



BCLibraries
COOPERATIVE

AGENDA

Annual General Meeting
Thursday, October 29, 2020

10:00am Pacific: Attendees are requested to connect to Zoom so staff may verify voting and non-voting participants and ensure quorum *prior to 10:30am Pacific meeting start time*

<p>To Join Zoom Meeting https://us02web.zoom.us/j/88269002817</p> <p>Meeting ID: 882 6900 2817</p> <p>One tap mobile +16473744685,,88269002817# Canada +16475580588,,88269002817# Canada</p>	<p>If you are unable to use computer audio: Dial by your location:</p> <ul style="list-style-type: none">+1 647 374 4685 Canada+1 647 558 0588 Canada+1 778 907 2071 Canada+1 204 272 7920 Canada+1 587 328 1099 Canada <p>Meeting ID: 882 6900 2817</p> <p>Find your local number: https://us02web.zoom.us/j/88269002817</p>
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1. **(10:30am Pacific)** Call to Order and Opening Remarks
2. Agenda, for approval
3. Minutes of the 2019 Annual General Meeting, for approval (*attached*)
4. Reports for information:
 - a. Verbal Chair's Report
 - i. NNELS Update
 - ii. BC Public Library Partners Update

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- b. Executive Director's Report
 - i. Annual Report (*attached*)
 - ii. Verbal Strategic Planning update (*attached*)
- 5. Financial matters:
 - a. FY19/20 Audited Financial Statements, for information (*attached*)
 - b. Appointment of the auditor (KPMG) for FY 20/21 for approval
 - c. FY20/21 working budget, for information (*attached*)
- 6. Governance matters:
 - a. Appointment of Board of Directors
 - i. Introduction of nominees and brief comments
 - ii. Last call for votes via secret ballot/remote tool
 - iii. Declaration of Election of Nominee to the Board
- 7. Recognition of Service
 - a. Tracy Therrien
 - b. Dana McFarland
 - c. Licensing and Sitka Business Function Group Chairs
- 8. Closing Remarks
- 9. Adjournment



BCLibraries
COOPERATIVE

DRAFT MINUTES

Annual General Meeting - Thursday, June 20, 2019

Via Teleconference: Ursula Brigl, Cranbrook Public Library, David Christensen, Manitoba Public Library Services Branch, Darlene Dallman, South Interlake Regional Library, Wanda Davis, Cariboo Regional District Library, Dean Kelly, Fraser Valley Regional Library, James Laitinen, Okanagan Regional Library, Lenora Lee, KPMG, Brenda Mathenia, College of the Rockies, Carmen Oleskevich, Pender Island Public Library Association, Stirling Prentice, Thompson-Nicola Regional District Library, Melanie Reaveley, Kootenay Library Federation, Meg Sugrue, Royal BC Museum, Elizabeth Tracy, Whistler Public Library, Heidi Rees, Manitoba Legislative Library.

In Person (580 W. Hastings Street, Morris J. Wosk Centre for Dialogue, Strategy Room 420, Vancouver): Hilary Bloom, Squamish Public Library, Gwenda Bryan, Camosun College, Christine Burns, BC Libraries Cooperative, Kay Cahill, Vancouver Public Library, Dr. Diana Davidson, Albert Public Library Services Branch, Laurie Davidson, BC Libraries Cooperative, Beth Davies, Burnaby Public Library, Annette DeFaveri, BC Library Association, Mark Ellis, Richmond Public Library, Adam Farrell, New Westminster Public Library, Sarah Felkar, West Vancouver Memorial Library, Dr. Stan Gardner, University College of the North, Silvana Harwood, Coquitlam Public Library, Sharon Herbert, BC Libraries Cooperative, Deb Hutchison Koep, North Vancouver City Library, Dean Kelly, Fraser Valley Regional Library, Scott Leslie, BC Libraries Cooperative, Shirley Lew, Vancouver Community College, Anna Loster, Legislative Library of BC, Mari Martin, BC Libraries Branch, Emily Mathews, Vancouver Island Regional Library, Dana McFarland, Vancouver Island University, Denise McGeachy, BC Libraries Branch, Kevin Millsip, BC Libraries Cooperative, Shane Parmar, Surrey Public Library, Suzanne Rackover, Emily Carr University of Art and Design and Council of Post-Secondary Library Directors, Beverley Rintoul, Rossland Public Library, Marc Saunders, Coquitlam Public Library, Tami Setala, BC Libraries Cooperative, Tracey Therrien, Nelson Public Library, Ross Tyner, Okanagan College, Jacqueline van Dyk, North Vancouver District Public Library, Jennifer Wile, Surrey Public Library, Baharak Yousefi, Simon Fraser University.

