

TABLE OF CONTENTS

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2021

Documents are in the following order:

- 1) Table of Contents
- 2) Financial Information Act Submission Checklist
- 3) Board Approval Form
- 4) Management Report
- 5) Financial Statements
 - a. Statement of Revenue and Expenditures
 - b. Statement of Assets and Liabilities
- 6) Schedule of Debt
- 7) Schedule of Guarantee and Indemnity Agreements
- 8) Schedule of Remuneration and Expenses
- 9) Statement of Severance Agreements
- 10) Statement of Changes in Financial Position
- 11) Schedule of Payments for the Provision of Goods and Services

Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2021

a)	<input checked="" type="checkbox"/>	Approval of Statement of Financial Information
b)	<input checked="" type="checkbox"/>	A Management Report signed and dated by the Library Board and Library Director
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:		
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.

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>Fraser Valley Regional Library District</i>	FISCAL YEAR END (YYYY) 2021
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 Councillor 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, 2021 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)

10-05-2022

SIGNATURE OF THE LIBRARY DIRECTOR



DATE SIGNED (DD-MM-YYYY)

10-05-2022

Management Report

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2021

MANAGEMENT REPORT

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

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

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

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 District

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

Councillor Gayle Martin

**Signature,
Chairperson of the Library
Board**

Gayle Martin

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

05-10-2022

**Name,
Library Director [Print]**

Scott Hargrove

**Signature,
Library Director**

Scott Hargrove

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

05-10-2022

Fraser Valley Regional Library District
Financial Statements
For the year ended December 31, 2021

Fraser Valley Regional Library District
Financial Statements
For the year ended December 31, 2021

Contents

Management's Responsibility for the Financial Statements	2
Independent Auditor's Report	3 - 4
Financial Statements	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Financial Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 19
Schedule of Operating Expenses	20

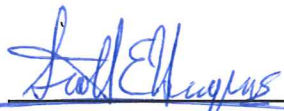
Management's Responsibility for the Financial Statements

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

REPORT DATE

Independent Auditor's Report

**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, 2021 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, 2021 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 21, 2022

Fraser Valley Regional Library District
Statement of Financial Position

December 31	2021	2020
Financial Assets		
Cash and cash equivalents	\$ 1,394,483	\$ 1,136,702
Portfolio investments (Note 3)	11,880,166	9,962,914
Accounts receivable	167,871	190,995
	<u>13,442,520</u>	<u>11,290,611</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	1,498,254	1,405,187
Deferred revenue	230,584	265,298
Deposits	326,555	329,474
Employee future benefits (Note 5)	2,548,800	2,612,900
	<u>4,604,193</u>	<u>4,612,859</u>
Net Financial Assets	<u>8,838,327</u>	<u>6,677,752</u>
Non-Financial Assets		
Tangible capital assets (Note 6)	9,461,719	9,594,473
Prepaid expenses and deposits	383,904	505,603
	<u>9,845,623</u>	<u>10,100,076</u>
Accumulated Surplus (Note 7)	<u>\$18,683,950</u>	<u>\$ 16,777,828</u>

On behalf of the Board of Trustees:

Gayle Martin Trustee

Peter Amos Trustee

Fraser Valley Regional Library District
Statement of Operations

For the year ended December 31

	Budget 2021	2021	2020
Revenue			
Member assessments	\$ 27,665,670	\$ 27,675,293	\$ 27,141,456
Government transfers	1,449,428	1,449,451	1,523,646
Fines	300,000	34,084	73,802
Fees	244,289	162,232	111,929
Donations	88,000	64,831	25,718
Interest	143,000	17,852	76,847
	29,890,387	29,403,743	28,953,398
Expenses			
Salaries and benefits	20,439,337	18,820,865	17,902,748
Library materials	1,549,120	1,843,978	2,116,853
Operating (Schedule)	3,636,898	3,168,504	3,083,390
Library interlink	125,000	79,359	109,370
Amortization	3,874,282	3,538,861	3,667,911
Loss on disposal of tangible capital assets	-	46,054	47,348
	29,624,637	27,497,621	26,927,620
Annual Surplus	265,750	1,906,122	2,025,778
Accumulated Surplus, beginning of year	16,777,828	16,777,828	14,752,050
Accumulated Surplus, end of year	\$ 17,043,578	\$ 18,683,950	\$ 16,777,828

