

SURREY PUBLIC LIBRARY

STATEMENT OF FINANCIAL INFORMATION

Year Ended December 31, 2018

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

TABLE OF CONTENTS

Financial Information Act - Statement of Financial Information

Library Name: Surrey Public Library
Fiscal Year Ended: December 31, 2018

File Name

Documents are arranged in the following order:

1. Table of Contents *01-Table of Contents inc Cover page*
2. Financial Information Act Submission Checklist *02-FIA-Submission-Checklist*
3. Board Approval Form *03-Board Approval Form*
4. Management Report *04-Management Report*
5. Financial Statements *05-Surrey Libraries Financial Statements*
6. Schedule of Debt *06-Schedule of Debt*
7. Schedule of Guarantee and Indemnity Agreements
..... *07-Schedule of Guarantees & Indemnities*
8. Schedule of Remuneration and Expenses including:
 - Reconciliation to Financial Statements
..... *08-Schedule of Remuneration & Expenses*
9. Statement of Severance Agreements *09-Statement of Severance Agreements*
10. Statement of Changes in Financial Position ... *10-Statement of Changes in Financial Position*
11. Schedule of Payments for the Provision of Goods & Services including:
 - Reconcile to Financial Statements
..... *11-Schedule of Payments for Provision of Goods & Services*

Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018

Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Surrey Public Library

Fiscal Year Ended: December 31, 2018

Due Date: May 15th, 2019

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 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 \$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
g)	<input checked="" type="checkbox"/>	iv) A list, by name and position, of Library Board Members with the amount of any remuneration paid to or on behalf of the member.
		<input checked="" type="checkbox"/> v) The number of severance agreements started during the fiscal year and the range of months` pay covered by the agreement, in respect of excluded employees. If there are no agreements to report, an explanation is required.
Schedule of Payments for the Provision of Goods and Services including:		
h)	<input checked="" type="checkbox"/>	i) An alphabetical list of suppliers receiving over \$25,000 and a consolidated total for those suppliers receiving less than \$25,000. If the total differs from the Audited Financial Statements, an explanation is required.

¹ Municipal Libraries and Regional Library Districts must provide audited financial statements as per the Libraries Act section 11(2) and 26(2) (a). Audited statements are not required for the SOFI but if available, please include them.

As per the Libraries Act section 40(3)(a) Public Library Associations must prepare annual financial statements in accordance with generally accepted accounting principles. This also applies to Library Federations.

Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018

Board Approval Form

Financial Information Act - Statement of Financial Information

NAME OF LIBRARY <i>Surrey Public Library</i>		FISCAL YEAR END (YYYY) 2018
LIBRARY ADDRESS 10350 University Drive		TELEPHONE NUMBER 604-598-7300
CITY Surrey	PROVINCE British Columbia	POSTAL CODE V3T 4B8
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Karen Reid Sidhu		TELEPHONE NUMBER
NAME OF THE LIBRARY DIRECTOR Surinder Bhogal		TELEPHONE NUMBER

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 Dec. 31, 2018 for Surrey Public Library as required under Section 2 of the Financial Information Act.

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD*

DATE SIGNED (DD-MM-YYYY)

04-11-2019

SIGNATURE OF THE LIBRARY DIRECTOR

DATE SIGNED (DD-MM-YYYY)

04-11-2019

Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018

Financial Information Act - Statement of Financial Information

Library Name: Surrey Public Library
Fiscal Year Ended: December 31, 2018

MANAGEMENT REPORT

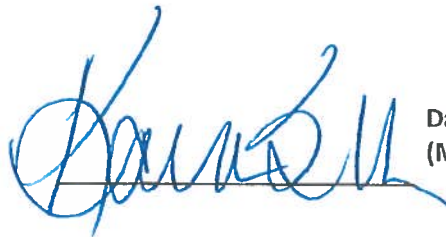
The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by the Library Board in accordance with Canadian generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these 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, 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 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 Surrey Public Library

Signature,
Chairperson of the
Library Board



Date
(MM-DD-YYYY)

April 11/2019

Signature,
Chief Librarian



Date
(MM-DD-YYYY)

April 11/2019

Prepared as required by *Financial Information Regulation*, Schedule 1, section 9

SURREY PUBLIC LIBRARY

INDEPENDENT AUDITOR'S REPORT OF THE SURREY PUBLIC LIBRARY



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

TO THE BOARD OF DIRECTORS OF THE SURREY PUBLIC LIBRARY

Opinion

We have audited the financial statements of Surrey Public Library ("SPL"), which comprise the Statement of financial position as at December 31, 2018, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance 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 our report. We are independent of SPL 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 the 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 SPL'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 SPL, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing SPL'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 SPL'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 SPL'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 SPL 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules 1 – 2 of the Surrey Public Library's financial statements.

