

## **Winnipeg Public Library Board Annual Report 2018**

**To:                           The Standing Policy Committee on Protection, Community Services and Parks**

**From                         Alison McCullough-Butchart, 2018 Chair  
Winnipeg Public Library Board**

**Report Date:             February 26, 2019**

### **REASON FOR REPORT:**

As mandated in the City of Winnipeg By-Law No. 119 / 2004, the Winnipeg Public Library Board's duties include reporting to the Standing Policy Committee on Protection, Community Services and Parks regarding the Library Board's activities.

As the Chair of the Winnipeg Public Library Board, I would like to acknowledge and thank the Mayor and Council of the City of Winnipeg for their vision and continued commitment in supporting the work of our public libraries. For the last few years, the City's capital and operating budgets have been instrumental in providing programs and services to the citizens of Winnipeg. In addition, Library Redevelopment Strategy funding supports the development of modern and accessible libraries that meet the dynamic needs of library users. This progressive initiative is a significant achievement that helps bring Winnipeg's library facilities into the 21<sup>st</sup> century.

At the beginning of 2015, The Winnipeg Public Library Board renewed its Strategic Plan and is focused on implementing the direction set out in the Plan for 2015-2018.

Based on the Strategic Plan, the Board will:

1. Ensure that their recommendations are in accordance with the duties stated in the By-law
2. Increase and strengthen its advocacy role
3. Conduct a critical review of its role and the work it should accomplish
4. Raise its profile with the community and city officials
5. Explore opportunities to expand community and citizen involvement

## **2018 ANNUAL REPORT**

### **1. Ensure that the Board's recommendations are in accordance with the duties stated in the By-law**

- The Library Board continuously reviews its regulations, practices and activities to ensure that decisions and actions taken by the Board and Library Advisory Committees (LAC) are aligned with By-law 119/2004.
- The annual Library Board and LAC orientation was held on March 10, 2018, and included discussion of the by-law and Board and Library Advisory Committee regulations/activities. The next orientation is scheduled for March 16, 2019.
- An extensive review was conducted to revise Board and LAC regulations to ensure consistency in operations and practices.

### **2. Increase and strengthen The Board's advocacy role**

- Ensured participation from its members for the Parks and Recreation masterplan survey. The Board was also invited to attend a stakeholder workshop.
- The Board believes in the work of public libraries and assisted with providing funding to the Manitoba Library Association Conference and to the first Canadian Federation Library Association forum.

### **3. Conduct a critical review of The Board's role and the work it should accomplish**

- The Board continues to evaluate effectiveness of actions taken and seeks opportunities to initiate and/or support activities that would support literacy and increase library use. The Board has:
  - Strengthened its efforts to support Winnipeg Public Library programs and services through funding and volunteering
  - Enhanced knowledge about library services and programs by sending delegations to library conferences as a means of gathering information and enriching the discussion when considering options for community engagement in libraries. In 2018, delegations were sent to the Manitoba Library Association, Ontario Library Association, Saskatchewan Library Conference and to the first Canadian Federation Library Association forum.

#### **4. Raise The Board's profile with the community and city officials**

- The Board continues to support the Winnipeg Public Library Writer-in-Residence Program. This program provides assistance and mentorship to aspiring writers in Winnipeg and beyond.
- The Board decided this year to sponsor materials used by Winnipeg Public Library's Outreach staff to help promote literacy in the community. The materials provided free to low-income families during Library Outreach events/visits.
- The Board sponsored a Spring Author event and Book Fest. Both events were hosted by Winnipeg Public Library which helped connect local publishers and authors to readers.
- As part of the Truth and Reconciliation efforts the City has undertaken, the Board provided funding for Indigenous Languages programs that were hosted by Winnipeg Public Library. These programs are well attended by the public.
- Board and LAC members actively engaged with Winnipeg Public Library Staff in numerous public events including:
  - Grand opening of the new Windsor Park Library and the ideaMILL
  - Grand re opening of the St. Vital Library and Pembina Trail Library
  - Westwood Library's 50<sup>th</sup> anniversary
  - The Sherbrook Street Festival
  - Pride Parade
  - Newcomer Fair
  - Book Fest
  - Friends of the Winnipeg Public Library book sale

The Board wishes to thank all the Board, LAC, Youth Advisory Council, other volunteers and library staff who have participated in these programs and events.

#### **5. Explore opportunities to expand community and citizen involvement**

- The Board is responsible for the five Library Advisory Committees (LACs) in **Assiniboia, City Centre, Riel, East Kildonan-Transcona, and Lord Selkirk- West Kildonan.**
- The Board receives public engagement invitations from Winnipeg Public Library. Where possible, LAC members are invited to participate and attend events to ensure that community citizen feedback is included. As more public engagement opportunities arise, the Board is committed to ensure their participation and encourage the various LACs to participate.