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

For the year ended December 31

	Budget 2021	2021	2020
Annual surplus	\$ 265,750	\$ 1,906,122	\$ 2,025,778
Acquisition of tangible capital assets	(5,198,276)	(3,452,161)	(3,156,913)
Amortization of tangible capital assets	3,874,282	3,538,861	3,667,911
Loss on disposal of tangible capital assets	-	46,054	47,348
	(1,323,994)	132,754	558,346
Acquisition of prepaid expenses	-	(461,941)	(330,419)
Use of prepaid expenses	-	583,640	537,554
	\$ -	\$ 121,699	\$ 207,135
Change in net financial assets for the year	(1,058,244)	2,160,575	2,791,259
Net financial assets, beginning of year	6,677,752	6,677,752	3,886,493
Net financial assets, end of year	\$ 5,619,508	\$ 8,838,327	\$ 6,677,752

Fraser Valley Regional Library District
Statement of Cash Flows

December 31	2021	2020
Operating transactions		
Annual surplus	\$ 1,906,122	\$ 2,025,778
Item not involving cash:		
Employee future benefits expense	325,300	317,900
Loss on disposal of tangible capital assets	46,054	47,348
Amortization of tangible capital assets	3,538,861	3,667,911
Changes in non-cash operating items		
Accounts receivable	23,124	155,937
Accounts payable and accrued liabilities	93,067	(525,623)
Deferred revenue	(34,714)	4,437
Deposits	(2,919)	49,279
Employee future benefits paid	(389,400)	(395,603)
Prepaid expenses and deposits	121,699	207,135
	<u>5,627,194</u>	<u>5,554,499</u>
Capital transaction		
Acquisition of tangible capital assets	<u>(3,452,161)</u>	<u>(3,156,913)</u>
Investing transaction		
Proceeds from disposition of portfolio investments	7,500,000	9,000,000
Subscriptions of portfolio investments	<u>(9,417,252)</u>	<u>(11,369,878)</u>
	<u>(1,917,252)</u>	<u>(2,369,878)</u>
Net increase in cash for the year	257,781	27,708
Cash, beginning of year	<u>1,136,702</u>	<u>1,108,994</u>
Cash, end of year	<u>\$ 1,394,483</u>	<u>\$ 1,136,702</u>

Fraser Valley Regional Library District Notes to Financial Statements

December 31, 2021

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.

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 e-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, 2021

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, 2021

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 5a).

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 5b).

(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.

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2021

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.

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.

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2021

4. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Amounts due to suppliers	\$ 705,400	\$ 664,139
Salaries and benefits accruals	<u>792,854</u>	<u>741,048</u>
	<u>\$ 1,498,254</u>	<u>\$ 1,405,187</u>

5. Employee Future Benefits

(a) Municipal Pension Plan

The Library and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee 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 \$1,310,767 (2020 - \$1,342,969) for employer contributions while employees contributed \$1,159,547 (2020 - \$1,190,995) to the Plan during fiscal 2021.

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2021

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, 2021. The accrued benefit liability at December 31, 2021 was \$2,548,800 (2020 - \$2,612,900), comprised as follows:

	<u>2021</u>	<u>2020</u>
Opening accrued benefit obligation	\$ 3,007,400	\$ 2,770,600
Add: Current service costs	237,000	240,600
Add: Interest on accrued benefit obligation	54,200	70,000
Add: Actuarial (gain) loss	(33,600)	321,200
Less: Benefits paid during the year	<u>(389,400)</u>	<u>(395,000)</u>
Closing accrued benefit obligation	2,875,600	3,007,400
Less: Unamortized actuarial loss	<u>(326,800)</u>	<u>(394,500)</u>
Benefit liability	<u>\$ 2,548,800</u>	<u>\$ 2,612,900</u>

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

	<u>2021</u>	<u>2020</u>
Discount rate (long-term borrowing rate)	2.50%	1.85%
Productivity and merit wage and salary increases averaging	2.70%	2.70%
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, 2021