1. (1030 Pacific) Call to Order and Opening Remarks – Quorum was noted.

Dana McFarland, Chair, welcomed members, staff and guests joining in-person and via teleconference. Kevin Millsip, Executive Director clarified in-person and teleconference procedures for motions and speakers.

2. Agenda, for approval. Moved by Adam Farrell, New Westminster Public Library. Seconded by Dr. Stan Gardner, University College of the North. In favour: 30, Opposed: 0, Abstentions: 9. Motion carried.
3. Minutes of the 2018 Annual General Meeting, for approval. Moved by Adam Farrell, New Westminster Public Library. Seconded by Dr. Stan Gardner, University College of the North. One correction was noted by Ross Tyner, Okanagan College: that Roen Janyk's organization should be changed to Okanagan College. In favour: 32, Opposed: 0, Abstentions: 7. Motion carried.
4. Reports for information:
 - a. Verbal Chair's Report (Dana McFarland)
 - i. Verbal NNELS update (Dr. Diana Davidson)
 - ii. Verbal BC Public Library Partners update (Annette DeFaveri)
 - b. Executive Director's Report (Kevin Millsip)
 - i. Annual Report. Received.
 - ii. Verbal Strategic Planning update
5. Financial matters:
 - a. FY18/19 Audited Financial Statements, for information. Received. Lenora Lee, KPMG also provided a verbal update.
 - b. Appointment of the auditor (KPMG) for FY1920, for approval. Moved by Jacqueline van Dyk, North Vancouver District Public Library. Seconded by Kay Cahill, Vancouver Public Library. In favour: 33, Opposed: 0, Abstentions: 6. Motion carried.
 - c. FY19/20 working budget, for information. Received.
6. Governance matters:
 - a. Governance Review Backgrounder - For Item 6 (a.), Dana McFarland ceded the role of Chair to Baharak Yousefi, Past Chair, as her role is not impacted by the proposed changes to the Co-op's Rules.
 - i. Draft revised Rules of Association. Received. Beth Davies, Vice Chair also provided verbal remarks. There were no questions from the floor or from teleconference participants.
 - b. (Special Resolution) To accept the amendments to the Co-op's Rules of Association, as presented in the agenda package. Moved by Deb Hutchison Koep, North Vancouver City Library. Seconded by Tracey Therrien, Nelson Public Library. In favour: 34, Opposed: 0, Abstentions: 5. Motion carried.

Baharak Yousefi returned the role of Chair to Dana McFarland for the remainder of the agenda.
 - c. Appointment of Board of Directors
 - i. Introduction of nominees and brief comments. Dana McFarland acknowledged the work of the Nominations Committee: Baharak

Yousefi, Simon Fraser University and Beverley Rintoul, Rossland Public Library.

ii. Declaration of appointment of nominees to the Board, by acclamation

1. David Christensen, Public Library Services Branch, Manitoba (Two-year term, renewable)
2. Shirley Lew, Vancouver Community College, B.C. (Two-year term, renewable)

7. Recognition of Service – Baharak Yousefi and Dr. Stan Gardner. Presentations were made by Tracey Therrien.
8. Closing Remarks – Dana McFarland thanked Co-op members and AGM participants for their support.
9. Adjournment **(1136 Pacific)**



Annual Report: Annual General Meeting 2020

This report covers the period May 22, 2019 through September 15, 2020

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.

