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Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2019

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Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2019

| | | |
|----|-------------------------------------|--|
| 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 |
| | | An operational statement including: |
| c) | <input checked="" type="checkbox"/> | i) Statement of Income |
| | <input checked="" type="checkbox"/> | 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. |
| | | Schedule of Remuneration and Expenses, including: |
| | <input checked="" type="checkbox"/> | i) An alphabetical list of employees (first and last names) earning over \$75,000 |
| | <input checked="" type="checkbox"/> | ii) Total amount of expenses paid to or on behalf of each employee under 75,000 |
| | <input checked="" type="checkbox"/> | iii) If the total wages and expenses differs from the audited financial statements, an explanation is required |
| g) | <input checked="" type="checkbox"/> | 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. |
| | <input checked="" type="checkbox"/> | 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. |
| | | Schedule of Payments for the Provision of Goods and Services including: |
| h) | <input checked="" type="checkbox"/> | 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.

As per the Libraries Act section 40(3)(a) Public Library Associations must prepare annual financial statements in accordance with generally accepted accounting principles. This also applies to Library Federations.

Board Approval Form

Financial Information Act - Statement of Financial Information

| | | |
|--|----------------|----------------------------------|
| NAME OF LIBRARY <i>Vancouver Island Regional Library</i> | | FISCAL YEAR END (YYYY) 2019 |
| LIBRARY ADDRESS Box 3333, 6250 Hammond Bay Rd | | TELEPHONE NUMBER 250-758-4697 |
| CITY Nanaimo | PROVINCE BC | POSTAL CODE V9R 5N3 |
| NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Brenda Leigh | | TELEPHONE NUMBER 250-729-2310 |
| NAME OF THE LIBRARY DIRECTOR Rosemary Bonanno | | TELEPHONE NUMBER 250-729-2313 |

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, 2019 for Vancouver Island Regional Library as required under Section 2 of the Financial Information Act.

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD*

DATE SIGNED (DD-MM-YYYY)

Brenda E. Leigh

03-07-2020

SIGNATURE OF THE LIBRARY DIRECTOR

DATE SIGNED (DD-MM-YYYY)

R. Bonanno

03-07-2020

Management Report

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2019

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.

The external auditors, MNP LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the board's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of Vancouver Island Regional Library

Chairperson of the Library

Board

Brenda Leigh

Signature,

Chairperson of the Library

Board

Date

(MM-DD-YYYY)

07-03-2020

Name,

Library Director

Rosemary Bonanno

Signature,

Library Director

Date

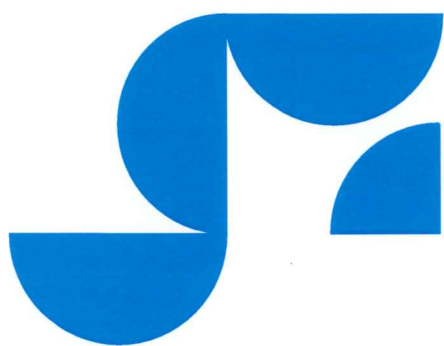
(MM-DD-YYYY)

07-03-2020



➡ 2019

**CONSOLIDATED
FINANCIAL
STATEMENTS**



December 31, 2019

Box 3333 – 6250 Hammond Bay Road
Nanaimo, BC Canada V9R 5N3
w: virl.bc.ca

Independent Auditor's Report

To the Members of the Board of the Vancouver Island Regional Library:

Opinion

We have audited the consolidated financial statements of the Vancouver Island Regional Library (the "Library"), which comprise the consolidated statement of financial position, and related schedule III as at December 31, 2019, and the consolidated statements of operations and related schedules I and II, changes in net debt and cash flows and internally restricted fund balances for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2019, and the results of its operations, changes in net debt 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 Consolidated Financial Statements section of our report. We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Other Information

Management is responsible for the other information, comprising of the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is responsible for assessing the Library'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 Library 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Library'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 Library'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 Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated 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.

Nanaimo, British Columbia

July 3, 2020

MNP LLP

Chartered Professional Accountants



Administration
Box 3333 | 6250 Hammond Bay Road
Nanaimo, BC Canada V9R 5N3
t: 250.758.4697 f: 250.758.2482
e: info@virl.bc.ca w: www.virl.bc.ca

To the Board of Directors of Vancouver Island Regional Library

Management's Responsibility


Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated 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 consolidated financial statements.

The Board of Directors is composed entirely of members who are neither management nor employees of the Library. The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board of Directors fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board of Directors is also responsible for appointing the Library's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board of Directors to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Board of Directors and management to discuss their audit findings.

July 3, 2020



Rosemary Bonanno, BA, MLS
Executive Director

Strong Libraries ■ Strong Communities

Bella Coola Bowser Campbell River Chemainus Comox Cortes Island Courtenay Cowichan Cowichan Lake Cumberland Gabriola Island Gold River Hornby Island Ladysmith Masset Nanaimo Harbourfront Nanaimo North Nanaimo Wellington Parksville Port Alberni Port Alice Port Clements Port Hardy Port McNeill Port Renfrew Quadra Island Qualicum Beach Queen Charlotte Sandspit Sayward Sidney/North Saanich Sointula Sooke South Cowichan Tahsis Tofino Ucluelet Union Bay Woss

VANCOUVER ISLAND REGIONAL LIBRARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

| | 2019 | 2018 Restated (Note 19) |
|---|-------------------------------|-------------------------------|
| Financial Assets | | |
| Cash and Equivalents - Note 3 | \$ 5,872,182 | \$ 7,534,335 |
| Short Term Investments | - | 1,056,785 |
| Accounts Receivable | 367,147 | 164,099 |
| Deposits - Note 15 | <u>413,715</u> | <u>267,588</u> |
| | <u>6,653,044</u> | <u>9,022,807</u> |
| Liabilities | | |
| Trade Accounts Payable | 1,380,590 | 983,790 |
| Wages Payable | 522,708 | 435,641 |
| Accumulated Sick Payable - Note 8 | 508,627 | 475,044 |
| Accrued Benefit Obligation - Note 7 | 487,567 | 454,008 |
| Long Term Debt - Note 13 | <u>18,457,703</u> | <u>16,745,328</u> |
| | <u>21,357,195</u> | <u>19,093,811</u> |
| Net Debt | \$ <u>(14,704,151)</u> | \$ <u>(10,071,004)</u> |
| Non Financial Assets | | |
| Tangible Capital Assets - Note 4 & Schedule III | 31,739,733 | 27,317,370 |
| Prepaid Expenses | <u>469,558</u> | <u>399,666</u> |
| | <u>32,209,291</u> | <u>27,717,036</u> |
| Accumulated Surplus - Note 12 | \$ <u>17,505,139</u> | \$ <u>17,646,032</u> |
| Commitments - Note 9 | | |
| Outstanding Claims - Note 17 | | |
| Subsequent Event - Note 18 | | |

