SURREY PUBLIC LIBRARY

STATEMENT OF FINANCIAL INFORMATION

Year Ended December 31, 2004

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

Section:	Section Number

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*.

Elizabeth Barlow
Chief Librarian

June 20, 2005

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 presently 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
June 20, 2005

SURREY PUBLIC LIBRARY
STATEMENT OF FINANCIAL POSITION

as at December 31, 2004		*2004*		*2003* (restated - see Note 6)
FINANCIAL ASSETS				
Due From City of Surrey (Note 2)	**$**	**486,156**	$	656,122
LIABILITIES				
Accrued Liabilities (Note 3)		**476,003**		431,600
Deferred Revenues (Note 4)		**-**		25,382
NET FINANCIAL ASSETS	**$**	**10,153**	$	199,140
FINANCIAL EQUITY (Note 5)	**$**	**10,153**	$	199,140

On behalf of the Board:

Chairperson

Chief Librarian

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

SURREY PUBLIC LIBRARY
STATEMENT OF FINANCIAL ACTIVITIES

for the year ended December 31, 2004	*2004 Budget* (Note 1(c))	***2004 Actuals***	*2003 Actuals* (restated - see Note 6)
REVENUES			
City of Surrey Grant	$ 8,989,000	**$8,989,000**	$ 7,851,000
Provincial & Federal Grants	770,000	**840,971**	838,376
Fines and Fees	496,000	**435,953**	443,825
Other	130,000	**210,708**	203,294
	10,385,000	**10,476,632**	9,336,495
EXPENDITURES			
Salaries and Benefits	7,222,500	**7,217,135**	6,587,569
Books and Materials	1,536,500	**1,660,386**	1,306,872
Site Operations	1,162,800	**1,019,609**	860,822
Supplies and Equipment	166,000	**175,362**	173,093
Professional Services	132,200	**126,984**	107,230
Inter-Library Services	100,000	**117,199**	101,372
Other	65,000	**75,920**	56,198
Contribution to the City of Surrey for Facilities and Equipment	-	**273,024**	38,225
	10,385,000	**10,665,619**	9,231,381
Excess (Deficiency) of Revenues over Expenditures	$ -	**$ (188,987)**	$ 105,114
Financial Equity			
Financial Equity, beginning of year		**199,140**	94,026
Financial Equity, end of year		**$ 10,153**	$ 199,140

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, 2004	***2004***	*2003* *(restated - see Note 6)*
OPERATING TRANSACTIONS		
Excess (Deficiency) of Revenues Over Expenditures	**$ (188,987)**	$ 105,114
Cash Generated From (Required for):		
Due From City of Surrey	**169,966**	(123,670)
Accrued Liabilities	**44,403**	37,000
Deferred Revenues	**(25,382)**	(18,444)
Increase (Decrease) in Cash	**-**	-
Cash, Beginning of Year	**-**	-
Cash, End of Year	**$ -**	$ -

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

GENERAL

The Surrey Public 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, 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 Council of the City of Surrey.

1. Significant accounting policies:

The accounting policies of the Surrey Public Library conform to Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (CICA), and include the following specific policies:

a) Revenue Recognition
Revenue is recorded using the accrual method of accounting. Restricted grants, donations and fund raising activity revenue are 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 2004 – 2008 Consolidated Financial Plan and was adopted through By-law #15188 on December 1, 2003.

d) Capital Expenditures
Minor capital items are recorded as expenditures in the year of purchase. Major capital expenditures are recorded in the City of Surrey's General Capital Fund.

e) Employee Future Benefits

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

Sick leave and post-employment benefits are also available to 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 benefits plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

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 balance of cash held by the City of Surrey and owed to the Surrey Public Library.

3. Accrued Liabilities

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-retirement top-ups for dental, life insurance and accidental death and dismemberment insurance.

	2004	2003
Balance, beginning of year	**$ 431,600**	$ 394,600
Current service cost	**44,200**	42,700
Interest cost	**23,447**	22,100
Benefits paid	**(23,244)**	(27,800)
Balance, end of year	**$ 476,003**	$ 431,600

An actuarial valuation for these benefits was performed to determine the Library's accrued benefit obligation as at December 31, 2004. The difference between the actuarially determined accrued benefit obligation of $483,800 and the accrued benefit liability of $476,003 as at December 31, 2004 is an actuarial loss of $7,797. Starting in 2005, this actuarial loss will be amortized over a period equal to the employees' average remaining service lifetime. Actuarial assumptions used to determine the Library's accrued benefit obligation:

	2004	2003
Discount rate	**5.00%**	5.25%
Expected future inflation rate	**2.00%**	2.00%
Expected wage and salary inflation	**2.00%**	2.00%
Expected wage and salary range increases	**1.00%**	1.00%

