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Financial Information Act - Statement of Financial Information

Library Name:	Salt Spring Island Public Library Association
Fiscal Year Ended:	December 31, 2021

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- 11) Schedule of Payments for the Provision of Goods and Services

Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Salt Spring Island Public Library Association

Fiscal Year Ended: December 31, 2021

a)	<input checked="" type="checkbox"/>	Approval of Statement of Financial Information
b)	<input checked="" type="checkbox"/>	A Management Report signed and dated by the Library Board and Library Director
c)	<input checked="" type="checkbox"/>	An operational statement including: i) Statement of Income ii) Statement of Changes in Financial Position, or, if omitted, an explanation in the Notes to the Financial Statements (audited ¹ financial statements)
d)	<input checked="" type="checkbox"/>	Statement of assets and liabilities (audited ¹ financial statements)
e)	<input checked="" type="checkbox"/>	Schedule of debts (audited ¹ financial statements) If there is no debt, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
f)	<input checked="" type="checkbox"/>	Schedule of guarantee and indemnity agreements including the names of the entities involved and the amount of money involved. If no agreements, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
g)	<input checked="" type="checkbox"/>	Schedule of Remuneration and Expenses, including: i) An alphabetical list of employees (first and last names) earning over \$75,000 ii) Total amount of expenses paid to or on behalf of each employee under 75,000 iii) If the total wages and expenses differs from the audited financial statements, an explanation is required iv) A list, by name and position, of Library Board Members with the amount of any remuneration paid to or on behalf of the member. v) The number of severance agreements started during the fiscal year and the range of months` pay covered by the agreement, in respect of excluded employees. If there are no agreements to report, an explanation is required.
h)	<input checked="" type="checkbox"/>	Schedule of Payments for the Provision of Goods and Services including: i) An alphabetical list of suppliers receiving over \$25,000 and a consolidated total for those suppliers receiving less than \$25,000. If the total differs from the Audited Financial Statements, an explanation is required.

¹ Municipal Libraries and Regional Library Districts must provide audited financial statements as per the *Libraries Act* section 11(2) and 26(2) (a). Audited statements are not required for the SOFI but if available, please include them.

Board Approval Form

Financial Information Act - Statement of Financial Information

NAME OF LIBRARY <i>Salt Spring Island Public Library Association</i>		FISCAL YEAR END (YYYY) December 31, 2021
LIBRARY ADDRESS 129 McPhillips Avenue		TELEPHONE NUMBER 250-537-4666
CITY Salt Spring Island	PROVINCE BC	POSTAL CODE V8K 2T6
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Judy Nurse		TELEPHONE NUMBER 250-538-2269
NAME OF THE LIBRARY DIRECTOR Karen Hudson		TELEPHONE NUMBER 250-537-4666 ext 223

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information of the year ended December 31, 2021 for Salt Spring Island Public Library Association as required under Section 2 of the Financial Information Act.

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD*

DATE SIGNED (DD-MM-YYYY)

J Nurse

DD-MM-YYYY
10/05/2022

SIGNATURE OF THE LIBRARY DIRECTOR

DATE SIGNED (DD-MM-YYYY)

Karen J Hudson

DD-MM-YYYY
10/05/2022

Management Report

Financial Information Act - Statement of Financial Information

Library Name: Salt Spring Island Public Library Association

Fiscal Year Ended: December 31, 2021

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of the Library is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

On behalf of Salt Spring Island Public Library Association

**Name. Chairperson of the
Library Board [Print]**

Judy Nurse

**Signature,
Chairperson of the Library
Board**

J Nurse

**Date
(MM-DD-YYYY)**

05-10-2022

**Name,
Library Director [Print]**

KAREN HUDSON

**Signature,
Library Director**

Karen J Hudson

**Date
(MM-DD-YYYY)**

05-10-2022

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

129 McPhillips Avenue
Salt Spring Island, BC
V8K 2T6

March 15, 2022

McLean, Lizotte, Wheadon and Company
340 Lower Ganges Road
Salt Spring Island British Columbia V8K 2V3

Attention: Frédéric Lizotte, CPA, CGA

Dear Sir:

This representation letter is provided in connection with your review of the financial statements of Salt Spring Island Public Library Association for the year ended December 31, 2021, for the purpose of expressing a conclusion that, based on your review, nothing has come to your attention that causes you to believe that the financial statements of Salt Spring Island Public Library Association do not present fairly, in all material respects, the financial position of Salt Spring Island Public Library Association as at December 31, 2021, and the results of its operations and its cash flows for the year ended December 31, 2021 in accordance with Canadian public sector accounting standards.