BDO Canada LLP

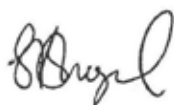
Chartered Professional Accountants
Vancouver, British Columbia

April 11, 2019

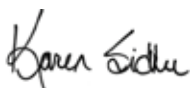
STATEMENT OF FINANCIAL POSITION **SURREY PUBLIC LIBRARY**

As at December 31, 2018, with comparative figures for 2017

	2018	2017
FINANCIAL ASSETS		
Due from the City of Surrey <i>(Note 2)</i>	\$ 2,217,636	\$ 2,109,550
	2,217,636	2,109,550
LIABILITIES		
Employee future benefits <i>(Note 3)</i>	2,227,500	2,151,405
Deferred revenue <i>(Note 4)</i>	80,414	42,940
	2,307,914	2,194,345
NET DEBT	(90,278)	(84,795)
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 5)</i>	5,387,966	5,452,898
Prepaid expenses	120,177	84,744
	5,508,143	5,537,642
ACCUMULATED SURPLUS <i>(Note 7)</i>	\$ 5,417,865	\$ 5,452,847



Surinder Bhogal
Chief Librarian



Karen Reid Sidhu
Chairperson

STATEMENT OF SURREY PUBLIC LIBRARY OPERATIONS

For the year ended December 31, 2018, with comparative figures for 2017

	2018 Budget	2018	2017
	<i>(Note 9)</i>		
REVENUES			
City of Surrey grant	\$ 18,587,000	\$ 18,321,710	\$ 17,354,950
Provincial and federal grants <i>(Note 6)</i>	1,011,000	982,447	1,004,729
Neighbourhood community plan	-	100,000	191,300
Fines and fees	515,045	626,543	601,952
Other	46,955	93,073	113,314
	20,160,000	20,123,773	19,266,245
EXPENSES			
Salaries and benefits	14,597,000	14,358,595	13,532,634
Site operations	1,769,594	1,829,316	1,734,880
Library materials collection	762,773	1,082,291	1,040,067
Supplies and materials	330,763	307,601	301,412
Inter-library services	140,000	132,568	129,182
Professional services	229,000	235,893	186,056
Other	230,870	196,934	176,991
Amortization	2,401,000	2,015,557	1,960,601
	20,461,000	20,158,755	19,061,823
ANNUAL SURPLUS (DEFICIT)	\$ (301,000)	\$ (34,982)	\$ 204,422
Accumulated Surplus, beginning of year	5,316,425	5,452,847	5,248,425
Accumulated Surplus, end of year <i>(Note 7)</i>	\$ 5,015,425	\$ 5,417,865	\$ 5,452,847

STATEMENT OF CHANGES IN NET DEBT SURREY PUBLIC LIBRARY

As at December 31, 2018, with comparative figures for 2017

	2018 Budget	2018	2017
		(Note 9)	
ANNUAL SURPLUS (DEFICIT)	\$ (301,000)	\$ (34,982)	\$ 204,422
Acquisition of tangible capital assets	(2,100,000)	(1,950,626)	(2,113,609)
Amortization of tangible capital assets	2,401,000	2,015,558	1,960,601
	-	29,950	51,414
Acquisition of prepaid expenses	-	(120,177)	(84,744)
Use of prepaid expenses	-	84,744	34,799
	-	(35,433)	(49,945)
CHANGE IN NET DEBT	\$ -	\$ (5,483)	\$ 1,469
Net Debt, beginning of year	(84,795)	(84,795)	(86,264)
Net Debt, end of year	\$ (84,795)	\$ (90,278)	\$ (84,795)

To be read in conjunction with the Notes and Schedules to the Financial Statements

