



BCLibraries
COOPERATIVE

AGENDA

**Annual General Meeting
Thursday, June 17, 2021**

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/86598465765 Meeting ID: 865 9846 5765</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> <p>+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> <p>Meeting ID: 882 6900 2817 Find your local number: https://us02web.zoom.us/j/86598465765</p>
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1. **(10:30am Pacific)** Call to Order and Opening Remarks
2. Agenda, for approval
3. Minutes of the 2020 Annual General Meeting, for approval
4. Reports for information:
 - a. Verbal Chair's Report
 - i. BC Public Library Partners Update
 - b. Executive Director's Report
 - i. Annual Report

5. Financial matters:

- a. FY20/21 Audited Financial Statements, for information
- b. Appointment of the auditor (KPMG) for FY 21/22 for approval
- c. FY21/22 working budget, for information

6. Governance matters:

- a. Appointment of Board of Directors
 - i. Introduction of nominee and brief comments
 - ii. Declaration of Acclamation of Nominee to the Board

7. Recognition of Service

- a. Dr. Diana Davidson

8. Closing Remarks

9. Adjournment



DRAFT MINUTES

Annual General Meeting
Thursday, October 29, 2020

Present (via video conference):

Dr. Diana Davidson (Alberta Municipal Affairs, Public Library Services Branch), Tina Nielsen (Bowen Island Public Library), Scott Leslie (BC Libraries Cooperative), Tami Setala (BC Libraries Cooperative), Kevin Millsip (BC Libraries Cooperative), Sharon Herbert (BC Libraries Cooperative), David Ryland (BC Libraries Cooperative), Anna Loster (British Columbia Legislative Library), Annette DeFaveri (British Columbia Library Association), Beth Davies (Burnaby Public Library), Sybil Harrison (Camosun College Library), Wanda Davis (Cariboo Regional District Library), Kimberly Partanen (Castlegar Public Library), Brenda Mathenia (College of the Rockies Library), Cortney Newton (College of the Rockies Library), Ursula Brigl (Cranbrook Public Library), Alexandra Faucher (Elkford Public Library), Suzanne Rackover (Emily Carr University), Danika Andrews (Fort Nelson Public Library), Karli Fisher (Fort St James Public Library), Scott Hargrove (Fraser Valley Regional Library), Dean Kelly (Fraser Valley Regional Library), Brian Butler (Hazelton & District Public Library), Melanie Reaveley (Kootenay Library Federation), Lenora Lee (KPMG), Todd Mundle (Kwantlen Polytechnic University), Mari Martin (Libraries Branch, Ministry of Education, BC), Toby Mueller (Lillooet and Area Library Association), David Christensen (Manitoba Public Library Services), Tracey Therrien (Nelson Public Library), Adam Farrell (New Westminster Public Library), Deb Hutchison Koep (North Vancouver City Library), Jacqueline van Dyk (North Vancouver District Library), Anna Babluck (Northwest Library Federation), Ron Knowling (Nunavut Public Library Services), Gilbert Bede (Okanagan College Library), Carmen Oleskevich (Pender Island Public Library Association), Heather Buzzell (Penticton Public Library), Marc Saunders (Port Moody Public Library), Rebecca Burbank (Powell River Public Library), Ignacio Albarracin (Prince George Public Library), Michael Burris (Public Library InterLink), Jackie Wagner (Radium Hot Springs Public Library), Charlene Tweed (Red River College Library), Beverley Rintoul (Rossland Public Library), Teresa Wright Eastley (Saskatchewan Provincial Library and Literacy Office), Mark Jordan (Simon Fraser University), Darlene Dallman (South Interlake Regional Library), Richard Bee (Spruce Library Cooperative), Shane Parmar (Surrey Public Library), Stirling Prentice (Thompson-Nicola Regional Library), Shirley Lew (Vancouver Community College), Dana McFarland (Vancouver Island University Library), Kay Cahill (Vancouver Public Library), Elizabeth Tracy (Whistler Public Library).

1. **(10:30am Pacific)** Call to Order and Opening Remarks - Dana McFarland (Vancouver Island University), Chair. Quorum was noted.

