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Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2023

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Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

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:		
	<input checked="" type="checkbox"/>	i) An alphabetical list of employees (first and last names) earning over
	<input checked="" type="checkbox"/>	\$75,000
	<input checked="" type="checkbox"/>	ii) Total amount of expenses paid to or on behalf of each employee under
	<input checked="" type="checkbox"/>	75,000
g)	<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.
		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 <i>Vancouver Island Regional Library</i>	FISCAL YEAR END (YYYY) 2023	
LIBRARY ADDRESS Box 3333, 6250 Hammond Bay Road	TELEPHONE NUMBER 250-758-4697	
CITY Nanaimo	PROVINCE BC	POSTAL CODE V9R 5N3
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Erin Hemmens	TELEPHONE NUMBER 250-729-2310	
NAME OF THE LIBRARY DIRECTOR Ben Hyman	TELEPHONE NUMBER 250-729-2313	

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information of the year ended 2023 for Vancouver Island Regional Library as required under Section 2 of the Financial Information Act.

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD*

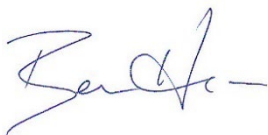
DATE SIGNED (DD-MM-YYYY)



14-05-2024

SIGNATURE OF THE LIBRARY DIRECTOR

DATE SIGNED (DD-MM-YYYY)



14-05-2024

Management Report

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library
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.

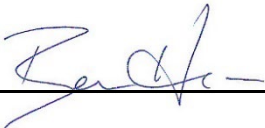
Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance 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, Grant Thornton LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the board's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of Vancouver Island Regional Library

Name. Chairperson of the Library Board [Print]	Erin Hemmens
Signature, Chairperson of the Library Board	
	Date (MM-DD-YYYY)
	05-14-2024

Name, Library Director [Print]	Ben Hyman
Signature, Library Director	
	Date (MM-DD-YYYY)
	05-14-2024



Consolidated Financial Statements

Vancouver Island Regional Library

December 31, 2023

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Independent Auditors' Report

Grant Thornton LLP
303-235 Bastion Street
Nanaimo, BC
V9R 3A3

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

Opinion

We have audited the consolidated financial statements of Vancouver Island Regional Library (the "Library"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Vancouver Island Regional Library as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

Other matter

The consolidated financial statements of the Library for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on May 5, 2023.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Consolidated 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 Association'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 Association'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 Association 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.

Victoria, Canada
May 10, 2024



Chartered Professional Accountants

Vancouver Island Regional Library

Consolidated Statement of Financial Position

As at December 31

	2023	2022
Financial Assets		
Cash and cash equivalents (Note 3)	1,770,508	2,608,848
Accounts receivable (Note 4)	977,804	124,820
Deposits (Note 18)	8,265	37,501
	<u>2,756,577</u>	<u>2,771,169</u>
Liabilities		
Trade accounts payable	701,878	2,471,393
Wages payable	856,759	801,039
Accumulated sick payable (Note 9)	628,326	546,832
Deferred revenue (Note 14)	319,928	19,928
Accrued benefit obligation (Note 8)	715,443	500,707
Long term debt (Note 16)	21,670,712	22,513,058
	<u>24,893,046</u>	<u>26,852,957</u>
Net Debt	<u>22,136,469</u>	<u>24,081,788</u>
Non-Financial Assets		
Tangible capital assets (Note 5 & Schedule 3)	37,373,125	38,119,595
Prepaid expenses	802,543	784,812
	<u>38,175,668</u>	<u>38,904,407</u>
Accumulated Surplus (Note 13)	<u>16,039,199</u>	<u>14,822,619</u>

Commitments (Note 10)

On behalf of the board

DocuSigned by:
Erin Hemmens
A1279FF04599449

Chair of the Board

DocuSigned by:
Ben Hyman
581A88FCB957424...

Executive Director

Vancouver Island Regional Library

Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31

	2023 Budget (Note 11)	2023 Actual	2022 Actual
Revenues			
Municipal levies	18,918,289	18,918,289	17,630,122
Regional district levies	8,583,487	8,583,487	7,810,311
Government and other grants (Note 6)	1,308,218	3,085,269	1,475,529
Fines and other income	190,000	351,005	96,656
Interest earned	50,000	117,582	36,479
	<u>29,049,994</u>	<u>31,055,632</u>	<u>27,049,097</u>
Expenses			
Wages and benefits (Schedule 1)	15,888,617	17,900,929	16,680,096
Amortization expense	4,519,360	4,519,360	4,486,270
Branch costs	3,792,280	4,156,988	4,291,735
Administration costs (Schedule 2)	2,775,087	3,204,231	3,157,493
Retirement benefit obligation	50,000	5,959	93,740
	<u>27,025,344</u>	<u>29,787,467</u>	<u>28,709,334</u>
Annual surplus (deficit)	2,024,650	1,268,165	(1,660,237)
Accumulated surplus, beginning of year	14,822,620	14,822,620	16,482,857
Accumulated surplus, end of year.	16,847,270	16,090,785	14,822,620