When you become a member of BCLC, you're investing in a library community whose members support one another – and libraries working together are stronger.

Statutorily required AGM:

The BC Libraries Cooperative is incorporated under the BC [Cooperative Association Act](#) and normally 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*.

In March 2020, as a result of the COVID-19 pandemic, the BC Registrar of Companies [authorized an extension](#) of 6 months to the time period that Cooperatives must hold their AGM. In April, the Co-op Board passed a motion to delay the 2020 AGM until the Fall.

The June 20, 2019, Annual General Meeting was held at the Morris J. Wosk Centre for Dialogue in Vancouver and by teleconference and was attended by over 40 people. Minutes from this meeting are expected to be approved at the AGM on October 29, 2020.

At AGM 2019, the service of two outgoing Board members was recognized: – Baharak Yousefi, Simon Fraser University and Dr. Stan Gardner, University College of the North.

The following nominees were appointed, by acclamation, at AGM 2019:

- David Christensen, Public Library Services Branch, Manitoba (Two-year term, renewable)
- Shirley Lew, Vancouver Community College, B.C. (Two-year term, renewable)

In addition to elections, the following business was conducted at the 2019 AGM:

- Acceptance and filing of the 2018 AGM minutes, the 2019 Board Director's Report, the FY18/19 audited financial statements, and the working FY19/20 budget.
- Appointment of an auditor (KPMG) for FY19/20

BC Corporate Registry Annual Report:

Following the 2019 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 20, 2019:

Dana McFarland, Chair (term ends 2020; renewable)

Librarian & Coordinator for eResources & Scholarly Communication, Vancouver Island University, BC

Beth Davies, Vice Chair and Chair Elect (term ends 2020; renewable)

Chief Librarian, Burnaby Public Library, BC

Tracey Therrien, Treasurer (term ends 2020; non-renewable)

Chief Librarian, Nelson Public Library, BC

Dr. Diana Davidson (term ends 2021; non-renewable)

Director, Public Library Services Branch, Municipal Affairs, AB

Deb Hutchison Koep (term ends 2020; renewable)

Chief Librarian, North Vancouver City Library

Shirley Lew (term ends 2021; renewable)
Dean, Learning Services, Vancouver Community College

David Christensen (term ends 2021; renewable)
Technical Consultant, Public Library Services Branch (Manitoba)

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

Effective April 1, 2019, registered and recorded offices for the Cooperative were listed as:

BC Libraries Cooperative 2009,
Office location: 268 Keefer Street, Suite 330, Vancouver, BC V6A 1X6
Mailing address: Suite 320, 185-911 Yates Street, Victoria BC V8V 4Y9

Meetings of the Board of Directors:

The [Board of Directors](#) met seven times during the period covered by this report. Additionally, the Board's Finance and Governance sub-committees also met seven times each. 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 selected highlights from the Board's minutes and staff operational reports:

- The Co-op completed a comprehensive strategic planning process, with broad engagement of members, staff, Board members and stakeholders and with the support of facilitators Trina Isakson and Kinwa Bluesky and a Strategic Planning Advisory Group comprised of Board and staff members;
- The B.C. Ministry of Education allocated \$1.8 million (of a total of \$3 million of funding allocated provincially for public libraries) in one-time funding through the Co-op to support Digital Initiatives projects, including connectivity and electronic resource licensing for B.C. public libraries. Work on these initiatives is well underway, including the creation of two funds focused on improving Connectivity: the Strategic Network Hardware Fund and the Connectivity Top-Up Fund, as well as the funding of a Connectivity Consultant to work directly with libraries through to the end of 2021. The Co-op's Web team created a site for the Digital Initiatives Projects which outlines the projects and their progress. Licensing projects, including Lynda and Tumblebooks will be ready to launch in late fall. Staff are in the process of negotiating the license

terms and ensuring that authentication will be FIPPA compliant. The Co-op will also continue to hold the funds allocated to RB Digital content until the migration to OverDrive is complete and the annual costs are known;