Certain representations in this letter are described as being limited to matters that are material. Misstatements (including omissions) are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of association personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm, to the best of our knowledge and belief, the following representations made to you during your review:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the review engagement dated December 10, 2021 for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards.
- We reviewed, approved and recorded all of your proposed adjustments (except for uncorrected misstatements, which are addressed in the next bullet point) to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.
- The effects of uncorrected misstatement are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this representation letter.
- Management or other appropriate persons (such as those charged with governance) have accepted responsibility for the financial statements, including the related notes.

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the review; and
 - Unrestricted access to persons within the association from whom you determined it necessary to obtain evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

Information Provided *(continued)*

- We have disclosed to you:
 - The identity of the association's related parties and all the related-party relationships and transactions of which we are aware;
 - Significant facts relating to any fraud or suspected fraud known to us that may have affected the association;
 - Known actual or possible non-compliance with laws and regulations for which the effects of non-compliance impact the financial statements of Salt Spring Island Public Library Association;
 - All information relevant to use of the going concern assumption in the financial statements;
 - All events occurring subsequent to the date of the financial statements that may require adjustment or disclosure;
 - Material commitments, contractual obligations or contingencies that have affected or may affect the association's financial statements, including disclosures; and
 - Material non-monetary transactions or transactions for no consideration undertaken by the association in the financial reporting period under consideration.

Other Representations

• ***Fair values of financial instruments***

The significant assumptions used in arriving at the fair values of financial instruments, as measured and disclosed in the financial statements, are reasonable and appropriate in the circumstances.

• ***Material transactions***

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

• ***Future plans***

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

• ***Related-party transactions***

All related-party transactions have been appropriately measured and disclosed in the financial statements.

• ***Estimates***

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

• ***Claims***

We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

• ***Liabilities and contingencies***

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

• ***Ownership***

The association has satisfactory title to all assets, and there are no liens or encumbrances on the association's assets.

• ***Compliance***

We have disclosed to you, and the association has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

Additional Representations

Further, we confirm, to the best of our knowledge and belief, the following representations made by us to you during your review of these financial statements:

Additional Representations *(continued)*

1. We hereby acknowledge that McLean, Lizotte, Wheadon and Company have made us aware of your legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize McLean, Lizotte, Wheadon and Company to release and disclose information about Salt Spring Island Public Library Association as required by statute.
2. The association did not make any related party transactions during the year that have not been disclosed to you.

Acknowledged and agreed on behalf of Salt Spring Island Public Library Association by:

 

03/15/22

Date signed

 

03/15/22

Date signed

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION
Financial Statements
Year Ended December 31, 2021

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Index to Financial Statements

Year Ended December 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and fair presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates. The financial statements of Salt Spring Island Public Library Association have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board Members are neither management nor employees of the Association, are responsible for overseeing management in the performance of its financial reporting responsibilities, and ultimately responsible for reviewing and approving the financial statements.

The financial statements have been reviewed by McLean, Lizotte, Wheadon and Company, an independent practitioner appointed by the Association, in accordance with Canadian public sector accounting standards. The accompanying Independent Practitioner's Review Engagement Report outlines their responsibilities, the scope of their examination, and their opinion on the Association's financial statements.

 *Adrian Wright*

Adrian Wright, Treasurer

 *Karen Hudson*

Karen Hudson, Chief Librarian

Salt Spring Island, BC
March 15, 2022



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Salt Spring Island Public Library Association

We have reviewed the accompanying financial statements of Salt Spring Island Public Library Association which comprise the statement of financial position as at December 31, 2021 and the statements of operations, changes in accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Salt Spring Island Public Library Association as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

We draw attention to Note 1 of the financial statements, which describes the situation in the context of the novel coronavirus ("COVID-19") global pandemic declared by the World Health Organization. Our opinion is not modified in respect to this matter.