See accompanying notes to the consolidated financial statements

Vancouver Island Regional Library
Consolidated Statement of Changes in Net Debt
As at December 31

	Budget (Note 11)	2023 Actual	2022 Actual
Annual surplus (deficit)	-	1,268,165	(1,660,237)
Acquisition of tangible capital assets	(1,273,195)	(3,824,475)	(3,534,744)
Amortization of capital assets	4,519,360	4,519,360	4,486,270
	<u>3,246,165</u>	<u>1,963,050</u>	<u>(708,712)</u>
Acquisition of prepaid expenses	-	(802,542)	(784,812)
Use of prepaid expenses	-	784,812	696,701
	<u>-</u>	<u>(17,730)</u>	<u>(88,111)</u>
Decrease (increase) in net debt	3,246,165	1,945,320	(796,823)
Net debt, beginning of year	<u>(24,081,788)</u>	<u>(24,081,788)</u>	<u>(23,284,961)</u>
Net debt, end of year	<u>(20,835,623)</u>	<u>(22,136,469)</u>	<u>(24,081,788)</u>

See accompanying notes to the consolidated financial statements

Vancouver Island Regional Library

Consolidated Statement of Cash Flows

For the year ended December 31

	2023	2022
Cash Provided (Used):		
Operating Activities		
Annual surplus (deficit)	\$ 1,268,165	\$ (1,660,237)
Amortization expense	4,519,360	4,486,270
Actuarial adjustments	(177,432)	(153,917)
	<u>5,610,093</u>	<u>2,672,116</u>
Changes in non-cash operating accounts:		
Accounts receivable	(852,984)	155,337
Deposits	29,236	145,464
Trade accounts payable	(1,769,515)	153,181
Wages payable	55,720	(34,060)
Accumulated sick payable	81,494	36,461
Deferred revenue	300,000	-
Accrued benefit obligation	214,736	(25,357)
Prepaid expenses	(17,731)	(88,111)
Cash provided by operating activities	<u>3,651,049</u>	<u>3,015,031</u>
Capital Activities		
Acquisition of tangible capital assets	<u>(3,824,475)</u>	<u>(3,534,744)</u>
Financing Activities		
Long term debt principal repayments	<u>(664,914)</u>	<u>(525,779)</u>
Change in Cash and equivalents	(838,340)	(1,045,493)
Cash and cash equivalents, beginning of year	<u>2,608,848</u>	<u>3,654,341</u>
Cash and cash equivalents, end of year	<u>\$ 1,770,508</u>	<u>\$ 2,608,848</u>

See accompanying notes to the consolidated financial statements

Vancouver Island Regional Library

Consolidated Statement of Internally Restricted Fund Balances

For the year ended December 31

	Unaudited 2023	Unaudited 2022	Unaudited 2021	Unaudited 2020	Unaudited 2019
Internally Restricted Funds					
Outfitting & new/expanded facilities	3,024,995	2,286,395	1,700,053	1,004,537	1,352,409
Long term maintenance	333,451	3,216,622	2,354,306	2,485,564	2,634,647
ILS replacement	150,003	100,003	50,003	-	124,396
Books	-	-	-	-	-
Accrued sick reserve	-	-	155,972	175,994	285,736
Fundraising	509,002	715,390	692,162	631,405	344,815
Computer equipment	1,219,276	1,203,714	853,010	401,400	75,213
Prior years general reserve	-	-	43,500	401,700	-
Human resources issues	-	36,171	42,671	70,138	70,075
Friends reserve	17,508	16,297	16,473	15,593	18,232
Furnishings & equipment	94,040	406,933	494,190	515,045	335,440
Vehicles	27,833	72,973	42,973	78,347	48,275
Summer employment	-	-	-	-	-
Salaries	-	204,452	204,452	204,432	204,134
Strategic planning	21,458	-	-	-	-
Total Internally Restricted Funds	5,397,567	8,258,951	6,649,765	5,984,155	5,493,372

See accompanying notes to the consolidated financial statements

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

1. Organization

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

2. Significant accounting policies

The consolidated financial statements of the Library have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") with significant policies adopted by the Library as noted below:

Tangible Capital Assets

Tangible capital assets are initially recorded at cost and subsequently measured at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful life of the asset, commencing the year the asset is put into service. Estimated useful lives are as follows:

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

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

Fund Accounting

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

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

Impairment of long-lived assets

When conditions indicated that a tangible capital asset no longer contributes to the Library's ability to provide goods and services or that the value of future economic benefits associated with the tangible capital asset is less than its book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

2. Significant accounting policies (continued)

Contributions

Contributions of materials and services are recognized both as contributions and expenses in the consolidated statement of operations and accumulated surplus when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Library's operations and would otherwise have been purchased.