On behalf of the Board:


 Chair of the Board


 Executive Director

The accompanying notes are an integral part of these consolidated financial statements

VANCOUVER ISLAND REGIONAL LIBRARY

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2019

| | 2019 Budget (Note 10) | 2019 Actual | 2018 Restated (Note 19) |
|---|-----------------------------|-----------------------------|-------------------------------|
| Revenues | | | |
| Municipal Levies | \$ 16,043,654 | \$ 16,043,678 | \$ 15,270,198 |
| Regional District Levies | 7,096,437 | 7,096,440 | 6,821,887 |
| Government and Other Grants - Note 5 | 1,307,232 | 1,286,491 | 1,308,218 |
| Fines and Other Income | 387,000 | 507,071 | 493,833 |
| Interest Earned | <u>80,000</u> | <u>115,236</u> | <u>131,621</u> |
| | <u>24,914,323</u> | <u>25,048,916</u> | <u>24,025,757</u> |
| Expenses | | | |
| Wages and Benefits - Schedule I | 14,105,152 | 14,605,642 | 13,143,542 |
| Branch Costs | 2,734,937 | 3,557,861 | 3,418,108 |
| Miscellaneous Library Materials | 109,000 | 81,321 | 83,511 |
| Administration Costs - Schedule II | 2,081,365 | 2,843,408 | 2,977,338 |
| Retirement Benefit Accrual | 20,000 | 88,007 | 44,595 |
| Amortization Expense | <u>4,013,570</u> | <u>4,013,570</u> | <u>3,773,340</u> |
| | <u>23,064,024</u> | <u>25,189,809</u> | <u>23,440,434</u> |
| Annual Surplus (Deficit) | 1,850,299 | (140,893) | 585,323 |
| Accumulated Surplus, Beginning of Year | <u>17,646,032</u> | <u>17,646,032</u> | <u>17,060,709</u> |
| Accumulated Surplus, End of Year | <u>\$ 19,496,331</u> | <u>\$ 17,505,139</u> | <u>\$ 17,646,032</u> |

The accompanying notes are an integral part of these consolidated financial statements

VANCOUVER ISLAND REGIONAL LIBRARY

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

For the Year Ended December 31, 2019

| | Budget (Note 10) | 2019 Actual | 2018 Actual |
|---|--|--|------------------------------------|
| Annual Surplus (Deficit) | \$ 1,850,299 | \$ (140,893) | \$ 585,323 |
| Acquisition of Tangible Capital Assets | (11,487,003) | (8,435,931) | (3,736,999) |
| Amortization of Tangible Capital Assets | <u>4,013,570</u> <u>(5,623,134)</u> | <u>4,013,570</u> <u>(4,563,254)</u> | <u>3,773,340</u> <u>621,664</u> |
| Acquisition of Prepaid Expenses | - | (469,558) | (399,665) |
| Use of Prepaid Expenses | <u>-</u> <u>-</u> | <u>399,665</u> <u>(69,893)</u> | <u>402,873</u> <u>3,208</u> |
| (Increase) Decrease in Net Debt | (5,623,134) | (4,633,147) | 624,872 |
| Net Debt, Beginning of Year | <u>(10,071,004)</u> | <u>(10,071,004)</u> | <u>(10,695,876)</u> |
| Net Debt, End of Year | \$ <u>(15,694,138)</u> | \$ <u>(14,704,151)</u> | \$ <u>(10,071,004)</u> |

The accompanying notes are an integral part of these consolidated financial statements

VANCOUVER ISLAND REGIONAL LIBRARY

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

| | 2019 | 2018 |
|--|----------------------------|----------------------------|
| Cash Provided (Used): | | |
| Operating Activities: | | |
| Annual Surplus (Deficit) | \$ (140,893) | \$ 585,323 |
| Amortization Expense | 4,013,570 | 3,773,340 |
| Actuarial Adjustments | (94,587) | (76,824) |
| Changes in non-cash operating accounts: | | |
| Decrease in accounts receivable | (203,049) | (71,004) |
| Increase (Decrease) in prepaid expenses | (69,892) | 3,209 |
| Increase in trade accounts payable | 396,800 | 303,403 |
| Increase in accumulated sick payable | 33,583 | 49,386 |
| Increase in accrued benefit obligation | 33,559 | 19,666 |
| Increase (Decrease) in wages payable | 87,067 | (1,688) |
| Decrease in deferred revenue | - | (7,875) |
| Increase in deposits | <u>(146,127)</u> | <u>(248,610)</u> |
| | <u>3,910,031</u> | <u>4,328,326</u> |
| Investing Activities: | | |
| Decrease (Increase) in Short Term Investments | <u>1,056,785</u> | <u>(8,387)</u> |
| Capital Activities: | | |
| Acquisition of Tangible Capital Assets | <u>(8,435,931)</u> | <u>(3,736,999)</u> |
| Financing Activities: | | |
| Long Term Debt Proceeds | 2,230,000 | 1,500,000 |
| Principal Repayments | <u>(423,038)</u> | <u>(367,214)</u> |
| | 1,806,962 | 1,132,786 |
| Increase (Decrease) In Cash and equivalents | (1,662,153) | 1,715,726 |
| Cash and equivalents, Beginning of Year | <u>7,534,335</u> | <u>5,818,609</u> |
| Cash and equivalents, End of Year | \$ <u>5,872,182</u> | \$ <u>7,534,335</u> |

