



WINNIPEG PUBLIC LIBRARY BOARD

Annual Report 2020

Prepared For

Standing Policy Committee on
Protection, Community Services, and
Parks

Written By

Morley Walker
2020 Vice-Chair

February 11, 2021

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INTRODUCTION

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

Thank you to the Mayor and Council of the City of Winnipeg for their vision and continued commitment to supporting the work of our public libraries. The City's capital and operating budgets have been instrumental in providing for programs and services to the citizens of Winnipeg. Funding provided helps the Library Facility Redevelopment Strategy to replace or renew facilities so that we have modern, safe, and accessible buildings that can accommodate the dynamic needs of library users. This progressive initiative is an incredible achievement that is helping bring our library facilities into the 21st century.

OPERATING GRANT

The Winnipeg Public Library Board would like to acknowledge the ongoing financial support provided by City Council in the amount of \$71,384. The annual operating grant helps the Library Board in executing its mandate and in providing support to the five Library Advisory Committees (LAC) and the community.

STRATEGIC PLAN UPDATE

On August 4, 2020, the Library Board approved its new strategic plan (2020-2025). The plan's focus is on the Board's advisory and advocacy roles. The aim is to offer guiding principles to Board members so they can provide structure in their decisions and actions. When there are opportunities, the Library Board will engage the LACs in discussions and advocacy activities to ensure that there is participation at the community level.

On an annual basis, goals will be selected in response to the current landscape at the Winnipeg Public Library (WPL) and City Council. Any projects arising from chosen goals will:

- Fall within the purview of the Winnipeg Public Library Board By-Laws and Regulations.
- Be reasonable considering Board and Library Advisory Committee (LAC) member capacity.
- Be achievable, clear, focused, and streamlined.
- Be limited in number (likely 1-3 goals a year).
- Be executed by project teams comprised of Board members (and LAC members, if appropriate) who will set deadlines.

In 2020, the Library Board agreed on four goals:

- *Complete WPLB Strategic Planning Document.*

The Board formed a subcommittee and was able to create a five-year strategic plan covering 2020- 2025.

- *Determine how WPLB can incorporate and adhere to the TRC Recommendations for Libraries.*

The Board formed a subcommittee part-way through the year to consider the TRC Calls to Action that apply to libraries and how the Board might incorporate them into our practices and projects. The committee has begun its research by reviewing the TRC Calls to Action and with the help with the Manager of Library Services connected with WPL staff to help in this process. The Library Board has connected with Kathleen Williams, Administrative Coordinator of Outreach and Adult Programming, who chairs the Indigenous Working Group at WPL. The working group looks at ways on how WPL can improve its Indigenous programs, services, and collections. In addition, the Library Board received a presentation from Monique Woroniak, Information Services Library at WPL, at their November meeting. She provided recommendations on how the Library Board can improve its understanding of Indigenous issues and better relate to the Indigenous community. This work is ongoing.

- *Advocate to Winnipeg City Council for the permanent removal of all library fines.*

The Library Board would like to thank Councillor Rollins for presenting a motion to Council on October 29, 2020, calling for a suspension of all library fines to the end of 2020 and to refer the permanent removal of all library fines to the 2021 City budget process. Two Board members appeared in delegation at the same Council meeting to support the motion. The Library Board again appeared in delegation at the December 11, 2020, Executive Policy Committee meeting further advocating for the Library Services budget and the elimination of fines. The Library Board is happy its endeavour to speak on the issue and, with support from Councillor Rollins and Councillor Schreyer, saw the positive results when Council voted on the budget. Because of the work of the Councillors and staff, WPL is permanently fine free as of January 1, 2021.

- *Support WPL with funding and Board involvement as management works with a consultant to explore the possibilities around changing or removing the Millennium Library security screening process.*

The Library Board is sponsoring the screening review and consultation with the community. On August 5, 2020, at a community get-together attended by a facilitator, library staff, community stakeholders and Board representatives, attendees had an opportunity to discuss the screening process. Unfortunately, due to the COVID-19 pandemic, subsequent meetings could not be scheduled. The Library Board intends to continue to support and be an active participant in discussing and creating an alternative process to ensure Millennium Library is a welcome and open space for all. This work is ongoing.

More information about the Winnipeg Public Library Boards strategic plan and annual review can be found on the City's website:

<https://wpl.winnipeg.ca/library/board/boardactivities.asp>

PROJECTS AND ACTIVITIES

During the COVID-19 pandemic, the Library Board continued to meet remotely. In addition to the activities listed in the strategic plan, the Library Board participated in the following:

- Sent delegations to the 2020 Ontario Library Association conference to enhance membership knowledge about library services and programs.
- Supported WPL services through the COVID-19 pandemic in its outreach efforts by providing materials to kits sent to low-income families.
- Provided annual funding for the Writer-in-Residence program which offers assistance and mentorship to aspiring writers in Winnipeg and beyond.