Use of estimates

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

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

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

Revenue Recognition

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

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

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

Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

2. Significant accounting policies (continued)

Financial Instruments

The Library initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Library subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include trade accounts payable, wages payable, deferred revenue, accumulated sick payable, long-term debt and accrued benefit obligation.

3. Cash and Cash Equivalents

Cash and cash equivalents include 389.01 (2022 – 370.29) units of Municipal Finance Authority of British Columbia Money Market Fund, and 2,824.873 (2022: 2730.539) units of Municipal Finance Authority of British Columbia Bond Fund. The rates of return vary depending on the rates of return of the items held.

The general bank account has an overdraft limit up to \$1,000,000 (2022: \$30,000) and carries interest at prime rate.

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

	2023	2022
Cash	\$ 1,739,919	\$ 2,579,799
Municipal Finance Authority of British Columbia		
- Money Market Fund	3,890	3,703
- Bond Fund	26,699	25,346
	<u>\$ 1,770,508</u>	<u>\$ 2,608,848</u>

4. Accounts receivable

Included in accounts receivable is \$60,670 (2022: \$87,988) of receivables due from the Federal Government of Canada.

5. Capital assets

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

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

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

5. Capital assets (continued)

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

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

The land at 6671 Wadams Way in Sooke, BC (valued by BCAA at \$1,429,000) was transferred to the Library by the Town of Sooke in Dec 2019. Should the Library cease library operations at this site, ownership would revert back to the Town.

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

For additional information, see Consolidated Schedule of Tangible Capital Assets (Schedule 3).

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

6. Government and Other Grants

Annual per capita operating grants are provided by the Ministry of Education to all library systems in BC. For a regional library system such as the Library, grants are calculated for municipal areas at \$1.78 - \$2.20 (2022: \$1.78 - \$2.20) per capita, and for rural areas at \$3.90 - \$4.10 (2022: \$3.90 - \$4.10) per capita.

	2023 Budget	2023 Actual	2022 Actual
Provincial per capita operating grants	\$ 1,308,218	\$ 1,303,780	\$ 1,206,871
Other provincial grants	-	1,633,062	75,610
Other grants	-	148,427	193,048
	<u>\$ 1,308,218</u>	<u>\$ 3,085,269</u>	<u>\$ 1,475,529</u>

7. Pension Obligations

The Library and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

7. Pension Obligations (continued)

future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Library paid \$1,055,134 (2022 - \$1,065,205) for employer contributions to the plan in fiscal 2023.

The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

8. Accrued Benefit Obligation

The liability represents an estimate of the amount of accumulated severance benefits. The following data is a result of applying an actuarial method in valuating the liability at December 31, 2023. Significant assumptions used in the valuation include a discount rate of 4.97% (2022 – 3.83%) and inflation of 4% (2022 - 2%). There are no unamortized gains or losses.

The severance calculation is based on the current contractual obligation that states that permanent full time CUPE employees who have ten (10) years of consecutive service and who retire on the Municipal Pension Plan after their fifty-fifth (55th) birthday (2022: 60th) will be awarded two (2) months' pay at the rate that prevailed at the time of retirement. Permanent part-time employees severance calculation varies in that employees with ten (10) years continuous service who retire after their fifty-fifth (55th) birthday (2022: 60th) will receive an award of two (2) months of their average monthly earnings based on the previous six (6) months earnings.

	2023	2022
Provision for accrued benefit obligation, beginning of year	\$ 500,707	\$ 526,064
Payments during the year	(19,880)	(13,946)
Interest earned	-	-
Contribution to provision during the year	234,616	(11,411)
Provision for accrued benefit obligation, end of year	<u>\$ 715,443</u>	<u>\$ 500,707</u>

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

9. Accumulate Sick Payable

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

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

The estimate for accumulate sick payable as at December 31, 2023 is \$628,326 (2022 - \$546,832).

10. Commitments

The Library is committed under several lease agreements for building rentals and shared common costs which, for each of the next five years and in total, are disclosed below. The Library has entered into a five year operating lease for a photocopier at an annual cost of \$3,024 expiring in October 2025, and a lease for self check terminals at an annual cost of \$122,926 expiring in December 2025.

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

	Rental	Copier and self check	Total
2024	1,733,939	125,950	1,859,889
2025	1,459,052	125,950	1,585,002
2026	1,121,375	-	1,121,375
2027	262,061	-	262,061
2028	124,877	-	124,877
	<u>\$ 4,701,305</u>	<u>\$ 251,900</u>	<u>\$ 4,953,205</u>

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

11. Annual Budget

The financial statements include the unaudited annual budget as approved by the Library Board on September 24, 2022.

