

TABLE OF CONTENTS

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2023

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, 2023

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

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.

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) 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.
-

Board Approval Form


Financial Information Act - Statement of Financial Information

NAME OF LIBRARY Fraser Valley Regional Library District	FISCAL YEAR END (YYYY) 2023
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 Mike Hayes	TELEPHONE NUMBER 604-465-4772
NAME OF THE LIBRARY DIRECTOR Scott Hargrove	TELEPHONE NUMBER 604-859-7141

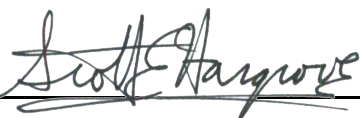
DECLARATION AND SIGNATURES

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, 2024 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)


06-05-2024

SIGNATURE OF THE LIBRARY DIRECTOR DATE SIGNED (DD-MM-YYYY)


06-05-2024

Management Report

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2023

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 Mike Hayes

**Signature,
Chairperson of the
Library Board**



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

06-05-2024

Name,

Library Director [Print] Scott Hargrove

**Signature,
Library Director**



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

06-05-2024

Fraser Valley Regional Library District
Financial Statements
For the year ended December 31, 2023

Fraser Valley Regional Library District
Financial Statements
For the year ended December 31, 2023

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 - 20
Schedule of Operating Expenses	22

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

April 17, 2024

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, 2023 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, 2023 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

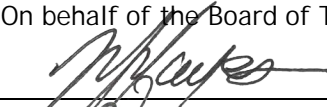
Chartered Professional Accountants


Vancouver, British Columbia
April 17, 2024

Fraser Valley Regional Library District
Statement of Financial Position

December 31	2023	2022 Restated (Note 3)
<hr/>		
Financial Assets		
Cash and cash equivalents	\$ 1,661,975	\$ 823,212
Portfolio investments (Note 4)	15,833,378	14,122,710
Accounts receivable	411,770	237,974
	17,907,123	15,183,896
Liabilities		
Accounts payable and accrued liabilities (Note 5)	2,025,782	2,217,675
Deferred revenue	257,699	319,673
Deposits	477,033	386,161
Employee future benefits (Note 6)	2,717,100	2,520,300
Asset retirement obligation (Note 7)	437,263	418,874
	5,914,877	5,862,683
Net Financial Assets	11,992,246	9,321,213
Non-Financial Assets		
Tangible capital assets (Note 8)	10,048,434	9,851,325
Prepaid expenses and deposits	937,670	860,875
	10,986,104	10,712,200
Accumulated Surplus (Note 9)	\$22,978,350	\$ 20,033,413

On behalf of the Board of Trustees:


 _____ Trustee


 _____ Trustee

Fraser Valley Regional Library District
Statement of Operations

For the year ended December 31

	Budget 2023	2023	2022 Restated (Note 3)
Revenue			
Member assessments	\$29,356,888	\$29,324,216	\$ 28,387,450
Government transfers	1,449,128	3,397,281	1,669,333
Fees and other revenue	224,832	247,800	211,582
Donations	88,000	117,312	41,279
Interest	143,000	828,534	258,831
	<u>31,261,848</u>	<u>33,915,143</u>	<u>30,568,475</u>
Expenses			
Salaries and benefits	21,540,592	21,224,092	19,494,679
Library materials	2,038,200	2,317,761	2,082,468
Operating (Schedule)	3,938,563	3,737,387	3,580,533
Library interlink	130,000	128,190	102,449
Amortization and accretion (Note 3 and 7)	3,584,913	3,523,840	3,580,398
Loss on disposal of tangible capital assets	-	38,936	10,465
	<u>31,232,268</u>	<u>30,970,206</u>	<u>28,850,992</u>
Annual Surplus	29,580	2,944,937	1,717,483
Accumulated Surplus, beginning of year	<u>20,420,987</u>	<u>20,033,413</u>	<u>18,315,930</u>
Accumulated Surplus, end of year	<u>\$20,450,567</u>	<u>\$22,978,350</u>	<u>\$ 20,033,413</u>

