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### Financial Information Act - Statement of Financial Information

**Library Name:** Fraser Valley Regional Library District

**Fiscal Year Ended:** December 31, 2020

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## Submission Checklist

### Financial Information Act - Statement of Financial Information

**Library Name:** Fraser Valley Regional Library District

**Fiscal Year Ended:** December 31, 2020

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 <sup>1</sup> financial statements)
d)	<input checked="" type="checkbox"/>	Statement of assets and liabilities (audited <sup>1</sup> financial statements)
e)	<input checked="" type="checkbox"/>	Schedule of debts (audited <sup>1</sup> 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:		
g)	<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
	<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.

<sup>1</sup> 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>Fraser Valley Regional Library District</i>	FISCAL YEAR END (YYYY) 2020
LIBRARY ADDRESS 34589 DeLair Road	TELEPHONE NUMBER 604-859-7141
CITY Abbotsford	PROVINCE BC
	POSTAL CODE V2S 5Y1
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Gayle Martin	TELEPHONE NUMBER 604-514-2800
NAME OF THE LIBRARY DIRECTOR Scott Hargrove	TELEPHONE NUMBER 604-859-7141

#### **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, 2020 for Fraser Valley Regional Library District as required under Section 2 of the Financial Information Act.*

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD\*



DATE SIGNED (DD-MM-YYYY)

19-05-2021

SIGNATURE OF THE LIBRARY DIRECTOR



DATE SIGNED (DD-MM-YYYY)

19-05-2021

## Management Report

### Financial Information Act - Statement of Financial Information

**Library Name:** Fraser Valley Regional Library District

**Fiscal Year Ended:** December 31, 2020

#### 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, BDO Canada 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 Fraser Valley Regional Library

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

Gayle Martin

**Signature,  
Chairperson of the Library  
Board**



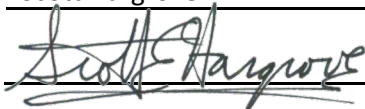
**Date  
(MM-DD-YYYY)**

05-19-2021

**Name,  
Library Director [Print]**

Scott Hargrove

**Signature,  
Library Director**



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

05-19-2021

Fraser Valley Regional Library District  
Financial Statements  
For the year ended December 31, 2020

Fraser Valley Regional Library District  
Financial Statements  
For the year ended December 31, 2020

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Unit 1100 -Royal Centre  
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Vancouver, BC V6E 3P3 Canada

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## Management's Responsibility for the Financial Statements

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The accompanying financial statements of Fraser Valley Regional Library District (the "Library") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada. A summary of the significant accounting policies are described in the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Library's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Directors meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Library. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Library's financial statements.

Scott Hargrove,  
Chief Executive Officer

Nancy Gomerich,  
Director of Finance

April 28, 2021



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## Independent Auditor's Report

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To the Library Board  
Fraser Valley Regional Library District

### Opinion

We have audited the financial statements of Fraser Valley Regional Library District (the "Library"), which comprise the Statement of Financial Position as at December 31, 2020 and the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2020 and its results of operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
April 28, 2021

Fraser Valley Regional Library District  
Statement of Financial Position

December 31	2020	2019
Financial Assets		
Cash and cash equivalents	\$ 1,136,702	\$ 1,108,994
Portfolio investments (Note 3)	9,962,914	7,593,036
Accounts receivable	190,995	346,932
	<u>11,290,611</u>	<u>9,048,962</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	1,405,187	1,930,810
Deferred revenue	265,298	260,861
Deposits	329,474	280,195
Employee future benefits (Note 5)	2,612,900	2,690,603
	<u>4,612,859</u>	<u>5,162,469</u>
Net Financial Assets	<u>6,677,752</u>	<u>3,886,493</u>
Non-Financial Assets		
Tangible capital assets (Note 6)	9,594,473	10,152,819
Prepaid expenses and deposits	505,603	712,738
	<u>10,100,076</u>	<u>10,865,557</u>
Accumulated Surplus (Note 7)	<u>\$16,777,828</u>	<u>\$ 14,752,050</u>

On behalf of the Board of Trustees:

Gayle Martin Trustee  
Retina Amos Trustee

Fraser Valley Regional Library District  
Statement of Operations

For the year ended December 31

	Budget 2020	2020	2019
Revenue			
Member assessments	\$27,092,478	\$27,141,456	\$ 26,403,790
Government transfers	1,449,450	1,523,646	1,449,450
Fines	300,000	73,802	297,201
Fees	231,884	111,929	302,377
Donations	88,000	25,718	64,141
Interest	141,000	76,847	157,623
	<u>29,302,812</u>	<u>28,953,398</u>	<u>28,674,582</u>
Expenses			
Salaries and benefits	20,106,093	17,902,748	19,074,031
Library materials	1,350,100	2,116,853	1,283,140
Operating (Schedule)	3,503,656	3,083,390	3,264,447
Library interlink	115,000	109,370	108,796
Amortization	3,874,281	3,667,911	3,715,449
Loss on disposal of tangible capital assets	-	47,348	-
	<u>28,949,130</u>	<u>26,927,620</u>	<u>27,445,863</u>
Annual Surplus	353,682	2,025,778	1,228,719
Accumulated Surplus, beginning of year	<u>14,752,050</u>	<u>14,752,050</u>	<u>13,523,331</u>
Accumulated Surplus, end of year	<u>\$15,105,732</u>	<u>\$16,777,828</u>	<u>\$ 14,752,050</u>

Fraser Valley Regional Library District  
Statement of Changes in Net Financial Assets

For the year ended December 31

	Budget 2020	2020	2019
Annual surplus	\$ 353,682	\$ 2,025,778	\$ 1,228,719
Acquisition of tangible capital assets	(4,349,641)	(3,156,913)	(4,119,469)
Amortization of tangible capital assets	3,874,281	3,667,911	3,715,449
Loss on disposal of tangible capital assets	-	47,348	-
	(475,360)	558,346	(404,020)
Acquisition of prepaid expenses	-	(330,419)	(542,551)
Use of prepaid expenses	-	537,554	535,943
	\$ -	\$ 207,135	\$ (6,608)
Change in net financial assets for the year	(121,678)	2,791,259	818,091
Net financial assets, beginning of year	3,886,493	3,886,493	3,068,402
Net financial assets, end of year	\$ 3,764,815	\$ 6,677,752	\$ 3,886,493

Fraser Valley Regional Library District  
Statement of Cash Flows

December 31	2020	2019
Operating transactions		
Annual surplus	\$ 2,025,778	\$ 1,228,719
Item not involving cash:		
Employee future benefits expense	321,700	331,000
Loss on disposal of tangible capital assets	47,348	-
Amortization of tangible capital assets	3,667,911	3,715,449
Changes in non-cash operating items		
Accounts receivable	155,937	(159,012)
Accounts payable and accrued liabilities	(525,623)	348,679
Deferred revenue	4,437	70,377
Deposits	49,279	44,024
Employee future benefits paid	(399,403)	(340,224)
Prepaid expenses and deposits	207,135	(6,608)
	<u>5,554,499</u>	<u>5,232,404</u>
Capital transaction		
Acquisition of tangible capital assets	<u>(3,156,913)</u>	<u>(4,119,469)</u>
Investing transaction		
Change in portfolio investments	<u>(2,369,878)</u>	<u>(932,428)</u>
Financing transaction		
Capital lease repayment	<u>-</u>	<u>(34,562)</u>
Net increase in cash for the year	27,708	145,945
Cash, beginning of year	<u>1,108,994</u>	<u>963,049</u>
Cash, end of year	<u>\$ 1,136,702</u>	<u>\$ 1,108,994</u>

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## Fraser Valley Regional Library District Notes to Financial Statements

December 31, 2020

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### 1. Nature of Business

The Fraser Valley Regional Library District (the "Library") was established by an Order in Council by the Lieutenant Governor of the Province of British Columbia. The Library's principal activity is to provide library services, including operation of 25 public libraries and centralized administrative services to member municipalities and unincorporated areas, in the Fraser Valley and Greater Vancouver Regional Districts. The Library is a registered charity under the Income Tax Act (Canada) and is not subject to income taxes.

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### 2. Significant Accounting Policies

#### (a) Basis of Accounting

The Library prepares its financial statements in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board.