McLean, Lizotte, Wheadon and Company

MCLEAN, LIZOTTE, WHEADON AND COMPANY
Chartered Professional Accountants

Salt Spring Island, British Columbia
March 15, 2022

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SALT SPRING ISLAND, BC
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FAX: 250-537-9792

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300A-3060 CEDAR HILL ROAD
VICTORIA, BC
V8T 3J5
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email: cpa@mlwaccounting.ca

**denotes partnership of professional corporations*

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Statement of Financial Position

December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 268,657	\$ 347,714
Accounts receivable	15,028	14,523
Investments	353,258	200,000
Endowments (Note 4)	147,751	140,894
	<u>784,694</u>	<u>703,131</u>
LIABILITIES		
Accounts payable and accrued liabilities	13,221	13,330
Due to Government agencies	639	5,761
Deferred revenue and deposits	4,734	4,318
	<u>18,594</u>	<u>23,409</u>
NET FINANCIAL ASSETS	<u>766,100</u>	<u>679,722</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	293,521	243,955
Prepaid expenses	9,847	9,022
	<u>303,368</u>	<u>252,977</u>
ACCUMULATED SURPLUS	<u>\$ 1,069,468</u>	<u>\$ 932,699</u>

ON BEHALF OF THE BOARD

Authentisign

 _____ Trustee

Authentisign

 _____ Trustee

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Statement of Operations Year Ended December 31, 2021

	Budget 2021	2021	2020
REVENUES			
CRD tax requisition	\$ 425,850	\$ 425,850	\$ 418,730
Donations	32,600	159,220	76,581
Government transfers - provincial	56,513	54,339	52,506
Other grants	71,850	93,406	24,012
Government transfers - federal	14,570	24,122	22,511
Operating revenue	18,125	28,461	18,950
Investment income	5,000	10,383	5,294
	624,508	795,781	618,584
ADMINISTRATIVE EXPENSES			
Amortization	-	92,691	79,319
Building occupancy	94,500	89,085	81,931
Library materials	34,050	32,931	46,715
Supplies and services	96,360	113,654	88,948
Salaries and wages	321,471	330,651	304,237
	546,381	659,012	601,150
ANNUAL SURPLUS	\$ 78,127	\$ 136,769	\$ 17,434

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION
Statement of Changes in Accumulated Surplus
Year Ended December 31, 2021

	2021	2020
ACCUMULATED SURPLUS - BEGINNING OF YEAR <i>(Note 6)</i>	\$ 932,699	\$ 915,265
ANNUAL SURPLUS	<u>136,769</u>	<u>17,434</u>
ACCUMULATED SURPLUS - END OF YEAR <i>(Note 6)</i>	<u>\$ 1,069,468</u>	<u>\$ 932,699</u>

See notes to financial statements

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION
Statement of Changes in Net Financial Assets (Net Debt)
Year Ended December 31, 2021

	Budget	Actual 2021	Actual 2020
ANNUAL SURPLUS	\$ 78,127	\$ 136,769	\$ 17,434
Amortization of tangible capital assets	-	92,691	79,319
Additions to tangible capital assets	(143,269)	(142,258)	(82,607)
Decrease (increase) in prepaid expenses	-	(824)	(1,806)
	(143,269)	(50,391)	(5,094)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(65,142)	86,378	12,340
NET FINANCIAL ASSETS - BEGINNING OF YEAR	679,722	679,722	667,382
NET FINANCIAL ASSETS - END OF YEAR	\$ 614,580	\$ 766,100	\$ 679,722