- Co-op staff moved quickly to support our members and anticipate their needs as COVID-19 prompted significant changes in library services. New initiatives and adjustments to existing services were rapidly implemented, including:
 - a ‘text chat’ feature and central COVID-19 resources page for LibPress;
 - for Licensing, the addition of more eResources and enabling remote authentication for resources that had previously only been available in-library;
 - creation of an accessible information page about COVID-19 and opening up NNELS to all library sites across Canada, including those from non-funding jurisdictions, in recognition of the needs of people with print disabilities during this time;
 - for Sitka’s Evergreen, an Emergency Closure tip sheet and activation of the Patron Self-Registration feature to enable new library users to quickly access electronic resources.
- The suite of licensed product offerings for BC public libraries and the Manitoba Licensing Consortium Inc. continued to diversify in the past year. As in previous years, our licensing community came together to advocate on common issues such as user privacy and digital content licensing models. We continue to build relationships with adjacent organizations such as book publishers and other consortia in order to collaborate on new projects and licenses;
- Sitka’s Evergreen® community welcomed six new members from BC and Manitoba in the past year: YMCA of Greater Vancouver, Royal BC Museum Library and Archives, Northwest Regional Library (MB), Allard Library (MB), Richmond Child Care Resource & Referral Centre (BC), and North Shore Community Resources (BC). Staff continued partnering with several large consortia and library systems to pool funds and prioritize Evergreen development, while providing significant return on investment for our members. Staff also continue to actively contribute to the Evergreen community’s Student Success, Academic Interest, Acquisitions Interest and Developers’ working groups, which meet several times a year. Sitka’s Evergreen was upgraded to version 3.5 in May, which included a number of new features and an experimental staff catalogue in anticipation of the shift next year to a catalogue designed for the web client;
- NNELS was once again the recipient of \$1M in grant funding in part from Employment and Social Development Canada to dramatically expand the impact of NNELS for readers with print disabilities and to continue to break down barriers to accessible reading. A number of key projects were completed, including: creation of a Crash Course on eBook Accessibility video series for

publishers and eBook creators; development of best practices through the Publisher Partnership Workflow Program; setting up an audiobook conversion service; continued accessibility testing and production of the *Executive Summary & Calls for Justice from National Inquiry into Missing and Murdered Indigenous Women and Girls Final Report* in accessible formats. We have developed a strong working relationship between NNELS and CELA, which includes joint outreach to the federal government to provide funding for this important work and the Co-op's Executive Director now sits as a member of the Presidents Group, a provincially constituted body, that promotes the employment of people with disabilities. NNELS is also being funded by the Department of Canadian Heritage for work on accessible publishing with a number of partner organizations. We anticipate this area of work to be one of growth for NNELS. The NNELS Advisory Committee is currently conducting a strategic planning process to outline areas of focus and growth for NNELS over the next few years.