	<u>Budget</u>	<u>Capital Asset Acquisition Budget</u>
Balanced Budget Amount	-	
Transfers from Restricted Reserves	(4,090,511)	
Transfers to Restricted Reserves	4,076,744	
Budgeted increase in Net Financial Assets	<u>(13,767)</u>	
MFA Debt Issue	-	
Repayments of Long Term Debt	765,223	
Purchase of Tangible Capital Assets	1,273,195	<u>\$ 1,273,195</u>
Budgeted Operating Surplus	<u>\$ 2,024,651</u>	

12. Economic Dependence

The Library is economically dependent on Municipal and Regional district levies grants in order to continue to provide the current level of services. The Library received 89% (2022: 94%) of its total operating revenues from Municipal and Regional district levies.

13. Accumulated Surplus

Which is comprised of:

	2023	2022
Internally Restricted (Statement of Internally Restricted Fund Balances)	\$ 5,397,567	\$ 8,258,951
Unrestricted	(5,060,781)	(9,042,869)
Net Investment in tangible capital assets (Schedule 3)	15,702,413	15,606,537
	<u>\$ 16,039,199</u>	<u>\$ 14,822,619</u>

14. Deferred Revenue

Non-government grants with external restrictions are deferred and recognized as revenue in the period in which the corresponding expenditures are incurred. Changes to the deferred revenues for 2023 are as follows:

	2023	2022
Opening deferred revenue	\$ 19,928	\$ 46,328
Total of new grants received	300,000	-
Less: recognized as revenue	-	(26,400)
Ending balance of deferred revenue	<u>\$ 319,928</u>	<u>\$ 19,928</u>

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

15. Internally-Restricted Funds

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

In addition to budgeted transfers to reserves, an evaluation of the unrestricted surplus is carried out annually to establish the minimum surplus retention. This is done by taking the total expenditures, less current assets and current liabilities and subtracting the designated reserves on hand. This total is multiplied by a factor of 5% to establish the minimum surplus to be retained. The amount transferred from unrestricted to restricted in 2023 was \$Nil (2022 - \$Nil).

16. Long Term Debt

All Long Term Debt is borrowed from the Municipal Finance Authority of BC (MFA). Interest payments and actuarial earnings related to long-term debt obligations are recorded on an accrual basis. Actuarial revenue is investment earnings on the Library's principal payments made to, and invested by, the MFA, prior to the MFA using these funds to retire the related debt.

The actuarial interest rate is set when the debt is issued to the Regional District and may be adjusted by MFA during the term of the debt as market conditions dictate that the rate can no longer be achieved. Actual actuarial earnings beyond the set rate are paid to the Regional District when the related debt has been retired. Actuarial revenue is recognized and compounded annually starting in the second year of the debt term.

Interest has been accrued as an expense to December 31, 2023. Actuarial adjustments are treated as additional principal repayments per the schedules and advices received from the MFA. Principal payments are applied directly to loan balances in the period they accrue.

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

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

16. Long Term Debt (Continued)

	Cowichan Lake	Nanaimo North	Nanaimo Harbourfront	Haida Gwaii	Chemainus	Sooke	2023	2022
MFA Debt Issue #	121	117	126	145	149	157		
Initial Borrowing	1,000,000	8,000,000	8,610,000	1,500,000	2,230,000	6,000,000	27,340,000	27,340,000
Term	30 years	30 years	25 years	20 years	20 years	30 years		
Interest Rate	3.25%	3.25%	3.85%	3.15%	2.24%	3.36%		
YTD Principal Payment	20,299	162,391	206,743	55,824	82,991	136,666	664,914	525,779
YTD Interest Payment	26,408	49,879	259,141	40,244	42,256	100,800	518,727	629,748
Total Annual Payment	46,706	212,270	465,884	96,068	125,247	237,466	1,183,641	1,155,527
Beginning Balance	785,930	6,065,108	6,422,081	1,266,455	1,973,483	6,000,000	22,513,058	17,192,753
Additional Funding	-	-	-	-	-	-	-	6,000,000
Actuarial Adjustments	7,492	67,721	87,517	7,006	7,696	-	177,432	153,917
Principal Repayments	20,299	162,391	206,743	55,824	82,991	136,666	664,913	525,779
Ending Balance	758,139	5,834,996	6,127,821	1,203,625	1,882,796	5,863,334	21,670,713	22,513,058

Principal Payments (next 5 years)

Year	Cowichan Lake	Nanaimo North	Nanaimo Harbourfront	Haida Gwaii	Chemainus	Sooke	Total
2024	20,299	162,391	206,743	55,824	82,991	136,666	664,914
2025	20,299	162,391	206,743	55,824	82,991	136,666	664,914
2026	20,299	162,391	206,743	55,824	82,991	136,666	664,914
2027	20,299	162,391	206,743	55,824	82,991	136,666	664,914
2028	20,299	162,391	206,743	55,824	82,991	136,666	664,914

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

17. MFA Debt Reserve Fund

The Library secures its long term borrowing through the MFA. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a Debt Reserve Fund. The Library is contingently liable to the MFA for the Debt Reserve Fund, to help secure its participation in MFA debentures. The MFA has the right, if one or more participants in that issue default, to draw upon the Library's share of the Debt Reserve Fund of \$340,096 as at December 31, 2023 (2022 - \$329,844).