#### (b) Non-Financial Assets

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

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of tangible capital assets is amortized on a straight line basis over their estimated useful lives commencing when the asset is available for use, as follows:

Buildings	- 7 to 20 years
Furniture and equipment	- 4 to 20 years
Computer equipment	- 2 to 7 years
Computer software	- 2 to 7 years
Automated library system	- 7 years
Library materials	- 3 to 5 years

The cost of electronic resources, including books, audio books and databases, is expensed when acquired as they are generally licensed on an annual basis and the Library does not own or control access to them.

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may exceed its long-term services potential.

Tangible capital assets received as contributions are recorded at their fair values at the date of receipt and also are recorded as revenue.

December 31, 2020

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2. Significant Accounting Policies (Continued)

(c) Non-TCA Prepaid Expenses

A prepaid expense is a cash disbursement or other transfer of economic resources, other than an outlay for inventory or capital property, before the criteria for expense recognition have been met, that is expected to yield economic benefits over one or more future periods. It is recorded as an asset at the time of incurrence and amortized to expenses over the periods of expected benefit.

(d) Portfolio Investments

Portfolio investments, consisting of short-term funds held with the Municipal Finance Authority, are carried at market value, which approximates cost.

(e) Government Transfers

Government transfers are recognized as revenue when authorized and any eligibility criteria have been met unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized in the period that the liability is extinguished.

(f) Revenue Recognition

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the period in which the conditions of the funding have been met.

(g) Leases

Leases are classified as capital or operating depending upon the terms and conditions of the contracts. Where the Library is the lessee, asset values recorded under capital leases are amortized in the same manner and same rates as other capital assets not exceeding the lease term.

(h) Financial Instruments

The Library's financial instruments consist of cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and deposits. Unless otherwise noted, it is management's opinion that the Library is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

December 31, 2020

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2. Significant Accounting Policies (Continued)

(i) Employee Future Benefits

The Library and its employees make contributions to the Municipal Pension Plan (the "Plan") and the employees accrue future benefits under this plan based on number of years of service. As the plan is a multi-employer plan, the Library's contributions are expensed as incurred (Note a).

Under the terms of the collective agreement and compensation policies, retirement benefits and compensated absences benefits are also available to the Library's employees. Employees are entitled to certain employee benefits on retirement. These include retiring allowance, additional vacation pay in the year of retirement for employees with at least ten years of service, and six months of health benefits after retirement. Compensated absences include supplemental vacation pay and longer-term sick leave. The costs of these benefits are actuarially determined based on number of years of service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under this plan are accrued based on projected benefits prorated as the employees render services necessary to earn the future benefits (Note b).

(j) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the useful lives of tangible capital assets and obligations related to employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

(k) Liability for Contaminated Sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Library is directly responsible or accepts responsibility; and
- iv. is directly responsible; or
- v. accepts responsibility; and
- vi. a reasonable estimate of the amount can be made.

There were no contaminated sites identified on sites that are no longer in use and there were no unexpected events identified for these sites during the year.



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Fraser Valley Regional Library District  
Notes to Financial Statements

December 31, 2020

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2. Significant Accounting Policies (Continued)

(l) Expenses by Object and Segmented Information

The Library is a sole purpose organization and therefore does not report by function and does not provide segmented information. The Statement of Operations presents expenses by object.

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3. Portfolio Investments

The balance consists of short-term funds held with the Municipal Finance Authority with interest rates fluctuating based on market rates of interest.

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Fraser Valley Regional Library District  
Notes to Financial Statements

December 31, 2020

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4. Accounts Payable and Accrued Liabilities

	2020	2019
Amounts due to suppliers	\$ 664,139	\$ 729,645
Salaries and benefits accruals	741,048	1,201,165
	<u>\$ 1,405,187</u>	<u>\$ 1,930,810</u>

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5. Employee Future Benefits

(a) Municipal Pension Plan

The Library and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 196,000 active members and approximately 153,000 retired members. The Plan holds assets in excess of \$58 million.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. 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 of the Plan as a whole. The actuaries do not attribute portions of any surplus or deficit to individual employers. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with current and former employees of the entities, with the result that there is a no consistent and reliable basis for allocating the obligation Plan assets and costs to the individual entities participating in the Plan.

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

The Library paid \$1,342,969 (2019 - \$1,311,543) for employer contributions while employees contributed \$1,190,995 (2019 - \$1,159,610) to the Plan during fiscal 2020.