- Libpress continued to thrive with 65 members subscribed to the service. This year saw the expansion of functionality to allow for more self-service for libraries requesting this, while still retaining the high level of service all members have come to expect;
- The Library Toolshed service continued to grow and share training resources and conference presentations amongst libraries in the four western provinces.
- The Co-op continued to provide standalone web hosting services to many library organizations, adding a number of new member sites as well as expanding mail hosting and mailing list services for a number of members. In addition, the Co-op provides authentication support for numerous licensed products and libraries;
- As in previous years, we supported the annual eBook and Digital Resources Summit and in 2020, became the financial entity to facilitate the Access 2020 conference, helping the organizing committee to pivot to a virtual event in the fall;
- The Board's Governance Sub Committee developed and reviewed organizational policies, making several 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 FY19/20 and FY20/21 budgets and their dependencies;
- The Board has two standing committees: the Sitka Business Function Group (SBFG) and the BC Licensing Business Function Group (LBFG) which meet regularly. At AGM 2019, Darlene Dallman, Library Director, South Interlake Regional Library continued in her second year as SBFG Chair and Jennifer O'Donnell, Digital Services and Resources Librarian, North Vancouver District Public Library continued in her second year as LBFG Chair.
- The Co-op has begun offering education on Co-operatives in line with the new strategic plan. In 2020 webinars have been offered on: the history and structure of Co-operatives in BC delivered by Vancity credit union, a webinar for the Co-op's board on governance for Co-operatives, led by the BC Cooperative Association, and a webinar on the history and services of the BCLC, led by Co-op staff.
- In line with the new strategic plan, the Co-op is working with the BCLA and InterLINK to elevate conversations on the sector's role in regards to taking action on the climate crisis. In December 2019 a day-long event was held at the Wosk Centre for Dialogue with over 40 attendees from across the lower mainland. The event explored both current and possible future work that libraries could undertake in terms of climate action. A reconvening event set for the library conference was cancelled due to the pandemic and an online event will be convened this fiscal year to continue the conversations begun last December. We are also working with the SFU Morris J. Wosk Centre for Dialogue exploring the role of libraries as hubs of democratic engagement. In 2020, spark micro-grants have been offered for public libraries in BC to engage with their communities on issues of importance in their communities.
- Conversations with InterLINK, ABCPLD and BCLA, have led to a joint effort to provide educational opportunities for those working in the sector on mental health support. In light of the pandemic's impacts, this feels like a timely offering.
- In terms of internal operations, the Co-op board adopted our first HR Policy and work will begin this year on a diversity, equity and inclusion strategy. The co-op is applying to become a certified living wage employer and has made a decision to purchase annual offsets for the Co-ops annual GHG emissions as part of our efforts to reduce our operations environmental impact. Carbon offsets will be purchased at the end of each calendar year, for emissions created in that year by the Co-ops operations.
- And, to celebrate collective efforts, the Co-op also continues work with the BC Public Libraries Partners, to collectively advocate on behalf of the sector,

towards the provincial government. We feel that the partners focused advocacy efforts, and work engaging the larger library community to advocate for more funding for public libraries in BC, contributed to this year's one-time \$3Million funding announcement for the sector. We look forward to deepening our work with the Partners to advocate for the needs of the sector.

Thanks to the support of the Board, the membership, our staff and partners, the Cooperative's diversification is continuing on many fronts – all to better support the membership within current fiscal realities. 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

And Independent Auditors' Report thereon

Year ended March 31, 2020



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of BC Libraries Cooperative 2009

Opinion

We have audited the financial statements of BC Libraries Cooperative 2009 (the Entity), which comprise:

- the statement of financial position as at March 31, 2020;
- the statement of operations and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies;

(hereinafter referred to as the "financial statements").

In our opinion the financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2020 and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Victoria, Canada
August 24, 2020

BC LIBRARIES COOPERATIVE 2009

Statement of Financial Position

March 31, 2020, with comparative information for 2019


	General Fund	Sitka Fund	Licensing Fund	2020	2019
Assets					
Current assets:					
Cash	\$ 2,165,232	\$ -	\$ -	\$ 2,165,232	\$ 2,351,912
Accounts receivable	-	10,534	740,314	750,848	605,458
Prepaid expenses	28,247	-	1,859,794	1,888,041	1,911,076
Receivable from other funds	-	332,374	1,176,756	1,509,130	1,864,901
	2,193,479	342,908	3,776,864	6,313,251	6,733,347
Capital assets (note 2)	25,615	-	-	25,615	37,306
	\$ 2,219,094	\$ 342,908	\$ 3,776,864	\$ 6,338,866	\$ 6,770,653
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities (note 3)	\$ 102,795	\$ -	\$ 132,977	\$ 235,772	\$ 289,395
Accrued payroll expense	51,820	-	-	51,820	36,707
Deferred revenue	39,245	5,784	2,744,106	2,789,135	2,516,966
Deferred contributions	980,100	-	-	980,100	1,118,664
Payable to other funds	1,509,130	-	-	1,509,130	1,864,901
	2,683,090	5,784	2,877,083	5,565,957	5,826,633
Fund Balances					
Share capital	10,850	-	-	10,850	10,650
Fund balances:					
Invested in capital assets	25,615	-	-	25,615	37,306
General fund	(500,461)	-	-	(500,461)	(668,276)
Sitka fund	-	337,124	-	337,124	391,115
Licensing fund	-	-	899,781	899,781	1,173,225
	(474,846)	337,124	899,781	762,059	933,370
	(463,996)	337,124	899,781	772,909	944,020
Commitments (note 4)					
	\$ 2,219,094	\$ 342,908	\$ 3,776,864	\$ 6,338,866	\$ 6,770,653