STATEMENT OF SURREY PUBLIC LIBRARY CASH FLOWS

For the year ended December 31, 2018, with comparative figures for 2017

	2018	2017
CASH PROVIDED BY (USED IN):		
OPERATIONAL ACTIVITY		
Annual Surplus (Deficit)	\$ (34,982)	\$ 204,422
Items not involving cash		
Amortization expense	2,015,558	1,960,601
Employee future benefits expense <i>(Note 3)</i>	134,195	115,312
Change in non-cash assets and liabilities		
Increase in prepaid expenses	(35,433)	(49,945)
Increase (Decrease) in deferred revenue	37,474	(16,003)
Increase in Due from the City of Surrey	(108,086)	(56,778)
Employee future benefits <i>(Note 3)</i>	(58,100)	(44,000)
Net change in cash from operating activities	1,950,626	2,113,609
CAPITAL ACTIVITY		
Cash used to acquire tangible capital assets	(1,950,626)	(2,113,609)
Net change in cash from capital activity	(1,950,626)	(2,113,609)
Net change in cash	\$ -	\$ -
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

For the year ended December 31, 2018

The Surrey Public Library ("Library"), which is funded and supported primarily by the City of Surrey, 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 of Surrey ("City"), oversees the management and operation of the Surrey Public Library and further serves as a policy making body for the organization. The Library Board is appointed by the City.

The Library is economically dependent on the City to provide certain services on behalf of the Library and to provide sufficient operating grants to cover any expenses incurred directly by the Library.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Surrey Public Library are prepared by management in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. These financial statements are included in the Consolidated Financial Statements of the City of Surrey. The significant accounting policies are as follows:

a) Basis of accounting

The Library follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

b) Budget information

The budget data presented in these Financial Statements was included in the City of Surrey's 2018 – 2022 Consolidated Financial Plan and was adopted through Bylaw #19402 on December 18, 2017.

c) Non-financial assets

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

i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Books and publications	5 years
Machinery and equipment	10 years

Amortization commences when the asset is put into use.

The cost of electronic resources, including books, magazines and other periodicals are expensed when acquired as they are generally licensed on an annual basis.

Land and buildings acquired for Library purposes and funded by the City are recorded in the City's financial statements and are not included in these financial statements. The Library uses the land and buildings at no charge.

Contributed tangible capital assets received are recorded at their fair value at the date of receipt and recorded as revenue.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Employee future benefits

The Library and its employees make contributions to the Municipal Pension Plan, a defined benefit multi-employer plan. These contributions are expensed as incurred.

Sick leave and post-employment benefits also accrue to the Surrey Public 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.

e) Revenue recognition

i) Government transfers are recognized as revenue in the financial statements 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. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

ii) The library recognizes fines and fees as revenue upon receipt.

f) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of accrued employee future benefits and useful lives of tangible capital assets.

Actual results could differ from these estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

g) Functional reporting

The operations of the Surrey Public Library are comprised of a single function. As a result, the expenses of the Library are presented by object in the statement of operations.

2. DUE FROM THE CITY OF SURREY

All cash transactions of the Surrey Public Library are handled by the City of Surrey, including payroll and accounts payable processing. The amount shown as due from City of Surrey represents the net cash balance held by the City of Surrey owed to the Surrey Public Library. No interest is earned or paid on the balance shown as due from City of Surrey.

During the year, certain employees of the City of Surrey performed administrative services for the Library, including legal, human resources, payroll and financial services. The Library was not charged by the City of Surrey for these services for the year ended December 31, 2018 (2017 – nil). Printing, marketing, risk management and information technology services along with facility and grounds maintenance costs related to the Library of \$382,935 (2017 - \$367,487) were charged from the City of Surrey and are shown as expenses in the financial statements.

For the year ended December 31, 2018

3. EMPLOYEE FUTURE BENEFITS

The Surrey Public 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.

An actuarial valuation for these benefits was performed to determine the Library's accrued benefit obligation as at December 31, 2018. The difference between the actuarially determined accrued benefit obligation of \$1,579,900 and the accrued benefit liability of \$2,227,500 as at December 31, 2018 is an unamortized actuarial gain of \$647,600. The actuarial gain is amortized over a period equal to the employees' average remaining service lifetime.