Fraser Valley Regional Library District  
Notes to Financial Statements

December 31, 2020

5. Employee Future Benefits (Continued)

(b) Retirement Benefits and Compensated Absences

The Library provides post-employment retirement and compensated absence benefits to all regular full-time and part-time employees. These benefits are not separately funded.

An actuarial valuation of these benefits was performed to determine the Library's accrued benefit liability as at December 31, 2018 which was extrapolated to December 31, 2020. The accrued benefit liability at December 31, 2020 was \$2,612,900 (2019 - \$2,690,603), comprised as follows:

	2020	2019
Opening accrued benefit obligation	\$ 2,690,603	\$ 2,787,727
Add: Current service costs	243,400	251,900
Add: Interest on accrued benefit obligation	71,000	71,800
Add: Actuarial loss	282,800	-
Add: Amortization of actuarial loss	7,300	7,300
Less: Benefits paid during the year	(399,403)	(347,524)
Closing accrued benefit obligation	2,895,700	2,771,203
Less: Unamortized actuarial loss	(282,800)	(80,600)
Benefit liability	<u>\$ 2,612,900</u>	<u>\$ 2,690,603</u>

Actuarial assumptions used to determine the Library's accrued benefit liability are as follows:

	2020	2019
Discount rate (long-term borrowing rate)	2%	3%
Productivity and merit wage and salary increases averaging	3%	3%
Estimated average remaining service life of employees (years)	12	12

The following is a description of the post-employment retirement and compensated absences benefits:

Post-employment Retirement Benefits

(i) Retiring Allowance

Employees retiring from the service of the Library shall be paid at the rate of two days' pay for each year of service with the Library to a maximum of forty-eight working days.

December 31, 2020

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5. Employee Future Benefits (Continued)

(b) Retirement Benefits and Compensated Absences (Continued)

Post-employment Retirement Benefits (Continued)

(ii) Vacation Pay in Year of Retirement

Employees with at least ten years of service in the year of retirement are paid the same vacation pay that they would have earned if they had continued in employment to the end of the retirement calendar year.

(iii) Extended Health and Dental Benefits ("Health Benefits")

Health benefits for employees retiring from the service of the Library continue for the first six months of retirement, under the same cost-sharing arrangements as when employed.

Compensated Absences

(i) Supplemental Vacation Pay

Employees receive an additional week (pro-rated for part-time employees) of vacation pay upon reaching specified years' of service with the Library.

(ii) Longer-term Sick Leave

Employees are credited monthly with 10.5 hours for each month of service to a maximum sick leave bank of 1,120 hours. Banked sick leave credits may be used to pay for hours not worked by the respective employee due to personal, or specified family sickness.

Fraser Valley Regional Library District  
Notes to Financial Statements

December 31, 2020

6. Tangible Capital Assets

	Land	Buildings	Furniture and Equipment	Computer Equipment	Computer Software	Automated Library System	Library Materials	2020 Total	2019 Total
Cost, beginning of year	\$ 115,000	\$ 1,871,654	\$ 952,324	\$ 1,654,855	\$ 787,599	\$ 858,453	\$18,965,636	\$25,205,521	\$ 21,629,758
Additions	-	170,571	19,416	280,139	-	-	2,686,787	3,156,913	4,119,469
Disposals	-	-	(17,596)	(240,747)	-	-	(3,163,813)	(3,422,156)	(543,706)
Cost, end of year	115,000	2,042,225	954,144	1,694,247	787,599	858,453	18,488,610	24,940,278	25,205,521
Accumulated amortization, beginning of year	-	1,363,708	485,046	1,012,169	783,185	543,633	10,864,961	15,052,702	11,880,959
Amortization expense	-	98,916	86,060	268,781	2,942	37,258	3,173,954	3,667,911	3,715,449
Disposals	-	-	(17,596)	(193,399)	-	-	(3,163,813)	(3,374,808)	(543,706)
Accumulated amortization, end of year	-	1,462,624	553,510	1,087,551	786,127	580,891	10,875,102	15,345,805	15,052,702
Net carrying amount, end of year	\$ 115,000	\$ 579,601	\$ 400,634	\$ 606,696	\$ 1,472	\$ 277,562	\$ 7,613,508	\$ 9,594,473	\$ 10,152,819