2. Agenda, for approval

MOTION: To approve the agenda. Moved by Scott Hargrove (Fraser Valley Regional Library). Seconded by Deb Hutchison Koep (North Vancouver City Library). Unanimous.

3. Minutes of the 2019 Annual General Meeting, for approval

MOTION: To approve the Minutes. Moved by Adam Farrell (New Westminster Public Library). Seconded by David Christensen (Manitoba Public Library Services) Unanimous.

4. Reports for information:

a. Verbal Chair's Report – Dana McFarland

i. Verbal NNELS Update – Dr. Diana Davidson (Alberta Municipal Affairs, Public Library Services Branch)

ii. Verbal BC Public Library Partners Update - Elizabeth Tracey (Whistler Public Library)

b. Executive Director's Report – Kevin Millsip

i. Annual Report (*written*)

ii. Strategic Planning update (*written*)

5. Financial matters:

a. FY19/20 Audited Financial Statements, for information (*written*) – verbal update from Lenora Lee (KPMG)

b. Appointment of the auditor (KPMG) for FY 20/21 for approval

MOTION: To approve appointment of the auditor (KPMG) for FY 20/21. Moved by Beth Davies (Burnaby Public Library). Seconded by Scott Hargrove (Fraser Valley Regional Library). Unanimous.

c. FY20/21 working budget, for information (*written*)

6. Governance matters:

a. Appointment of Board of Directors

i. Introduction of nominees for one Board vacancy and brief comments – Anna Babluck (North West Library Federation, BC) and Rebecca Burbank (Powell River Public Library) were in attendance to provide verbal introductions and comments.

ii. Last call for votes via secret ballot/remote tool

iii. Declaration of Election of Nominee to the Board – Anna Babluck. Dana McFarland congratulated Anna Babluck on her election and thanked Rebecca Burbank for standing for nomination. Dana also thanked the Nominations Committee: Baharak Yousefi (Simon Fraser University) and Beverley Rintoul (Rossland Public Library) and those who submitted nominations.

7. Recognition of Service

a. Tracy Therrien (Nelson Public Library) was recognized by Dana McFarland for her many years of support to the Co-op and the Co-op Board.

b. Dana McFarland was recognized as she stepped down from her term as Board Chair. Dana will continue to serve on the Board.

c. Beth Davies (Burnaby Public Library) was introduced as incoming Board Chair.

d. Licensing and Sitka Business Function Group Chairs. Tami Setala (BC Libraries Cooperative) thanked outgoing Licensing BFG Chair Jennifer O'Donnell (North Vancouver District Public Library) for her service and introduced incoming Licensing BFG Chair Dean Kelly (Fraser Valley Regional Library). Sharon Herbert (BC Libraries Cooperative) thanked outgoing Sitka BFG Chair Darlene Dallman (South Interlake Regional Library) and introduced incoming Sitka BFG Chair Megan Nelson (Camosun College).

8. Closing Remarks – Dana McFarland

9. Adjournment – 11:31 am Pacific



Annual Report: Annual General Meeting 2021

This report covers the period September 16, 2020 through May18, 2021

Who we are:

The BC Libraries Cooperative (BCLC) is a national community service cooperative 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 six 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 October 29, 2020, Annual General Meeting was held virtually and was attended by over 40 people. Minutes from this meeting are expected to be approved at the AGM on June 17, 2021.

At AGM 2020, the service of two outgoing Board members was recognized: Tracy Thierrien of Nelson Public Library for her service on the board, and Dana McFarland, Vancouver Island University, for her work as Board Chair.

The following nominee was elected at AGM 2020:

- Anna Babluck, Director, North West Library Federation (Two-year term, renewable)

In addition to elections, the following business was conducted at the 2020 AGM:

- Acceptance and filing of the 2019 AGM minutes, the 2020 Board Director's Report, the FY19/20 audited financial statements, and the working FY20/21 budget.
- Appointment of an auditor (KPMG) for FY20/21

BC Corporate Registry Annual Report:

Following the 2020 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 October 29, 2020:

Beth Davies, Chair (term ends 2022; renewable)
Chief Librarian, Burnaby Public Library, BC