	2018	2017
Accrued benefit obligation		
Balance at beginning of year	\$ 1,583,100	\$ 1,566,700
Interest cost	49,100	51,300
Current service cost	105,500	107,600
Actuarial gain	(99,700)	(98,500)
Benefits paid	(58,100)	(44,000)
Accrued benefit obligation, end of year	\$ 1,579,900	\$ 1,583,100

Reconciliation of accrued benefit obligation to accrued benefit liability:

	2018	2017
Accrued benefit obligation, end of year	\$ 1,579,900	\$ 1,583,100
Unamortized actuarial gain	647,600	568,305
Accrued benefit liability, end of year	\$ 2,227,500	\$ 2,151,405

The total expenses recorded in the financial statements in respect of obligations under these plans amounts to \$134,195 (2017 - \$115,312).

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

	2018	2017
Discount rate	3.20%	3.00%
Expected future inflation rate	1.80%	1.80%
Expected wage and salary inflation	1.80%	1.80%
Expected wage and salary range increases	0.50%	0.50%
Expected average remaining service life (years)	11.00	11.00

For the year ended December 31, 2018

4. DEFERRED REVENUE

	2018	2017
Balance, beginning of year	\$ 42,940	\$ 58,943
Amounts received for grants, sponsorships and other	129,349	97,176
Amounts recognized as Provincial and Federal grants revenue	(91,875)	(113,179)
Balance, end of year	\$ 80,414	\$ 42,940

5. TANGIBLE CAPITAL ASSETS

Cost	Balance at December 31, 2017	Additions	Disposals / Write-downs/ Allocations	Balance at December 31, 2018
Books and publications	\$ 8,823,239	\$ 1,801,051	\$ 1,788,145	\$ 8,836,145
Machinery and equipment	2,233,157	149,575	19,746	2,362,986
Total	\$ 11,056,396	\$ 1,950,626	\$ 1,807,891	\$ 11,199,131

Accumulated Amortization	Balance at December 31, 2017	Amortization	Accumulated Amortization on Disposals	Balance at December 31, 2018
Books and publications	\$ 4,365,003	\$ 1,765,939	\$ 1,788,145	\$ 4,342,797
Machinery and equipment	1,238,495	249,619	19,746	1,468,368
Total	\$ 5,603,498	\$ 2,015,558	\$ 1,807,891	\$ 5,811,165

Net Book Value	Balance at December 31, 2017	Balance at December 31, 2018
Books and publications	\$ 4,458,236	\$ 4,493,348
Machinery and equipment	994,662	894,618
Total	\$ 5,452,898	\$ 5,387,966

For the year ended December 31, 2018

6. PROVINCIAL AND FEDERAL GRANTS

The grant revenue reported on the Statement of Operations includes:

	2018	2017
Provincial grants:		
Operating	\$ 922,052	\$ 936,533
BC One Card	22,090	30,390
Resource Sharing	28,689	28,689
Literacy and Equity	9,616	9,117
Total revenues	\$ 982,447	\$ 1,004,729

7. ACCUMULATED SURPLUS

	2018	2017
Tangible Capital Assets	\$ 5,387,966	\$ 5,452,898
Appropriated for Materials on Order	354,086	324,136
Unappropriated Surplus	173,338	173,338
Unfunded Employee Future Benefits	(497,525)	(497,525)
Total surplus	\$ 5,417,865	\$ 5,452,847

For the year ended December 31, 2018

8. 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 administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2018, the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

The most recent valuation for the Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available in 2019.

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 the individual employers participating in the Plan.

The Library paid \$967,000 (2017 - \$905,000) for employer contributions while employees contributed \$863,000 (2017 - \$815,000) to the Plan in fiscal 2018.