See notes to financial statements

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual Surplus	\$ 136,769	\$ 17,434
Item not affecting cash:		
Amortization of tangible capital assets	92,691	79,319
	<u>229,460</u>	<u>96,753</u>
Changes in non-cash working capital:		
Accounts receivable	(505)	(2,195)
Prepaid expenses	(825)	(1,794)
Accounts payable and accrued liabilities	(109)	632
Due to Government agencies	(5,122)	883
Deferred revenue and deposits	416	(9,834)
	<u>(6,145)</u>	<u>(12,308)</u>
Cash flow from operating activities	<u>223,315</u>	<u>84,445</u>
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(142,258)	(82,607)
Sale (purchase) of investments	(160,114)	(75,333)
Cash flow used by investing activities	<u>(302,372)</u>	<u>(157,940)</u>
DECREASE IN CASH FLOW	(79,057)	(73,495)
Cash - beginning of year	<u>347,714</u>	<u>421,209</u>
CASH - END OF YEAR	\$ 268,657	\$ 347,714

See notes to financial statements

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

1. FINANCIAL IMPACT OF THE NOVEL CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared a global pandemic due to the outbreak of novel coronavirus ("COVID-19"). The situation is continuously developing and the economic impact has been substantial to both Canada and the globe.

As at March 15, 2022, the Association is aware of the changes in its operations as a result of the COVID-19 pandemic, including the cancellation of scheduled events and postponement of future events.

The Association is not able to fully estimate the impact of COVID-19 on operations at this time given the continuous evolution of the pandemic and the global responses to mitigate its spread. The Society's realized financial impact will be accounted for when it is known and may be assessed.

2. PURPOSE OF THE ASSOCIATION

Salt Spring Island Public Library Association (the "Association") is a not-for-profit organization Established under the Library Act of British Columbia. As a registered charity the Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Association operated the public library serving the residents of Salt Spring Island.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Statement presentation

The financial statements of the Association have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Association are as follows:

(b) Reporting entity

The financial statements reflect the assets, liabilities, accumulated surplus, revenues and expenses of the Association. The Association does not control any external entities to be consolidated in the financial statements. Interfund balances and transactions have been eliminated.

(c) Basis of accounting

The Association follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, term deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(continues)

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(e) Investments

Investments are comprised of guaranteed income certificates and recorded at cost. Investment income is reported as revenue in the period earned. When there is a loss in value other than a temporary decline, the investment is written down to recognize the loss.

(f) Revenue recognition

The Association follows the deferral method of accounting.

Fines are recorded when received as a result of the difficulty in determining collectability.

Receipts that are restricted by legislation or by agreement with external parties are reported as deferred revenue. When qualifying expenses are incurred, deferred revenues are brought into revenue in equal amounts.

(g) Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Government transfers with stipulations are recognized as revenue when authorized and eligibility criteria have been met, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

(h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

I. Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of an asset. The cost, less residual value of the capital asset is amortized at the following rates, using the following methods:

Artwork	non-amortizable
Computer equipment	33% declining-balance method
Furniture and fixtures	25% declining-balance method
Library book collection	20% straight-line method

Electronic media, paperbacks, periodicals, and database subscriptions are expensed in the year of purchase.

The Association regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(continues)

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(i) Use of estimates

Preparation of the financial statements in conformity with Canadian public sector accounting standards requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets and estimating provisions for accrued liabilities. Actual results could differ from these estimates and adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate.

(j) Financial instruments

The Association's financial assets and liabilities are initially recognized at fair value. Financial assets include cash and cash equivalents and accounts receivable. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, liquidity or credit risk arising from these financial instruments.

4. ENDOWMENTS

Endowment records the accumulation of externally restricted and internally restricted contributions that are to be held in perpetuity. The income generated by the endowments is made available to the Association.

External restrictions refer to any conditions or specific uses that have been requested or required by the donor(s) in making a gift to the Society. Internal restrictions refer to those funds which the Board has earmarked for this specific purpose, where the donor(s) have not placed any restrictions on their use.

The Kertland Endowment fund represents externally restricted funds. The remaining Endowments represents internally restricted fund as per the Board's investment policy intended to be held in perpetuity.

Endowment funds are held with Investors Group Wealth Management and comprised of listed mutual funds. They are recorded at cost. When there is a loss in value other than a temporary decline, the investment is written down to recognize the loss.