Shirley Lew, Vice-chair and Chair elect (term ends 2021; renewable)
Dean, Learning Services, Vancouver Community College

Dana McFarland, (term ends 2022; non-renewable)
Librarian & Coordinator for eResources & Scholarly Communication, Vancouver Island University, BC

Dr. Diana Davidson (term ends 2021; non-renewable)
Director, Public Library Services Branch, Municipal Affairs, AB

Deb Hutchison Koep (term ends 2022; renewable)
Chief Librarian, North Vancouver City Library

Anna Babluck (term ends 2022; renewable) Director, North West Library Federation

David Christensen (term ends 2021; renewable)

Technical Consultant, Public Library Services Branch (Province of Manitoba)

Mari Martin, *ex officio*

Director, Libraries Branch, BC Ministry of Education

Effective April 1, 2020, 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 five times during the period covered by this report. Additionally, the Board's Finance sub-committee met five times during this period and the Governance sub-committee met four times. 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 continues to implement our Digital Initiative Projects (DIP) as we begin the second year of this 3 year initiative. The BC 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 a number of digital initiatives. Work on these initiatives is well underway, service area DIP initiatives are reported on in each service area report.

Licensing update and Licencing Business Function Group (Tami Setala)

- 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. We held a very successful online eBook and Digital Collections Summit with over 50 attendees from around the Province. For the Digital Initiatives Project, the province-wide

resources Tumblebooks and LinkedIn Learning (formerly Lynda.com) launched in early 2021. Additional digital initiative funds were allocated to the RB Digital Magazine (now in OverDrive) assessments for 2021. Thanks to a grant from Francophone Affairs Program, we compiled an environmental scan and consulted with BC's Francophone communities to determine how to provide wider access to French-language eContent via our public libraries.

- Dean Kelly (Fraser Valley Regional Library) started as Licensing Business Function Group Chair at the July 2020 meeting and was officially appointed at the 2020 AGM in October. The Licensing Business Function group met every two months to discuss products for consideration, and share information about common issues related to licensing and digital resources. It was a tumultuous year in Licensing as we saw further consolidation of the vendor landscape. The LBFG advised on two major digital collection migrations, the Lynda.com transition to LinkedIn Learning and the RB Digital content transition to OverDrive.

Sitka's Evergreen® (Sharon Herbert)

- Sitka's Evergreen® community welcomed four new members from BC and Ontario in the past year: Child Care Resource & Referral of Prince George and Area (BC), Telkwa Reading Centre (BC), College of Physicians and Surgeons of British Columbia (BC) and Université de Hearst (ON). 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, Acquisitions, Cataloguing, Documentation and Developers' working groups, which meet several times a year. Sitka's Evergreen® was upgraded to version 3.7 in May, which included a number of new features such as the new staff catalogue designed for the web client.
- As part of the Digital Initiative Projects, Linked in Learning Authentication was implemented for all of Sitka's public libraries in BC. Increased privacy protections were put in place for data accessed through Evergreen's reporter, with a new waiver required for anyone viewing report data.
- 29 training sessions were held with 165 participants. Additional continuing training sessions for Sitka libraries will take place in July.
- Megan Nelson (Camosun College) was appointed Sitka Business Function Group Chair at AGM 2020. At the November 2020 BFG, staff provided software upgrade and development updates and the Cataloguing Committee presented a summary report of work, key resources and recommendations to date regarding Decolonizing Description in Sitka's Evergreen. The next Sitka BFG will be held in the fall and the work of the Cataloguing Committee will continue in advance of the next meeting.

The National Network for Equitable Library Service (Dr. Diana Davidson and Daniella Levy-Pinto)