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

For the year ended December 31

	Budget 2023	2023	2022 Restated (Note 3)
Annual surplus	\$ 29,580	\$ 2,944,937	\$ 1,717,483
Acquisition of tangible capital assets	(4,502,210)	(3,741,496)	(3,929,615)
Amortization of tangible capital assets	3,584,913	3,505,451	3,562,783
Loss on disposal of tangible capital assets	-	38,936	10,465
	(917,297)	(197,109)	(356,367)
Acquisition of prepaid expenses	-	(725,695)	(766,613)
Use of prepaid expenses	-	648,900	289,642
	\$ -	\$ (76,795)	\$ (476,971)
Change in net financial assets for the year	(887,717)	2,671,033	884,145
Net financial assets, beginning of year	9,321,213	9,321,213	8,437,068
Net financial assets, end of year	\$ 8,433,496	\$11,992,246	\$ 9,321,213

Fraser Valley Regional Library District
Statement of Cash Flows

December 31	2023	2022
		Restated (Note 3)
Operating transactions		
Annual surplus	\$ 2,944,937	\$ 1,717,483
Item not involving cash:		
Employee future benefits expense	457,900	345,700
Loss on disposal of tangible capital assets	38,936	10,465
Amortization of tangible capital assets	3,505,451	3,562,783
Accretion expense	18,389	17,615
Changes in non-cash operating items		
Accounts receivable	(173,796)	(70,103)
Accounts payable and accrued liabilities	(191,893)	719,421
Deferred revenue	(61,974)	89,089
Deposits	90,872	59,606
Employee future benefits paid	(261,100)	(374,200)
Prepaid expenses and deposits	(76,795)	(476,971)
	<u>6,290,927</u>	<u>5,600,888</u>
Capital transaction		
Acquisition of tangible capital assets	<u>(3,741,496)</u>	<u>(3,929,615)</u>
Investing transaction		
Proceeds from disposition of portfolio investments	14,350,000	8,800,000
Subscriptions of portfolio investments	<u>(16,060,668)</u>	<u>(11,042,544)</u>
	<u>(1,710,668)</u>	<u>(2,242,544)</u>
Net increase (decrease) in cash for the year	838,763	(571,271)
Cash, beginning of year	<u>823,212</u>	<u>1,394,483</u>
Cash, end of year	<u>\$ 1,661,975</u>	<u>\$ 823,212</u>

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2023

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 include tangible capital assets, prepaid expenses and deposits and 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, 2023

2. Significant Accounting Policies (Continued)

(c) Asset Retirement Obligation

An asset retirement obligation is recognized when at the financial reporting date all of the following criteria are met:

- There is a legal obligation to incur retirement in relation to tangible capital assets;
- The past transaction or event giving rise to the liability had occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of amount can be made.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The liability is initially recorded at fair value, which is an amount that is the best estimate of the expenditure required to retire a tangible capital asset determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. The changes in the liability for the passage of time are recorded as accretion expense in the Statement of Operations and all other changes are adjusted to the tangible capital asset. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

(d) Prepaid Expenses

A prepaid expense is a cash disbursement or other transfer of economic resources, for services to be received over one or more future periods. It is recorded as an asset at the time of incurrence and recognized as expenses over the periods when the benefits are received.

(e) Portfolio Investments

Portfolio investments, consisting of Municipal Finance Authority Pooled Investments and Guaranteed Investment Certificates that are measured at cost or amortized cost.

(f) 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.

December 31, 2023

2. Significant Accounting Policies (Continued)

(g) 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.

(h) Financial Instruments

Effective January 1, 2023, the Library adopted PS 3450 - Financial Instruments. The Library's financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and deposits. Cash and cash equivalents are measured at fair value. All other financial instruments, are measured at cost or amortized cost. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

For portfolio measurements measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

Financial assets carried at costs or amortized cost are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

The Library has not invested in equity instruments that are quoted in an active market and has not designated any financial instruments to be recorded at fair value.

(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 6a).

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.

2. Significant Accounting Policies (Continued)

(i) Employee Future Benefits (Continued)

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 6b).

(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.