Fraser Valley Regional Library District  
Notes to Financial Statements

December 31, 2020

7. Accumulated Surplus

Accumulated Surplus is categorized as follows:

	2020	2019
Unappropriated General Surplus	\$ 4,569,099	\$ 2,559,054
Reserves - General		
Information systems investments	864,579	480,298
Building, equipment and vehicles	200,801	273,380
Library collections	313,601	194,991
i(dea) Centre & Innovation	69,895	39,476
Specific programs	65,543	16,347
Subtotal (Unappropriated General Surplus plus Reserves - General)	6,083,518	3,563,546
Reserves - Member salary & benefit reserve	1,304,469	1,151,553
Subtotal (Unappropriated General Surplus plus all Reserves)	7,387,987	4,715,099
Unfunded employee future benefits	(710,235)	(828,606)
Investment in non-financial assets	10,100,076	10,865,557
	<u>\$16,777,828</u>	<u>\$ 14,752,050</u>

The Unappropriated General Surplus is the amount of Accumulated Surplus remaining after deducting the other appropriated surplus balances (see below). A surplus balance is available to temporarily finance operations until planned revenues (i.e. member assessments, fees, grants etc.) are received, or for other operating or capital purposes as determined by the Board, to the extent that it is available as cash.

The Reserves are Accumulated Surplus that have been set aside by decision of the Board for a specified purpose. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated. Following is an explanation of the intended purpose of each Reserve:

(a) Information Systems Investment Reserve

To fund capital expenditures for new or existing information systems assets (computer hardware and software).

(b) Building, Equipment and Vehicles Reserve

To fund capital expenditures for the Administration Centre (building & furnishings, parking lot, and equipment), vehicle, and library branch copiers.

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Fraser Valley Regional Library District  
Notes to Financial Statements

December 31, 2020

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7. Accumulated Surplus (Continued)

(c) Library Collections Reserve

To fund library material expenditures for one-time or special collection additions, and for new and expanding libraries.

(d) i(dea) Centre & Innovation

To fund support for i(dea) Centre initiatives and other initiatives that seek to improve customer service and organizational value.

(e) Specific Programs

To fund various specific operating and capital expenditures for specific programs.

(f) Member Salary & Benefits Reserve

This reserve is allocated to each member organization in accordance with Board policy. The reserve balance is to fund library expenditures, or reduce member organization levies, to the extent of the member organization reserve balance, as requested by the member organization and approved by the Board.

Unfunded employee future benefits is the portion of the Employee Future Benefits Liability of \$2,612,900 (2019 - \$2,690,603) (Note (b)) that is not funded. The unfunded liability was proportionately attributed to specific member organizations when initially accounted for, based on their share of direct staffing salary and benefits (in the 2016 Budget). As resolved by the FVRL Board, Member organizations are funding their respective shares equally over a ten (10) year period beginning in fiscal 2017.

Investment in Non-Financial Assets is equal to the book value of the tangible capital assets and prepaids. In the normal course of operations the tangible capital assets and prepaids will not be available to finance operations, but will be consumed/used to provide services, and the debt will be repaid by future period revenues.

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8. Contingencies and Contractual Obligations

The Library rents vehicles under operating leases that expire at various dates to 2025 and whose lease payments in the current year totaled \$99,966 (2019 - \$94,714). The library has also entered into multi-year contracts to receive services. The total minimum payments over the next 5 years are as follows:

2021	\$516,071
2022	\$364,403
2023	\$326,109
2024	\$69,476
2025	\$27,846

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Fraser Valley Regional Library District  
Notes to Financial Statements

December 31, 2020

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9. Economic Dependence

The Library is economically dependent on the member municipalities for its continued operations.

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10. COVID-19

On January 30, 2020, The World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus. During the year, the global pandemic known as COVID-19 continued to impact activities and financial markets and economies around the world. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Library's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.



