

**SURREY PUBLIC LIBRARY**

**STATEMENT OF FINANCIAL  
INFORMATION**

**Year Ended December 31, 2008**

**(In Compliance with the Public Bodies Financial Information Act Statutes of  
British Columbia, Chapter 140)**

**Surrey Public Library  
Table of Contents**

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<b>Section</b>	<b>Section Number</b>
Financial Statements.....	1
Schedule of Debts.....	2
Schedule of Guarantees and Indemnity Agreements.....	3
Schedule of Employee Remuneration and Expenses.....	4
Statement of Severance Agreements.....	5
Supplier Listing.....	6

**Surrey Public Library**  
**Statement of Financial Information Approval**

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The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



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Elizabeth Barlow  
Chief Librarian

June 25, 2009

**Surrey Public Library  
Management Report**

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The Financial Statements contained in this Statement of Financial Information have been prepared on behalf of the Library Board in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are the responsibility of the Library Board. The Library Board is also responsible for all statements and schedules and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The Library Board is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The Library Board has the responsibility for assessing the management systems and practices of the Library.

The external auditors, KPMG, 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 and statements required by the Financial Information Act. Their examination includes a review and evaluation of the Library's system of internal controls and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and fair access to the Library Board.

On behalf of The Surrey Public Library



Elizabeth A. Barlow  
Chief Librarian  
March 27, 2009

SURREY PUBLIC LIBRARY



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## **AUDITORS' REPORT**

### **TO THE CHAIR AND MEMBERS OF THE BOARD OF TRUSTEES OF THE SURREY PUBLIC LIBRARY**

We have audited the statement of financial position of the Surrey Public Library (the "Library") as at December 31, 2008 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2008 and the results of its financial activities and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Burnaby, Canada

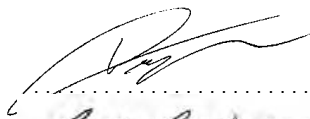
March 27, 2009

# Surrey Public Library STATEMENT OF FINANCIAL POSITION

as at December 31, 2008

	2008	2007
<b>FINANCIAL ASSETS</b>		
Due from City of Surrey <i>(Note 2)</i>	\$ 960,724	\$ 620,143
<b>LIABILITIES</b>		
Accrued Liabilities <i>(Note 3)</i>	741,243	632,981
Deferred Revenues <i>(Note 4)</i>	157,000	22,400
<b>NET FINANCIAL ASSETS</b>	<b>\$ 62,481</b>	<b>\$ (35,238)</b>
<b>FINANCIAL EQUITY (DEFICIENCY) <i>(Note 5)</i></b>	<b>\$ 62,481</b>	<b>\$ (35,238)</b>

On behalf of the Board:



Wayne Webber, *Chairperson*



Beth Barlow, *Chief Librarian*

To be read in conjunction with the notes to the financial statements.

# STATEMENT OF FINANCIAL ACTIVITIES *Surrey Public Library*

*for the year ended December 31, 2008*

	<i>2008 Budget</i>	<b>2008 Actuals</b>	2007 Actuals
	<i>unaudited (Note 1(c))</i>		
<b>REVENUES</b>			
City of Surrey Grant	\$ 10,726,000	<b>\$ 10,726,000</b>	\$ 10,136,000
Provincial & Federal Grants	948,000	<b>1,071,121</b>	1,125,977
Fines and Fees	585,000	<b>574,412</b>	569,051
Other	90,000	<b>190,662</b>	207,007
	<u>12,349,000</u>	<b><u>12,562,195</u></b>	<u>12,038,035</u>
<b>EXPENDITURES</b>			
Salaries and Benefits	9,002,000	<b>8,935,025</b>	8,551,030
Library Materials Collection	1,570,000	<b>1,687,589</b>	1,746,686
Site Operations	1,156,000	<b>1,200,167</b>	1,083,254
Supplies and Equipment	218,500	<b>232,618</b>	243,001
Professional Services	132,000	<b>123,006</b>	118,736
Inter-Library Services	147,000	<b>126,618</b>	129,893
Other	123,500	<b>154,453</b>	79,259
Contribution to the City of Surrey for Future Library Expenditures	–	<b>5,000</b>	123,100
	<u>12,349,000</u>	<b><u>12,464,476</u></b>	<u>12,074,959</u>
Excess (Deficiency) of Revenues over Expenditures	\$ –	<b>97,719</b>	(36,924)
Financial Equity (Deficiency), beginning of year		<b>(35,238)</b>	1,686
Financial Equity (Deficiency), end of year		<b>\$ 62,481</b>	\$ (35,238)

To be read in conjunction with the notes to the financial statements.

