SURREY PUBLIC LIBRARY

STATEMENT OF FINANCIAL INFORMATION

Year Ended December 31, 2007

(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 25, 2008

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

Beth Barlow

Elizabeth A. Barlow
Chief Librarian
June 23, 2008

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 as at December 31, 2007 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, 2007 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 18, 2008

Surrey Public Library STATEMENT OF FINANCIAL POSITION

as at December 31, 2006

		2007		2006
FINANCIAL ASSETS				
Due from City of Surrey *(Note 2)*	**$**	**620,143**	$	651,522
LIABILITIES				
Accrued Liabilities *(Note 3)*		**632,981**		561,236
Deferred Revenues *(Note 4)*		**22,400**		88,600
NET FINANCIAL ASSETS	**$**	**(35,238)**	$	1,686
FINANCIAL EQUITY (DEFICIENCY) *(Note 5)*	**$**	**(35,238)**	$	1,686

On behalf of the Board:

.... Wayne Webber, *Chairperson*

.... Beth Barlow, *Chief Librarian*

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

for the year ended December 31, 2007

	2007 Budget	**2007 Actuals**	2006 Actuals
	unaudited *(Note 1(c))*		
REVENUES			
City of Surrey Grant	$ 10,136,000	**$ 10,136,000**	$ 9,652,000
Provincial & Federal Grants	1,000,000	**1,125,977**	1,000,194
Fines and Fees	578,000	**569,051**	563,855
Other	90,000	**207,007**	241,000
	$ 11,804,000	**$ 12,038,035**	$ 11,457,049
EXPENDITURES			
Salaries and Benefits	8,452,000	**8,551,030**	8,110,357
Library Materials Collection	1,570,000	**1,746,686**	1,574,062
Site Operations	1,139,000	**1,083,254**	1,064,537
Supplies and Equipment	266,000	**243,001**	287,906
Professional Services	157,000	**118,736**	154,041
Inter-Library Services	132,000	**129,893**	123,556
Other	88,000	**79,259**	83,848
Contribution to the City of Surrey for Future Library Expenditures	–	**123,100**	9,077
	$ 11,804,000	**$ 12,074,959**	$ 11,407,384
Excess (Deficiency) of Revenues over Expenditures	–	**$ (36,924)**	$ 49,665
Financial Equity (Deficiency), beginning of year		**1,686**	(47,979)
Financial Equity (Deficiency), end of year		**$ (35,238)**	$ 1,686

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

STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended December 31, 2007

		2007		2006
OPERATING TRANSACTIONS				
Excess (Deficiency) of Revenues Over Expenditures	**$**	**(36,924)**	$	49,665
Net Changes in Non-Cash Working Capital Balances:				
Due from City of Surrey		**31,379**		(99,889)
Accrued Liabilities		**71,745**		36,424
Deferred Revenues		**(66,200)**		13,800
Change in Cash		**–**		–
Cash, Beginning and 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 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 2007 – 2011 Consolidated Financial Plan and was adopted through By-law #16275 on March 12, 2007.

d) Capital Assets

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

e) Future Accounting Changes

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, 2007, 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.

f) Employee Future Benefits

The 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 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.

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.

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

		2007		2006
ACTUARIAL BENEFIT LIABILITY				
Balance, beginning of year	**$**	**561,236**	$	524,812
Current service cost		**51,900**		52,000
Interest cost		**27,600**		25,000
Benefits paid		**(9,355)**		(42,576)
Amortization of actuarial loss		**1,600**		2,000
Balance, end of year	**$**	**632,981**	$	561,236

An actuarial valuation for these benefits was performed to determine the Library's accrued benefit obligation as at December 31, 2007. The difference between the actuarially determined accrued benefit obligation of $876,900 and the accrued benefit liability of $632,981 as at December 31, 2007 is an unamortized actuarial loss of $243,919. The actuarial loss is amortized over a period equal to the employees' average remaining service lifetime.

		2007		2006
ACTUARIAL BENEFIT OBLIGATION				
Liability, end of year	**$**	**632,981**	$	561,236
Unamortized actuarial loss		**243,919**		17,388
Balance, end of year	**$**	**876,900**	$	578,624

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

	2007	2006
Discount rate	**4.75%**	4.50%
Expected future inflation rate	**2.00%**	2.00%
Expected wage and salary inflation	**3.00%**	3.00%
Expected wage and salary range increases	**1.00%**	1.00%

4. DEFERRED REVENUES

		2007		2006
Balance, beginning of year	**$**	**88,600**	$	74,800
Amounts received for grants, sponsorships, and other		**246,500**		219,100
Amounts recognized as Provincial & Federal grants revenue		**(312,700)**		(205,300)
Balance, end of year	**$**	**22,400**	$	88,600

5. FINANCIAL EQUITY

		2007		2006
Appropriated for materials on order	**$**	**380,806**	$	464,626
Appropriated for other expenditures		**20,000**		–
Unappropriated surplus		**61,481**		34,585
Employee future benefits		**(497,525)**		(497,525)
Balance, end of year	**$**	**(35,238)**	$	1,686

A Schedule of Debts has not been prepared because the Surrey Public Library does not have any outstanding debt as of December 31, 2007.