Fraser Valley Regional Library District  
Schedule of Operating Expenses

December 31	Budget 2020	2020	2019
Administration building	\$ 335,500	\$ 348,308	\$ 334,117
Administrative and board expenses	83,332	59,524	66,935
Banking	49,500	44,986	50,477
Furniture and equipment	62,713	39,262	64,131
Human resources	442,304	201,481	344,817
Information systems	1,223,422	1,258,182	1,193,999
Interest on capital lease	-	-	286
Library programs	249,545	127,816	265,552
Marketing	175,990	131,642	142,268
Member salary and benefit reserve grants	-	29,711	21,946
Mileage and miscellaneous	90,265	27,795	66,577
Office supplies	216,074	338,258	203,623
Postage and courier	46,926	15,225	31,249
Professional fees	235,000	188,594	185,669
Telephone and fax	118,277	113,536	112,162
Vehicle operations	174,808	159,070	180,639
	<u>\$3,503,656</u>	<u>\$3,083,390</u>	<u>\$ 3,264,447</u>

**Schedule of Debt**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Fraser Valley Regional Library District

**Fiscal Year Ended:** December 31, 2020

The Fraser Valley Regional Library District has no long term debt.

**Schedule of Guarantee and Indemnity**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Fraser Valley Regional Library District

**Fiscal Year Ended:** December 31, 2020

Fraser Valley Regional Library District 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:** Fraser Valley Regional Library District

**Fiscal Year Ended:** December 31, 2020

		Total Remuneration (Wages / Salaries)	Total Expenses (Reimbursement for Conferences / Mileage etc.)
<b>Board Members</b>			
BRUCE BANMAN	BOARD MEMBER	-	-
DANNY PLECAS	SECOND VICE BOARD CHAIR	-	-
DAVID CHESNEY	BOARD MEMBER	-	-
DENNIS ADAMSON	BOARD MEMBER	-	-
DYLAN KRUGER	BOARD MEMBER	-	-
GAYLE MARTIN	BOARD CHAIR	-	-
GERRY PALMER	BOARD MEMBER	-	-
JEN McCUTCHEON	BOARD MEMBER	-	-
KERSTIN SCHWICHTENBERG	BOARD MEMBER	-	-
MIKE HAYES	BOARD MEMBER	-	-
NANCY McCURRACH	BOARD MEMBER	-	-
PETRINA ARNASON	VICE BOARD CHAIR	-	-
RYAN SVENDSEN	BOARD MEMBER	-	-
SUSAN KNOTT	BOARD MEMBER	-	-
VICTOR SMITH	BOARD MEMBER	-	-
<b>Total Board Members</b>		<b>\$ -</b>	<b>\$ -</b>

#### **Detailed Employees Exceeding \$75,000**

AFTON SCHINDEL	LIBRARIAN 3	83,565.88	160.00
AMRIT GILL	LIBRARIAN 3	84,326.39	410.00
BALBIR SINGH GILL	LIBRARIAN 3	85,418.77	-
BRAD FENRICK	MANAGER, INFORMATION TECHNOLOGY	119,294.82	130.00
CATHY RENSHAW	DIRECTOR OF ORGANIZATIONAL DEVELOPMENT	148,599.27	1,671.53
CATHY WATSON	PAYROLL & BENEFITS SUPERVISOR	87,369.21	779.00
CHESTER EASON	SENIOR NETWORK ADMINISTRATOR	82,116.47	-
CHRISTINE CONROY	LIBRARIAN 3	84,369.82	31.47
CRISTINA CHAMPAGNE	LIBRARY SUPERVISOR 3	75,834.06	-
DARREN RAVEN	SYSTEMS ANALYST	83,841.95	-
DAVID THIESSEN	LIBRARY MANAGER	96,574.80	-
DEAN KELLY	MANAGER, SUPPORT SERVICES	119,419.82	3,004.46
DEBORAH KENDZE	LIBRARY MANAGER	108,088.05	130.00
DENNIS NEUMANN	LIBRARIAN 3	83,554.66	-
DEVAN MITCHELL	DEPUTY MANAGER, IT	96,943.39	7,203.50
DIANE SHUMYLA	HUMAN RESOURCES GENERALIST	77,101.96	1,635.00
EMILY DUQUETTE	EXECUTIVE OFFICE & INFORMATION MANAGER	87,369.21	130.00
HANS KREITNER	DEPUTY MANAGER, HEALTH AND SAFETY	84,196.96	3,460.50
HEATHER SCOULAR	DIRECTOR OF CUSTOMER EXPERIENCE	148,599.27	6,268.31
HILARY RUSSELL	LIBRARY MANAGER	119,294.82	310.00
JACQUELYNNE GARDEN	LIBRARIAN 3	82,395.15	-
JANEEN PARENT	COMMUNITY DEVELOPMENT SPECIALIST	78,176.18	130.00
JEANNIE COCKCROFT	LIBRARIAN 3	83,602.75	-
JEFF NARVER	DIRECTOR OF INFRASTRUCTURE AND RESOURCES	148,599.27	4,970.01