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, 2021

6. Tangible Capital Assets

	Land	Buildings	Furniture and Equipment	Computer Equipment	Computer Software	Automated Library System	Library Materials	2021 Total	2020 Total
Cost, beginning 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
Additions	-	40,784	7,952	337,654	-	-	3,065,771	3,452,161	3,156,913
Disposals	-	(1,651)	(25,639)	(641,049)	-	-	(3,094,660)	(3,762,999)	(3,422,156)
Cost, end of year	115,000	2,081,358	936,457	1,390,852	787,599	858,453	18,459,721	24,629,440	24,940,278
Accumulated amortization, beginning of year	-	1,462,624	553,510	1,087,551	786,127	580,891	10,875,102	15,345,805	15,052,702
Amortization expense	-	23,255	75,030	253,204	1,472	51,391	3,134,509	3,538,861	3,667,911
Disposals	-	(1,650)	(24,082)	(596,553)	-	-	(3,094,660)	(3,716,945)	(3,374,808)
Accumulated amortization, end of year	-	1,484,229	604,458	744,202	787,599	632,282	10,914,951	15,167,721	15,345,805
Net carrying amount, end of year	\$ 115,000	\$ 597,129	\$ 331,999	\$ 646,650	\$ -	\$ 226,171	\$ 7,544,770	\$ 9,461,719	\$ 9,594,473

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2021

7. Accumulated Surplus

Accumulated Surplus is categorized as follows:

	<u>2021</u>	<u>2020</u>
Unappropriated General Surplus	\$ 5,477,981	\$ 4,569,099
Reserves - General		
Information systems investments	1,123,090	864,579
Building, equipment and vehicles	261,045	200,801
Library collections	451,013	313,601
i(dea) Centre & Innovation	62,225	69,895
Specific programs	15,214	65,543
Subtotal (Unappropriated General Surplus plus Reserves - General)	7,390,568	6,083,518
Reserves - Member salary & benefit reserve	1,450,340	1,304,469
Subtotal (Unappropriated General Surplus plus all Reserves)	8,840,908	7,387,987
Unfunded employee future benefits	(2,581)	(710,235)
Investment in non-financial assets	9,845,623	10,100,076
	<u>\$ 18,683,950</u>	<u>\$ 16,777,828</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.

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2021

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 \$2,548,800 (2020 - \$2,612,900) (Note 5(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). The board approved the member organizations to fund their respective shares in 2021.

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.

8. Contingencies and Contractual Obligations

The Library rents vehicles under operating leases that expire at various dates to 2027 and whose lease payments in the current year totaled \$102,104 (2020 - \$99,966). The library has also entered into multi-year contracts to receive services. The total minimum payments over the next 5 years are as follows:

2022	\$766,686
2023	\$745,986
2024	\$674,661
2025	\$27,846
2026	\$27,846

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2021

9. Comparative Figures

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

10. Economic Dependence

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

Fraser Valley Regional Library District
Schedule of Operating Expenses

December 31	Budget 2021	2021	2020
Administration building	\$ 339,000	\$ 384,075	\$ 348,308
Administrative and board expenses	79,071	55,099	59,524
Banking	51,500	46,897	44,986
Furniture and equipment	66,125	55,658	39,262
Human resources	404,451	185,674	199,372
Information systems	1,430,134	1,234,744	1,258,182
Library programs	226,130	117,525	127,816
Marketing	174,838	151,164	131,642
Member salary and benefit reserve grants	-	102,163	29,711
Mileage and miscellaneous	57,517	18,504	27,795
Office supplies	215,557	190,353	338,258
Postage and courier	39,986	17,191	15,225
Professional fees	240,860	324,106	190,703
Telephone and fax	122,693	112,253	113,536
Vehicle operations	189,036	173,098	159,070
	\$3,636,898	\$3,168,504	\$ 3,083,390