18. Deposits

Deposits at December 31, 2023 represent security deposits paid on rental agreements.

19. Comparative Figures

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

20. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) 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 the obligation.

The Library is exposed to credit risk with respect to its cash and cash equivalents, and accounts receivable. Credit risk related to cash and cash equivalents is mitigated as the amounts are held with major Canadian financial institutions. Credit risk related to accounts receivable is mitigated as the Library enters into agreements with credit worthy counterparts.

(b) Liquidity risk

Liquidity risk is the risk that the Library will encounter difficulty in meeting obligations associated with financial liabilities.

The Library is exposed to this risk mainly in respect of its accounts payable, wages payable, accumulated sick payable, and long-term debt. Cash flows from operations provides a substantial portion of the Library's cash requirements. Additional cash requirements are met with the use of the available operating line of credit.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Vancouver Island Regional Library

Notes to the Consolidated Financial Statements

December 31, 2023

20. Financial Instruments (Continued)

Interest rate risk consists of two components:

- (i) To the extent that the prevailing market interest rates differ from the interest rates on the Library's monetary assets and liabilities the Library is exposed to interest rate price risk on its cash and cash equivalents and its fixed rate long term debt.
- (ii) To the extent that payments made or received on the Library's monetary assets and liabilities are affected by changes in prevailing market interest rates, the Library is exposed to interest rate cash flow risk on its long term debt actuarial adjustments.

Vancouver Island Regional Library

Schedules to the Consolidated Financial Statements

December 31, 2023

Consolidated Schedule of Wages and Benefits

Schedule 1

	Budget (Note 10)	2023	2022
Library Services			
Branch services	\$ 10,244,085	\$ 10,220,838	\$ 9,641,215
Technical services	758,915	694,954	655,255
Information services and network support	881,481	566,909	446,442
	<u>11,884,480</u>	<u>11,482,701</u>	<u>10,742,912</u>
Corporate Services			
Financial services	619,455	534,411	545,206
Shipping & receiving	164,795	188,346	164,928
Executive Director's office	702,471	454,023	511,481
Human resources	420,876	178,843	337,355
Communications	615,779	695,887	587,826
Facility management	115,024	116,401	7,342
Purchasing	201,474	175,350	185,458
	<u>2,839,873</u>	<u>2,343,261</u>	<u>2,339,595</u>
Total Wages	<u>14,724,353</u>	<u>13,825,962</u>	<u>13,082,507</u>
Benefits	1,135,364	4,048,795	3,559,193
Hiring and training	<u>28,900</u>	<u>26,172</u>	<u>38,396</u>
Total Wages and Benefits	<u>\$ 15,888,617</u>	<u>\$ 17,900,929</u>	<u>\$ 16,680,096</u>

Vancouver Island Regional Library

Schedules to the Consolidated Financial Statements

December 31, 2023

Consolidated Schedule of Administration Costs Schedule 2

	Budget (Note 10)	2023	2022
Administration			
Utilities and communications	306,750	301,024	313,224
Office, photocopier and postage	327,602	436,321	459,370
Central services' buildings and equipment maintenace	952,700	1,172,696	978,934
Furniture and equipment - small items expensed	200,000	57,618	135,697
Travel and vehicle operations	209,970	215,334	180,971
Professional fees	212,894	438,268	476,152
Insurance	175,000	269,372	191,996
Training and workshops	129,050	70,645	86,483
Board expenses	27,500	41,236	33,595
Promotion and advertising	140,001	95,595	196,429
Bank and payroll production costs	93,620	106,122	104,642
Total Administration	\$ 2,775,087	\$ 3,204,231	\$ 3,157,493