## **BOARD'S OPERATING GRANT**

The Winnipeg Public Library Board would like to acknowledge the ongoing financial support provided by City Council. The Winnipeg Public Library Board had submitted an application for a 2018 Operating Grant of \$79,315 to support the ongoing work of the Library Board. The grant has been approved.

## **OTHER WINNIPEG PUBLIC LIBRARY BOARD ACTIVITIES**

- **Winnipeg Public Library History Project:** The history book was launched on October 11, 2018. Written by Eve Dutton and Kathleen Williams and edited by Joan Blakley, the book traces the history of the Winnipeg Public Library from its origins to present. The book features over 160 photos and archival images. The book was made possible through funding contributions from the City of Winnipeg and the Winnipeg Public Library Board, and was published by Winnipeg Public Library.
- Board and LAC representatives attended the annual Friends of the Library Books and Brunch event which is a fundraising event for the Winnipeg Public Library.
- A Board representative attended the Breakfast with Bookmates event which allowed the Board to be present at an event where literacy based community members can meet and network.
- The Board nominated Joan Blakley, former Chair to be the recipient of the MLA Volunteer Award. Ms. Blakley had made numerous contributions to the Board and the Winnipeg Public Library. On behalf of the Board she advocated for the elimination of fines on children and young adult materials, encouraged member participation and was essential during the history book project.

## **ACKNOWLEDGEMENTS**

In closing, the Winnipeg Public Library Board wishes to acknowledge and thank:

- Members of the Standing Policy Committee on Protection, Community Services and Parks for their ongoing commitment to Winnipeg Public Library
- Former Councillors Shawn Dobson and Russ Wyatt for their participation, advice and support of public library services during their terms on the Board; and newly appointed Councillor Vivian Santos and Councillor Jason Schreyer
- Ed Cuddy, Manager of Library Services and the dedicated WPL staff for their service excellence and innovation
- Annabel Perez and Heidi Rara for their assistance in the role of Administrative Assistant to the Library Board and support to the Library Advisory Committees

- **Winnipeg Library Foundation for their continual work and support of Winnipeg Public Library**
- **All Library Advisory Committee members for their community library support.**

*Prepared by:*

*Alison McCullough-Butchart, 2018 Chair, Winnipeg Public Library Board*

*Appendix A:*

*Winnipeg Public Library Board, Financial Statements, 2018*

**WINNIPEG PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**



CHARTERED PROFESSIONAL ACCOUNTANTS

February 5, 2019

## INDEPENDENT AUDITOR'S REPORT

To the Directors of  
the Winnipeg Public Library Board:

### *Opinion*

We have audited the financial statements of the Winnipeg Public Library Board (the "Organization"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its financial performance 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 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 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's 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 auditor's 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 these 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:

SCARROW & DONALD, CHARTERED PROFESSIONAL ACCOUNTANTS, LLP

100 - Five Donald Street - Winnipeg, Manitoba - R3L 2T4 - Business: (204) 982-9800 - Fax: (204) 474-2886 - [www.scarrowdonald.mb.ca](http://www.scarrowdonald.mb.ca)

Scarrow & Donald, Chartered Professional Accountants, LLP is a Canadian owned Limited Liability Partnership established under the laws of Manitoba.

- 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Organization 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.

We 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.

*Scarrow & Donald LLP*

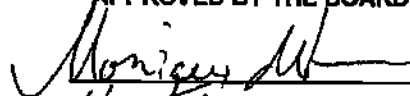
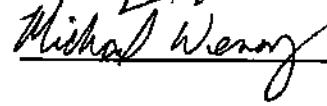
Chartered Professional Accountants  
Winnipeg, Canada



**WINNIPEG PUBLIC LIBRARY BOARD  
STATEMENT OF FINANCIAL POSITION**

		December 31	
		2018	2017
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$	43,821	\$ 61,957
Guaranteed investment certificate (note 3)		5,031	2,002
GST receivable		1,719	784
Prepaid expenses		75	2,038
		<b>\$ 50,646</b>	<b>\$ 66,761</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$	60	\$ 230
<b>Net assets:</b>			
Unrestricted		50,686	66,531
		<b>\$ 50,646</b>	<b>\$ 66,761</b>

**APPROVED BY THE BOARD:**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**WINNIPEG PUBLIC LIBRARY BOARD**

**STATEMENT OF OPERATIONS**

	<b>Year ended December 31</b>	
	<b>2018</b>	<b>2017</b>
<b>Revenue:</b>		
City of Winnipeg operating grant	\$ 79,315	\$ 79,315
Interest and other revenue	250	-
	<u>79,565</u>	<u>79,315</u>
<b>Expenditures:</b>		
Administrative	21,266	10,152
Development and research	6,584	9,457
Foundation donation	10,000	20,000
Outreach projects	34,931	28,644
Promotion and advertising	4,220	7,031
Sponsorship	18,509	10,500
	<u>95,510</u>	<u>85,784</u>
<b>Difference between revenue and expenditures</b>	<b>\$ <u>(15,945)</u></b>	<b>\$ <u>(8,469)</u></b>

