

**NORTH  
VANCOUVER  
CITY  
LIBRARY**

**2025  
AUDITED  
FINANCIAL  
STATEMENTS**

**North Vancouver City Library  
Audited Financial Statements  
December 31, 2025**

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## Statement of Management Responsibility

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The Trustees of the North Vancouver City Library (“Library”) have delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statement to the management of the Library. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibilities, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of financial statements.

The Trustees oversee management’s responsibilities for the financial reporting and internal control systems. The Trustees annually review and approve the financial statements.

The Library’s independent auditors, BDO Canada LLP, are engaged to express an opinion as to whether the Library’s financial statements present fairly in all material respects the financial position of the Library as at December 31, 2025, and the results of operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted auditing standards.

The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards.



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## Independent Auditor's Report

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To the Board of Trustees of North Vancouver City Library

### Opinion

We have audited the financial statements of the North Vancouver City Library (the "Library"), which comprise the Statement of Financial Position as at December 31, 2025, and the Statement of Operations, Changes in Net Financial Assets and Cash Flows for the year 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 Library as at December 31, 2025 and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### 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 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 opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards 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 Library'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 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 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 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.

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.

*BDO Canada LLP*  
Chartered Professional Accountants

Vancouver, British Columbia  
April 23, 2026

**North Vancouver City Library  
Statement of Financial Position  
As at December 31, 2025 with comparatives for 2024**

	<u>2025</u>	<u>2024</u>
<b>Financial Assets</b>		
Cash	\$ 1,759,904	\$ 2,133,434
Accounts Receivable and Other	-	7,817
<b>Total Financial Assets</b>	<u>1,759,904</u>	<u>2,141,251</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	520,655	258,942
Deferred Revenue (Note 3)	154,680	171,897
Due to the City of North Vancouver (Note 4)	145,361	704,999
Post Employment Benefits, Compensated Absences and Termination Benefits (Note 5)	544,800	588,200
<b>Total Liabilities</b>	<u>1,365,496</u>	<u>1,724,038</u>
<b>Net Financial Assets</b>	<u>394,408</u>	417,213
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 7)	556,591	524,513
Prepaid expenses	96,174	-
<b>Total Non-Financial Assets</b>	<u>652,765</u>	<u>524,513</u>
<b>Accumulated Surplus (Note 8)</b>	<u>\$ 1,047,173</u>	<u>\$ 941,726</u>

*To be read with reference to the Notes to the Financial Statements*

On behalf of the Board:



Trustee



Trustee

**North Vancouver City Library**  
**Statement of Operations**  
**For the year ended December 31, 2025 with comparatives for 2024**

	2025 Budget (Note 9)	2025 Actual	2024 Actual
<b>Revenues</b>			
Grants from CNV	\$ 5,610,960	\$ 5,745,836	\$ 5,321,879
Grants other			
General	121,412	121,867	122,031
Special purpose	-	72,328	68,758
Fines and fees	3,800	4,304	4,012
Interest income	55,000	68,186	97,225
Sale of services	38,000	49,538	47,525
Donations			
Special purpose	-	8,521	15,103
Miscellaneous	7,000	10,245	3,183
	<u>5,836,172</u>	<u>6,080,825</u>	<u>5,679,716</u>
<b>Expenses</b>			
Wages and benefits			
General	4,231,900	4,079,826	3,934,748
Special purpose	-	66,199	50,326
Goods and supplies			
General	391,200	362,641	402,614
Special purpose	-	42,870	50,106
Services			
General	993,872	1,092,906	962,620
Special purpose	-	71,856	40,150
Depreciation	-	233,486	216,855
	<u>5,616,972</u>	<u>5,949,784</u>	<u>5,657,419</u>
<b>Annual surplus, before distribution</b>	219,200	131,041	22,297
<b>Prior year surplus returned to CNV</b>	-	(25,594)	(17,996)
<b>Annual surplus, after distribution</b>	219,200	105,447	4,301
Accumulated surplus at beginning of year	941,726	941,726	937,425
Accumulated surplus at end of year (Note 8)	<u>\$ 1,160,926</u>	<u>\$ 1,047,173</u>	<u>\$ 941,726</u>