# Surrey Public Library STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended December 31, 2008

	2008	2007
<b>OPERATING TRANSACTIONS</b>		
Excess (Deficiency) of Revenues Over Expenditures	<b>\$ 97,719</b>	\$ (36,924)
Net Changes in Non-Cash Working Capital Balances:		
Due from City of Surrey	<b>(340,581)</b>	31,379
Accrued Liabilities	<b>108,262</b>	71,745
Deferred Revenues	<b>(134,600)</b>	(66,200)
Change in Cash	-	-
Cash, Beginning and End of Year	<b>\$ -</b>	\$ -

To be read in conjunction with the notes to the financial statements.

**GENERAL**

The Surrey Public Library (the "Library"), which is funded and supported primarily by the City of Surrey (the "City"), was established in 1983 pursuant to the Library Act of British Columbia (Part 2) as a Municipal Public Library. The Library Board, on behalf of the residents and taxpayers of the City, oversees the management and operation of the Library and further serves as a policy making body for the organization. The Library Board is appointed by the Council of the City.

**1. SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Library conform to Canadian generally accepted accounting principles for municipal financial reporting in British Columbia as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, and include the following specific policies:

**a) Revenue Recognition**

Revenue is recorded on an accrual basis. Restricted grants, donations and fund raising activity revenue are deferred and recognized in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received.

**b) Purchases**

Purchases of books and library materials are recorded as expenditures in the year of acquisition.

**c) Budget Information**

Unaudited budget information, presented on a basis consistent with that used for actual results, was included in the City of Surrey 2008 – 2012 Consolidated Financial Plan and was adopted through By-law #16501 on January 14, 2008.

**d) Capital Assets**

Capital assets acquired for Library purposes but are funded by the City are recorded in the City's financial statements and are not included in these financial statements.

**e) Segment disclosure**

A new requirement for Municipal Governments, Public Sector Accounting Board Standard 2700 on Segment Disclosures, is effective for fiscal years beginning on or after April 1, 2007. A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard.

The Library has adopted this Public Sector Accounting Board Standard section for the fiscal year ending December 31, 2008. The Library's activities are in only one segment and hence there are no significant additions to the Library's financial statement disclosures as a result of the adoption of this accounting policy.

**f) Employee Future Benefits**

The Library and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave and post-employment benefits also accrue to the Library's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

# Surrey Public Library NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2008

## g) Future Accounting Changes

### Tangible capital assets:

The Library is in the process of accumulating information and developing its accounting policies related to its tangible capital assets in order to comply with the new Public Sector Accounting Board Standard 3150. This new standard will be applicable to the Library's 2009 annual financial statements. As at December 31, 2008, the cost and accumulated depreciation have not yet been finalized for the individual classes of tangible capital assets and hence details concerning the major categories of tangible capital assets have not been provided.

### Accounting framework:

The Public Standards Accounting Board ("PSAB") is currently evaluating the accounting framework for government organizations. The Library's accounting framework may change due to conclusions reached by PSAB which is expected to be in 2009.

## 2. DUE FROM THE CITY OF SURREY

All cash transactions of the Library are handled by the City, including payroll and accounts payable processing. The amount shown as due from City of Surrey represents the net cash balance held by the City owed to the Library.

## 3. ACCRUED LIABILITIES

The Library provides certain post-employment and sick leave benefits to its employees. These benefits include accumulated non-vested sick leave, post-employment service pay and post-employment top-ups for dental, life insurance and accidental death and dismemberment insurance.