**WINNIPEG PUBLIC LIBRARY BOARD**  
**STATEMENT OF CHANGES IN NET ASSETS**

	<b>Year ended December 31</b>	
	<b>2018</b>	<b>2017</b>
<b>Net assets, beginning of year</b>	<b>\$ 66,531</b>	<b>\$ 73,000</b>
<b>Difference between revenue and expenditures</b>	<b>(15,945)</b>	<b>(6,469)</b>
<b>Net assets, end of year</b>	<b>\$ 50,586</b>	<b>\$ 66,531</b>

**WINNIPEG PUBLIC LIBRARY BOARD**  
**STATEMENT OF CASH FLOWS**

	December 31	
	2018	2017
<b>Cash flow from operating activities:</b>		
Excess of revenue over expenditures	\$ (15,945)	\$ (6,469)
Changes in non-cash working capital:		
GST receivable	(955)	(343)
Prepaid expenses	1,963	279
Accounts payable	(170)	(10,077)
	(15,107)	(16,610)
<b>Cash flow from investing activities:</b>		
Purchase of guaranteed investment certificate	(3,029)	(2,002)
	(18,136)	(18,612)
<b>Change in cash</b>	(18,136)	(18,612)
<b>Cash, beginning of year</b>	61,957	80,589
<b>Cash, end of year</b>	\$ 43,821	\$ 61,957

## NOTE TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

**1. Purpose of the Organization:**

The Winnipeg Public Library Board (the "Organization") was established through the enactment of a City of Winnipeg by-law to provide guidance with respect to improving the City's library system. It is a not-for-profit organization that is exempt from income tax under provisions of the *Income Tax Act*.

**2. Significant accounting policies:**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. An assumption underlying the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements have been prepared using the following accounting policies:

**a) Critical accounting estimates and judgments-**

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

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. It is possible that changes in future economic conditions could require changes in the recognized amounts for accounting estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they became known.

Significant areas of estimation by management include the impairment of non-financial assets, the useful lives of capital assets and the fair value of financial instruments.

Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable.

**b) Financial instruments-**

Except for certain related party transactions, financial instruments are measured at fair value on initial recognition adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Transaction costs related to financial instruments that will be measured subsequently at fair value are recognized in the difference between revenues and expenses for the period incurred.

In subsequent periods, investments in equity instruments that are quoted in an active market and certain derivative contracts are measured at fair value without any adjustment for transaction costs that may incur on sale or other disposal. The Organization may elect to measure any financial instrument at fair value when the asset or liability is first recognized or for equity instruments that previously measured at fair value when the equity instrument ceases to be quoted in an active market. Other investments in equity instruments are measured at cost less any reduction for impairments. All other financial instruments are measured at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The Organization measures cash, guaranteed investment certificate and accounts payable and accrued liabilities amortized cost.

## NOTE TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

**2. Significant accounting policies (cont'd):****b) Financial instruments (cont'd)-**

The Organization assesses impairment of all its financial assets, except those measured at fair value. Management considers whether there has been a breach in contract, such as a default or delinquency in interest of principal payments in determining whether objective evidence of impairment exists. Impairment is included in the difference between revenues and expenses.

**c) Revenue recognition-**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses occur. Unrestricted contributions are recognized as revenue of the when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other revenue is recognized when incurred and when collection can be reasonably assured. Interest is recognized on a time proportion basis.

As is common with many not-for-profit organizations, the Organization receives contributions in the form of goods and services. Because of the difficulty of determining their value, contributed goods and services are not recognized in the financial statements.

**d) Capital assets-**

The average annual revenues recognized in the statement of operations for the current and preceding period of the Organization was less than \$500,000. Since the organization met criteria for small not-for-profit organizations, it does not record the acquisition of capital assets. These acquisitions are expensed at the date of acquisition. Included in administrative expense is \$1,372 in office equipment that was expensed in the statement of operations (2017 - \$nil).

**3. Guaranteed investment certificate:**

The Organization purchased a guaranteed investment certificate that matures January 12, 2019 (2017 - November 6, 2018) and bears interest at 0.65% (2017 - 0.5%).

**4. Economic dependence:**

The Organization is dependent on the City of Winnipeg as its primary source of revenue. Should this funding substantially change, management is of the opinion that continued viable operations would be doubtful.

**NOTE TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**5. Risk management:**

Management's risk management policies are typically performed as a part of the overall management of the Organization's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Organization is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. As a part of the overall operation of the Organization, management considers the avoidance of undue concentrations of risk. These risks and the actions taken to manage them include the following:

**Liquidity risk-**

Liquidity risk is the risk that the Organization cannot meet its financial obligations associated with financial liabilities in full. The Organization's main source of liquidity is its operations. The funds are primarily used to finance working capital requirements and are adequate to meet the Organization's financial obligations associated with financial liabilities.

**6. Commitments:**

The Organization has entered into a contract for administrative and other consulting services until March 3, 2019. The contracted services have been fixed to a rate of \$35 per hour on an as needed basis.