

APPENDIX A – LIBRARIES AND THE LOCAL GOVERNMENT REPORTING ENTITY

Summary of How Different Libraries Should be Treated Relative to the Local Government Reporting Entity

Library	Accountability	AND	EITHER		Conclusion: Is the Library Part of the Local Govt Reporting Entity?
			Ownership	Control	
Integrated Public Library	Yes		Yes	Yes	Yes
Municipal Library	Yes		No	Yes	Yes
Regional Library District	No		No	No	No
Public Library Association	Yes		No	No	No

Also, there is another entity called Library Federation. These are loose federations of different library boards established under agreement. A federation provides a formal body through which several boards can cooperate on matters of service delivery. Library Federations are not part of any local government reporting entity.

DETAILS OF ACCOUNTING TREATMENT OF LIBRARIES

Category	Accountability	Ownership	Control
<i>Criteria</i>	<ul style="list-style-type: none"> * Organization receives operating authority from municipality. * Organization is financially dependent on municipality. * Organization is regulated by municipality. 	<ul style="list-style-type: none"> * Majority of voting shares in the organization are owned by the municipality. * Majority of the organization's net assets are owned by the municipality. (Ownership does not include a transfer agreement of net assets in the event of the dissolution of the organization.) 	<ul style="list-style-type: none"> * The municipality determines the revenue raising, resource allocation, and expenditure policies of the organization. * The municipality appoints the majority of the organization's board (or senior management). * The above municipal authority is exercised without senior government approval or assent of the electors.
Integrated Public Library System	* These are libraries run as regional district local service areas (Includes the Thompson and Cariboo Library Systems).	* The RD owns all net assets of the library.	<ul style="list-style-type: none"> * The RD deals with all the staffing of the libraries (library employees are employees of the RD). * Library budget is a service component of the RD budget.
Integrated Public Library System (Opinion)	The library is not independent of the RD financial reporting structure. Therefore, <u>it is financially accountable to the RD.</u>	<u>The regional district owns all the net assets of the library.</u>	The library service is administered through the regional district. <u>Therefore it is controlled by a regional district.</u>

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<i>Criteria</i>	<ul style="list-style-type: none"> * <i>Organization receives operating authority from municipality.</i> * <i>Organization is financially dependent on municipality.</i> * <i>Organization is regulated by municipality.</i> 	<ul style="list-style-type: none"> * <i>Majority of voting shares in the organization are owned by the municipality.</i> * <i>Majority of the organization's net assets are owned by the municipality. (Ownership does not include a transfer agreement of net assets in the event of the dissolution of the organization.)</i> 	<ul style="list-style-type: none"> * <i>The municipality determines the revenue raising, resource allocation, and expenditure policies of the organization.</i> * <i>The municipality appoints the majority of the organization's board (or senior management).</i> * <i>The above municipal authority is exercised without senior government approval or assent of the electors.</i>
Municipal Libraries	<ul style="list-style-type: none"> * <u>Established by the municipality.</u> * Library may establish its own rules for regulating its facilities. * <u>Library requires municipal approval to enter into lease agreements.</u> * Library may sue or be sued. * <u>Municipality has the final approval of the library budget.</u> 	<ul style="list-style-type: none"> * Library establishment does not involve shares. * Library owns all assets it acquires; assets vest with local government in case of dissolution. 	<ul style="list-style-type: none"> * <u>Board members are appointed by the municipality.</u> * A municipality may remove a board member for cause. * Library sets its own business and management policies * Libraries may hire and dismiss employees * Libraries have exclusive control over all expenditures approved in the budget.
Opinion on Municipal Libraries	A municipal library is ultimately accountable to a municipality for approval of its budget. Therefore, <u>it is financially accountable to the municipality.</u>	The library owns all its net assets and <u>therefore is not owned by the municipality.</u>	The majority of the library board is appointed by the municipality and <u>therefore it is controlled by the municipality.</u>