JENNIFER FEHR	COMMUNICATIONS OFFICER	87,369.21	5,182.41
JESSICA ARMSTRONG	LIBRARIAN 3	79,623.14	232.48
JILL KLAPONSKI	LIBRARIAN 3	87,764.51	2,880.63
JO-ANN SLEIMAN	LIBRARY MANAGER	119,294.82	230.00
KELLEY BANNON	MANAGER, FINANCE	92,689.69	2,205.00
KIMBERLEY CONSTABLE	LIBRARY MANAGER	113,788.23	310.00
LEWIS VACEK	SYSTEMS ANALYST	75,783.90	142.38
LIZA MORRIS	LIBRARIAN 3	89,368.22	130.00
LUDA TURENKO	BUSINESS INTELLIGENCE/HR SPECIALIST	87,369.21	1,675.00
MINAKSHI SIDHU	LIBRARIAN 3	83,531.02	130.00
NANCY GOMERICH	DIRECTOR OF FINANCE	168,421.08	1,044.83
NATALIE FOUQUETTE	DIGITAL SERVICES SPECIALIST	81,166.29	-
NICOLE GLENTWORTH	LIBRARY MANAGER	119,294.82	130.00
PATRICK KINCAID	LIBRARIAN 3	88,207.00	-
SARWAN RANDHAWA	LIBRARIAN 3	85,262.21	160.00
SCOTT HARGROVE	CHIEF EXECUTIVE OFFICER	215,936.19	2,518.92
SHAWNA KRISTIN	LIBRARY MANAGER	119,294.55	3,041.74
SUNITA LAKHANPAL	LIBRARIAN 3	86,570.01	-
TAMARACK HOCKIN	COLLECTIONS SERVICES SPECIALIST	84,532.92	-
TRACI MONCHAMP	SYSTEMS ANALYST	75,438.73	-
WENDY DELORME	SHIPPING & RECEIVING SUPERVISOR	75,638.04	-
<b>Total Detailed Employees Exceeding \$75,000</b>		<b>\$ 4,464,996.72</b>	<b>\$ 50,437.24</b>
<b>Total Detailed Employees Less than \$75,000</b>		<b>\$ 10,965,378.30</b>	<b>\$ 13,985.30</b>
<b>Consolidated Total</b>		<b>\$ 15,430,375.02</b>	<b>\$ 64,422.54</b>
<b>Total Employer Premium for Canada Pension Plan and Employment Insurance (Component of Receiver General for Canada Supplier Payment)</b>		<b>\$</b>	<b>905,178.63</b>
<b>Reconciliation of Remuneration and Expenses</b>			
<b>Reconciling Items</b>			
Total Remuneration		\$	15,430,375.02
Reconciling Items			
2019 Payroll Accrual	\$ (1,201,165.00)		
2020 Payroll Accrual	741,048.00		
CPP	626,901.46		
EI	278,277.17		
Pension	1,348,486.50		
Extended Health	567,574.61		
Other Employee Expenses	111,250.24		
Total of Reconciling Items			2,472,372.98
<b>Total Remuneration and Expenses</b>			<b>17,902,748.00</b>
<b>Total Salaries and benefits per Financial Statements</b>		<b>\$</b>	<b>17,902,748.00</b>
Variance			-

**Statement of Severance Agreements**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Fraser Valley Regional Library District

**Fiscal Year Ended:** December 31, 2020

There were no severance agreements made between Fraser Valley Regional Library District and its non-unionized employees during fiscal year ended December 31, 2020.