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, 2020, with comparative information for 2019

	General Fund	Sitka Fund	Licensing Fund	2020	2019
Revenue:					
Government funding	\$ 1,037,664	\$ -	\$ 1,441,350	\$ 2,479,014	\$ 2,425,625
Database products	-	53,223	4,111,819	4,165,042	3,871,269
Integrated library system user fees	-	328,105	-	328,105	330,859
Other	147,602	15,186	318,616	481,404	251,329
	<u>1,185,266</u>	<u>396,514</u>	<u>5,871,785</u>	<u>7,453,565</u>	<u>6,879,082</u>
Expenses:					
Database products	20,873	-	4,173,161	4,194,034	3,698,603
Salaries and benefits	669,388	430,930	1,116,254	2,216,572	1,880,612
Professional fees and consulting	81,483	-	682,923	764,406	672,064
Office and general	213,360	-	10,265	223,625	225,945
Foreign exchange	477	-	127,464	127,941	13,024
Service contracts	24,200	-	35,162	59,362	52,599
Technology infrastructure	-	19,575	-	19,575	25,125
Amortization of capital assets	15,414	-	-	15,414	23,407
Interest and bank charges	3,947	-	-	3,947	3,971
	<u>1,029,142</u>	<u>450,505</u>	<u>6,145,229</u>	<u>7,624,876</u>	<u>6,595,350</u>
Excess (deficiency) of revenue over expenses	156,124	(53,991)	(273,444)	(171,311)	283,732
Fund balance, beginning of year	(630,970)	391,115	1,173,225	933,370	649,638
Fund balance, end of year	\$ (474,846)	\$ 337,124	\$ 899,781	\$ 762,059	\$ 933,370

See accompanying notes to financial statements.

BC LIBRARIES COOPERATIVE 2009

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses:		
General Fund	\$ 156,124	\$ 92,969
Sitka Fund	(53,991)	(113,702)
Licensing Fund	(273,444)	304,465
Non-cash items:		
Amortization	15,414	23,407
Changes in non-cash operating working capital:		
Accounts receivable	(145,390)	(312,752)
Prepaid expenses	13,619	266,739
Accounts payable	(44,206)	(753,886)
Accrued payroll	15,113	(2,664)
Deferred revenue	272,168	189,706
Deferred contributions	(138,564)	103,664
	(183,157)	(202,054)
Investing activities:		
Additions to capital assets	(3,723)	(9,199)
Financing activities:		
Issuance of share capital	200	200
Decrease in cash	(186,680)	(211,053)
Cash, beginning of year	2,351,912	2,562,965
Cash, end of year	\$ 2,165,232	\$ 2,351,912

See accompanying notes to financial statements.

BC LIBRARIES COOPERATIVE 2009

Notes to Financial Statements

Year ended March 31, 2020

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.

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation presents uncertainty over the Cooperative's future cash flows, and may have a significant impact on its future operations. Potential impact on the Cooperative's business could include future decreases in revenue from fees and governments funding, future increases in expenses and difficulty collecting accounts receivable. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the Cooperative is not practicable at this time.

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, 2020

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. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. 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 the 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.

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Notes to Financial Statements

Year ended March 31, 2020

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:

			2020
	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 36,342	\$ 23,629	\$ 12,713
Computer	192,821	181,213	11,608
Software	3,569	2,275	1,294
	\$ 232,732	\$ 207,117	\$ 25,615

			2019
	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 36,342	\$ 20,451	\$ 15,891
Computer	189,098	169,301	19,797
Software	3,569	1,951	1,618
	\$ 229,009	\$ 191,703	\$ 37,306

3. Accounts payable and accrued liabilities:

Included in accrued payroll expense are government remittances payable of \$833 (2019 - \$1,632), which includes amounts payable for payroll deductions, workers' compensation, and medical service plan premiums.