Vancouver Island Regional Library

Schedules to the Consolidated Financial Statements

December 31, 2023

Consolidated Schedule of Tangible Capital Assets

Schedule 3

	Books	Furniture & Equipment	Computer Equipment	Vehicles	Building	Leasehold Improvement	Land	2023 Total	2022 Total
Cost:									
Opening Balance:	16,836,290	6,057,500	5,192,008	533,746	33,106,806	4,108,375	1,575,831	67,410,556	58,153,948
Additions	2,945,625	4,204	247,890	75,140	316,493	5,714	-	3,595,066	3,523,415
Transfers from WIP	-	-	-	-	-	-	-	-	8,198,637
Less: Disposals and write-downs	(2,499,591)	-	(280,670)	(193,966)	-	-	-	(2,974,227)	(2,465,440)
	17,282,324	6,061,704	5,159,228	414,920	33,423,299	4,114,089	1,575,831	68,031,395	67,410,560
Accumulated Amortization									
Opening Balance	9,477,646	5,104,983	5,002,615	405,104	5,949,141	3,362,806	-	29,302,295	27,281,465
Amortization expense	2,901,670	233,193	145,861	19,922	802,053	416,660	-	4,519,359	4,486,270
Effects of disposals & write downs	(2,499,591)	-	(280,670)	(193,966)	-	-	-	(2,974,227)	(2,465,440)
	9,879,725	5,338,176	4,867,806	231,060	6,751,194	3,779,466	-	30,847,427	29,302,294
Work in Progress	-	-	-	-	189,157	-	-	189,157	11,329
Net Book Value									
For the Year Ended									
December 31, 2023	7,402,599	723,528	291,422	183,860	26,861,262	334,623	1,575,831	37,373,125	38,119,595
Less Debt								21,670,712	22,513,058
Net Investment in Assets								15,702,413	15,606,537

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2023

Note:

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

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

The Vancouver Island Regional Library long term debt comprises 6 borrowings from Municipal Finance Authority in the amount of \$21.7 million (see Note 16 of the financial statements).

Schedule of Guarantee and Indemnity

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library
Fiscal Year Ended: December 31, 2023

Vancouver Island Regional Library 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

Please enter data only in white fields - leave grey fields untouched.

Library Name:	Vancouver Island Regional Library
Fiscal Year Ended:	2023

Note: Total Remuneration and Total Expenses columns MUST REMAIN SEPARATE throughout the form.

Table 1: Total Remuneration and Expenses - Board and Employees

Board Members	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
Arbour, Daniel	\$0.00	\$540.11
Austin, Carolyne	\$0.00	\$97.92
Bateman, Jeff	\$0.00	\$177.56
Beil, Mary	\$0.00	\$177.96
Capps, Jenni	\$0.00	\$0.00
Carson, Michelle	\$0.00	\$507.28
Cole-Hamilton, Will	\$0.00	\$0.00
Cote, Penny	\$0.00	\$273.08
Craig, Vanessa	\$0.00	\$191.05
Deck, Karen	\$0.00	\$0.00
Deck, Ronald	\$0.00	
Disney, Sheri	\$0.00	\$3,166.24
Duncan, Tom (Alternate)	\$0.00	\$87.00
Embree, Jesse	\$0.00	\$1,660.09
Falconbridge, Kazamir	\$0.00	
Fall, Andrew	\$0.00	
Fossen, Henry	\$0.00	\$329.12
Gilkin, Kohen	\$0.00	\$308.72
Hemmens, Erin (Chair)	\$0.00	\$136.00
Hoar, Jennifer	\$0.00	\$287.52
Hory, Andrew	\$0.00	\$617.80
Kennedy, Jayme	\$0.00	\$5,408.29
Kerr, Jonathan	\$0.00	\$0.00
Kerr, Ron	\$0.00	\$248.08
Lemontee, Jim (Alternate)	\$0.00	\$2,051.77
Lerner, Jonathan	\$0.00	\$0.00
Manhas, Tek	\$0.00	\$61.20
McClintock, Jack	\$0.00	\$461.32
Murray, Russell	\$0.00	\$625.92
Northcott, Cheryl	\$0.00	\$5,623.92
Novek, Richard	\$0.00	\$1,666.08
Patola, Todd	\$0.00	

Putterill, Evan	\$0.00	\$1,016.77
Rice, John	\$0.00	\$208.08
Robertson, Fred (Vice Chair)	\$0.00	\$5,458.88
Sawyer, Alison	\$0.00	\$309.88
Therrien, Troy	\$0.00	\$0.00
Virtanen, Jeff	\$0.00	\$0.00
Wickheim, Al	\$0.00	\$0.00
Young, Jean	\$0.00	\$0.00
Total Board Members	\$0.00	\$31,697.64
Detailed Employees Exceeding \$75,000	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
Adams, Joel	\$96,957.17	\$0.00
Bartlett, Natasha	\$119,212.45	\$103.98
Benjaminsson, Steinunn	\$78,883.04	\$127.75
Bond, Jennifer	\$125,463.12	\$17.68
Broadley, Louise	\$114,957.17	\$421.56
Burgess, Daniel	\$93,394.85	\$118.38
Carson, David	\$118,335.49	\$264.35
Catto, Natalie	\$81,101.54	\$1,872.96
Dawley, Amy	\$124,585.19	\$299.20
de Leur, Michael	\$89,893.43	\$95.91
Finn, Monica	\$89,517.81	\$26.79
Gillette, Eileen	\$138,513.27	\$148.14
Grace, Valerie	\$79,547.64	\$29.97
Gulas, Gregory	\$80,950.69	\$662.62
Hall, Dara	\$104,468.81	\$0.00
Hyman, Benjamin	\$196,731.50	\$5,585.38
Kaminker, Laura	\$89,532.56	\$1,862.09
Kuffler, Jason	\$100,377.97	\$339.35
Losell, Lee	\$79,681.67	\$657.97
Martin, Anthony	\$89,474.35	\$788.73
Matthews, Emily	\$127,864.61	\$2,055.00
McCarvill, Nicole	\$79,562.50	\$284.92
McConnell, Jason	\$116,532.01	\$1,947.20
McCunn, David	\$101,443.37	\$0.00
O'Shea, Anne	\$115,793.00	\$675.87
Pandher, Amanjit	\$130,563.39	\$0.00
Patterson, Mariah	\$81,071.27	\$0.00
Pettigrew, Stephanie	\$89,420.81	\$547.50
Runnalls, Kendra	\$78,836.54	\$0.00
Samson, Joelle	\$89,463.23	\$1,383.22
Siebold, Patrick	\$89,478.43	\$1,650.86
Strain, Jeffrey	\$87,925.17	\$255.02
Trumble, Allison	\$82,219.68	\$1,033.29
Van Koevering, Annette	\$89,329.45	\$777.06
Walker, Sharon	\$89,772.42	\$324.18
Warren, Stephen	\$90,517.66	\$1,789.59
Woods, Stephen	\$115,264.75	\$19.00