- The NNELS Steering Committee is conducting a strategic planning process which will provide direction to the next few years of its work and focus.
- NNELS saw several projects completed, including: assessing the Atlantic Publishers Marketing Association (APMA) ebooks for accessibility, providing webinars on accessible publishing for professional development publishers; launching a collection of accessible BC-published ebooks, in partnership with the Association of Book Publishers of BC. The collection is available to all library patrons of BC library systems that are members of the BC Libraries Cooperative, in a one year pilot; creation of guidelines for procurement for the purchasing/licensing of online digital resources/content that are accessible to readers with print disabilities.
- Testing the accessibility of reading applications and platforms used in public libraries is ongoing. In January 2021, NNELS became a member of the World Wide Web Consortium (W3C), and contributes to the EPUB Working Group which is developing a new standard for accessible, fixed-layout publications.
- NNELS continues working on projects that are funded by the Department of Canadian Heritage, with two large projects that will continue until the end 2021, focusing on: preparing publishers for accessibility certification; developing documentation and curating resources for an upcoming Publishers' Resource Kit managed by eBOUND.
- NNELS and CELA are co-leading the Public Libraries Accessibility Resource Centre Project (PLARC), in partnership with eBOUND. This project is also funded by the Department of Canadian Heritage, and aims to create a nation-wide resource centre (website) focusing on awareness and training for public library staff, with emphasis on the importance of accessibility in digital books and the interfaces that are used to find them.
- NNELS continues to build a strong working relationship between NNELS and CELA, which includes joint outreach to the federal government to provide funding for this important work.

Systems and Operations (Scott Leslie)

- LibPress continued to thrive with over 70 members subscribed to the service. This year saw a complete upgrade to the underlying system and a new code management regime that will ensure ease of maintenance in the future. In addition, major fixes were made to the Carousel feature.

- 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.
- The Co-op continues to upgrade and improve its hosting facilities, achieving 99.999% uptime in the last fiscal year for the hosting environment.
- Under its Master Agreement, the Co-op continues to provide connections for BC libraries to BCNet's high speed research network and through it, to bulk transit options, as well as use its own connection for over-the-wire backups for disaster recovery purposes.
- As part of the Digital Initiatives Project, the Co-op implemented 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.
- In 2020, the Co-op became the financial entity to facilitate the Access 2020 conference, helping the organizing committee to pivot to a virtual event in October 2020.

Governance, Operations and Partnerships

- The Board's Governance Sub Committee developed and reviewed organizational policies, making several recommendations to the Board throughout the year and is now working on a member engagement strategy.
- The Board's Finance Sub Committee monitored the organization's financial progress and made recommendations to the Board with respect to the working FY20/21 and FY21/22 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 to discuss matters related to these areas of work.
- Since our last AGM seven new members have joined the Co-op; The College of Physicians and Surgeons of BC, Library Services; L'Université de Hearst; Telkwa Reading Centre; The British Columbia Courthouse Library Society; Land and Language Based Learning Program; Child Care Resource and Referral of Prince George and Area; and the Association of BC Public Library Directors

- In terms of internal operations:
 - The Co-op created a new operations manager position and we're happy to announce that that role was recently filled and Ayesha Ali is our new operations manager.
 - The co-op was certified as a living wage employer in spring 2021 and as a result of that certification, we have increased the hourly rate of pay for our office cleaner in line with paying them a living wage. We pay an additional \$17.32/month in line with this commitment.
 - We began to purchase annual offsets for the Co-op's annual GHG emissions as part of our efforts to reduce our operation's environmental impact. For 2020, the total cost for our carbon offsets was \$593.00. Offsets will be purchased at the end of each calendar year, for emissions created in that year by the Co-op's operations.

- In terms of operationalizing the Co-op's Strategic Plan, our pre-pandemic intention had been to have operational planning work underway by this point in 2021. Since starting some preliminary work on this front starting last year, four unanticipated events have intervened to delay our operational planning process. The first event, of course, was the pandemic itself, which required some pivots and adjustments to work plans for the year. The second event was the announcement of \$3M in one-time funding coming from the province to the public library sector, for various digital initiatives. As you know, \$1.8M of that total investment has come to the Co-op which is being utilized for projects mentioned earlier in the report. Although a welcome investment of funds for the sector, the work connected to these funds had not been planned for and we initially underestimated the amount of work and time the one-time funding work would entail for Co-op staff. Third, was the surprise announcement in December 2020, of impending cuts to federal funding for NNELS and CELA's work. In the early part of this year, and in particular February and March, much of the ED's time as well as key NNELS staff pivoted from other projects to the joint campaign that we undertook with our colleagues at CELA, to try and stop these cuts from being implemented. And finally, we have had some unanticipated extended staff leaves in 2021, necessitating readjustment of timelines on a number of fronts. Taken on their own, each of these events required shifting and realignment of work and priorities, taken together, it has meant our operationalizing of the strategic plan has been delayed. As we wrap up this AGM and move into the summer, some of our attention can now return to operational planning, some of which will connect to the member engagement efforts mentioned by the Chair in her verbal report.