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2021

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, 2021

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, 2021

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

Detailed Employees Exceeding \$75,000			
AFTON SCHINDEL	LIBRARIAN 3	87,735.50	-
AMRIT GILL	LIBRARIAN 3	83,063.38	8.95
BALBIR SINGH GILL	LIBRARIAN 3	84,338.53	-
BRAD FENRICK	MANAGER OF INFORMATION TECHNOLOGY	117,133.29	-
CATHY RENSHAW	DIRECTOR OF ORGANIZATIONAL DEVELOPMENT	146,066.84	1,157.90
CATHY WATSON	PAYROLL & BENEFITS SUPERVISOR	86,075.29	329.00
CHESTER EASON	SENIOR NETWORK ADMINISTRATOR	78,254.16	-
CHRISTINE CONROY	LIBRARIAN 3	86,352.13	-
COURTNEY ROBINSON	LIBRARY MANAGER	117,133.29	80.00
CRISTINA CHAMPAGNE	LIBRARY SUPERVISOR 3	75,578.23	-
DARREN RAVEN	SYSTEMS ANALYST	81,279.18	78.16
DEAN KELLY	MANAGER OF COLLECTION, ACCESS & DIGITAL SERVICES	117,133.29	604.08
DEBORAH KENDZE	LIBRARY MANAGER	111,397.56	290.00
DENNIS NEUMANN	LIBRARIAN 3	83,548.87	-
DEVAN MITCHELL	MANAGER OF INFORMATION TECHNOLOGY	103,478.67	3,757.65
DIANE SHUMYLA	HUMAN RESOURCES GENERALIST	76,870.07	635.00
EMILY DUQUETTE	EXECUTIVE OFFICE & INFORMATION MANAGER	85,775.29	1,545.25
HANS KREITNER	DEPUTY MANAGER, HEALTH AND SAFETY	89,447.99	1,952.00
HEATHER SCOULAR	DIRECTOR OF CUSTOMER EXPERIENCE	145,916.84	2,305.87
HILARY RUSSELL	LIBRARY MANAGER	117,133.29	180.00
JACQUELYNNE GARDEN	LIBRARIAN 3	84,141.42	-
JANEEN PARENT	COMMUNITY DEVELOPMENT SPECIALIST	80,110.65	165.00
JEANNIE COCKCROFT	LIBRARIAN 3	80,056.31	-
JEFF NARVER	DIRECTOR OF INFRASTRUCTURE AND RESOURCES	145,991.84	428.77
JESSICA ARMSTRONG	LIBRARIAN 3	82,149.51	110.00
JO-ANN SLEIMAN	LIBRARY MANAGER	117,133.29	-

KELLEY BANNON	MANAGER OF FINANCE	107,833.36	5,024.96
KIMBERLEY CONSTABLE	LIBRARY MANAGER	80,722.05	180.00
LEWIS VACEK	SYSTEMS ANALYST	75,327.87	-
LIZA MORRIS	LIBRARIAN 3	83,385.82	20.00
LUDA TURENKO	BUSINESS INTELLIGENCE/HR SPECIALIST	85,850.29	1,272.78
MICHAEL SANGUIN	HUMAN RESOURCES GENERALIST	75,821.06	865.00
MINAKSHI SIDHU	LIBRARIAN 3	83,765.81	-
NANCY GOMERICH	DIRECTOR OF FINANCE	165,354.16	379.61
NATALIE FOUQUETTE	DIGITAL SERVICES SPECIALIST	79,753.96	358.97
NICOLE GLENTWORTH	LIBRARY MANAGER	117,133.39	80.00
PATRICK KINCAID	LIBRARIAN 3	85,912.98	-
SARWAN SINGH RANDHAWA	LIBRARIAN 3	83,332.26	-
SCOTT HARGROVE	CHIEF EXECUTIVE OFFICER	212,281.66	206.87
SHAWNA KRISTIN	LIBRARY MANAGER	117,133.08	260.00
SUNITA LAKHANPAL	LIBRARIAN 3	86,503.10	30.00
TAMARACK HOCKIN	COLLECTIONS SERVICES SPECIALIST	83,004.55	660.47

Total Detailed Employees Exceeding \$75,000	\$	4,186,410.11	\$	22,966.29
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Total Detailed Employees Less than \$75,000	\$	11,395,341.31	\$	6,848.04
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Consolidated Total	\$	15,581,751.42	\$	29,814.33
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Total Employer Premium for Canada Pension Plan and Employment Insurance (Component of Receiver General for Canada Supplier Payment)	\$	956,216.43
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Reconciliation of Remuneration and Expenses

Reconciling Items

Total Remuneration		\$	15,581,751.42
Reconciling Items			
2020 Payroll Accrual	\$	(741,048.00)	
2021 Payroll Accrual		792,854.00	
CPP		668,519.16	
EI		287,697.27	
Pension		1,316,186.21	
Extended Health		553,211.57	
Other Employee Expenses		361,693.37	
Total of Reconciling Items			3,239,113.58

Total Remuneration and Expenses	18,820,865.00
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Total Salaries and benefits per Financial Statements	\$	18,820,865.00
<i>Variance</i>		-

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2021

There were no severance agreements made between Fraser Valley Regional Library District and its non-unionized employees during fiscal year 2021.

