	229,473
Professional fees	79,521	-	35,987	115,508	96,937
Amortization of capital assets	31,753	-	-	31,753	25,859
Foreign exchange	(83)	-	8,825	8,742	(1,622)
Interest and bank charges	1,747	-	-	1,747	2,438
	995,673	547,013	4,157,685	5,700,369	5,503,781
Excess (deficiency) of revenue over expenses	(229,745)	38,751	(238,226)	(429,218)	(157,199)
Fund balance, beginning of year	(331,236)	371,591	612,652	653,007	810,206
Fund balance, end of year	\$ (560,981)	410,342	374,428	\$ 223,789	\$ 653,007

See accompanying notes to financial statements.

# BC LIBRARIES COOPERATIVE 2009

## Statement of Cash Flows

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses:		
General Fund	\$ (229,745)	\$ (54,979)
Sitka Fund	38,751	(249,894)
Licensing Fund	(238,226)	147,674
Add amortization which does not involve cash	31,753	25,859
Changes in non-cash operating working capital:		
Accounts receivable	185,009	(114,668)
Prepaid expenses	13,449	(140,990)
Accounts payable	36,395	(123,058)
Accrued payroll	16,503	8,130
Deferred revenue	32,286	273,987
Deferred contributions	(54,000)	(486,000)
	(167,825)	(713,939)
Investing activities:		
Additions to capital assets	(68,274)	(9,640)
Financing activities:		
Issuance of share capital	750	2,700
Decrease in cash	(235,349)	(720,879)
Cash, beginning of year	915,396	1,636,275
Cash, end of year	\$ 680,047	\$ 915,396

See accompanying notes to financial statements.

# BC LIBRARIES COOPERATIVE 2009

## Notes to Financial Statements

Year ended March 31, 2017

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BC Libraries Cooperative 2009 (the "Cooperative") is a limited-liability, non-profit corporate body registered under the Cooperative Association Act of BC on April 21, 2009. The Cooperative harnesses the buying power and cost savings of a consortium while at the same time providing the corporate ability to limit risk. A member's risk is limited to its share capital; its fifty-dollar lifetime membership fee.

### 1. Significant accounting policies:

The financial statements of the Cooperative have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### (a) Fund accounting:

The General Fund includes income for which there are no restrictions attached by the contributor and restricted contributions for which there is no applicable restricted fund.

The Sitka Fund reports assets, liabilities, revenues and expenses of the Cooperative's integrated library software system operations.

The Licensing Fund reports assets, liabilities, revenues and expenses related to the Cooperative's collective procurement, licensing and management of open and vendor-sourced solutions for the membership.

The Cooperative follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is assured.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Restricted contributions are recognized as revenues of the appropriate restricted fund in the year received or receivable.

# BC LIBRARIES COOPERATIVE 2009

## Notes to Financial Statements

Year ended March 31, 2016

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### 1. Significant accounting policies (continued):

#### (b) Capital assets:

Purchased computers, software and office equipment are recorded at cost. Assets are amortized over their estimated useful lives using the following methods and rates:

Asset	Basis	Rate
Furniture and fixtures	declining balance	20%
Computers	declining balance	55%
Software	declining balance	55%

When a capital asset no longer contributes to the Cooperative's ability to provide services, its carrying amount is written down to its residual amount.

#### (c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value and changes in fair value are recognized in excess of revenue over expenses in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Cooperative has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Cooperative determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Cooperative expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

#### (d) Allocation of expenses:

The Cooperative allocates salary and benefits based on costs directly related to activities of the fund.



# BC LIBRARIES COOPERATIVE 2009

## Notes to Financial Statements

Year ended March 31, 2016

### 1. Significant accounting policies (continued):

#### (e) Employee future benefits:

The Cooperative and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred. The costs of multi-employer defined contribution pension plan benefits, such as the Municipal Pension Plan, are the employer's contributions due to the plan in the period.

#### (f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

### 2. Capital assets:

			2017
	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 33,310	\$ 11,891	\$ 21,419
Computer	171,443	118,395	53,048
Software	2,635	1,421	1,214
	\$ 207,388	\$ 131,707	\$ 75,681

			2016
	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 27,177	\$ 7,303	\$ 19,874
Computer	109,302	91,534	17,768
Software	2,635	1,118	1,517
	\$ 139,114	\$ 99,955	\$ 39,159

### 3. Accounts payable and accrued liabilities:

Included in accrued payroll expense are government remittances payable of \$27,472 (2016 - \$29,454), which includes amounts payable for payroll deductions, workers' compensation, and medical service plan premiums.

# BC LIBRARIES COOPERATIVE 2009

## Notes to Financial Statements

Year ended March 31, 2016

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#### 4. Commitments:

The Cooperative 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 the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available later in 2019.

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

The Cooperative paid \$98,290 (2016 - \$63,123) for employer contributions to the Plan in fiscal 2017.

#### 5. Financial risks and concentration of credit risk:

##### (a) Interest rate risk:

Interest rate risk refers to the adverse consequences of interest rate changes in the cash flows, financial position and income. The risk arises from differences in the timing and amount of cash flows related to the Cooperatives assets. The Cooperative is not subject to significant interest rate risk. There has been no change to risk exposures from 2016.