	2008	2007
<b>ACTUARIAL BENEFIT LIABILITY</b>		
Balance, beginning of year	\$ 632,981	\$ 561,236
Current service cost	69,000	51,900
Interest cost	43,900	27,600
Benefits paid	(29,038)	(9,355)
Amortization of actuarial loss	24,400	1,600
Balance, end of year	\$ 741,243	\$ 632,981

# NOTES TO THE FINANCIAL STATEMENTS *Surrey Public Library*

*for the year ended December 31, 2008*

An actuarial valuation for these benefits was performed to determine the Library's accrued benefit obligation as at December 31, 2008. The difference between the actuarially determined accrued benefit obligation of \$808,900 and the accrued benefit liability of \$741,243 as at December 31, 2008 is an unamortized actuarial loss of \$67,657. The actuarial loss is amortized over a period of 11 years, which is equal to the employees' average remaining service lifetime.

	<b>2008</b>		2007
<b>ACTUARIAL BENEFIT OBLIGATION</b>			
Liability, end of year	<b>\$ 741,243</b>	\$	632,981
Unamortized actuarial loss	<b>67,657</b>		243,919
Balance, end of year	<b>\$ 808,900</b>	\$	876,900

Actuarial assumptions used to determine the Library's accrued benefit obligation:

	<b>2008</b>		2007
Discount rate	<b>5.25%</b>		4.75%
Expected future inflation rate	<b>2.00%</b>		2.00%
Expected wage and salary inflation	<b>3.00%</b>		3.00%
Expected wage and salary range increases	<b>1.00%</b>		1.00%

## 4. DEFERRED REVENUES

	<b>2008</b>		2007
Balance, beginning of year	<b>\$ 22,400</b>	\$	88,600
Amounts received for grants, sponsorships, and other	<b>212,800</b>		246,500
Amounts recognized as Provincial & Federal grants revenue	<b>(78,200)</b>		(312,700)
Balance, end of year	<b>\$ 157,000</b>	\$	22,400

## 5. FINANCIAL EQUITY

	<b>2008</b>		2007
Appropriated for materials on order	<b>\$ 486,763</b>	\$	380,806
Appropriated for other expenditures	-		20,000
Unappropriated surplus	<b>73,243</b>		61,481
Employee future benefits	<b>(497,525)</b>		(497,525)
Balance, end of year	<b>\$ 62,481</b>	\$	(35,238)

A Schedule of Debts has not been prepared because the Surrey Public Library does not have any outstanding debt as of December 31, 2008.

A Schedule of Guarantees and Indemnity payments has not been prepared because the Surrey Public Library has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Regulations require the Surrey Public Library to report the total amount of remuneration for each employee that exceeds \$75,000 in the year reported. However, certain exceptions have been noted below:

1. Certain employees were hired part way through the year and their remuneration does not reflect a full years cost.
2. Some employees terminated their employment part way through the year and their remuneration does not reflect a full years cost.

**Surrey Public Library**  
**Schedule of Remuneration and Expenses**  
**For the year ended December 31, 2008**  
**Board, Employees and Reconciliation of Remuneration to Financial Statements**

<b>MEMBERS OF THE LIBRARY BOARD</b>	<b>BASE SALARY REMUNERATION</b>	<b>TAXABLE BENEFITS &amp; OTHER</b>	<b>EXPENSES</b>
Wayne Webber			\$ 135.00
Peter Leblanc			437.50
Jas Cheema			137.50
Carolyn Bugnon			412.96
Jay Bains			300.00
<b>TOTAL - MEMBERS OF THE LIBRARY BOARD</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,422.96</b>

<b>Name</b>	<b>BASE SALARY REMUNERATION</b>	<b>TAXABLE BENEFITS &amp; OTHER</b>	<b>EXPENSES</b>
Barlow, Elizabeth A	\$ 137,188.80	\$ 7,935.26	\$ 2,640.01
Bhogal, Surinder K.	83,874.70	2,136.74	739.62
Brajcich, Jennifer M.	83,874.66	1,760.37	242.02
De Boeck, Carol J.	82,888.50	1,760.39	576.79
Ho, Michael C.	95,715.00	3,396.60	3,634.36
Houlden, Melanie G.	108,981.87	2,125.45	2,248.02
Knight, Jane M.	90,931.14	1,767.73	644.22
<b>TOTAL EMPLOYEE OVER \$75,000</b>	<b>\$ 683,454.67</b>	<b>\$ 20,882.54</b>	<b>\$ 10,725.04</b>