The accompanying notes are an integral part of these consolidated financial statements

VANCOUVER ISLAND REGIONAL LIBRARY

CONSOLIDATED STATEMENT OF
INTERNALLY RESTRICTED FUND BALANCES

For the Year Ended December 31, 2019

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Internally Restricted Funds | | | | | |
| Outfitting & New/Expanded Facilities | \$ 1,352,409 | \$ 2,525,742 | \$ 2,330,838 | \$ 2,556,885 | \$ 2,570,963 |
| Long-Term Maintenance | 2,634,647 | 2,592,224 | 1,944,216 | 1,347,941 | 753,200 |
| Integrated Library System Replacement | 124,396 | 73,357 | 22,841 | 22,724 | 85,261 |
| Books | - | 10,340 | 10,340 | 10,340 | 10,340 |
| Accrued Sick Reserve | 285,736 | 282,652 | 279,752 | 278,322 | 276,278 |
| Fundraising | 344,815 | 312,401 | 215,530 | 167,457 | 122,404 |
| Computer Equipment | 75,213 | 46,963 | 32,966 | 95,389 | 278,573 |
| Prior Years General Reserve | - | - | 2,487 | 2,487 | 11,773 |
| Human Resources Issues | 70,075 | 69,319 | 68,606 | 68,237 | 62,758 |
| Friends Reserve | 18,232 | 18,232 | 16,921 | 16,327 | 16,838 |
| Furnishings and Equipment | 335,440 | 253,749 | 115,760 | 114,550 | 55,627 |
| Vehicles | 48,275 | 77,711 | 47,023 | 87,982 | 97,928 |
| Summer Employment | - | 20 | 3,230 | 3,213 | 3,190 |
| BCGEU Continuing Education | - | - | - | - | 4,673 |
| Salaries | 204,134 | 600,000 | - | - | - |
| Website | - | - | - | 55,000 | - |
| Total Internally Restricted Funds | \$ 5,493,372 | \$ 6,862,710 | \$ 5,090,510 | \$ 4,826,854 | \$ 4,349,806 |

The accompanying notes are an integral part of these consolidated financial statements

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

1 Organization

The Vancouver Island Regional Library (the "Library") is a regional library with administrative offices located in Nanaimo, BC. It serves customers in 39 locations, as well as 2 volunteer book stations and books by mail services, on Vancouver Island, Haida Gwaii (The Queen Charlotte Islands) and the Central Coast of BC. Card holders can borrow materials from any location. The Library was established in 1936 under the Library Act of British Columbia. The Library is a registered charity and is exempt from income taxes as long as certain conditions are met.

2 Significant Accounting Policies

The consolidated Financial Statements of the Library have been prepared in accordance with Canadian Public Sector Accounting Standards with significant policies adopted by the Library as noted below:

2.a Tangible Capital Assets

The building, furniture, equipment, system computers, vehicles and books are stated at Net Book Value as amortization has been recorded. Amortization is recorded on a straight-line basis over the estimated useful life of the asset, commencing the year the asset is put into service. Assets are initially recorded at cost based on a single item purchase threshold and group purchase thresholds. Contributed tangible capital assets are recorded at their fair value on the date of contribution. Estimated useful lives are as follows:

| | | Single Purchase Threshold | Group Purchase Threshold |
|-------------------------|----------|------------------------------|-----------------------------|
| Buildings | 40 years | \$ 5,000 | \$ 5,000 |
| Leasehold Improvements | 5 years | 5,000 | 5,000 |
| Furniture and Equipment | 10 years | 1,000 | 10,000 |
| Vehicles | 10 years | 5,000 | 5,000 |
| Computer Equipment | 3 years | 3,000 | 15,000 |
| Books | 5 years | - | - |

In accordance with PSAB3150 Tangible Capital Assets the Library has adopted a policy of expensing interest related to construction projects.

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2 Significant Accounting Policies (continued)

2.b Use of estimates

The preparation of the consolidated financial statements of the Vancouver Island Regional Library, in accordance with Canadian Public Sector Accounting Standards, requires management to make estimates and assumptions of values which affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. Amounts are based on best estimates, but actual amounts may vary from the amounts recorded. Adjustments, if any, will be reflected in the period of settlement.

- i) Amortization is based on the estimated useful lives of tangible capital assets.
- ii) Accrued benefit obligation is based on an estimate of accumulated termination benefits.
- iii) Accumulated sick payable is based on an estimate of future sick time usage.
- iv) Accounts Receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts.
- v) Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Vancouver Island Regional Library is responsible for.

These estimates and assumptions are reviewed periodically and as adjustment becomes necessary they are reported in operating surplus in the year they become known.

2.c Revenue Recognition

Revenue is recorded in the period in which the transactions or events that gave rise to the revenue occur. Non-government grants that have been received in advance of services being rendered are recorded as deferred revenue until the Library discharges the obligations that led to the collection of funds. Following are the types of revenue received and a description of their recognition:

- i) Municipal and rural levies are recognized in the year levied
- ii) Interest earned and other income are recorded in the year they are earned
- iii) Fines are recognized when received as a result of the difficulty in determining collectibility

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2 Significant Accounting Policies (continued)

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

2.d Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Vancouver Island Regional Library is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2019.

At each financial reporting date, the Vancouver Island Regional Library reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Vancouver Island Regional Library continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

3 Cash and Equivalents

Cash and equivalents includes 403,971 (2018 - 602,583) units of Municipal Finance Authority of British Columbia Money Market Fund, and 108,697 (2018 - 105,985) units of Municipal Finance Authority of British Columbia Bond Fund. The rates of return vary depending on the rates of return of the items held.

The general bank account has an overdraft limit up to \$30,000 and carries interest at prime rate.

Cash is recorded at cost which is equal to its fair market value and includes:

| | <u>2019</u> | 2018 |
|---|---------------------|---------------------|
| Cash | \$ 774,379 | \$ 448,185 |
| Municipal Finance Authority of British Columbia | | |
| - Money Market Fund | 4,039,715 | 6,025,830 |
| - Bond Fund | <u>1,058,088</u> | <u>1,060,320</u> |
| | <u>\$ 5,872,182</u> | <u>\$ 7,534,335</u> |

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

4 Tangible Capital Assets

The land at 6250 Hammond Bay Road in Nanaimo, BC was acquired by way of a crown grant from the Province of BC (valued in 1994 by BCAA at \$167,831). Should the Library ever wish to dispose of it, it is likely that a repayment amount would have to be negotiated with the Province of BC.