- The Co-op continued our work outlined in our strategic plan in terms of member education and concern for community. In 2020, a webinar was offered on mental health in partnership with the BCLA and InterLink, and a presentation was given

on the climate crisis at the 2021 BC Library Conference. Also in partnership with the BCLA and InterLINK, a series of workshops titled *Libraries in the Global Arena: Responding to the Climate Crisis* begins on June 25th with Seth Klein, author of [A Good War](#): Mobilizing Canada for the Climate Emergency. And, through our membership on the President's Group, a table which was created by the provincial government to advocate for employment for people with disabilities and to advise the government on the same, we provided feedback to the provincial government on its new accessibility legislation. This legislation was recently introduced in the provincial legislature.

- The Co-op's partnership project with the SFU Morris J. Wosk Centre for Dialogue wrapped up in spring 2021. The project was called the *Democracy Spark Grant* pilot project for public libraries in BC, with funding from the Vancouver Foundation. The project provided micro grants of \$1,000 to public libraries in BC, to co-design programming with their local communities and/or make programming more accessible for underserved communities. Most grant recipients were unable to start or complete their projects once the pandemic started. After a pause, grants were offered again in September 2020. In the end, 11 libraries worked on projects which included: holiday connections, which saw 3000 cards created by children and distributed to seniors in care centres, a project teaching seniors to use holiday and email programs to connect with relatives, a series of mental health webinars for patrons, the purchase of an iPad equipped with internet to allow seniors and english as an additional language learners internet access in a remote community, a learning circle devoted to engaging on the TRC ideals and a number of sustainability related projects.
- And, finally, to celebrate collective efforts and advocacy, the Co-op also continues work with the BC Public Libraries Partners, to collectively advocate on behalf of the sector, with the provincial government. We look forward to continuing and deepening our work with the Partners on behalf of the sector through this upcoming year.

That's it for now, I'd like to extend a big thank you to you, our members, for your ongoing support and work supporting your communities, to our incredibly supportive Board, to all of our partner organizations, and especially to the Co-op staff, who keep our small but mighty ship running so well. Please refer to the Co-op's regular [Operational Reports](#) for more information and details on all of the above. As always, the [Board of Directors](#) invites questions and comments from members and non-members and you contact me at any time with questions or comments.

Cooperatively yours,

Kevin Millsip (he/him)
executive director

Financial Statements of

BC LIBRARIES COOPERATIVE 2009

And Independent Auditors' Report thereon

Year ended March 31, 2021



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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, 2021;
- 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, 2021 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
June 14, 2021

BC LIBRARIES COOPERATIVE 2009

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	General Fund	Sitka Fund	Licensing Fund	2021	2020
Assets					
Current assets:					
Cash	\$ 2,886,246	\$ -	\$ -	\$ 2,886,246	\$ 2,165,232
Accounts receivable	7,971	1,648	230,275	239,894	750,848
Prepaid expenses	4,095	-	2,291,378	2,295,473	1,888,041
Receivable from other funds	-	309,716	2,274,185	2,583,901	1,509,130
	2,898,312	311,364	4,795,838	8,005,514	6,313,251
Capital assets (note 2)	45,920	-	-	45,920	25,615
	\$ 2,944,232	\$ 311,364	\$ 4,795,838	\$ 8,051,434	\$ 6,338,866

Liabilities

Current liabilities:

Accounts payable and accrued liabilities (note 3)	\$ 151,230	\$ -	\$ 8,220	\$ 159,450	\$ 235,772
Accrued payroll expense	37,560	-	-	37,560	51,820
Deferred revenue	6,024	450	2,193,636	2,200,110	2,789,135
Deferred contributions	-	-	-	-	980,100
Payable to other funds	2,583,901	-	-	2,583,901	1,509,130
	2,778,715	450	2,201,856	4,981,021	5,565,957

