SURREY PUBLIC LIBRARY

STATEMENT OF FINANCIAL INFORMATION

Year Ended December 31, 2005

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

Section	Section Number

Surrey Public Library
Statement of Financial Information Approval

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 26, 2006

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 27, 2006

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Chartered Accountants
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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 as at December 31, 2005 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, 2005 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.

KPMG LLP

Chartered Accountants

Burnaby, Canada

March 17, 2006

Surrey Public Library Statement of Financial Position

as at December 31, 2005

		2005		2004
Financial Assets				
Due from City of Surrey *(Note 2)*	**$**	**551,633**	$	486,156
Liabilities				
Accrued liabilities *(Note 3)*		**524,812**		476,003
Deferred revenues *(Note 4)*		**74,800**		–
Net Financial Assets	**$**	**(47,979)**	$	10,153
Financial Equity (Deficiency) *(Note 5)*	**$**	**(47,979)**	$	10,153

On behalf of the Board:

.... 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, 2005

	2005 Budget	2005 Actuals	2004 Actuals
	(note 1(c))		
Revenues			
City of Surrey grant	*$ 9,299,000*	**$ 9,299,000**	$ 8,989,000
Provincial & Federal grants	*800,000*	**795,448**	840,971
Fines and fees	*465,000*	**478,243**	435,953
Other	*135,000*	**216,196**	210,708
	10,699,000	**10,788,887**	10,476,632
Expenditures			
Salaries and benefits	*7,547,500*	**7,559,180**	7,217,135
Books and materials	*1,536,500*	**1,630,673**	1,660,386
Site operations	*1,144,000*	**1,070,448**	1,019,609
Supplies and equipment	*166,000*	**213,011**	175,362
Professional services	*132,500*	**134,569**	126,984
Inter-Library services	*118,000*	**119,337**	117,199
Other	*54,500*	**23,827**	75,920
Contribution to the City of Surrey for Future Library expenditures	–	**95,974**	273,024
	10,699,000	**10,847,019**	10,665,619
Deficiency of revenues over expenditures	*$ –*	**(58,132)**	(188,987)
Financial equity, beginning of year		**10,153**	199,140
Financial equity (deficiency), end of year		**$ (47,979)**	$ 10,153

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, 2005

		2005		2004
Operating Transactions				
Deficiency of revenues over expenditures	**$**	**(58,132)**	$	(188,987)
Net changes in non-cash working capital balances:				
Due from City of Surrey		**(65,477)**		169,966
Accrued liabilities		**48,809**		44,403
Deferred revenues		**74,800**		(25,382)
Change 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 2005 – 2009 Consolidated Financial Plan and was adopted through By-law #15550 on November 29 2004.

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.

	2005	2004
Balance, beginning of year	$ 476,003	$ 431,600
Current service cost	48,000	44,200
Interest cost	26,000	23,447
Benefits paid	(25,900)	(23,244)
Amortization of actuarial loss	709	–
Balance, end of year	$ 524,812	$ 476,003

An actuarial valuation for these benefits was performed to determine the Library's accrued benefit obligation as at December 31, 2005. The difference between the actuarially determined accrued benefit obligation of $559,000 and the accrued benefit liability of $524,812 as at December 31, 2005 is an actuarial loss of $34,188. The actuarial loss is amortized over a period equal to the employees' average remaining service lifetime. Actuarial assumptions used to determine the Library's accrued benefit obligation:

	2005	2004
Discount rate	4.25%	5.00%
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

	2005	2004
Balance, beginning of year	$ –	$ 25,382
Donations	–	30,303
Grants, sponsorships and other	94,800	9,632
Recognized as Provincial and Federal grants revenue	(20,000)	–
Recognized as other revenue	–	(65,317)
Balance, end of year	$ 74,800	$ –

5. Financial Equity

	2005	2004
Appropriated for materials on order	$ 449,546	$ 483,326
Appropriated for electronic classroom	–	24,352
Employee future benefit (unfunded)	(497,525)	(497,525)
	$ (47,979)	$ 10,153

A Schedule of Debts has not been prepared because the Surrey Public Library does not have any outstanding debt as of December 31, 2005.