The land at 9796 Willow Street in Chemainus, BC (valued by BCAA at \$203,000) was transferred to VIRL by the District of North Cowichan in November 2018. Should the Library cease library operations at this site, ownership would revert back to the District.

The land at 68 Renfrew Avenue in Cowichan Lake, BC (valued by BCAA at \$113,000) was transferred to the Library by the Town of Lake Cowichan in August of 2014. Should the Library cease library operations at this site, ownership would revert back to the Town.

The land at 90 Commercial Street in Nanaimo, BC (valued by BCAA at \$1,092,000) was transferred to the Library by the City of Nanaimo in June 2013. Should the Library cease library operations at this site, ownership would revert back to the City.

Work in Progress is for construction or renovation of buildings owned by the Library that had begun during the year but was not completed and put into service by the fiscal year end.

For additional information, see Consolidated Schedule of Tangible Capital Assets (Schedule III).

The Library also owns certain donated artworks which have not been capitalized due to the uncertainty of the value.

| Description | Location | Estimated Value |
|--------------------|-----------------|------------------------|
| Totem Pole | Cowichan | \$50,000 |

5 Government and Other Grants

| | | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|
| | Budget | Actual | Actual |
| Provincial Per Capita Operating Grants | \$ 1,229,808 | \$ 1,206,871 | \$ 1,206,871 |
| Other Provincial Grants | 77,424 | 75,610 | 75,913 |
| Federal Grants | - | - | 9,000 |
| Other Grants | - | 4,010 | 16,434 |
| | <u>\$ 1,307,232</u> | <u>\$ 1,286,491</u> | <u>\$ 1,308,218</u> |

Annual per capita operating grants are provided by the Ministry of Education to all library systems in BC. For a regional library system such as the Library, grants are calculated for municipal areas at \$1.78 - \$2.20 per capita, and for rural areas at \$3.90 - 4.10 per capita.

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

6 Pension Obligations

The Library and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Library paid \$945,080 (2018 - \$875,797) for employer contributions to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

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 individual employers participating in the plan.

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

7 Accrued Benefit Obligation

The liability represents an estimate of the amount of accumulated severance benefits. The following data is a result of applying an actuarial method in valuating the liability at December 31, 2019. Significant assumptions used in the valuation include a discount rate of 2.24% (2018 - 3.20%) and inflation of 2% (2018 - 2%). There are no unamortized gains or losses.

The severance calculation is based on the current contractual obligation that states that permanent full time employees who have ten (10) years of consecutive service and who retire on the Municipal Pension Plan after their sixtieth (60th) birthday will be awarded two (2) months' pay at the rate that prevailed at the time of retirement. Permanent part-time employees severance calculation varies in that employees with ten (10) years continuous service who retire after their sixtieth (60th) birthday will receive an award of two (2) months of their average monthly earnings based on the previous six (6) months earnings.

| | <u>2019</u> | <u>2018</u> |
|---|--------------------------|--------------------------|
| Provision for accrued benefit obligation, beginning of the year | \$ 454,008 | \$ 434,342 |
| Payments during the year | (42,592) | (29,425) |
| Interest earned | 4,615 | 4,496 |
| Contribution to provision during the year | <u>71,536</u> | <u>44,595</u> |
| Provision for accrued benefit obligation, end of the year | <u><u>\$ 487,567</u></u> | <u><u>\$ 454,008</u></u> |

8 Accumulated Sick Payable

The Vancouver Island Regional Library provides for sick leave under the following conditions:

- (a) All CUPE, BCGEU, and Exempt full time accumulate one and one half days of sick leave per month.
- (b) CUPE staff are limited to accumulate the equivalent of 120 working days pay, while BCGEU and Exempt employees are limited to accumulate 130 working days pay.
- (c) Regular Part Time CUPE, BCGEU, and Exempt employees are allowed the same earnings rates and limits with the exceptions that the amounts are prorated to an equivalent amount based on their regular appointed schedules.
- (d) Sick leave can only be used for paid time off for illness of the employee. Sick leave taken is paid at the employee's normal rate of pay at the time.
- (e) There is no provision for payment of any unused sick bank balance on termination of employment.

The estimate for accumulated sick payable as at December 31, 2019 is \$508,627 (2018 - \$475,044).

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

9 Commitments

The Library is committed under several lease agreements for building rentals and shared common costs which, for each of the next five years and in total, are disclosed below. The Library has also entered into a five year operating lease for a photocopier at an annual cost of \$5,025 expiring in October 2020, and a lease for self check terminals at an annual cost of \$122,926 expiring in December 2025.

| | Rental | <u>Photocopier and Self Check</u> | <u>Total</u> |
|------|---------------------|--|---------------------|
| 2020 | 1,579,796 | 127,114 | 1,706,910 |
| 2021 | 1,314,547 | 122,926 | 1,437,473 |
| 2022 | 870,421 | 122,926 | 993,347 |
| 2023 | 696,330 | 122,926 | 819,256 |
| 2024 | 508,967 | 122,926 | 631,893 |
| | <u>\$ 4,970,061</u> | <u>\$ 618,818</u> | <u>\$ 5,588,879</u> |

The rental lease agreements are all expected to be renewed as they reach expiry and the resultant liability in the future is expected to escalate rather than decline.

10 Annual Budget

The financial statements include the unaudited annual budget as approved by the Library Board on September 22, 2018.

| | <u>Budget</u> | <u>Capital Asset Acquisitions Budget</u> |
|---|----------------------------|---|
| Balanced Budget Amount | Nil | |
| Transfers from Restricted Reserves | (4,975,624) | |
| Transfers to Restricted Reserves | <u>3,221,706</u> | |
| Budgeted increase in Net Financial Assets | (1,753,918) | |
| MFA Debt Issue | (8,250,000) | |
| Repayments of Long Term Debt | 367,214 | |
| Purchase of Tangible Capital Assets | <u>11,487,003</u> | <u>11,487,003</u> |
| Budgeted Operating Surplus | <u>\$ 1,850,299</u> | |

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

11 Economic Dependence

The Vancouver Island Regional Library is economically dependent on Government per-capita grants in order to continue to provide the current level of services.