(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.

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2023

3. Change in Accounting Policy

Effective January 1, 2022, the library adopted the new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. The standard requires the reporting of legal obligations associated with the retirement of tangible capital assets by public sector entities. The standard was adopted on the modified retroactive basis at the date of adoption. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. The impact of adoption of this standard was as follows:

	2022 originally presented	Restatement	2022 restated
Tangible capital assets - cost	\$ 25,500,129	\$ 97,203	\$ 25,597,332
Accumulated amortization - tangible capital assets	15,680,105	65,902	15,746,007
Asset retirement obligation (Note 7)	-	418,874	418,874
Accumulated surplus, January 1, 2021	18,683,950	(368,020)	18,315,930
Accumulated surplus, December 31, 2022	20,420,986	(387,573)	20,033,413
Annual surplus, year ended December 31, 2022	1,737,036	(19,553)	1,717,483
Amortization of tangible capital assets	3,560,845	1,938	3,562,783
Accretion expense	-	17,615	17,615

4. Portfolio Investments

The balance consists of Municipal Finance Authority Pooled Investments with interest rates fluctuating based on market rates of interest and guaranteed investment certificates. Portfolio investments recorded at December 31, 2023.

	2023	2022
Money Market Funds	\$ 4,029,926	\$ 7,017,220
Pooled HISAs	2,228,184	7,105,490
Short-Term Bond	3,075,268	-
Guaranteed Investment Certificates	6,500,000	-
	<u>\$15,833,378</u>	<u>\$ 14,122,710</u>

5. Accounts Payable and Accrued Liabilities

	2023	2022
Amounts due to suppliers	\$ 830,896	\$ 1,159,716
Salaries and benefits accruals	1,194,886	1,057,959
	<u>\$ 2,025,782</u>	<u>\$ 2,217,675</u>

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2023

6. 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 240,000 active members and approximately 124,000 retired members. The Plan holds assets in excess of \$74 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, 2021 indicated a \$3.761 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, 2024 with results available in 2025.

The Library paid \$1,357,180 (2022 - \$1,278,719) for employer contributions while employees contributed \$1,255,140 (2022 - \$1,182,576) to the Plan during fiscal 2023.

(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 obligation and liability as at December 31, 2018 which was extrapolated to December 31, 2023. The liability at December 31, 2023 was \$2,717,100 (2022 - \$2,520,300), comprised as follows:

	2023	2022
Opening accrued benefit obligation	\$ 2,923,400	\$ 2,875,600
Add: Current service costs	285,500	244,100
Add: Interest on accrued benefit obligation	132,100	70,300
Add: Actuarial (gain) loss	169,500	107,600
Less: Benefits paid during the year	(261,100)	(374,200)
	3,249,400	2,923,400
Closing accrued benefit obligation	3,249,400	2,923,400
Less: Unamortized actuarial loss	(532,300)	(403,100)
	\$ 2,717,100	\$ 2,520,300
Benefit liability		

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2023

6. Employee Future Benefits (Continued)

Amortization of actuarial loss in the amount of \$31,300 has been recorded in the current year.

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

	<u>2023</u>	<u>2022</u>
Discount rate (long-term borrowing rate)	4.30%	4.50%
Productivity and merit wage and salary increases averaging	3.00%	3.00%
Estimated average remaining service life of employees (years)	12	12

(b) Retirement Benefits and Compensated Absences (Continued)

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.

(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.

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2023

6. Employee Future Benefits (Continued)

(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.

7. Asset Retirement Obligation

The Library owns and operates one building known to contain asbestos, which represents a health hazard and which various regulations require specific considerations upon demolition. Following the adoption of PS 3280 - Asset Retirement Obligations, the Library recognized an obligation relating to the removal and post-removal care of the asbestos in this building estimated at December 31, 2023. The building has an estimated useful life of 58 years from the date of completion of construction, of which 23 years remain. Estimated costs have been discounted to the present value using a discount rate of 4.38% per annum (2022 - 4.38%).