**Schedule of Changes in Financial Position**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Fraser Valley Regional Library District

**Fiscal Year Ended:** December 31, 2020

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:** Fraser Valley Regional Library District

**Fiscal Year Ended:** December 31, 2020

Name of Individual, Firm, or Corporation	Total
BADA Services	\$ 98,501.34
Baker & Taylor Inc.	58,295.40
BC Hydro	28,489.87
BCLibraries Cooperative	721,232.61
BDO Canada LLP	57,911.76
Bibliocommons Inc	93,901.92
Bibliotheca Canada Inc	131,102.52
Blended Perspectives Inc	93,297.29
Campus Discount	35,854.47
Centre for Equitable Library Access	45,348.45
Citrix Systems Inc	59,221.34
City of Abbotsford	38,781.90
CUPE, Local 1698	207,525.31
Diligent Canada	26,880.00
District of Mission	34,525.18
Ebsco Canada Ltd.	41,490.84
Employer Health Tax	66,300.30
Envision Financial	26,830.56
FSEAP Vancouver	34,808.40
Grand & Toy	72,348.79
GroupHEALTH Global Benefit Sys	1,327,522.03
HUB International Ins Brokers	61,601.00
Imperial Hobbies	59,753.11
Kanopy, Inc	31,849.00
Library Bound Inc.	1,195,658.13
Municipal Pension Plan	2,439,252.68
Norton Rose Fulbright Canada LLP	120,924.79
Open Door Technology Inc	36,820.11
Opus Consulting Group Ltd	389,870.06
OverDrive Inc	772,044.55
Penny's Cleaning Service Ltd	112,855.01
PlasticWorks Abbotsford	71,705.76



Public Library Interlink	111,620.19
Receiver General for Canada	3,791,598.64
Recorded Books LLC	37,250.37
Repp Industries Roofing Ltd	136,494.38
Ryder Truck Rentals Canada Ltd	117,534.13
Skyway West	397,671.70
TELUS -9372	81,250.16
TELUS Mobility	56,389.35
TNG Canada	45,404.76
United Library Services Inc.	1,452,322.47
WorkSafe BC	59,532.28

<b>Total Suppliers with Payments Exceeding \$25,000</b>	<b>\$</b>	<b>14,879,572.91</b>
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<b>Total Suppliers &amp; Staff with payments less than \$25,000</b>	<b>\$</b>	<b>1,382,706.33</b>
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<b>Consolidated Total</b>	<b>\$</b>	<b>16,262,279.24</b>
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#### Reconcillation to Financial Statements

Total Suppliers > \$25,000		\$	14,879,572.91
Total Suppliers < \$25,000			
Suppliers under \$25,000	1,303,296.58		
Employee Expenses Paid Via Accounts Payable	<u>79,409.75</u>		1,382,706.33
Less: Bus Passes netted against revenue *			(75,811.33)
Less: Total Payments Included in Salaries and Benefits			<u>(8,048,811.77)</u>

<b>Adjusted Total Payments to Vendors</b>	<b>\$</b>	<b>8,137,656.14</b>
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<b>Adjusted Total Payments to Vendors</b>	<b>\$</b>	<b>8,137,656.14</b>
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#### **Total Expenses Per Financial Statements**

Total Expenses per Statement of Operations	\$	26,927,620.00
Less: Salaries and Benefits		(17,902,748.00)
		<u>9,024,872.00</u>

#### **Capital Transactions**

Add: Capital Expenditures	3,156,913.00	
Less: Ammortization	(3,667,911.00)	
Less: Loss on Disposal	<u>(47,348.00)</u>	
		(558,346.00)

#### **Other Reconciling Items**

Less: 2019 Prepaid Expenses	(712,738.00)	
Add: 2020 Prepaid Expenses	505,603.00	
Add: 2019 Accounts Payable Due to Suppliers	729,645.00	
Less: 2020 Accounts Payable paid	(664,139.00)	
Add: 2019 Employee Future Benefits	2,690,603.00	
Less: 2020 Employee Future Benefits	(2,612,900.00)	
Timing differences*	<u>(264,943.86)</u>	
		<u>(328,869.86)</u>

<b>Total Library Operating Expense</b>	<b>\$</b>	<b>8,137,656.14</b>
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**Variance** -

\*Bus pass revenues are an expense that is netted off against revenue within our financial statements. Bus passes are sold as a service to another entity.

\*Expenditures in the statements are on an accrual basis, whereas amounts paid are on a cash basis. It is important to note that not all payments are expenditures and that not all expenditures are payments. It is not practical to reconcile to those sets of data.