A Schedule of Guarantees and Indemnity payments has not been prepared because 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.

Surrey Public Library
Schedule of Remuneration and Expenses
For the year ended December 31, 2005
Board, Employees and Reconciliation of Remuneration to Financial Statements

MEMBERS OF THE LIBRARY BOARD	BASE SALARY REMUNERATION	TAXABLE BENEFITS & OTHER	EXPENSES
Cheema, Jas	$0.00	$0.00	$399.00
Dantzer, Alex	$0.00	$0.00	$256.50
Dunlap, Demi	$0.00	$0.00	$306.50
Webber, Wayne	$0.00	$0.00	$150.00
TOTAL - MEMBERS OF THE LIBRARY BOARD	$0.00	$0.00	$1,112.00

NAME	BASE SALARY REMUNERATION	TAXABLE BENEFITS & OTHER	EXPENSES
Barlow,Elizabeth A	$118,492.01	$6,062.51	$4,058.99
Brajcich,Jennifer M.	$75,047.81	$1,796.00	$467.68
De Boeck,Carol J.	$74,845.86	$1,843.23	$1,731.99
Ho,Michael C.	$83,458.58	$3,500.07	$3,395.82
Houlden,Melanie G.	$95,239.63	$2,236.54	$2,291.48
Knight,Jane M.	$83,626.36	$1,642.63	$1,089.36
TOTAL - EMPLOYEES OVER $75,000	**$530,710.25**	**$17,080.98**	**$13,035.32**
TOTAL - EMPLOYEES UNDER $75,000	**$5,357,719.66**	**$571,881.07**	**$30,257.10**
TOTAL - ALL EMPLOYEES	**$5,888,429.91**	**$588,962.05**	**$43,292.42**

RECONCILIATION: (IN '000S)

Total Remuneration - Employees	$6,000
Reconciling items:	
Add: Benefit Overhead	$1,500
Total per Statement of Revenue and Expenditures	**$7,500**

There were **no** severance agreements made between the Surrey Public Library and its non-unionized employees during the fiscal year ending December 31, 2005.

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

SUPPLIER NAME	AGGREGATE AMOUNT PAID TO SUPPLIER
ARGUS CARRIERS LTD.	45,049.63
AXIDATA INC.	37,661.84
B C HYDRO & POWER AUTHORITY	219,213.32
BRITISH COLUMBIA LIBRARY	29,056.54
CLEAN FOR YOU CLEANING	43,288.22
EBSCO CANADA LTD.	64,091.74
EDU REFERENCE PUBLISHERS	34,226.17
"HOW TO" VIDEO INC.	65,494.24
LIBRARY BOUND INC.	61,739.72
MILLS BASICS	27,132.02
PARADISE BUILDING MAINTENANCE	47,921.02
PRIME BUILDING MAINTENANCE	51,795.94
PUBLIC LIBRARY INTERLINK	208,552.96
RECORDED BOOKS,LLC	40,535.54
RIOKIM HOLDINGS	66,035.48
STRICKER BOOKS	88,397.12
TELUS COMMUNICATIONS INC.	47,918.80
TERASEN GAS INC.	99,322.07
THE NEWS GROUP	76,142.12
TRI-FORCE SECURITY SERVICES	117,179.04
UNITED LIBRARY SERVICES INC.	592,058.96
VANCOUVER KIDSBOOKS	331,163.54
XEROX CANADA LTD.	25,316.72
Payments to suppliers who received aggregate payments exceeding $25,000	**2,419,292.75**
Consolidated total paid to suppliers who received aggregate payments of $25,000 or less	**906,092.44**

Surrey Public Library
Schedule of Payments to Suppliers for Goods and Services
For the year ended December 31, 2005
Reconciliation of Payments for Goods and Services to Financial Statements

RECONCILIATION: (in '000s)	**2005**
Total of aggregate payments exceeding $25,000 paid to suppliers	$2,420
Consolidated total of payments of $25,000 or less paid to suppliers	$906
*Reconciling Items**	-$36
Total per Statement of Revenue and Expenditure	$3,290

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