12 Accumulated Surplus

Which is comprised of:

| | <u>2019</u> | <u>2018</u> <u>Restated</u> <u>(Note 19)</u> |
|--|----------------------|--|
| Internally restricted - Statement "E" | \$ 5,493,372 | \$ 6,862,710 |
| Unrestricted | (1,270,263) | 211,280 |
| Net investment in tangible capital assets - Schedule III | <u>13,282,030</u> | <u>10,572,042</u> |
| | <u>\$ 17,505,139</u> | <u>\$ 17,646,032</u> |

12.a Fund Accounting

The General Fund accounts for the Library's program delivery and administrative services. This Fund reports all assessments, grants, other income and expenditures.

The capital fund reports all assets and liabilities related to the Library's tangible capital assets.

12.b Internally-restricted funds

Included in internally-restricted funds are amounts set aside from past and current operations for future operating and capital expenditures. The money in these reserve funds, and interest earned thereon, must be expended only for the purpose for which the fund was established. If the amount in the reserve fund is greater than required, the Board may transfer all or part of the balance to another reserve fund.

In addition to budgeted transfers to reserves, an evaluation of the unrestricted surplus is carried out annually to establish the minimum surplus retention. This is done by taking the total expenditures, less current assets and current liabilities and subtracting the designated reserves on hand. This total is multiplied by a factor of 5% to establish the minimum surplus to be retained. The amount transferred from unrestricted to restricted in 2019 was \$0 (2018 - \$0).

13 Long Term Debt

All Long Term Debt is borrowed from the Municipal Finance Authority of BC (MFA). Interest payments and actuarial earnings related to long-term debt obligations are recorded on an accrual basis. Actuarial revenue is investment earnings on the Library's principal payments made to, and invested by, the MFA, prior to the MFA using these funds to retire the related debt. The actuarial interest rate is set when the debt is issued to the Regional District and may be adjusted by MFA during the term of the debt as market conditions dictate that the rate can no longer be achieved. Actual actuarial earnings beyond the set rate are paid to the Regional District when the related debt has been retired. Actuarial revenue is recognized and compounded annually starting in the second year of the debt term.

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

13 Long Term Debt (continued)

Interest has been accrued as an expense to December 31, 2019. Actuarial adjustments are treated as additional principal repayments per the schedules and advices received from the MFA. Principal payments are applied directly to loan balances in the period they accrue.

Two Debt issues have been secured by the Nanaimo Regional District for the Nanaimo North Branch and the Nanaimo Harbourfront Branch, two by the Cowichan Valley Regional District for the Lake Cowichan Branch and Chemainus Branch, and one by the North Coast Regional District for branches on Haida Gwaii.

| | Nanaimo North | Cowichan Lake | Nanaimo Harbourfront | North Coast RD | Chemainus | Total |
|-----------------------------------|------------------|------------------|-------------------------|-------------------|------------------|-------------------|
| MFA Debt Issue # | 117 | 121 | 126 | 145 | 149 | |
| Initial Borrowing | 8,000,000 | 1,000,000 | 8,610,000 | 1,500,000 | 2,230,000 | 21,340,000 |
| Term | 30 Years | 30 Years | 25 Years | 20 Years | 20 Years | |
| Interest Rate | 3.25% | 3.25% | 3.85% | 3.15% | 2.24% | |
| YTD Principal Payment | 142,641 | 17,830 | 206,743 | 55,824 | - | 423,038 |
| YTD Interest Payment | <u>214,935</u> | <u>24,269</u> | <u>286,694</u> | <u>47,250</u> | <u>33,628</u> | <u>606,776</u> |
| Total Annual Payments | <u>357,576</u> | <u>42,099</u> | <u>493,437</u> | <u>103,074</u> | <u>33,628</u> | <u>1,029,814</u> |
| Beginning Balance | | | | | | |
| January 1, 2019 | 6,873,382 | 881,733 | 7,490,213 | 1,500,000 | - | 16,745,328 |
| Additional Funding during 2019 | - | - | - | - | 2,230,000 | 2,230,000 |
| Actuarial Adjustments during 2019 | (45,065) | (4,731) | (44,791) | - | - | (94,587) |
| Principal Repayments | <u>(142,641)</u> | <u>(17,830)</u> | <u>(206,743)</u> | <u>(55,824)</u> | <u>-</u> | <u>(423,038)</u> |
| Ending Balance | | | | | | |
| December 31, 2019 | <u>6,685,676</u> | <u>859,172</u> | <u>7,238,679</u> | <u>1,444,176</u> | <u>2,230,000</u> | <u>18,457,703</u> |

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

13 Long Term Debt (Continued)

Principal Payments (next 5 years)

| Year | Nanaimo North | Cowichan Lake | Nanaimo Harbourfront | North Coast RD | Chemainus |
|-------------|--------------------------|--------------------------|---------------------------------|---------------------------|------------------|
| 2020 | 142,641 | 17,830 | 206,743 | 55,824 | 91,779 |
| 2021 | 142,641 | 17,830 | 206,743 | 55,824 | 91,779 |
| 2022 | 142,641 | 17,830 | 206,743 | 55,824 | 91,779 |
| 2023 | 142,641 | 17,830 | 206,743 | 55,824 | 91,779 |
| 2024 | 142,641 | 17,830 | 206,743 | 55,824 | 91,779 |

14 MFA Debt Reserve Fund

The Library secures its long term borrowing through the MFA. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a Debt Reserve Fund. The Library is contingently liable to the MFA for the Debt Reserve Fund, to help secure its participation in MFA debentures. The MFA has the right, if one or more participants in that issue default, to draw upon the Library's share of the Debt Reserve Fund of \$253,263 as at December 31, 2019 (2018 - \$225,627).

15 Deposits

Deposits at December 31 represent construction deposits with the District of North Cowichan and the District of Sooke, and security deposits paid on rental agreements.