##### (b) Credit risk:

Credit risk arises from cash held with banks and financial institutions and credit exposure to accounts receivable balances. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Cooperative deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Cooperative assesses the credit quality of the counter parties, taking into account their financial position, past experience, and other factors. There has been no change to the risk exposures from 2016.

# BC LIBRARIES COOPERATIVE 2009

Notes to Financial Statements

Year ended March 31, 2016

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## 5. Financial risks and concentration of credit risk (continued):

### (c) Liquidity risk:

Liquidity risk is the risk that the Cooperative will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Cooperative manages its liquidity risk by monitoring its operating requirements. The Cooperative prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2016.

### (d) Foreign currency risk:

The Cooperative is exposed to foreign currency risk on certain liabilities and expenses denominated in US dollars. Included in accounts payable and accrued liabilities is approximately \$61,835 of US-denominated payables.

**CONFIDENTIAL**

	FY16/17	YTD 16/17 @ Jan 31	YTD %	FY17/18
<b>INCOME</b>				
<b>Province of BC</b>	<b>\$1,215,928</b>	<b>\$937,591</b>	77.1%	<b>\$1,120,000</b>
<b>Memberships</b>	N/A	\$1,300		N/A
<b>External &amp; Incubation Services</b>	<b>\$401,000</b>	<b>\$370,628</b>	92.4%	<b>\$401,163</b>
BCNet ORAN - Partners	\$40,000	\$28,840	72.1%	\$42,437
National Network	\$256,000	\$265,371	103.7%	\$260,000
Other (Consulting, Development, Hosting, LibPress)	\$105,000	<b>\$76,417</b>	72.8%	\$98,726
<b>Interest</b>	<b>\$10,000</b>	<b>\$11,285</b>	112.9%	<b>\$12,533</b>
<b>Licensing</b>	<b>\$3,610,000</b>	<b>\$4,596,625</b>	127.3%	<b>\$3,800,000</b>
<b>Sitka &amp; Evergreen Hosting</b>				
Service and/or hosting fees	\$280,000	\$263,425	94.1%	\$295,000
<b>Total Income</b>	<b>\$5,516,934</b>	<b>\$6,180,854</b>	112.0%	<b>\$5,628,702</b>

<b>EXPENDITURE</b>				
<b>Shared Administration</b>				
Accounting Services	\$12,750	\$1,000	7.8%	\$12,750
<b>Administration Costs</b>	<b>\$18,500</b>	<b>\$15,439</b>	83.5%	<b>\$20,181</b>
Insurance, Memberships, Sponsorships	\$14,000	\$10,897	77.8%	\$14,000
Software, Maintenance & Domains	\$4,500	\$4,542	100.9%	\$6,181
Banking Fees	\$2,500	\$1,291	51.6%	\$2,000
Bookkeeping Services	\$14,159	\$9,838	69.5%	\$14,500
Business Expenses	\$1,000	\$968	96.8%	\$1,000
<b>Consultants</b>	<b>\$51,000</b>	<b>\$33,365</b>	65.4%	<b>\$40,000</b>
Visual identity; promo; website	\$11,000	\$3,365	30.6%	\$1,500
Consultants - Other	\$40,000	\$30,000	75.0%	\$38,500
Data Centre / Broadband	\$92,693	\$109,045	117.6%	\$60,000
<b>External &amp; Incubation Services</b>	<b>\$90,340</b>	<b>\$14,072</b>	15.6%	<b>\$94,320</b>
BCNet ORAN - Partners	\$36,840	\$0	0.0%	\$40,320
National Network	\$53,500	\$14,072	26.3%	\$30,000
Other (Consulting, Development, Hosting)	\$0	\$0		\$24,000
Hardware	\$5,000	\$2,185	43.7%	\$15,000
Legal Services	\$1,500	\$0	0.0%	\$1,500
Meeting Expenses	\$7,000	\$5,517	78.8%	\$6,000
Office Expenses	\$4,000	\$3,949	98.7%	\$4,000
Office Lease	\$38,002	\$30,162	79.4%	\$40,000
Employee Benefits	\$198,630	\$169,900	85.5%	\$274,648
Payroll Expenses	\$1,077,352	\$902,638	83.8%	\$1,346,036
Service Contracts	\$311,840	\$180,047	57.7%	\$0
Telecommunications	\$9,319	\$5,688	61.0%	\$7,400
Travel - Staff	\$50,000	\$45,637	91.3%	\$40,000
Travel - Board	\$6,500	\$10,634	163.6%	\$13,500
<b>Licensing</b>	<b>\$3,470,000</b>	<b>\$2,923,580</b>	84.3%	<b>\$3,610,000</b>
<b>Sitka &amp; Evergreen Hosting</b>				
SBFG - Custom Development	\$25,000	\$13,786	55.1%	\$25,000
<b>Total Expenditure</b>	<b>\$5,487,085</b>	<b>\$4,478,741</b>	81.6%	<b>\$5,628,702</b>
Net Ordinary Income	/	<b>\$1,702,113</b>		/
USD Exchange & PST Comissions	\$0	<b>-\$520</b>		<b>-\$868</b>
<b>Net Income</b>	<b>\$29,849</b>	<b>\$1,702,633</b>		<b>\$0</b>