Fund Balances

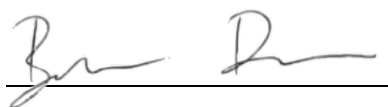
Share capital	11,150	-	-	11,150	10,850
Fund balances:					
Invested in capital assets	45,920	-	-	45,920	25,615
General fund – unrestricted	8,447	-	-	8,447	(500,461)
General fund – internally restricted	100,000	-	-	100,000	-
Sitka fund	-	310,914	-	310,914	337,124
Licensing fund	-	-	2,593,982	2,593,982	899,781
	154,367	310,914	2,593,982	3,059,263	762,059
	165,517	310,914	2,593,982	3,070,413	772,909

Commitments (note 4)

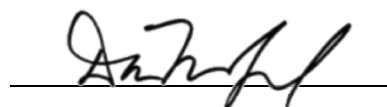
	\$ 2,944,232	\$ 311,364	\$ 4,795,838	\$ 8,051,434	\$ 6,338,866
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See accompanying notes to financial statements.

Approved by the Board:



Director



Director

BC LIBRARIES COOPERATIVE 2009

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2021, with comparative information for 2020

	General Fund	Sitka Fund	Licensing Fund	2021	2020
Revenue:					
Government funding	\$ 1,204,192	\$ -	\$ 2,914,420	\$ 4,118,612	\$ 2,479,014
Database products	-	-	4,592,797	4,592,797	4,165,042
Integrated library system user fees	-	398,995	-	398,995	328,105
Other (note 5)	412,910	-	301,254	714,164	481,404
	<u>1,617,102</u>	<u>398,995</u>	<u>7,808,471</u>	<u>9,824,568</u>	<u>7,453,565</u>
Expenses:					
Database products	28,013	-	4,401,513	4,429,526	4,194,034
Salaries and benefits	652,137	403,783	1,253,199	2,309,119	2,216,572
Professional fees and consulting	66,541	-	449,435	515,976	764,406
Office, occupancy and general	136,943	-	-	136,943	223,625
Service contracts	59,000	-	10,564	69,564	59,362
Technology infrastructure	-	21,422	-	21,422	19,575
Foreign exchange	20,968	-	(441)	20,527	127,941
Amortization of capital assets	20,372	-	-	20,372	15,414
Interest and bank charges	3,915	-	-	3,915	3,947
	<u>987,889</u>	<u>425,205</u>	<u>6,114,270</u>	<u>7,527,364</u>	<u>7,624,876</u>
Excess (deficiency) of revenue over expenses	629,213	(26,210)	1,694,201	2,297,204	(171,311)
Fund balance, beginning of year	(474,846)	337,124	899,781	762,059	933,370
Fund balance, end of year	\$ 154,367	\$ 310,914	\$ 2,593,982	\$ 3,059,263	\$ 762,059

See accompanying notes to financial statements.

BC LIBRARIES COOPERATIVE 2009

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses:		
General Fund	\$ 629,213	\$ 156,124
Sitka Fund	(26,210)	(53,991)
Licensing Fund	1,694,201	(273,444)
Non-cash items:		
Amortization	20,372	15,414
Changes in non-cash operating working capital:		
Accounts receivable	510,954	(145,390)
Prepaid expenses	(398,016)	13,619
Accounts payable	(85,739)	(44,206)
Accrued payroll	(14,260)	15,113
Deferred revenue	(589,024)	272,168
Deferred contributions	(980,100)	(138,564)
	761,391	(183,157)
Investing activities:		
Additions to capital assets	(40,677)	(3,723)
Financing activities:		
Issuance of share capital	300	200
Increase (decrease) in cash	721,014	(186,680)
Cash, beginning of year	2,165,232	2,351,912
Cash, end of year	\$ 2,886,246	\$ 2,165,232

See accompanying notes to financial statements.

BC LIBRARIES COOPERATIVE 2009

Notes to Financial Statements

Year ended March 31, 2021

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, 2021

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.