9. BUDGET FIGURES

The budget data presented in these financial statements is based on the 2018-2022 Financial Plan of the City of Surrey. A reconciliation of budgeted results to reported results is as follows:

	2018 Budget
Budgeted operating surplus as approved	\$ -
Less: Amortization	(2,401,000)
Add: Budgeted acquisitions of tangible capital assets	2,100,000
Budgeted deficit as presented	\$ 301,000

SURREY PUBLIC LIBRARY
SUPPLEMENTARY
FINANCIAL INFORMATION

SCHEDULE 1 UNAUDITED STATEMENT OF FINANCIAL POSITION - BY FUND SURREY PUBLIC LIBRARY

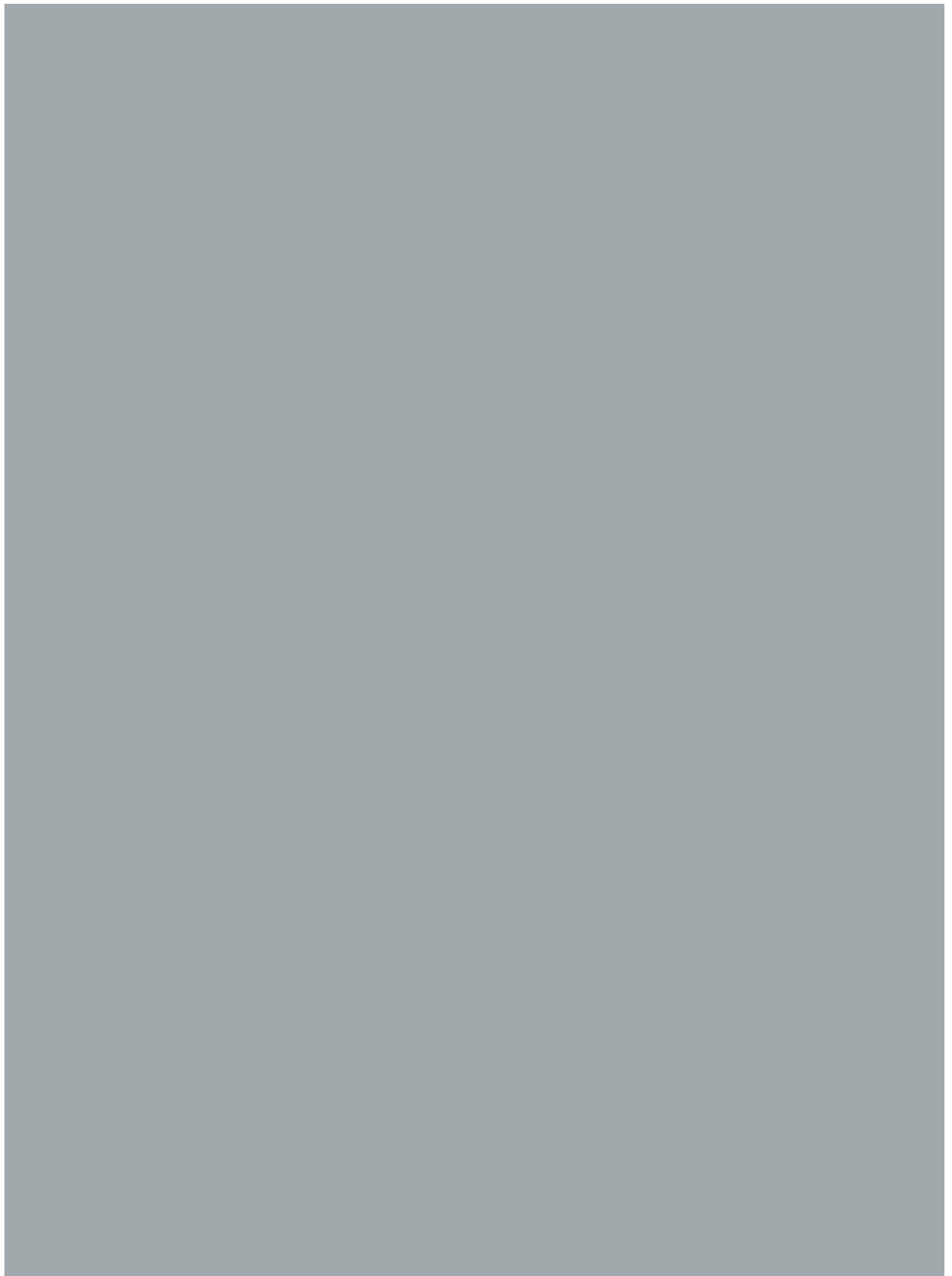
As at December 31, 2018, with comparative figures for 2017