16 Comparative Figures

Some prior year figures have been reclassified to conform to the current year's presentation.

17 Outstanding Claims

The Library has received 5 grievances from CUPE Local 401 and 3 grievances from BCGEU Local 702 regarding differences of opinion in interpreting and applying the collective agreement. As of December 31, the outcome of these grievances, and losses if any, are not reasonably determinable. Due to the uncertainty surrounding these grievances, no liability has been recorded.

VANCOUVER ISLAND REGIONAL LIBRARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

18 Subsequent Event

In March 2020, the COVID-19 outbreak has caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include the implementation of facility closures, travel restrictions, self-isolation periods, and social and physical distancing, will have a significant impact on the local and global economy. At this time it is not possible to reliably estimate the length and severity of the COVID-19 outbreak and how it may impact the Library's financial results for 2020.

19 Prior Period Adjustment

During the year, the Library discovered that Land previously acquired through transfers had not been recorded as tangible capital assets in the Library's consolidated financial statements. An adjustment was made to record donated land resulting in the following changes to the December 31, 2018 results:

Tangible Capital Assets increased \$1,280,100

Accumulated surplus increased \$1,280,100

VANCOUVER ISLAND REGIONAL LIBRARY

GENERAL FUND EXPENSE SCHEDULE

WAGES AND BENEFITS

For the Year Ended December 31, 2019

| | Budget (Note 10) | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|
| Library Services | | | |
| Branch Services | \$ 7,239,343 | \$ 8,027,728 | \$ 7,206,800 |
| Technical Services | 706,173 | 576,453 | 623,535 |
| Information Services and Network Support | <u>596,359</u> | <u>621,932</u> | <u>540,621</u> |
| | <u>8,541,875</u> | <u>9,226,113</u> | <u>8,370,956</u> |
| Corporate Services | | | |
| Financial Services | 510,161 | 474,858 | 399,469 |
| Shipping & Receiving | 147,347 | 160,248 | 148,267 |
| Executive Director's Office | 552,133 | 551,157 | 446,516 |
| Human Resources | 336,100 | 306,612 | 365,053 |
| Communications | 391,173 | 400,505 | 300,812 |
| Facility Management | 101,647 | 33,525 | 76,969 |
| Purchasing | <u>129,759</u> | <u>134,295</u> | <u>134,457</u> |
| | <u>2,168,320</u> | <u>2,061,200</u> | <u>1,871,543</u> |
| Total Wages | <u>10,710,195</u> | <u>11,287,313</u> | <u>10,242,499</u> |
| Benefits | 3,373,957 | 3,289,303 | 2,874,209 |
| Hiring and Training | <u>21,000</u> | <u>29,026</u> | <u>26,834</u> |
| Total Wages and Benefits | <u>\$ 14,105,152</u> | <u>\$ 14,605,642</u> | <u>\$ 13,143,542</u> |

VANCOUVER ISLAND REGIONAL LIBRARY

GENERAL FUND EXPENSE SCHEDULE

ADMINISTRATION COSTS

For the Year Ended December 31, 2019

| | Budget (Note 10) | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|
| Administration | | | |
| Utilities and communications | \$ 298,534 | \$ 300,329 | \$ 287,498 |
| Office, photocopier and postage | 383,466 | 397,877 | 401,338 |
| Central services' building and equipment maintenance | 486,448 | 681,517 | 598,620 |
| Furniture and Equipment - small items expensed | 27,500 | 274,087 | 124,518 |
| Travel and Vehicle Operation | 238,208 | 271,801 | 248,517 |
| Professional Fees | 199,850 | 410,204 | 855,074 |
| Insurance | 125,000 | 119,662 | 126,990 |
| Training and workshops | 62,447 | 103,385 | 45,660 |
| Board expenses | 105,082 | 95,560 | 79,602 |
| Promotion and advertising | 85,362 | 98,780 | 129,916 |
| Bank and payroll production charges | 69,468 | 90,206 | 79,605 |
| Total Administration | \$ 2,081,365 | \$ 2,843,408 | \$ 2,977,338 |

Schedule III

VANCOUVER ISLAND REGIONAL LIBRARY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2019

| | Books | Furniture & Equipment | Computer Equipment | Vehicles | Building | Leasehold Improvement | Land | 2019 Total | 2018 Total (Restated - Note 19) |
|---------------------------------------|---------------------|--------------------------|-----------------------|-------------------|---------------------|--------------------------|---------------------|---------------------|--|
| Historical Cost: | | | | | | | | | |
| Opening Balance | \$14,485,542 | \$ 5,377,672 | \$ 4,441,573 | \$ 412,935 | \$19,977,171 | \$ 2,011,678 | \$ 1,575,831 | \$48,282,402 | \$47,331,900 |
| Additions | 2,813,789 | 268,600 | 344,559 | 55,427 | 3,438,509 | 1,228,142 | - | 8,149,026 | 3,243,266 |
| Transfers from Work in Progress | - | - | - | - | - | 493,733 | - | 493,733 | - |
| Less: Disposals & Write-Downs | (2,204,856) | - | - | - | - | - | - | (2,204,856) | (2,292,765) |
| | 15,094,475 | 5,646,272 | 4,786,132 | 468,362 | 23,415,680 | 3,733,553 | 1,575,831 | 54,720,305 | 48,282,401 |
| Accumulated Amortization | | | | | | | | | |
| Opening Balance | 8,245,699 | 3,964,051 | 4,038,689 | 279,852 | 3,476,032 | 1,454,441 | - | 21,458,764 | 19,978,189 |
| Amortization Expense | 2,488,177 | 271,153 | 304,453 | 34,753 | 542,410 | 372,624 | - | 4,013,570 | 3,773,340 |
| Effects of Disposals & Write-Downs | (2,204,856) | - | - | - | - | - | - | (2,204,856) | (2,292,765) |
| | 8,529,020 | 4,235,204 | 4,343,142 | 314,605 | 4,018,442 | 1,827,065 | - | 23,267,478 | 21,458,764 |
| Work in Progress | - | - | - | - | 286,906 | - | - | 286,906 | 493,733 |
| Net Book Value | | | | | | | | | |
| For the Year Ended | | | | | | | | | |
| December 31, 2019 | \$ 6,565,455 | \$ 1,411,068 | \$ 442,990 | \$ 153,757 | \$19,684,144 | \$ 1,906,488 | \$ 1,575,831 | \$31,739,733 | \$27,317,370 |
| Less Debt | | | | | | | | 18,457,703 | 16,745,328 |
| Net Investment In Assets | | | | | | | | \$13,282,030 | \$10,572,042 |

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2019

Note:

Information is disclosed in the Consolidated Statement of Financial Position (Statement "A").
Additional information is disclosed in the notes of the financial statements.