BC LIBRARIES COOPERATIVE 2009

Notes to Financial Statements

Year ended March 31, 2021

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) Government assistance:

Government assistance related to current expenses and revenues is included in the determination of excess of revenue over expenses for the period. Government assistance related to capital expenditures is recorded as a reduction of the cost of the related item of capital assets.

(g) 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:

	2021		
	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 36,342	\$ 26,172	\$ 10,170
Computer	233,498	198,784	34,714
Software	3,569	2,533	1,036
	\$ 273,409	\$ 227,489	\$ 45,920

	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

BC LIBRARIES COOPERATIVE 2009

Notes to Financial Statements

Year ended March 31, 2021

3. Accounts payable and accrued liabilities:

Included in accrued payroll expense are government remittances payable of \$705 (2020 - \$833, which includes amounts payable for payroll deductions, workers' compensation, and medical service plan premiums).

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, 2019, the plan has about 213,000 active members and approximately 106,000 retired members.

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 \$122,482 (2020 - \$131,634) for employer contributions to the Plan in fiscal 2021.

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 \$1,892 before utilities expiring on February 28, 2022, with the option to extend for a further 1 year.

5. Government assistance:

During the year, the Society received \$292,396 through the Canada Emergency Wage Subsidy (CEWS) program.

Eligibility for the wage subsidy programs is based on a reduction in revenues compared to pre-COVID periods. Subsidies have been recognized as government assistance grants in the same period as the related salary expense. Amounts claimed but not yet received are recognized as accounts receivable.

BC LIBRARIES COOPERATIVE 2009

Notes to Financial Statements

Year ended March 31, 2021

6. 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 2020.

(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 2020.

(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, 2021. There has been no change to the risk exposures from 2020.

(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 \$5,219 (2020 - \$8,458) 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 2020.

	APPROVED Budget 21/22	Budget 20/21	Percentage Change
Income			
Total - Licensing	4,209,264	4,209,264	0%
Total - Sitka	355,000	382,579	-7%
4049 · External Services			
NNELS	232,429	284,679	-18%
4050 · BCNet ORAN	44,263	43,183	2%
4053 · BCNet ORAN - Admin			
4049 · External Services - Other	43,000	44,071	-2%
Total 4049 · External Services	319,692	371,933	-14%
Grants			
4026 · SDPP-D (Other Grant Sources)	750,000	1,000,000	-25%
4028 · Provincial Grants	1,146,222	1,146,222	0%
4065 · Interest Income	9,500	11,368	-16%
Total Income	6,789,678	7,121,366	-5%
Expense			
5030 · Sitka Custom Development	34,000	34,000	0%
5040 · Database Products	4,001,198	4,001,198	0%
6000 · Accounting Services	15,000	15,000	0%
6001 · Admin Costs	31,375	27,375	15%
6002 · Bank Service Charges	3,300	3,300	0%
6004 · Board Travel	1,350	13,500	-90%
6005 · Bookkeeping & Audit Services	38,310	38,310	0%
6006 · Business Expense	1,000	1,000	0%
6008 · Consultants	28,200	14,160	99%
6010 · Data Centre Hosting/Broadband	97,064	65,189	49%
6013 · Hardware	30,000	10,000	200%
6014 · Legal Services	4,500	4,500	0%
6015 · Meeting Expenses	687	6,869	-90%
6017 · Office Expenses	3,667	11,000	-67%
6018 · Office Lease	23,841	24,720	-4%
6020 · Service Contracts	0	46,500	-100%
6023 · Telecommunications	12,000	11,653	3%
6024 · Travel	1,333	13,333	-90%
6051 · Payroll Expenses			
6050 · Employee Benefits	376,538	324,799	16%
6051 · Payroll Expenses - Other	1,498,513	1,373,528	9%
Total 6051 · Payroll Expenses	1,875,051	1,698,327	10%
6200 · External Services Expenses			
6203 · NNELS			
6205 · NNELS-SDPP-D	700,315	1,000,000	-30%
6209 · NNELS Content	30,000	30,000	0%
Total 6203 · NNELS	730,315	1,030,000	-29%
6200 · External Services Expense	43,435	43,435	0%
Total 6200 · External Services Expenses	773,750	1,073,435	-28%
Total Expense	6,975,626	7,121,366	-2%