	Operating Fund	Capital Fund	2018	2017
FINANCIAL ASSETS				
Due from the City of Surrey	\$ 2,217,636	\$ -	\$ 2,217,636	\$ 2,109,550
	2,217,636	-	2,217,636	2,109,550
LIABILITIES				
Employee future benefits	2,227,500	-	2,227,500	2,151,405
Deferred revenue	80,414	-	80,414	42,940
	2,307,914	-	2,307,914	2,194,345
Net Debt	(90,278)	-	(90,278)	(84,795)
NON-FINANCIAL ASSETS				
Tangible capital assets	-	5,387,966	5,387,966	5,452,898
Prepaid expenses	120,177	-	120,177	84,744
	120,177	5,387,966	5,508,143	5,537,642
ANNUAL SURPLUS	\$ 29,899	\$ 5,387,966	\$ 5,417,865	\$ 5,452,847

SCHEDULE 2 UNAUDITED STATEMENT OF OPERATIONS - BY FUND SURREY PUBLIC LIBRARY

For the year ended December 31, 2018, with comparative figures for 2017

	Operating Fund	Capital Fund	2018	2017
REVENUES				
City of Surrey operating grant	\$ 16,477,389	\$ -	\$ 16,477,389	\$ 15,454,894
City of Surrey capital grant	-	1,844,321	1,844,321	1,900,056
Provincial and federal grants	982,447	-	982,447	1,004,729
Neighbourhood community plan	-	100,000	100,000	191,300
Fines and fees	626,543	-	626,543	601,952
Other	86,769	6,304	93,073	113,314
	18,173,148	1,950,625	20,123,773	19,266,245
EXPENSES				
Salaries and benefits	14,358,595	-	14,358,595	13,532,634
Site operations	1,829,316	-	1,829,316	1,734,880
Library materials collection	1,082,291	-	1,082,291	1,040,067
Supplies and materials	307,601	-	307,601	301,412
Inter-library services	132,568	-	132,568	129,182
Professional services	235,893	-	235,893	186,056
Other	196,934	-	196,934	176,991
Amortization	-	2,015,557	2,015,557	1,960,601
	18,143,198	2,015,557	20,158,755	19,061,823
ANNUAL SURPLUS (DEFICIT)	\$ 29,950	\$ (64,932)	\$ (34,982)	\$ 204,422
Accumulated Surplus, beginning of year	(51)	5,452,898	5,452,847	5,248,425
Accumulated Surplus, end of year	\$ 29,899	\$ 5,387,966	\$ 5,417,865	\$ 5,452,847



**Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018**

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: Surrey Public Library

Fiscal Year Ended: December 31, 2018

The Surrey Public Library has no long-term debt as of December 31, 2018, and therefore no Schedule of Debt has been prepared.

**Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018**

SCHEDULE OF GUARANTEE AND INDEMNITY

Financial Information Act - Statement of Financial Information

Library Name: Surrey Public Library

Fiscal Year Ended: December 31, 2018

Surrey Public Library has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.

**Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018**

Schedule of Remuneration and Expenses

Financial Information Act - Statement of Financial Information

Library Name: Surrey Public Library

Fiscal Year Ended: December 31, 2018

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 year's cost.
2. Some employees terminated their employment part way through the year and their remuneration does not reflect a full year's cost.

Please see following pages for detailed schedule of remuneration and expenses along with reconciliation to the financial statements.

Schedule of Remuneration and Expenses

BOARD MEMBERS	BASE SALARY	BENEFIT & OTHER	EXPENSES
Stanely Chang			162.50
Michael Kendler			110.00
Connie Hong			303.45
Louise Hearty			153.45
Neelam Sahota			43.45
Karen Reid Sidhu			328.45
Austin Uzama			343.45
Muzna Zafar			260.00
Total Board Members	\$ -	\$ -	\$ 1,704.75