*To be read with reference to the Notes to the Financial Statements*

**North Vancouver City Library**  
**Statement of Changes in Net Financial Assets**  
**For the year ended December 31, 2025 with comparatives for 2024**

	2025 Budget <hr/> (Note 9)	2025 Actual <hr/>	2024 Actual <hr/>
Annual surplus	\$ 219,200	\$ 105,447	\$ 4,301
Acquisition of tangible capital assets	(219,200)	(265,564)	(245,279)
Depreciation of tangible capital assets	-	233,486	216,855
Acquisition of prepaid expenses	-	(96,174)	-
Decrease in financial assets	-	(22,805)	(24,123)
Net financial assets at beginning of year	417,213	417,213	441,336
Net financial assets at end of year	<u>\$ 417,213</u>	<u>\$ 394,408</u>	<u>\$ 417,213</u>

*To be read with reference to the Notes to the Financial Statements*

**North Vancouver City Library  
Statement of Cash Flows  
For the year ended December 31, 2025 with comparatives for 2024**

	<u>2025</u>	<u>2024</u>
<b>Operating activities</b>		
Annual surplus	\$ 105,447	\$ 4,301
Items not involving cash:		
Depreciation	233,486	216,855
Changes in non-cash operating balances:		
Accounts receivable	7,817	13,106
Accounts payable and accrued liabilities	261,713	(319,174)
Deferred revenue	(17,217)	21,349
Due to the City of North Vancouver	(559,638)	724,804
Post-employment benefits, compensated absences and termination benefits	(43,400)	(12,400)
Prepaid expenses	(96,174)	-
	<u>(107,966)</u>	<u>648,841</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(265,564)	(245,279)
	<u>(265,564)</u>	<u>(245,279)</u>
Increase / (Decrease) in cash	(373,530)	403,562
Cash at beginning of year	2,133,434	1,729,872
Cash at end of year	<u>\$ 1,759,904</u>	<u>\$ 2,133,434</u>

*To be read with reference to the Notes to the Financial Statements*

**North Vancouver City Library  
Notes to the Financial Statements  
For the year ended December 31, 2025**

**1. PURPOSE OF THE NORTH VANCOUVER CITY LIBRARY**

The North Vancouver City Library (the “Library”) was established as a municipal public library of the Corporation of the City of North Vancouver (the “City”) under the Library Act of British Columbia. The Library Board, appointed by Council of the City, oversees the management and operation of library facilities within the City. The Library is funded primarily by the City.

The Library’s accounts payable and payroll transactions are processed by the City. The City provides certain administrative support including finance, information technology, facilities and insurance services (see note 4).

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements of the Library have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of Canada.

**(b) Functional and Category Reporting**

The operations of the Library are comprised of a single function, Library operations. As a result, the expenses of the Library are presented by category in the statement of operations.

General revenue and expenses relate to programs, and are budgeted for on an annual basis.

Special purpose revenue and expenses relate to special projects or funds which are donor or grant-funded and have been designated for a specific purpose. The Board is able to retain these funds until they are applied against related expenses. The Board does not approve an annual budget for these amounts but approves the designated project funding when received.

**(c) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition of the assets. Books are depreciated over five years, audio video materials (“AV materials”) are depreciated over two years and computer equipment is depreciated over four years on a straight-line basis.

The City owns the Library building and land. Those assets, along with other tangible capital assets acquired for Library purposes but funded by the City, are recorded in the City’s financial statements and are not included in these financial statements.

Financial Plans adopted by the Council of the City provide for the replacement and acquisition of tangible capital assets.

**North Vancouver City Library  
Notes to the Financial Statements  
For the year ended December 31, 2025**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Revenue and Expense Recognition**

Revenue is recorded on an accrual basis and recognized when earned. Restricted contributions and grants are recognized as revenue in the year in which related expenditures are incurred and related restrictions are satisfied. Government transfers are recognized as revenue in the period they are authorized and any eligibility criteria are met, except to the extent they contain a stipulation that gives rise to a liability. Such transfers are initially deferred and recognized as revenue in the period the stipulations are met.

Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied (by providing the promised goods or services to a payor).

Revenue from transactions with no performance obligations is recognized when the Library:

- i. has the authority to claim or retain an inflow of economic resources; and
- ii. identifies a past transaction or event that gives rise to an asset.

Expenses are recorded on an accrual basis and recognized when goods and services have been received and/or a legal obligation to pay has been created. Other expenses are recognized when they are incurred.

**(e) Use of Estimates**

The preparation of the 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. Areas requiring significant estimation are useful lives of tangible capital assets and post-employment benefits, compensated absences and termination benefits. Actual results could differ from those estimates.

**(f) Financial Instruments**

The Library's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, and other current liabilities. Cash and cash equivalents are measured at fair value. Accounts receivable, accounts payable, and other current liabilities are measured at cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. The carrying amount of each of these financial instruments is presented on the statement of financial position. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Library has not invested in equity instruments that are quoted in an active market and has not designated any financial instruments to be recorded at fair value.

The Library is not exposed to significant credit, liquidity or market risk arising from its financial instruments. Financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

**North Vancouver City Library  
Notes to the Financial Statements  
For the year ended December 31, 2025**

**3. DEFERRED REVENUE**

Deferred revenue represents restricted funding received from external sources for programs, and is recognized as revenue when the restrictions have been met or the appropriate expenditures are made.

	<b>December 31, 2025</b>	December 31, 2024
Donations - Youth	<b>\$ 11,941</b>	\$ 11,948
Donations - Projects	<b>82,254</b>	65,500
Donations - Collections	<b>1,981</b>	1,436
Donations - Small Donation Campaign	<b>1,873</b>	1,873
Grants	<b>56,631</b>	91,140
	<b>\$ 154,680</b>	\$ 171,897

**4. DUE TO AND FROM THE CITY OF NORTH VANCOUVER**

The Library receives an annual operating grant from the City. The City invoices the Library annually for cash payments made on the Library's behalf including accounts payable and payroll as well as administrative support costs and the invoiced amounts are interest free with no specific terms of repayment. The amounts due to the City of North Vancouver are net of the grant amounts due from the City.

The net amount payable to the City at the end of 2025 is \$145,361 (2024 - \$704,999).

The City provides administrative support to the Library for accounts payable and payroll, information technology and facilities services and property and liability insurance. The amount charged for 2025 is \$622,759 (2024 - \$613,222).

**5. POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS**

The liability reported in the financial statements are based on employee data as at August 31, 2024 that has been extrapolated to December 31, 2025. Every three years a full valuation is performed and the most recent actuarial valuation of the Library's employee future benefits was completed as at December 31, 2024.

The Library provides the following benefits to its employees:

**Sick and Severance**

Employees of the Library are entitled to payments related to unused sick leave and severance upon retirement or resignation after ten years of service. The amount recorded for these benefits is based on an annual evaluation done by an independent firm of actuaries using a projected benefit actuarial valuation method pro-rated on services.

**North Vancouver City Library  
Notes to the Financial Statements  
For the year ended December 31, 2025**

**5. POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS  
(continued)**

**Sick Leave**

The Library provides benefits for sick leave to its employees. Employees accumulate sick leave on a monthly basis and can only use this entitlement for paid time off under certain circumstances. The amount recorded for this benefit is based on an annual evaluation done by an independent actuarial firm and is reviewed on a periodic basis.

Information regarding the Library's sick and severance termination and sick leave obligations for these benefits is as follows:

	<u>2025</u>	<u>2024</u>
Accrued Benefit Obligation - Beginning	<b>\$600,400</b>	\$ 489,200
Service Cost	<b>40,600</b>	37,000
Interest Cost	<b>23,500</b>	19,100
Benefits Paid	<b>(109,600)</b>	(43,800)
Actuarial Loss (Gain)	<b>(86,200)</b>	98,900
Accrued Benefit Obligation - End	<u><b>468,700</b></u>	<u>600,400</u>
Deficit at end of year	<b>(468,700)</b>	(600,400)
Unamortized Net Actuarial Loss (Gain)	<b>(76,100)</b>	12,200
Accrued Benefit Liability	<u><b>\$(544,800)</b></u>	<u>\$(588,200)</u>