All liabilities, except for long term debt, are current and are due for payment within the next year.

The Vancouver Island Regional Library long term debt comprises five borrowings from Municipal Finance Authority in the amount of \$18.5 million (see Note 13 of the financial statements).

Schedule of Guarantee and Indemnity

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2019

Vancouver Island Regional Library 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: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2019

Table 1 – Total Remuneration & Total Expenses

| | Total Remuneration (Wages/Salaries) | Total Expenses (Reimbursement for Conferences/Mileage etc.) |
|----------------------|--|--|
| Board Members | | |
| Aldis, Holly | 0 | 519 |
| Arbour, Daniel | 0 | 1,634 |
| Austin, Carolyne | 0 | 89 |
| Bateman, Jeff | 0 | 660 |
| Brown, Vickey | 0 | 489 |
| Carty, Terry | 0 | 1,557 |
| Cote, Penny | 0 | 1,430 |
| Craig, Vanessa | 0 | 97 |
| Duncan, Tom | 0 | 220 |
| Ellis, Joyce | 0 | 1,161 |
| Embree, Jesse | 0 | 540 |
| Fall, Andrew | 0 | 287 |
| Fallot, Barbara | 0 | 655 |
| Faulkner, Candace | 0 | 967 |
| Gould, Ian | 0 | 1,722 |
| Hemmens, Erin | 0 | 38 |
| Hicks, Mike | 0 | 473 |
| Hory, Andrew | 0 | 2,721 |
| Johnson, Rob | 0 | 200 |
| Kennedy, Jayme | 0 | 2,404 |
| Kerr, Ron | 0 | 979 |
| Leigh, Brenda | 0 | 2,435 |
| Llewellyn, Lynda | 0 | 2,761 |
| Lloyd, Bruce | 0 | 1,926 |
| Marcotte, Mary | 0 | 138 |
| Wilson, Marilyn | 0 | 43 |
| McClintock, Jack | 0 | 1,006 |
| McEwan, Marilyn | 0 | 1,161 |
| McKenna, Pat | 0 | 132 |
| McMaster, Duncan | 0 | 1,360 |
| Minions, Nicole | 0 | 465 |
| Mitchell, Ryan | 0 | 462 |
| Patrick, Brenda | 0 | 1,513 |

| | | |
|----------------------------|----------|---------------|
| Patterson, Teresa | 0 | 99 |
| Paulson, Ron | 0 | 380 |
| Putterill, Evan | 0 | 6,715 |
| Robertson, Fred | 0 | 4,361 |
| Salmon, Blaise | 0 | 218 |
| Theos, Manno | 0 | 869 |
| Toporowski, Debra | 0 | 423 |
| Vomacka, Lorna | 0 | 251 |
| Walker, Adam | 0 | 278 |
| Wickstrom, Gabrielle | 0 | 4,000 |
| Wilson, Jamie | 0 | - |
| | | |
| Total Board Members | 0 | 49,837 |

| Detailed Employees Exceeding \$75,000 | | |
|--|------------------|---------------|
| Adams, Joel | 118,039 | 94 |
| Barnum, Melanie | 101,601 | 1,078 |
| Bartlett, Natasha | 94,884 | 1,631 |
| Bigelow, Jonathon | 76,426 | 661 |
| Bonanno, Rosemary | 182,228 | 4,520 |
| Bond, Jennifer | 96,430 | 355 |
| Carson, David | 112,030 | 405 |
| Dawley, Amy | 75,020 | 1,240 |
| De Leur, Michael | 80,298 | 3,478 |
| Derby, David | 87,527 | 448 |
| Finn, Monica | 78,906 | 118 |
| Hall, Dara | 75,291 | 52 |
| House, Lisa | 104,671 | 626 |
| Legacy, Melissa | 108,325 | 1,310 |
| Martin, Anthony | 80,318 | 1,546 |
| Mathews, Emily | 83,303 | 3,641 |
| McConnell, Jason | 99,639 | 3,357 |
| Nelson, Colleen | 80,532 | 3,331 |
| O'Shea, Anne | 122,961 | 2,168 |
| Pettigrew, Stephanie | 77,918 | 5,836 |
| Rasmussen, Jens | 91,435 | 312 |
| Seper, Jennifer | 78,786 | 200 |
| Siebold, Patrick | 77,005 | 2,540 |
| Van Koevering, Annette | 77,091 | 1,543 |
| Walker, Sharon | 80,563 | 1,221 |
| Warren, Stephen | 80,485 | 4,427 |
| Warren, Stephen R | 96,974 | 6,239 |
| Wright, Elizabeth | 80,271 | 3,928 |
| Total Detailed Employees Exceeding \$75,000 | 2,598,956 | 56,304 |

| | | |
|--|------------|---------|
| Total Employees Equal to or Less Than \$75,000 | 8,688,357 | 110,345 |
| Consolidated Total* (Sum of column) | 11,287,313 | 166,649 |

Table 2 – Total Employer Premium to Receiver General for Canada

| | | |
|---|------------|---------|
| Total Employer Premium for Canada Pension Plan and Employment Insurance | DO NOT USE | 738,566 |
|---|------------|---------|

* 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 | | 11,287,313 |
| Reconciling Items | | |
| | CPP Employer | 515,357 |
| | EI Employer | 223,208 |
| | Other employee benefits | 2,550,739 |
| | Hiring & training costs | 29,026 |
| Total Per Statement of Revenue and Expenditure | | 14,605,643 |
| Variance* | | 0 |

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2019

There were 1 severance agreements made between Vancouver Island Regional Library and its non-unionized employees during fiscal year ending December 31, 2019.