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, 2021

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

Schedule of Payments Made For the Provision of Goods and Services

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2021

Name of Individual, Firm, or Corporation	Total
4imprint Inc	\$ 52,134.04
BADA Services	104,971.77
Baker & Taylor Inc.	45,730.82
BCLibraries Cooperative	433,686.07
BDO Canada LLP	63,272.17
Bibliocommons Inc	98,239.51
Bibliotheca Canada Inc	107,778.02
Campus Discount	29,136.67
Celayix Software	31,987.20
Centre for Equitable Library Access	46,255.42
City of Abbotsford	50,730.20
CUPE, Local 1698	216,966.53
District of Mission	46,204.16
Ebsco Canada Ltd.	78,526.19
Employer Health Tax	82,305.13
FSEAP Vancouver	44,588.10
Grand & Toy	85,574.96
GroupHEALTH Global Benefit Sys	1,279,679.94
HUB International Ins Brokers	72,713.00
Imperial Hobbies	55,652.75
Innovative Interfaces Global Ltd	444,580.97
Jonathan Morgan & Company Ltd	69,770.58
Kanopy, Inc	41,984.00
Library Bound Inc.	1,276,666.97
Lyngsoe Systems Inc	25,128.00
Municipal Pension Plan	2,475,402.72
Norton Rose Fulbright Canada LLP	180,661.40
Open Door Technology Inc	119,645.91
Opus Consulting Group Ltd	281,593.18
OverDrive Inc	872,805.64
Penny's Cleaning Service Ltd	107,155.84
Petro-Canada Superpass	32,995.08
Public Library Interlink	97,395.29

R.F. BINNIE & ASSOCIATES LTD.	37,943.89
Receiver General for Canada	3,985,591.22
Registered Retirement Savings Plan - Royal Bank	32,612.56
Ricoh Canada Inc	33,693.76
Ryder Truck Rentals Canada Ltd	120,029.67
Skyway West	429,408.00
Spectrum Nasco	28,480.07
TELUS -9372	80,539.18
TELUS Mobility	47,087.04
TNG Canada	43,790.61
United Library Services Inc.	1,733,128.88
Waste Connections of Canada Inc	28,599.30
Wayfinder Consulting Inc	32,222.25
WorkSafe BC	75,392.73
X10 Networks	90,873.40

Total Suppliers with Payments Exceeding \$25,000	\$ 15,851,310.79
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Total Suppliers & Staff with payments less than \$25,000	\$ 1,072,573.02
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Consolidated Total	\$ 16,923,883.81
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Reconciliation to Financial Statements

Total Suppliers > \$25,000		\$ 15,851,310.79
Total Suppliers < \$25,000		
Suppliers under \$25,000	1,034,739.82	
Employee Expenses Paid Via Accounts Payable	<u>37,833.20</u>	1,072,573.02
Less: Bus Passes netted against revenue*		(96,934.36)
Less: Total Payments Included in Salaries and Benefits		<u>(8,275,280.13)</u>

Adjusted Total Payments to Vendors	\$ 8,551,669.32
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Adjusted Total Payments to Vendors	\$	8,551,669.32
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Total Expenses Per Financial Statements

Total Expenses per Statement of Operations	\$	27,497,621.00
Less: Salaries and Benefits		(18,820,865.00)
		<u>8,676,756.00</u>

Capital Transactions

Add: Capital Expenditures	3,452,161.00	
Less: Ammortization	(3,538,861.00)	
Less: Loss on Disposal	<u>(46,054.00)</u>	
		(132,754.00)

Other Reconciling Items

Less: 2020 Prepaid Expenses	(505,603.00)	
Add: 2021 Prepaid Expenses	383,904.00	
Add: 2020 Accounts Payable Due to Suppliers	664,139.00	
Less: 2021 Accounts Payable paid	(705,400.00)	
Add: 2020 Employee Future Benefits	2,612,900.00	
Less: 2021 Employee Future Benefits	(2,548,800.00)	
timing differences*	<u>106,527.32</u>	
		<u>7,667.32</u>

Total Library Operating Expense	\$	8,551,669.32
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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.

*Payments on the Statement of Operations are shown net of GST. The Statement of Vendor balances above are inclusive of sales tax.

*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.