<b>TOTAL EMPLOYEES UNDER \$75,000</b>	<b>\$ 6,403,499.54</b>	<b>\$ 471,536.33</b>	<b>\$ 35,274.73</b>
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<b>TOTAL - ALL</b>	<b>\$ 7,086,954.21</b>	<b>\$ 492,418.87</b>	<b>\$ 45,999.77</b>
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"Taxable Benefits & Other" include payout of earned time for vacations, gratuity, payments, pay for performance, banked overtime, and/or vehicle allowances.

**RECONCILIATION:**

Base Salary Remuneration	\$ 7,086,954.21
Taxable Benefit & Other	492,418.87
Total Remuneration - Employees	<u>7,579,373.08</u>
Reconciling items:	
Add: Benefit Overhead	1,355,651.92
Total Salary and Benefits per Statement of Revenue and Expenditures	<u>\$ 8,935,025.00</u>

There were **no** severance agreements made between the Surrey Public Library and its non-unionized employees during the fiscal year ending December 31, 2008.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

Regulations require the Surrey Public Library to report the total amount paid to each supplier for goods and services that exceeds \$25,000 in the year reported.

**Surrey Public Library**  
**Schedule of Payments to Suppliers for Goods and Services**  
**For the year ended December 31, 2008**  
**Supplier Information**

<b>SUPPLIER NAME</b>	<b>AGGREGATE AMOUNT PAID TO SUPPLIER</b>	
3M CANADA COMPANY	\$	52,286.22
ARGUS CARRIERS LTD.		107,403.00
BC HYDRO		163,211.62
BEEDIE 132ND STREET SURREY LP		25,598.19
BRITISH COLUMBIA LIBRARY		116,297.96
CLEAN FOR YOU CLEANING		38,405.87
EBS CO CANADA LTD.		57,527.51
HOW TO VIDEO INC.		54,186.95
IMPERIAL HOBBIES		34,767.21
LIBRARY BOUND INC.		35,281.23
OCLC ONLINE COMPUTER LIBRARY		30,602.17
OFFICE DEPOT (CANADA) INC.		31,085.88
PRIME BUILDING MAINTENANCE		145,836.51
PUBLIC LIBRARY INTERLINK		125,776.00
RECORDED BOOKS,LLC		47,205.77
RIOKIM HOLDINGS		88,827.11
STRICKER BOOKS		45,731.47
TERASEN GAS		97,839.79
THE NEWS GROUP		77,473.58
TRI-FORCE SECURITY SERVICES		100,834.69
UNITED LIBRARY SERVICES INC.		478,953.82
VANCOUVER KIDSBOOKS		382,401.64
<b>PAYMENTS TO SUPPLIERS WHO RECEIVED AGGREGATE</b>		
<b>PAYMENT EXCEEDING \$25,000</b>	<b>\$</b>	<b>2,337,534.19</b>
<b>CONSOLIDATED TOTAL PAID TP SUPPLIER WHO RECEIVED</b>		
<b>AGGREGATE PAYMENT OF \$25,000 OR LESS</b>	<b>\$</b>	<b>811,309.33</b>

**RECONCILIATION:****2008**

Total of aggregate payments exceeding \$25,000 paid to suppliers	\$	2,337,534
Consolidated total of payments of \$25,000 or less paid to suppliers		811,309
Employee and Board remuneration expenses		47,423
Reconciling Items*		100,209
Cost Recoveries, net		232,976
Total per Statement of Revenue and Expenditure	\$	<u>3,529,451</u>

\* The Financial Statements are prepared on a consolidated basis using the accrual method of accounting, whereas the supplier payments schedule is prepared on a calendar basis. The supplier payment schedule includes expenditures for both Assets and Operations. Library payments made directly to suppliers are reported separately.