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.

MEMBERS OF THE LIBRARY BOARD		BASE SALARY REMUNERATION		TAXABLE BENEFITS & OTHER		EXPENSES
Cheema, Jas					$	644.84
Dunlap, Demi	$	-	$	-	$	767.40
Newberry, Alan	$	-	$	-	$	787.40
Restrepo, Patricia					$	1,971.36
TOTAL - MEMBERS OF THE LIBRARY BOARD	$	-	$	-	$	4,171.00

Name		BASE SALARY REMUNERATION		TAXABLE BENEFITS & OTHER		EXPENSES
Barlow,Elizabeth A	$	127,517.81	$	7,606.48		4,153.79
Houlden,Melanie G.	$	103,057.88	$	2,003.74		970.49
Ho,Michael C.	$	90,371.73	$	4,468.24		1,631.80
Knight,Jane M.	$	89,090.59	$	1,769.08		521.59
Miller,Patricia E	$	79,137.22	$	1,853.95		822.85
Brajcich,Jennifer M.	$	79,151.00	$	1,743.80		300.20
De Boeck,Carol J.	$	79,146.34	$	1,743.82		765.18
Bhogal,Surinder K.	$	77,375.67	$	2,258.73		373.50
TOTAL - EMLOYEES OVER $75,000	**$**	**724,848.24**	**$**	**23,447.84**	**$**	**9,539.40**
TOTAL - EMPLOYEES UNDER $75,000	**$**	**5,857,921.07**	**$**	**642,712.48**	**$**	**23,168.23**
TOTAL - ALL	**$**	**6,582,769.31**	**$**	**666,160.32**	**$**	**32,707.63**

"Taxable benefits & Other " include payout of earned time for vacations, gratuity, payments, pay for performance
banked overtime, and/or vehicle allowances.

RECONCILIATION: (IN '000S)

Base Salary Remuneration	$	6,583
Taxable Benefit & Other	$	666
Total Remuneration - Employees	$	7,249
Reconciling items:		
Add: Benefit Overhead	$	1,302
Total per Statement of Revenue and Expenditures	**$**	**8,551**

There were **no** severance agreements made between the Surrey Public Library and its non-unionized employees during the fiscal year ending December 31, 2007.

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.

SUPPLIER NAME		AGGREGATE AMOUNT PAID TO SUPPLIER
"HOW TO" VIDEO INC.	$	35,584.63
ARGUS CARRIERS LTD.	$	60,319.25
B C HYDRO & POWER AUTHORITY	$	221,057.13
BRITISH COLUMBIA LIBRARY	$	78,734.09
CLEAN FOR YOU CLEANING	$	41,431.43
EBSCO CANADA LTD.	$	51,314.75
EDU REFERENCE PUBLISHERS	$	64,139.69
IMPERIAL HOBBIES	$	25,514.44
LIBRARY BOUND INC.	$	35,711.44
OCLC ONLINE COMPUTER LIBRARY	$	38,264.87
OFFICE ESSENTIALS	$	35,854.34
PARADISE BUILDING MAINTENANCE	$	47,901.40
PRIME BUILDING MAINTENANCE	$	66,537.79
PUBLIC LIBRARY INTERLINK	$	129,546.00
RECORDED BOOKS,LLC	$	47,173.51
RIOKIM HOLDINGS	$	72,782.13
STRICKER BOOKS	$	78,856.96
TELUS COMMUNICATIONS INC.	$	38,958.85
TERASEN GAS INC.	$	125,003.08
THE NEWS GROUP	$	70,561.61
THOMSON GALE	$	28,951.93
TRI-FORCE SECURITY SERVICES	$	112,655.92
UNITED LIBRARY SERVICES INC.	$	568,133.32
VANCOUVER KIDSBOOKS	$	387,552.93
PAYMENTS TO SUPPLIERS WHO RECEIVED AGGREGATE PAYMENTS EXCEEDING $25,000	**$**	**2,462,541.49**
CONSOLIDATED TOTAL PAID TO SUPPLIERS WHO RECEIVED AGGREGATE PAYMENTS OF $25,000 OR LESS	**$**	**825,929.89**

RECONCILIATION: (in '000s)	**2007**
Total of aggregate payments exceeding $25,000 paid to suppliers	2,463
Consolidated total of payments of $25,000 or less paid to suppliers	826
*Reconciling Items**	3
Cost Recoveries, net	233
Total per Statement of Revenue and Expenditure	3,524

* 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.