The significant actuarial assumptions adopted in measuring the Library's accrued benefit liability are as follows:

	<u>2025</u>	<u>2024</u>
Discount rates	<b>4.55%</b>	4.30%
Future inflation rates	<b>3.50% for 2026 and 2.00% thereafter</b>	3.50% for 2025 and 2.00% thereafter
Compensation increases (net of inflation)	<b>0.00% to 0.70%</b>	0.00% to 0.70%

**6. PENSION PLAN**

The Library and its employees contribute to the Municipal Pension Plan (MPP) (a jointly trusted pension plan). The MPP 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, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the

**North Vancouver City Library  
Notes to the Financial Statements  
For the year ended December 31, 2025**

**6. PENSION PLAN (continued)**

plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027.

The Library paid \$236,491 (2024 - \$257,713) for employer contributions to the plan in fiscal 2025.

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

**7. TANGIBLE CAPITAL ASSETS**

	2025				2024			
	Books	AV Materials	Comp Equip.	Totals	Books	AV Materials	Comp Equip.	Totals
<b>Costs</b>								
Balance beginning of year	\$ 903,739	\$ 72,606	\$ 16,327	\$ 992,672	\$ 893,033	\$ 67,943	\$ -	\$ 960,976
Additions	200,036	65,528	-	265,564	195,317	33,635	16,327	245,279
Disposition	(142,890)	(38,970)	-	(181,860)	(184,611)	(28,972)	-	(213,583)
Balance end of year	\$ 960,885	\$ 99,164	\$ 16,327	\$ 1,076,376	\$ 903,739	\$ 72,606	\$ 16,327	\$ 992,672
<b>Accumulated Depreciation</b>								
Balance beginning of year	\$ 428,479	\$ 37,639	\$ 2,041	\$ 468,159	\$ 433,413	\$ 31,474	\$ -	\$ 464,887
Depreciation	186,463	42,941	4,082	233,486	179,677	35,137	2,041	216,855
Disposition	(142,890)	(38,970)	-	(181,860)	(184,611)	(28,972)	-	(213,583)
Balance end of year	\$ 472,052	\$ 41,610	\$ 6,123	\$ 519,785	\$ 428,479	\$ 37,639	\$ 2,041	\$ 468,159
<b>Net Book Value</b>	\$ 488,833	\$ 57,554	\$ 10,204	\$ 556,591	\$ 475,260	\$ 34,967	\$ 14,286	\$ 524,513

**8. ACCUMULATED SURPLUS**

Appropriated surplus represents funds that are restricted by the Library for specific purposes. Included are amounts from previous years' surpluses allocated for projects in compliance with the City's City Funded Agencies Surplus Policy, as well as funds from the Library Enhancement Grant received from the Province of BC allocated to various projects for the period 2023-2028.

**North Vancouver City Library  
Notes to the Financial Statements  
For the year ended December 31, 2025**

**8. ACCUMULATED SURPLUS (continued)**

	<b>December 31, 2025</b>	December 31, 2024
Appropriated surplus	<b>\$ 291,543</b>	\$ 363,565
Investment in tangible capital assets	<b>556,591</b>	524,513
Unappropriated surplus	<b>199,039</b>	53,648
Accumulated surplus	<b>\$ 1,047,173</b>	\$ 941,726

**9. BUDGET**

The budget approved by the City on April 14, 2025 was not prepared on a basis consistent with that used to report actual results (Canadian Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Canadian Public Accounting Standards require a full accrual basis. The budget figures expensed all tangible capital expenditures rather than including depreciation expenses. As a result, the budget figures presented in the statements of operations and statement of change in net financial assets represent the budget approved by the City on April 14, 2025 with adjustments as follows:

	<b>2025</b>
Budget surplus for the year	<b>\$ -</b>
Add acquisition of tangible capital assets	<b>219,200</b>
Budget surplus per statement of operations	<b>\$ 219,200</b>