EMPLOYEES EXCEEDING \$75,000	BASE SALARY	BENEFIT & OTHER	EXPENSES
Andrews,Kristen T.	123,928.47	2,154.66	625.87
Basi,Ravinder K	77,198.06	3,084.21	1,321.59
Grant,Sara C.	94,136.98	3,886.39	496.99
Balenzano,Julie N	91,924.24	2,999.83	1,476.48
Castleton,Jennie	87,980.12	2,466.17	853.28
Cox,April L.	122,591.50	3,628.83	839.68
Forouzi,Saied	82,484.49	3,332.45	141.25
Fry,Jennifer J.	94,136.93	2,014.05	2,122.76
Harris,Gayle J.	82,490.72	2,710.56	566.24
Ho,Michael C.	129,668.33	6,514.17	3,386.13
Kerr,David G	82,490.73	3,322.80	741.00
Mandera,Iwona	107,425.01	3,291.22	1,242.96
Merrells,Carmen E	78,221.62	4,435.00	389.55
Goossen,Linda A.	82,484.46	1,148.53	444.68
Patrick,Valerie A	75,717.82	3,958.04	544.95
Bhagal,Surinder K.	161,578.08	8,415.94	2,537.60
Scott,Deanna	82,490.68	1,619.30	0.00
Stachura,Ilna	94,136.97	1,789.55	704.08
Thiessen,Tanya D.I.	94,898.40	2,421.46	1,865.60
Tong,Tania W	82,484.51	1,159.50	0.00
Walsh,W James	94,136.95	1,859.35	186.16
Wile,Jennifer R.	94,048.16	1,717.59	984.40
Thind,Harjinderpal S.	106,093.35	3,666.53	347.05
Hill,Cyndy L.	94,135.90	1,167.92	1,395.68
MacDonell,Paul C.	81,991.78	676.69	745.09
Olcay,Erol E.	80,847.59	2,565.05	592.81
Aho,Virginia P.	82,490.75	3,171.33	275.26
Ashmore,Amy	85,919.95	1,861.96	11,044.43
Savage,Meghan J.	92,954.06	4,149.20	684.14
Yang,Qiong	71,694.36	3,338.47	407.27
Teixeira,Cristina M	82,490.69	1,058.57	0.00
Ali,Mehjabeen	82,490.65	1,771.71	52.31
Church,Sara J	81,796.46	544.68	135.85
Johnson,Sarah Elizabeth	79,537.97	1,644.32	616.71
Ricardo De Sanchez,Yesenia	76,993.17	1,540.25	245.82
Kutan,Selin	101,333.22	1,272.26	2,674.84
Total Employees Exceeding \$75,000	\$3,317,423.13	\$96,358.54	\$40,688.51
Total Employees Equal to or Less than \$75,000	\$8,097,233.21	\$239,072.38	\$27,784.99
Consolidated Total	\$11,414,656.34	\$335,430.92	\$70,178.25

"Taxable Benefit & Other" included payout of earned time for vacation, gratuity payments pay for performance, banked time, and/or vehicle allowance.

Schedule of Remuneration and Expenses

RECONCILIATION:		2018
Per Schedule of Remuneration & Expenses		
	Base salary remuneration	\$11,414,656.34
	Taxable benefit & other	<u>335,430.92</u>
		\$11,750,087.26
Reconciling items:	<i>Add: Employer share of EI, CPP and Other benefit*</i>	2,503,332.29
	<i>Less: Prior year payroll accrual</i>	<i>(17,207.92)</i>
	<i>Less: Payroll labour allocations</i>	40,483.09
	<i>Add: Current year payroll accrual</i>	<u>81,900.28</u>
		<u>2,608,507.74</u>
Total Library Salary and Benefits		<u>\$ 14,358,595.00</u>
Per Statement of Operations:		
	Total Library Salaries and Benefits per Statement of Operations	\$ 14,358,595.00
Total Library Salary and Benefits		<u>\$ 14,358,595.00</u>
Variance		\$ -

* Payments to the Receiver General are made directly by the City of Surrey on behalf of the Library. These payments are shown on this schedule at the standard rate allocated by the City of Surrey, and not on the Schedule of Payments for the Provision of Goods and Services.

**Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018**

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: Surrey Public Library

Fiscal Year Ended: December 31, 2018

There was **1** severance agreement made between the Surrey Public Library and its non-unionized employees during the fiscal year ending December 31, 2018.

This agreement represents **0.5** months' compensation.

**Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018**

SCHEDULE OF CHANGES IN FINANCIAL POSITION

Financial Information Act - Statement of Financial Information

Library Name: Surrey Public Library

Fiscal Year Ended: December 31, 2018

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

**Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018**

Schedule of Payments Made For The Provisions of Goods and Services

Financial Information Act - Statement of Financial Information

Library Name: Surrey Public Library
Fiscal Year Ended: December 31, 2018

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.