Changes in the asset retirement obligation in the year are as follows:

	<u>Asset retirement obligation</u>
Balance at January 1, 2022 as restatement on adoption of PS3280	\$ 401,259
Add: Accretion expense	17,615
	<hr/>
Balance as at December 31, 2022	418,874
Add: Accretion expense	18,389
	<hr/>
Balance as at December 31, 2023	<u>\$ 437,263</u>

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2023

8. Tangible Capital Assets

	Land	Buildings	Furniture and Equipment	Computer Equipment	Computer Software	Automated Library System	Library Materials	2023 Total	2022 Total
Cost, beginning of year	\$ 115,000	\$ 2,785,951	\$ 947,063	\$ 1,413,664	\$ 1,144,940	\$ 858,454	\$ 18,332,260	\$25,597,332	\$ 24,726,643
Additions	-	33,164	243,399	521,154	117,940	10,162	2,815,677	3,741,496	3,929,615
Disposals	-	-	(269,533)	(427,333)	(586,926)	-	(3,182,428)	(4,466,220)	(3,058,926)
Cost, end of year	115,000	2,819,115	920,929	1,507,485	675,954	868,616	17,965,509	24,872,608	25,597,332
Accumulated amortization, beginning of year	-	1,611,286	670,197	995,201	797,307	683,673	10,988,343	15,746,007	15,231,685
Amortization expense	-	83,846	65,503	229,399	35,899	51,875	3,038,929	3,505,451	3,562,783
Disposals	-	-	(258,777)	(399,153)	(586,928)	-	(3,182,428)	(4,427,286)	(3,048,461)
Accumulated amortization, end of year	-	1,695,132	476,923	825,447	246,278	735,548	10,844,844	14,824,172	15,746,007
Net carrying amount, end of year	\$ 115,000	\$ 1,123,983	\$ 444,006	\$ 682,038	\$ 429,676	\$ 133,068	\$ 7,120,665	\$10,048,436	\$ 9,851,325

Fraser Valley Regional Library District
Notes to Financial Statements

December 31, 2023

9. Accumulated Surplus

Accumulated Surplus is categorized as follows:

	2023	2022
Unappropriated General Surplus	\$ 2,375,834	\$ 2,177,428
Reserves - General		
Information systems investments	1,380,220	1,357,092
Building, equipment and vehicles	609,820	712,458
Library collections	667,076	546,487
i(dea) Centre & Innovation	92,724	75,910
Specific programs	1,816,309	140,900
Administrative Centre Expansion	2,644,176	2,521,625
Subtotal (Unappropriated General Surplus plus Reserves - General)	9,586,159	7,531,900
Reserves - Member salary & benefit reserve	2,844,899	2,210,252
Subtotal (Unappropriated General Surplus plus all Reserves)	12,431,058	9,742,152
Unfunded employee future benefits	(1,549)	(2,065)
Unfunded asset retirement obligation	(437,263)	(418,874)
Investment in non-financial assets	10,986,104	10,712,200
	\$22,978,350	\$ 20,033,413

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).

December 31, 2023

9. Accumulated Surplus (Continued)

(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.

(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) Administrative Centre Expansion

To fund all or portion of the expansion of the Administrative Centre.

(g) 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 \$2,717,100 (2022 - \$2,520,300) (Note 6(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.

Unfunded assets retirement obligation was recognized in the fiscal 2023 as required under public accounting standards. The entire obligation is not funded. Options to fund the liability will be considered by the Fraser Valley Regional Library Board during fiscal 2024.

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.

December 31, 2023

10. 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 \$111,447 (2022 - \$111,524). The library has also entered into multi-year contracts to receive services. The total minimum payments due on leases and other contractual obligations over the next 5 years are as follows:

2024	\$847,011
2025	\$161,908
2026	\$27,846
2027	\$18,564

11. Economic Dependence

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

12. Financial Instrument Risks

The Library is exposed to certain risks arising from its financial assets and liabilities. The following analysis provides an assessment of those risks as at December 31, 2023.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Library is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its investments. Investments in MFA pooled funds and guaranteed investment certificates (Note 4) are subject to this risk.