4. Deferred Revenues

	2004	2003
Balance, beginning of year	**$ 25,382**	$ 43,826
Donations	**30,303**	26,882
Grants, sponsorships and other	**9,632**	48,641
Recognized as other revenue	**(65,317)**	(93,967)
Balance, end of year	**$ -**	$ 25,382

5. Financial Equity

	2004	2003 (restated – see Note 6)
Appropriated for Materials on Order	**$ 483,326**	$ 606,388
Appropriated for Electronic Classroom	**24,352**	24,352
Employee Future Benefits	**(497,525)**	(431,600)
	$ 10,153	$ 199,140

6. Adoption of New Accounting Policy

Effective January 1, 2004, the Library adopted the recommendations as required under Section PS 3255 of the CICA Public Sector Accounting Handbook. This new policy requires the Library to accrue and disclose obligations, using actuarial cost methodologies, for certain post-employment benefits, compensated absences and termination benefits.

This change in accounting policy has been applied retroactively. As a result, accrued liabilities as at December 31, 2003 have increased by $431,600, and expenditures for the year ended December 31, 2003 have increased by $37,000 over the amounts previously reported. Expenditures for the year ended December 31, 2004 have increased by $65,925 over the amount that would have been reported under the previous accounting policy.

The impact of this change in accounting policy on the opening balance of financial equity is as follows:

	2004	2003
Financial equity:		
Balance, beginning of year, as previously reported	**$ 630,740**	$ 488,626
Adjustment to reflect change in accounting for employee future benefits	**(431,600)**	(394,600)
Balance, beginning of year, as restated	**$ 199,140**	$ 94,026

7. Comparative Figures

Certain of the 2003 figures have been reclassified to conform to the 2004 financial statement presentation.

A Schedule of debts has not been prepared because the Surrey Public Library does not have any outstanding debt as of December 31, 2004.

This organization 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.

MEMBERS OF THE LIBRARY BOARD	BASE SALARY REMUNERATION	TAXABLE BENEFITS & OTHER	TOTAL EXPENSES
DANTZER, Alex	$0.00	$0.00	$398.14
DUNLAP, Demi	$0.00	$0.00	$306.18
RESTREPO, Patricia	$0.00	$0.00	$355.57
TOTAL - MEMBERS OF THE LIBRARY BOARD	**$0.00**	**$0.00**	**$1,059.89**

EMPLOYEE NAME	BASE SALARY REMUNERATION	TAXABLE BENEFITS & OTHER	TOTAL EXPENSES
Barlow,Elizabeth A	$105,561.80	$5,892.74	$3,070.61
Houlden,Melanie G.	$90,015.82	$3,449.29	$2,994.06
Ho,Michael C.	$79,007.16	$2,387.86	$3,436.31
Knight,Jane M.	$79,108.39	$1,496.39	$881.75
TOTAL - EMPLOYEES OVER $75,000	**$353,693.17**	**$13,226.28**	**$10,382.73**
TOTAL - EMPLOYEES UNDER $75,000	**$5,306,756.44**	**$359,999.07**	**$30,641.22**
TOTAL - ALL LIBRARY EMPLOYEES	**$5,660,449.61**	**$373,225.35**	**$41,023.95**

There were **no** severance agreements made between the Surrey Public Library and its non-unionized employees during the fiscal year ending December 31, 2004.

Surrey Public Library
Supplier Information

SUPPLIER NAME	AMOUNT
UNITED LIBRARY SERVICES INC.	$693,048.40
B C HYDRO & POWER AUTHORITY	$203,069.00
PUBLIC LIBRARY INTERLINK	$201,239.15
INDIGO BOOKS & MUSIC INC.	$165,832.32
VANCOUVER KIDS BOOKS	$132,179.04
TERASEN GAS INC.	$95,711.18
TRI-FORCE SECURITY SERVICES LTD.	$92,944.19
THE NEWS GROUP	$84,090.22
LIBRARY BOUND INC.	$74,001.87
EBSCO CANADA LTD.	$70,846.62
RIOKIM HOLDINGS (STRAWBERRY HILL) INC.	$66,350.97
PRIME BUILDING MAINTENANCE LTD.	$54,012.51
STRICKER BOOKS	$53,570.35
TELUS COMMUNICATIONS INC.	$46,732.50
CLEAN FOR YOU CLEANING SERVICES LTD.	$44,667.22
ARGUS CARRIERS LTD.	$43,235.47
PARADISE BUILDING MAINTENANCE LTD.	$39,960.22
XEROX CANADA LTD.	$38,489.78
RECORDED BOOKS,LLC	$27,604.47
BRITISH COLUMBIA LIBRARY ASSOCIATION	$26,767.53
TOTAL - SUPPLIERS GREATER THAN $25,000	**$2,254,353.01**
TOTAL - SUPPLIERS LESS THAN $25,000	**$792,552.42**
TOTAL - ALL SUPPLIERS	**$3,046,905.43**