Please see following pages for detailed schedule of payments made for the provision of goods and services along with reconciliation to the financial statements.

Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018

Schedule of Payments for Provision of Goods & Services

NAME OF INDIVIDUAL, FIRM OR CORPORATION	TOTAL AMOUNT PAID DURING FISCAL YEAR
A&G SUPPLY LTD.	26,207.42
ACCESS GAS	34,713.96
ARGUS CARRIERS LTD.	169,293.11
BC HYDRO & POWER AUTHORITY	297,736.44
BC LIBRARIES COOPERATIVE	291,497.83
BEST SERVICE PROS LTD.	165,772.05
BIBLIOCOMMONS INC.	73,485.42
BIBLIOLABS LLC	27,833.69
BIBLIOTHECA CANADA INC.	53,793.53
CENTRE FOR EQUITABLE LIBRARY ACCESS	31,702.30
CLEAN FOR YOU CLEANING SERVICES LTD.	123,804.86
CVS MIDWEST TAPE LLC	377,504.94
EBSCO CANADA LTD.	35,596.74
FORTISBC ENERGY INC.	47,972.47
GREAT PACIFIC ENTERPRISES INC DBA TNG (CANADA)	67,064.83
IMPERIAL HOBBIES	33,842.98
LANDMARK BUILDING MAINTENANCE CORPORATION	38,270.26
LIBRARY BOUND INC.	83,857.78
NUTECH FACILITY SERVICES LTD	58,000.23
OVERDRIVE, INC.	481,514.95
PALADIN SECURITY GROUP LTD.	186,005.70
PUBLIC LIBRARY INTERLINK	139,359.66
RICOH CANADA INC	50,320.43
RIOKIM HOLDINGS (STRAWBERRY HILL) INC.	39,115.97
SERVANTAGE SERVICES CORP.	46,166.34
STAPLES ADVANTAGE	39,277.04
SURREY CRIME PREVENTION SOCIETY	25,000.00
UNITED LIBRARY SERVICES INC.	25,442.39
VANCOUVER KIDSBOOKS	425,240.98
WHITEHOTS INC.	879,855.07
TOTAL (SUPPLIERS WITH PAYMENTS EXCEEDING \$25,000)	4,375,249.37
TOTAL (SUPPLIERS WHERE PAYMENTS ARE \$25,000 OR LESS)	854,458.92
CONSOLIDATED TOTAL	5,229,708.29

Prepared under the Financial Information Regulation, Schedule 1, Section 7

Prepared as required by Financial Information Regulation, Schedule 1, section 7

Surrey Public Library
Statement of Financial Information (SOFI)
Fiscal Year Ended December 31, 2018

Schedule of Payments for Provision of Goods & Services

RECONCILIATION:		2018
Per Schedule of Payments for Provision of Goods and Services		
Total of aggregate payments exceeding \$25,000 paid to suppliers	4,375,249.37	
Consolidated total of payments of \$25,000 or less paid to suppliers	854,459	
Employee remuneration expenses	68,474	
Less: 2017 dated vouchers that are posted to 2017 but paid in 2018	(328,918)	
Add: 2018 dated vouchers posted to 2017 but paid in 2018	414,860	
Less: Prior-year accruals	(7,917)	
Add: Current-year accruals	(6,902)	
		5,369,305
Net capital acquisitions		
Cash used to acquire tangible capital assets	(1,950,626)	
Amortization expense	2,015,558	
Reconciling capital item *	72,470	
		137,402
Other Reconciling items:		
Increase/(Decrease) in prepaid expenses	(35,433)	
Less: Sales tax rebate	(19,097)	
Add: Other Interest & Fiscal Services	5,531	
Add: Net Cost Charges & Recoveries	342,452	
		293,453
Total Library Operating Expenses		\$5,800,160
Per Statement of Operations:		
Total Operation Expenses		20,158,755
Less: Salary and Benefits		(14,358,595)
Total Library Operating Expenses		\$5,800,160
Variance		\$ -

* *The Library Financial Statements are prepared using the accrual method of accounting, whereas the supplier payments schedule is prepared on a cash basis. The Library supplier payment schedule includes expenditures on both capital and operations.*