(b) Liquidity Risk

Liquidity risk is the risk that the Library will not be able to meet its financial obligations as they fall due. The Library has a planning and budgeting process in place to help determine the funds required to support the normal operating requirements on an ongoing basis. The Library ensures that there are sufficient funds to meet its short term requirements, taking into account its anticipated cash flows from operations and cash reserves.

December 31, 2023

12. Financial Instrument Risks (Continued)

(c) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Library is exposed to concentrations of credit risk related to its cash, accounts receivable, and portfolio investments. The Library mitigates this risk by holding its cash and investments at large reputable established financial institutions and through diversification. Concentrations of credit risk related to accounts receivable are mitigated as the majority are due from the government and financial institutions.

It is management's opinion that the Library is not exposed to any significant currency or market risks arising from its financial instruments.

13. Comparative Amounts

Certain comparative amounts have been restated to conform with the current year financial statement presentation.

Fraser Valley Regional Library District
Schedule of Operating Expenses

December 31	Budget 2023	2023	2022
Administration building	\$ 391,000	\$ 454,900	\$ 388,835
Administrative and board expenses	75,440	62,493	65,479
Banking	49,453	37,515	39,350
Furniture and equipment	69,769	62,920	73,384
Human resources	381,574	274,220	335,942
Information systems	1,540,668	1,370,074	1,350,718
Library programs	252,523	228,578	173,281
Marketing	174,781	153,699	148,440
Member salary and benefit reserve grants	-	31,592	49,156
Mileage and miscellaneous	64,820	56,111	18,526
Office supplies	205,967	169,106	204,487
Postage and courier	41,056	20,316	20,609
Professional fees	350,750	518,071	403,572
Telephone and fax	121,762	100,040	111,665
Vehicle operations	219,000	197,752	197,089
	\$3,938,563	\$3,737,387	\$ 3,580,533

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2023

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, 2023

Fraser Valley Regional Library District has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.

Schedule 8 - Remuneration and Expenses
Financial Information Act - Statement of Financial Information

Library Name:	Fraser Valley Regional Library District
Fiscal Year Ended:	December 31, 2023

Table 1: Total Remuneration and Expenses - Board and Employees

Board Members	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
BINDER, ROD	-	-
DRIESSEN, PATRICIA	-	-
HAYES, MIKE	-	-
JACKSON, ALLEN	-	-
LUM, JASON	-	-
MARTENS, BARBARA	-	-
McCURRACH, NANCY	-	-
McCUTCHEON, JEN	-	-
NEWBIGGING, PAULINE	-	-
PARTRIDGE, MICHELE	-	-
PLECAS, DANNY	-	-
READ, NICOLE	-	-
SCHILLER, SUNNY	-	-
SCHWICHTENBERG, KERSTIN	-	-
WALLACE, ROSEMARY	-	-
Total Board Members	\$0.00	\$0.00

Detailed Employees Exceeding \$75,000	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
ALDRED, HEATHER - <i>Library Supervisor 3</i>	76,895.10	-
ARMSTRONG, JESSICA - <i>Librarian 3</i>	90,819.42	921.90
BANNON, KELLEY - <i>Manger of Finance</i>	128,146.91	3,708.32
CHAHAL, JAGVIR - <i>HR Generalist</i>	80,128.05	1,414.96
CHAMPAGNE, CRISTINA - <i>Library Supervisor 3</i>	86,789.76	-
COCKCROFT, JEANNIE - <i>Librarian 3</i>	84,954.23	-
COLLICOTT, AARON - <i>Librarian 1</i>	76,358.53	166.67
CONROY, CHRISTINE - <i>Librarian 3</i>	91,135.67	-
DELORME, WENDY - <i>Shipping & Receiving Supervisor</i>	78,393.87	684.50
DUQUETTE, EMILY - <i>Exec Office & Info Manager</i>	93,798.01	1,600.13
FEHR, JENNIFER - <i>Manager of Marketing & Comm</i>	93,464.72	541.53
FOUQUETTE, NATALIE - <i>Digital Services Specialist</i>	87,607.13	60.14
GARDEN, JACQUELYNNE - <i>Librarian 3</i>	94,820.55	-
GILL, BALBIR SINGH - <i>Librarian 3</i>	92,031.76	-
GLENTWORTH, NICOLE - <i>Library Manager</i>	128,371.91	335.00
GOMERICH, NANCY - <i>Director of Finance</i>	159,679.35	3,955.86
GRAY, NATALIE - <i>Collection Development Specialist</i>	86,457.96	1,507.09
GROENEWOLD, WIENA - <i>Librarian 1</i>	79,270.58	-
HARGROVE, SCOTT - <i>CEO</i>	232,137.40	4,707.03