	2021	2020
Investors Group - Kertland Endowment Fund	\$ 16,978	\$ 16,866
Investors Group	130,773	124,028
	-	-
	<u>\$ 147,751</u>	<u>\$ 140,894</u>

The market value of the endowment investments is \$167,337 (2020 - \$153,797).

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

5. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2020 Balance	Additions	Disposals	2021 Balance
Artwork	\$ 61,971	\$ 65	\$ -	\$ 62,036
Books	618,264	43,313	-	661,577
Computer hardware and software	245,423	21,108	-	266,531
Furniture and equipment	409,658	12,513	-	422,171
Leasehold improvements	28,505	65,258	-	93,763
	\$ 1,363,821	\$ 142,257	\$ -	\$ 1,506,078

<u>Accumulated Amortization</u>	2020 Balance	Amortization	Accumulated Amortization on Disposals	2021 Balance
Books	\$ 527,237	\$ 44,609	\$ -	\$ 571,846
Computer hardware and software	206,793	19,714	-	226,507
Furniture and fixtures	375,203	11,742	-	386,945
Leasehold improvements	10,633	16,626	-	27,259
	\$ 1,119,866	\$ 92,691	\$ -	\$ 1,212,557

<u>Net book value</u>	2021	2020
Artwork	\$ 62,036	\$ 61,971
Books	89,731	91,027
Computer hardware and software	40,024	38,630
Furniture and equipment	35,226	34,455
Leasehold improvements	66,504	17,872
	\$ 293,521	\$ 243,955

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

6. ACCUMULATED SURPLUS

Accumulated surplus is comprised of:

	2021	2020
<u>Surplus from general fund</u>		
Balance, beginning of year	\$ 47,061	\$ 78,519
Add: current year surplus	215,299	92,305
Purchase of capital assets	(142,257)	(82,609)
Interfund transfers	42,701	(41,154)
	<u>162,804</u>	<u>47,061</u>
<u>Invested in tangible capital assets</u>		
Balance, beginning of year	243,955	240,665
Purchase of capital assets	142,257	82,609
Less: amortization	(92,691)	(79,319)
	<u>293,521</u>	<u>243,955</u>
<u>Operating reserve fund</u>		
Balance, beginning of year	440,719	395,447
Add: current year surplus	7,242	4,118
Interfund transfer	(42,701)	41,154
	<u>405,260</u>	<u>440,719</u>
<u>Capital improvement fund</u>		
Balance, beginning of year	60,070	60,070
Add: current year surplus	-	-
	<u>60,070</u>	<u>60,070</u>
<u>Endowment fund</u>		
Balance, beginning of year	140,894	140,562
Add: current year surplus	6,919	1,395
Interfund transfers	-	(1,063)
	<u>147,813</u>	<u>140,894</u>
Grand total	<u>\$ 1,069,468</u>	<u>\$ 932,699</u>

In January 2022, the Board created a new fund named "Strategic Initiative Fund" and authorized the transfer of \$102,700 plus interest earned from the general fund. This fund will be used to address matters identified in the strategic planning process.

7. BUDGET

The unaudited budget figures presented in these financial statements are based on the operating budget approved by the Board November 17, 2020 and are presented for information purposes only.

SALT SPRING ISLAND PUBLIC LIBRARY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

8. ECONOMIC DEPENDENCE

The Association receives approximately 54% (2020 - 68%) of its revenues from the Capital Regional District (the "CRD"). Should this funding be cancelled or not renewed, management is of the opinion that continued viability of operations would not be assured.

9. PREMISES AND LEASE

The Library Act of British Columbia prohibits the Association from owning a building. The Association entered into an agreement in 2011 with the CRD specifying the provisions of planning, construction, financing, and operation of the building occupied by the Association and also agreed to transfer the Association's existing real estate assets to the CRD. The transfer took place in 2011 and the construction of the building has been completed.

The Association currently leases the building from the CRD at a rate of \$10 per year for an initial term of ten years ending March 31, 2023. The lease may then be renewed for an additional ten-year term and four subsequent five-year terms at the same lease rate.

10. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of December 31, 2021.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The association is mainly exposed to other price risk on the endowment investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The association is exposed to other price risk through its investment in quoted shares.

Additional risk

Unless otherwise noted, it is management's opinion that the association is not exposed to significant other price risks arising from these financial instruments.

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: Salt Spring Island Public Library Association

Fiscal Year Ended: December 31, 2021

The **Salt Spring Island Public Library Association** has no long term debt.

Schedule of Guarantee and Indemnity

Financial Information Act - Statement of Financial Information

Library Name: Salt Spring Island Public Library Association

Fiscal Year Ended: December 31, 2021

The Salt Spring Island Public Library Association has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.

Schedule of Remuneration and Expenses

Financial Information Act - Statement of Financial Information

Library Name: Salt Spring Island Public Library Association

Fiscal Year Ended: December 31, 2021

Table 1 – Total Remuneration & Total Expenses

	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
Board Members		
1) Judy Nurse - Chair	N/A	\$605
2) Adrian Wright – Vice Chair and Treasurer	N/A	N/A
3) Gary Holman – CRD Director	N/A	N/A
4) Peter Freeman – Trustee	N/A	\$50
5) Christie Roome - Trustee	N/A	N/A
6) Lavonne Leong - Trustee	N/A	N/A
7) Garth Hendren - Trustee	N/A	N/A
8) Anne Zeller - Trustee	N/A	\$441
Total Board Members	N/A	\$1,096

Detailed Employees Exceeding \$75,000		
1) Karen Hudson – Library Director	\$85,699	\$1,551
Total Detailed Employees Exceeding \$75,000	\$85,699	\$1,551

Total Employees Equal to or Less Than \$75,000	\$216,308	\$1,481
Consolidated Total* (Sum of column)	\$302,007	\$4,128

Table 2 – Total Employer Premium to Receiver General for Canada

Total Employer Premium for Canada Pension Plan and Employment Insurance	DO NOT USE	\$20,026
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* A Reconciliation to the financial statements is required, and any variance must be explained.

* The Total Remuneration column and the Total Expenses Column **MUST REMAIN SEPARATE** throughout the form.

Reconciliation of Remuneration and Expenses

Total Remuneration		\$302,007
Reconciling Items		
	Employer CP and EI	\$20,026
	Benefits and WCB	\$ 8,618
Total Per Statement of Revenue and Expenditure		\$ 330,651
Variance*		\$ 0

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: Salt Spring Island Public Library Association

Fiscal Year Ended: December 31, 2021

There were 0 (zero) severance agreements made between Salt Spring Island Public Library Association and its non-unionized employees during fiscal year 2021.

Schedule of Changes in Financial Position

Financial Information Act - Statement of Financial Information

Library Name: Salt Spring Island Public Library Association

Fiscal Year Ended: December 31, 2021

A Statement of Changes in Financial Position has not been prepared because this information is provided in the Financial Statements.

Schedule of Payments Made For the Provision of Goods and Services

Financial Information Act - Statement of Financial Information

Library Name: Salt Spring Island Public Library Association

Fiscal Year Ended: December 31, 2021

Name of Individual, Firm or Corporation	Total Amount Paid During Fiscal Year
1) Alexandra Hasenfratz	\$28,944
2) Solve for X – Island Commercial Floor Care	\$29,142
3) Yager Construction	\$59,610
Total (Suppliers with payments exceeding \$25,000)	\$117,696
Total (Suppliers where payments are \$25,000 or less)	\$288,875
Consolidated Total	\$406,571

Reconciliation of Goods and Services

Total of Suppliers with Payments Exceeding \$25,000		\$117,696
Consolidated Total of Supplier Payments of \$25,000 or Less		\$288,875
Reconciling Items		
	Less Capital Acquisitions	(\$142,257)
	Less employer CPP/EI	(\$20,026)
	Less employer paid Benefits and WCB	(\$8,618)
	Plus Amortization	\$ 92,691
	Plus Total Payroll	\$ 330,651
Total Per Statement of Revenue and Expenditure		\$ 659,012
Variance*		0