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<i>Criteria</i>	<ul style="list-style-type: none"> * <i>Organization receives operating authority from municipality.</i> * <i>Organization is financially dependent on municipality.</i> * <i>Organization is regulated by municipality.</i> 	<ul style="list-style-type: none"> * <i>Majority of voting shares in the organization are owned by the municipality.</i> * <i>Majority of the organization's net assets are owned by the municipality. (Ownership does not include a transfer agreement of net assets in the event of the dissolution of the organization.)</i> 	<ul style="list-style-type: none"> * <i>The municipality determines the revenue raising, resource allocation, and expenditure policies of the organization.</i> * <i>The municipality appoints the majority of the organization's board (or senior management).</i> * <i>The above municipal authority is exercised without senior government approval or assent of the electors.</i>
Regional Library Districts	<ul style="list-style-type: none"> * Establishment of library requires approval of the Provincial Cabinet. * Library has full contracting authority and may sue or be sued. * Library has full authority in setting its budget (requires no municipal or RD permission). * Library requisitions participating local governments (local governments only act as collectors). 	<ul style="list-style-type: none"> * Library establishment does not involve shares. * Library owns all assets it acquires; assets vest with local government in case of dissolution. 	<ul style="list-style-type: none"> * Two or more municipalities (plus one or more RDs) appoint board members; no one municipality or RD controls the board. * Library sets its own business and management policies. * Libraries may hire and dismiss employees. * Library may establish committees. * Library may acquire and dispose of land or buildings. * Libraries have exclusive control over all expenditures approved in the budget.
Regional Library Districts (Opinion)	A regional library district is financially and administratively independent of any one local government. Therefore, <u>it is not financially accountable to a local government.</u>	The library owns all of its net assets and <u>therefore is not owned by the municipality.</u>	The library board is not appointed by a single local government. The board also exercises independent control over revenue, resource allocation and expenditures. <u>Therefore it is not controlled by a local government.</u>

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<i>Criteria</i>	<ul style="list-style-type: none"> * <i>Organization receives operating authority from municipality.</i> * <i>Organization is financially dependent on municipality.</i> * <i>Organization is regulated by municipality.</i> 	<ul style="list-style-type: none"> * <i>Majority of voting shares in the organization are owned by the municipality.</i> * <i>Majority of the organization's net assets are owned by the municipality. (Ownership does not include a transfer agreement of net assets in the event of the dissolution of the organization.)</i> 	<ul style="list-style-type: none"> * <i>The municipality determines the revenue raising, resource allocation, and expenditure policies of the organization.</i> * <i>The municipality appoints the majority of the organization's board (or senior management).</i> * <i>The above municipal authority is exercised without senior government approval or assent of the electors.</i>
Public Library Associations	<ul style="list-style-type: none"> * Library has independent authority to raise funds how it sees fit. * <u>Many library associations are reliant on grant funding from local governments.</u> * Library has full contracting authority and may sue or be sued. * Library has full authority in setting its budget (requires no municipal or RD permission). 	<ul style="list-style-type: none"> * Library establishment does not involve shares. * Library owns all assets it acquires; assets vest with local government in case of dissolution. 	<ul style="list-style-type: none"> * The majority of the board members are elected from members of an independent library association. * Library sets its own business and management policies. * Libraries may hire and dismiss employees. * Library may establish committees. * Library may acquire land or buildings (including leases). * Libraries have exclusive control over all expenditures approved in the budget.
Public Library Associations (Opinion)	A public library association is ultimately accountable to a municipality for funding through grants (most cannot function independently without the grant funding). Therefore, <u>it is financially accountable to the municipality.</u>	The library owns all its net assets and <u>therefore is not owned by the municipality.</u>	The majority of the library board is not appointed by a single local government. The board also exercises independent control over revenue, resource allocation and expenditures. <u>Therefore it is not controlled by a local government.</u>