HUCK, JACQUELINE - <i>Collection Services Specialist</i>	83,463.81	10,145.75
KELLY, DEAN - <i>Manager of Collection, Access & Digital Services</i>	128,146.91	1,074.62
KENDZE, DEBORAH - <i>Library Manager</i>	128,131.11	573.09
KHAIRA, SANDEEP - <i>Librarian 3</i>	82,340.76	5,765.67
KREITNER, HANS - <i>Deputy Manager of Health & Safety</i>	103,810.67	2,710.60
LAKHANPAL, SUNITA - <i>Librarian 3</i>	104,300.99	-
LINNEY, SHERRY - <i>HR Coordinator</i>	76,954.07	584.50
MITCHELL, DEVAN - <i>Manager of IT</i>	128,146.91	2,717.25
MONAHAN, BRANDON - <i>Steam Specialist</i>	81,371.62	769.09
MORRIS, LIZA - <i>Librarian 3</i>	94,539.63	171.25
NARVER, JEFF - <i>Director of IT</i>	159,679.35	8,490.05
NEUMANN, DENNIS - <i>Librarian 3</i>	91,694.20	25.90
PARENT, JANEEN - <i>Librarian 2</i>	87,141.86	-
RANDHAWA, SARWAN SINGH - <i>Library Manager</i>	121,353.38	-
RAVEN, DARREN - <i>Sr IT Infrastructure Admin</i>	96,787.43	-
RENSHAW, CATHY - <i>Director of Organizational Development</i>	159,679.35	2,075.43
ROBINSON, COURTNEY - <i>Library Manager</i>	97,754.10	205.33
RUSSELL, HILARY - <i>Library Manager</i>	128,596.91	-
SCHINDEL, AFTON - <i>Librarian 3</i>	93,536.44	-
SCOULAR, HEATHER - <i>Director of Customer Experience</i>	183,566.47	818.29
SHUMYLA, DIANE - <i>HR Generalist</i>	78,477.50	1,111.00
SIDHU, MINAKSHI - <i>Librarian 3</i>	93,509.39	166.67
SLEIMAN, JO-ANN - <i>Library Manager</i>	128,146.91	200.00
SWAN, JASON - <i>IT System Analyst</i>	80,950.04	35.00
TURENKO, LUDA - <i>Business Intel & HR Specialist</i>	93,798.01	1,026.00
VACEK, LEWIS - <i>Deputy Manager of IT</i>	92,441.55	11,992.54
VENKATESAN, MUNIYAPPAN - <i>IT System Analyst</i>	81,612.00	86.81
VISSERARAUJO, SHARON - <i>Library Supervisor 3</i>	77,673.69	-
WATSON, CATHY - <i>Payroll & Benefits Supervisor</i>	93,997.98	695.00
WIECZOREK, TAL - <i>Librarian 3</i>	83,123.84	30.00
WOODBURY, LANDON - <i>Deputy Manager of HR</i>	97,341.66	1,033.50
Total Employees Exceeding \$75,000	\$5,173,329.45	\$72,106.47

Total Employees Equal to or Less Than \$75,000	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
	\$12,108,592.53	\$55,728.60

Consolidated Total	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
	\$17,281,921.98	\$127,835.07

Table 2: Total Employer Premium to Receiver General for Canada

Total Employer Premium for Canada Pension Plan and Employment Insurance (Component of Receiver General for Canada Supplier Payment)	\$1,158,113.34
--	----------------