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Notes to Financial Statements

Year ended March 31, 2020

4. Commitments:

- (a) The Cooperative and its employees contribute to the Municipal Pension 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. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Cooperative paid \$131,634 (2019 - \$139,497) for employer contributions to the Plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available later in 2022.

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 individual employers participating in the plan.

- (b) The Cooperative has entered into an operating lease commitment for premises with monthly payments of \$1,846 before utilities expiring on February 28, 2021, with the option to extend for a further 2 years.

5. Financial risks and concentration of credit risk:

- (a) Interest rate risk:

Interest rate risk refers to the adverse consequences of interest rate changes to cash flows, financial position and income. The Cooperative is not subject to significant interest rate risk. There has been no change to risk exposures from 2019.

- (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 2019.

BC LIBRARIES COOPERATIVE 2009

Notes to Financial Statements

Year ended March 31, 2020

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. The Cooperative has access to a \$50,000 line of credit, which is undrawn at March 31, 2020. There has been no change to the risk exposures from 2019.

(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 \$8,458 (2019 - \$36,913) of US-denominated payables. The Cooperative uses foreign exchange forward contracts to manage its exposure to foreign currency risk. There has been no change to the risk exposures from 2019.

CONFIDENTIAL

	FY19/20 APPROVED	FY20/21 APPROVED	Percent change
INCOME			
Province of BC	\$1,146,222	\$1,146,222	0%
Memberships	N/A	N/A	
External & Incubation Services	\$ 345,376	\$ 1,363,936	75%
BCNet ORAN - Partners	\$43,183	\$43,183	0%
National Network	\$276,682	\$276,682	0%
SDPP-D	\$0	\$1,000,000	100%
Other (Consulting, Development, Hosting, LibPress)	\$25,511	\$44,071	42%
Membership Fees (Share Capital)			
Interest	\$ 11,368	\$ 11,368	0%
Licensing	\$4,033,028	\$4,209,264	4%
Sitka & Evergreen Hosting			
Service and/or hosting fees	\$406,578	\$382,579	-6%
Total Income	\$5,942,572	\$7,113,369	16%
EXPENDITURE			
Admin \$ Increase/(decrease) over prev			
Shared Administration			
Accounting Services	\$15,000	\$15,000	0%
Administration Costs	\$27,375	\$27,375	0%
Banking Fees	\$3,300	\$3,300	0%
Bookkeeping Services	\$22,000	\$38,310	43%
Business Expenses	\$1,000	\$1,000	0%
Consultants	\$ 34,000	\$ 14,160	-140%
Data Centre / Broadband	\$62,928	\$65,189	3%
External & Incubation Services	\$ 69,290	\$ 1,073,435	94%
BCNet ORAN - Partners	\$39,290	\$43,435	10%
National Network	\$30,000	\$30,000	0%
SDPP-D		\$1,000,000	100%
Other (Consulting, Development, Hosting)	\$0	\$0	0%
Hardware	\$40,000	\$10,000	-300%
Legal Services	\$4,500	\$4,500	0%
Meeting Expenses	\$6,000	\$6,869	13%
Office Expenses	\$11,000	\$11,000	0%
Office Lease	\$24,000	\$24,720	3%
Employee Benefits	\$317,939	\$324,799	2%
Payroll Expenses	\$1,374,235	\$1,373,528	0%
Service Contracts	\$59,250	\$46,500	-27%
Telecommunications	\$9,400	\$11,653	19%
Travel - Staff	\$40,000	\$13,333	-200%
Travel - Board	\$13,500	\$13,500	0%
Licensing	\$3,836,782	\$4,001,198	4%
Sitka & Evergreen Hosting			
SBFG - Custom Development	\$ 34,000	\$ 34,000	0%
Total Expenditure	\$ 5,942,572	\$ 7,113,369	16%