Wright, Elizabeth	\$89,448.93	\$549.15
Total Employees Exceeding \$75,000	\$3,836,086.94	\$26,714.67
Total Employees Equal to or Less Than \$75,000	\$9,989,875.06	\$40,130.30
DO NOT USE - list totals only		\$66,844.97

Consolidated Total	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/Mileage etc.)
DO NOT USE - list totals only	\$3,836,086.94	\$125,257.28

Table 2: Total Employer Premium to Receiver General for Canada

Total Employer Premium for Canada Pension Plan and Employment	\$927,869.52
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Table 3: Reconciliation of Remuneration and Expenses

	Amount
Total Remuneration	\$13,825,962.00

Reconciling Items	Amount
CPP & EI	\$927,869.52
Employee Benefits	\$3,120,925.48
Hiring Costs	\$26,172.00
Total Reconciling Items	\$4,074,967.00

	Amount
Total Per Statement of Revenue & Expenditure	\$17,900,929.00

	Amount
Variance	\$0.00

Variance explanation (if required):

--

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 2023

There were 4 severance agreements made between Vancouver Island Regional Library and its non-unionized employees during fiscal year 2023.

These agreements represent from 3 to 7 months' compensation.

Schedule of Changes in Financial Position

Financial Information Act - Statement of Financial Information

Library Name: Vancouver Island Regional Library

Fiscal Year Ended: December 31, 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

Please enter data only in white fields - leave grey fields untouched.

Library Name:	Vancouver Island Regional Library
Fiscal Year Ended:	2023

Table 1: Suppliers of Goods and Services

Name of Individual, Firm or Corporation	Total Amount Paid During Fiscal Year
ABELL PEST CONTROL	\$92,526.86
A.C.E COURIER SERVICES	\$131,082.56
ADVANCED PROFESSIONAL TRAINING CENTRE LTD	\$26,880.00
BCGEU - LOCAL 702	\$53,074.72
BC HYDRO	\$219,592.32
BC LIBRARIES COOPERATIVE	\$306,920.95
BELLA COOLA CONSUMER'S COOPERATIVE ASSOCIATION	\$33,887.52
BELL MOBILITY INC	\$42,846.30
BERKSINTERTRUCK LTD	\$108,546.14
BIBLIOCOMMONS CORP	\$58,061.51
BIBLIOTHECA CANADA INC	\$33,889.27
BIG ISLAND BUILDING SERVICES	\$41,046.60
CAPITAL REGIONAL DISRICT - DISPOSAL	\$240,360.00
CAPTIAL REGIONAL DISTRICT	\$100,800.00
CDW CANADA INC	\$155,866.52
CENTRE FOR EQUITABLE LIBRARY ACCESS	\$30,788.18
CITY OF CAMPBELL RIVER	\$153,043.68
CITY OF COURTENAY	\$257,869.81
CITY OF PARKSVILLE	\$197,968.68
CITY OF PORT ALBERNI	\$168,128.88
C & L SUPERIOR CLEANING SERVICES	\$28,114.46
CONTINUUM ARCHITECTURE INC	\$93,498.64
COUNTRY CLUB CENTRE LTD	\$120,367.32
COWICHAN VALLEY REGIONAL DIST	\$187,141.90
C.U.P.E LOCAL 401	\$152,261.85
DISTRICT OF PORT HARDY	\$40,494.96
DISTRICT OF UCLUELET	\$31,833.18
DREW HARBOUR INVESTMENTS CORP.	\$69,896.75
DUNSMUIR INVESTMENTS LTD	\$85,095.73
EBSCO CANADA LTD	\$68,211.16
MADILL - THE OFFICE COMPANY	\$158,710.90
JIM PATTISON DEVELOPMENTS LTD	\$88,378.43
FOOTPRINTS SECURITY PATROL INC	\$346,676.61
FORTIS BC - NATURAL GAS	\$33,895.05
HALLWOOD MILHAM TECHNOLOGIES INC	\$33,248.03
HEROLD ENGINEERING LIMITED	\$54,455.98
HOULE ELECTRIC LTD	\$61,289.11
HUB INTERNATIONAL	\$44,959.00
INNOVATIVE INTERFACES, INC.	\$321,100.58
COWICHAN COMMUNITY CENTRE	\$246,540.54
ITC SYSTEMS	\$48,174.16
ISLAND WESTCOAST DEVELOPMENTS LTD	\$73,500.00
0907289 BC LTD	\$72,185.40
KANOPY INC	\$130,000.00
KINGSVIEW CONSTRUCTION LTD	\$25,880.31
LIBRARY BOUND INC	\$1,904,472.78
M3 MECHANICAL CONSULTANTS INC	\$27,501.06
ANDRE'S ELECTRONIC EXPERTS	\$32,747.74
DEBBIE MAIN	\$28,050.00
MASTER CARE JANITORIAL & FACILITYU SERVICES INC	\$38,011.63