Table 3: Reconciliation of Remuneration and Expenses

	Amount
Total Remuneration	\$17,281,921.98

Reconciling Items	Amount
2022 Payroll Accrual	-\$1,057,959.00
2023 Payroll Accrual	\$1,194,886.00
CPP	\$822,943.27
EI	\$335,170.07
Pension	\$1,357,180.43
Employer portion of other employment benefits	\$1,289,949.25
Total Reconciling Items	\$3,942,170.02

	Amount
Total Per Statement of Revenue & Expenditure	\$21,224,092.00

	Amount
Variance	\$0.00

Variance explanation (if required):

--

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: Fraser Valley Regional Library District

Fiscal Year Ended: December 31, 2023

There were no severance agreements made between Fraser Valley Regional Library District and its non-unionized employees during fiscal year 2023.

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, 2023

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

Schedule 11 - Provision of Goods and Services
Financial Information Act - Statement of Financial Information

Library Name Fraser Valley Regional Library District
Fiscal Year Ended December 31, 2023

Table 1: Suppliers of Goods and Services

Name of Individual, Firm or Corporation	Total Amount Paid During Fiscal Year
BADA Services	\$ 122,556.74
Baker & Taylor Inc.	37,283.23
BC Hydro	26,407.86
BCLibraries Cooperative	416,410.82
BDO Canada LLP	110,555.81
Bibliocommons Inc	108,253.47
Bibliotheca Canada Inc	167,706.51
Campus Discount	28,964.27
Celayix Software	40,588.80
Centre for Equitable Library Access	48,124.51
Ceridian Canada Ltd.	139,928.65
City of Abbotsford	67,334.22
City of Mission	60,961.91
Diligent Canada	30,996.00
Ebsco Canada Ltd.	77,461.19
Employer Health Tax	84,634.49
Findaway World LLC	25,384.20
FSEAP Vancouver	82,823.82
Grand & Toy	109,498.51
GroupHEALTH Global Benefit Sys	1,059,061.32
HUB International Ins Brokers	92,943.00
Innovative Interfaces Global Ltd	250,411.99
Kanopy	69,441.00
Konica Minolta Business Solutions (Canada) Ltd	281,298.14
Library Bound Inc.	1,333,660.24
Lyngsoe Systems Inc	41,930.00
Municipal Pension Plan	1,357,180.43
Norton Rose Fulbright Canada LLP	389,749.11
Open Door Technology Inc	32,657.17
OverDrive Inc	1,141,536.87
Penny's Cleaning Service Ltd	107,335.64
Petro-Canada Superpass	46,567.10
Public Library Interlink	135,665.25
Receiver General for Canada	1,158,113.34
Ryder Truck Rentals Canada Ltd	131,413.04
Skyway West	380,722.70
TELUS -9372	56,659.95
TELUS Mobility	49,295.07
TNG Canada	51,324.11
United Library Services Inc.	1,450,947.19
WorkSafe BC	95,765.03
X10 Technologies Inc.	930,854.27
Totals	Amount
Total (Suppliers with payments exceeding \$25,000)	\$12,430,406.97
Total (Suppliers with payments less than or equal to \$25,000)	\$1,362,685.72
Consolidated Total	\$13,793,092.69

Table 2: Reconciliation of Goods and Services

Reconciliation of Goods and Services		Amount
Total of aggregate payments exceeding \$25,000 Paid to Suppliers		\$12,430,406.97
Consolidated Total of Supplier Payments of \$25,000 or Less		\$1,362,685.72
Reconciling Items		Amount
Bus passes remittances netted against revenue		-130,808.24
Remuneration		17,281,921.98
Capital expenditure		-3,741,496.00
Amortization & accretion		3,523,840.00
Loss on disposal of capital assets		38,936.00
Net change in Prepays		-76,795.00
Net change in Accounts Payable		-328,820.00
Net change in Employee Future Benefits		196,800.00
Timing differences		413,534.57
Total Reconciling Items		\$17,177,113.31
Reconciliation		Amount
Total Per Statement of Revenue and Expenditure		\$30,970,206.00
Variance		\$0.00