These agreements represent from 0.5 to 1 months' compensation.

Schedule of Changes in Financial Position

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2019

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: **Vancouver Island Regional Library**

Fiscal Year Ended: **December 31, 2019**

| Name of Individual, Firm or Corporation | Total Amount Paid During Fiscal Year |
|--|---|
| 0907289 BC LTD | 72,185 |
| 2 HILLS VENTURES LTD | 57,794 |
| A.C.E. COURIER SERVICES | 78,573 |
| ABBA FLOORCOVERINGS | 73,248 |
| B.C. HYDRO | 186,520 |
| BC HYDRO | 51,777 |
| BC LIBRARIES COOPERATIVE | 466,104 |
| BELL MOBILITY INC | 53,801 |
| BELLA COOLA CONSUMER'S COOPERATIVE ASSOCIATION | 32,118 |
| BERK'S INTERTRUCK LTD | 78,003 |
| BIG ISLAND BUILDING SERVICES | 31,561 |
| BUDGET SELF STORAGE | 34,896 |
| CCM CONSTRUCTION LTD. | 3,849,108 |
| CENTURY GROUP INC. | 136,343 |
| CITY OF CAMPBELL RIVER | 153,130 |
| CITY OF COURTENAY | 279,355 |
| CITY OF PARKSVILLE | 193,669 |
| CITY OF PORT ALBERNI | 152,345 |
| CLE CAPITAL INC | 128,671 |
| COGSWELL'S QUALITY PAINTING LTD | 30,513 |
| COUNTRY CLUB CENTRE LTD | 110,176 |
| COWICHAN COMMUNITY CENTRE | 277,976 |
| COWICHAN VALLEY REGIONAL DIST | 46,830 |
| DELL CANADA INC | 158,076 |
| DISTRICT OF PORT HARDY | 41,334 |
| DISTRICT OF SOOKE | 144,466 |
| DISTRICT OF UCLUELET | 29,563 |
| DREW HARBOUR INVESTMENTS CORP. | 59,911 |
| DUNSMUIR INVESTMENTS LTD | 78,150 |
| FOOTPRINTS SECURITY PATROL INC. | 145,839 |
| FORTIS BC - NATURAL GAS | 27,709 |
| GRAND & TOY LIMITED | 128,971 |
| HARRIS & COMPANY | 52,762 |
| HDR/CEI ARCHITECTURE ASSOC. | 345,185 |
| HELGA SCHAFER | 72,321 |
| HEROLD ENGINEERING LIMITED | 55,423 |
| HUB INTERNATIONAL BARTON | 125,260 |
| INNOVATIVE INTERFACES GLOBAL LTD. | 174,967 |
| JIM PATTISON DEVELOPMENTS LTD | 76,768 |
| KANOPY LLC | 46,710 |
| KINGSVIEW CONSTRUCTION LTD. | 40,451 |

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|--|-------------------|
| LIGHTLEVER SYSTEMS INC. | 28,758 |
| LOGOWEST PROMOTIONAL PRODUCTS | 32,809 |
| LOW HAMMOND ROWE ARCHITECTS INC. | 324,610 |
| MAZZEI ELECTRIC LTD | 30,186 |
| McELHANNEY CONSULTING SERVICES LTD. | 155,056 |
| MEDICAL SERVICES PLAN | 103,698 |
| MEYERS NORRIS PENNY | 66,731 |
| MILLBAY SYNERGY MALL LP | 103,982 |
| NORTH COAST REGIONAL DISTRICT | 126,699 |
| PACIFIC BLUE CROSS | 880,522 |
| PARKLAND REFINING (BC) LTD | 34,030 |
| PETRO-CANADA SUPERPASS | 47,243 |
| PLANETCLEAN (NANAIMO) LTD | 28,960 |
| RECEIVER GENERAL | 738,566 |
| REGENCY COMMERCIAL CLEANING LTD. | 129,248 |
| REGIONAL DISTRICT OF NANAIMO | 940,869 |
| ROYAL CANADIAN LEGION #65 | 28,180 |
| SHAW CABLESYSTEMS G.P. | 134,399 |
| SOFTCHOICE LP | 144,108 |
| STAPLES ADVANTAGE | 238,839 |
| TELUS | 42,643 |
| TELUS SERVICES INC. | 27,807 |
| THINK COMMUNICATIONS INC. | 159,932 |
| TOWN OF COMOX | 110,711 |
| TOWN OF QUALICUM BEACH | 120,124 |
| TOWN OF SIDNEY | 74,307 |
| TRANE CANADA ULC | 54,218 |
| US BANK Visa | 263,775 |
| VEER HOLDINGS LTD. | 60,853 |
| | |
| | |
| Total (Suppliers with payments exceeding \$25,000) | 13,610,423 |
| | |
| Total (Suppliers where payments are \$25,000 or less) | 1,386,132 |
| | |
| Consolidated Total | 14,996,555 |

Reconciliation of Goods and Services

Total expenses as per Consolidated Statement of Operations: (Statement "B")

| | |
|--|--------------|
| Total expenses on statement | 25,189,808 |
| Less: expenses on Statement "B" not involving suppliers: | |
| Wages and benefits | (14,605,642) |
| Retirement benefit accrual | (88,007) |
| Amortization expense | (4,013,570) |

Capital Expenses as per Schedule III to the financial statements excluded from above.

| | |
|------------------------------------|-----------|
| Capital Additions per Schedule III | 8,149,027 |
| Work in Progress | 286,906 |

14,918,522

Reconciling Items:

| | |
|------------------------------------|-----------|
| MSP | 103,698 |
| Pacific Blue Cross | 880,522 |
| Employer Health Tax | (107,394) |
| Principal portion of loan payments | 507,621 |
| Receiver General re CPP/EI | 738,566 |
| Prepays | (84,005) |
| Capital Item Adjustments | (792,765) |
| Adjusting journal entries | (521,992) |
| Timing differences | (646,218) |

| | |
|----------|------------|
| Total | 14,996,555 |
| Variance | 0 |