MILLBAY SYNERGY MALL LP	\$108,816.68
NORTH COAST REGIONAL DISTRICT	\$103,073.56
OVERDRIVE	\$333,340.85
PACIFIC BLUE CROSS	\$995,548.92
PETRO-CANADA SUPERPASS	\$80,182.39
BUNZL CLEANING & HYGIENE CANADA	\$43,720.37
ADT SECURITY SERVICES CANADA	\$37,934.16
PROQUEST SOFTWARE CANADA INC	\$39,897.59
QUEST SOFTWARE CANADA INC	\$29,874.54
READ JONES CHRISTOFFERSEN LTD	\$91,770.92
RECEIVER GENERAL - CPP & EI	\$927,869.52
REGENCY COMMERCIAL CLEANING LTD	\$149,631.10
REGIONAL DISTRICT OF NANAIMO	\$818,418.86
LESLIE RICHTER	\$26,091.30
SETPLAN ENGINEERING LTD	\$31,116.10
ROGERS BUSINESS	\$127,854.95
SOFTCHOICE LP	\$121,224.83
SHEKINAH CLEANING	\$70,743.75
SYNERION NORTH AMERICA INC	\$35,953.40
TELUS SERVICES INC	\$27,807.36
TELUS	\$61,629.65
THINK COMMUNICATIONS INC	\$48,204.47
TORO MARKETING	\$44,812.44
TOWN OF COMOX	\$95,497.56
TOWN OF QUALICUM BEACH	\$133,575.80
TOWN OF SIDNEY	\$139,513.83
TRANE CANADA ULC	\$146,772.80
UNITECH CONSTRUCTION MANAGEMENT	\$69,294.86
US VISA BOND	\$32,295.47
US VISA DORMAN	\$56,657.13
US VISA HYMAN	\$48,353.83
VEER HOLDINGS LTD	\$49,240.53
VILLAGE OF GOLD RIVER	\$26,308.80
Total of all suppliers exceeding \$25,000	\$12,252,902.08

Totals	Amount
Total (Suppliers with payments exceeding \$25,000 (total from above))	\$12,252,902.08
Total (Suppliers with payments less than or equal to \$25,000)	\$1,509,788.36
Consolidated Total	\$13,762,690.44

Table 2: Reconciliation of Goods and Services

Reconciliation of Goods and Services	Amount
Total of Aggregate Payments Exceeding \$25,000 Paid to Suppliers	\$12,252,902.08
Consolidated total of suppliers with payments less than or equal to \$25,000	\$1,509,788.36

Reconciling Items	Amount
Expenses without suppliers:	
Wages and Benefits	\$17,900,929.00
Retirement Benefit Accrual	\$5,959.00
Amortization Expense	\$4,519,360.00
Capital Expenses as per Schedule III of financial statements:	
Capital Additions per Schedule III	-\$3,595,066.00
Work in Progress	-\$189,157.00
Other Reconciling Items:	\$0.00
Pacific Blue Cross	-\$995,549.00
Union Dues	-\$205,337.00
Principal portion of loan payments	-\$664,913.00
Receiver General re CPP/EI	-\$927,870.00

Prepaid expenses	\$17,731.00
Accrued interest on long term debt	\$202,993.00
BC EHT	-\$122,743.00
Adjusting journal entries	\$15,237.00
Timing differences	\$63,202.56
Total Reconciling Items	\$16,024,776.56

Reconciliation	Amount
Total Per Statement of Revenue and Expenditure	\$29,787,467.00
Variance	\$0.00

Variance explanation (if required):