- Completed the World Languages consultant study (RFP 1080-2018), which analyzed the WPL collection and provided recommendations to improve the collection. The study is currently in review by WPL.
- Engaged LACs in discussions by inviting a representative to attend Board meetings. This allowed LAC members to engage in conversations and to receive real-time updates from WPL and the Board.

LIBRARY ADVISORY COMMITTEE UPDATES

The Library Advisory Committee (Assiniboia, City Centre, East Kildonan-Transcona, Lord Selkirk-West Kildonan and Riel) encountered challenges in 2020 because of the COVID-19 pandemic. The groups generally participate in outreach events and help promote literacy and WPL services in their communities. This work is essential in ensuring that communities are aware of what WPL offers. Despite the pandemic, the LACs were resilient and continued to meet remotely when possible to further discuss issues and provide funding for outreach kits to communities that needed them during the pandemic.

ACKNOWLEDGMENTS

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.
- Councillor Rollins and Councillor Schreyer for their participation, advice and support of the public library services and the Board during their term. We welcome them back for 2021.
- Ed Cuddy, Manager of Library Services, and the dedicated WPL staff for their excellent service and innovation.
- Annabel Perez for her assistance in the role of Administrative Assistant to the Library Board and support to the Library Advisory Committees.
- Winnipeg Library Foundation's Chair Karen Keppler and Executive Director, Carole Marshall for their leadership of the Winnipeg Library Foundation
- All Library Advisory Committee members for their community library support.

APPENDIX A

- Winnipeg Public Library Board, Financial Statements, 2020

WINNIPEG PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2020



CHARTERED PROFESSIONAL ACCOUNTANTS

February 2, 2021

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, 2020, 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, 2020, 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:

- 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	
		2020	2019
ASSETS			
Current assets:			
Cash	\$	67,914	\$ 43,797
Guaranteed investment certificate (Note 3)		5,058	5,068
GST receivable		585	739
Prepaid expenses		396	1,866
		\$ 73,953	\$ 51,470
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued liabilities	\$	2,524	\$ 106
Deferred contributions (Note 5)		20,065	-
		22,589	106
Net assets:			
Unrestricted		51,364	51,364
		\$ 73,953	\$ 51,470

APPROVED BY THE BOARD:


 _____ **Director**

 _____ **Director**

WINNIPEG PUBLIC LIBRARY BOARD

STATEMENT OF OPERATIONS

	Year ended December 31	
	2020	2019
Revenue:		
City of Winnipeg operating grant	\$ 51,319	\$ 79,315
Interest and other revenue	86	95
	<u>51,405</u>	<u>79,410</u>
Expenditures:		
Administrative	17,606	20,849
Development and research	4,713	9,167
Projects	13,428	34,773
Promotion and advertising	3,658	1,843
Sponsorship	12,000	12,000
	<u>51,405</u>	<u>78,632</u>
Difference between revenue and expenditures	<u>\$ -</u>	<u>\$ 778</u>

WINNIPEG PUBLIC LIBRARY BOARD

STATEMENT OF CHANGES IN NET ASSETS

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Net assets, beginning of year	\$ 51,364	\$ 50,586
Difference between revenue and expenditures	<u>-</u>	<u>778</u>
Net assets, end of year	<u>\$ 51,364</u>	<u>\$ 51,364</u>

WINNIPEG PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS

	December 31	
	2020	2019
Cash flow from operating activities:		
Excess of revenue over expenditures	\$ -	\$ 778
Changes in non-cash working capital-		
GST receivable	154	980
Prepaid expenses	1,470	(1,791)
Accounts payable and accrued liabilities	2,418	46
Deferred contributions	20,065	-
	24,107	13
Cash flow from investing activities:		
Proceeds/(purchase) of guaranteed investment certificate	10	(37)
	24,117	(24)
Change in cash		
	24,117	(24)
Cash, beginning of year	43,797	43,821
Cash, end of year	\$ 67,914	\$ 43,797

NOTE TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020

2. Significant accounting policies (continued):

b) Financial instruments (continued)-

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 \$1,723 in office equipment that was expensed in the statement of operations (2019 - \$nil).

3. Guaranteed investment certificate:

The Organization purchased a guaranteed investment certificate that matures January 12, 2021 (2019 - January 12, 2020) and bears interest at 1.20% (2019 - 1.40%).

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, 2020

5. Deferred contributions:

Deferred contributions consist of the surplus operating grant received in the year. As per the agreement, any unspent operating grant amounts are refundable back to the City of Winnipeg, and may, in the City's sole discretion, be set off against any amounts payable by the City to the Organization.

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance beginning of year	\$ -	\$ -
Contributions received	71,384	79,315
Contributions recognized	<u>(51,319)</u>	<u>(79,315)</u>
Balance, end of year	<u>\$ 20,065</u>	<u>\$ -</u>

6. 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.

7. Subsequent event:

The outbreak of COVID-19, has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, quarantine periods and social distancing, have caused an economic slowdown and material disruption to business. Subsequent to December 31, 2020 government has continued to react with interventions intended to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at the time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial performance and financial position of the Organization in future periods.