SURREY PUBLIC LIBRARY

STATEMENT OF FINANCIAL INFORMATION

Year Ended December 31, 2011

(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*.

Melanie Houlden
Chief Librarian

June 8, 2012

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

Melanie Houlden
Chief Librarian
June 8, 2012

SURREY PUBLIC LIBRARY

KPMG LLP
Chartered Accountants
Metrotower II
Suite 2400 - 4720 Kingsway
Burnaby BC V5H 4N2
Canada

Telephone (604) 527-3600
Fax (604) 527-3636
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees

We have audited the accompanying financial statements of the Surrey Public Library, which comprise the statement of financial position as at December 31, 2011 and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Surrey Public Library as at December 31, 2011 and its results of operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

April 12, 2012

Burnaby, Canada

STATEMENT OF FINANCIAL POSITION

As at December 31, 2011, with comparative figures for 2010

		2011		2010
FINANCIAL ASSETS				
Due from the City of Surrey *(note 2)*	$	**1,560,665**	$	1,364,987
		1,560,665		1,364,987
FINANCIAL LIABILITIES				
Employee future benefits *(note 3)*		**1,152,572**		1,024,603
Deferred revenue *(note 4)*		**124,175**		132,331
		1,276,747		1,156,934
NET FINANCIAL ASSETS		**283,918**		208,053
NON-FINANCIAL ASSETS				
Tangible capital assets *(note 5)*		**5,124,741**		5,212,969
Prepaid expenses		**43,249**		45,470
		5,167,990		5,258,439
ACCUMULATED SURPLUS *(note 7)*	$	**5,451,908**	$	5,466,492

Melanie Houlden
Chief Librarian

Jas Cheema
Chairperson

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

STATEMENT OF OPERATIONS

For the year ended December 31, 2011, with comparative figures for 2010

	2011 Budget	2011	2010
	unaudited (note 1(b))		
REVENUES			
City of Surrey operating grant	$ 11,485,000	**$ 11,230,196**	$ 10,161,000
City of Surrey capital grant	1,947,000	**1,308,563**	1,223,921
Provincial and federal grants *(note 6)*	899,000	**898,124**	922,340
Neighborhood Community plan capital contributions	250,000	**735,977**	788,437
Fines and fees	612,000	**576,067**	590,756
Other	60,000	**110,507**	179,369
	15,253,000	**14,859,434**	13,865,823
EXPENSES			
Salaries and benefits	10,506,000	**10,404,837**	9,504,858
Site operations	1,503,000	**1,315,627**	1,235,265
Library materials collection	427,000	**431,571**	392,823
Supplies	230,500	**205,888**	228,105
Inter-library services	147,000	**150,399**	139,176
Professional services	138,000	**193,118**	151,403
Other	104,500	**39,810**	159,712
Amortization	2,197,000	**2,132,768**	2,115,389
	$ 15,253,000	**14,874,018**	13,926,731
Annual Deficit	-	**(14,584)**	(60,908)
Accumulated Surplus, beginning of year		**5,466,492**	5,527,400
Accumulated Surplus, end of year		**$ 5,451,908**	$ 5,466,492

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

As at December 31, 2011, with comparative figures for 2010

	2011 Budget *unaudited (note 1(b))*	**2011**	2010
ANNUAL DEFICIT	$ -	**$ (14,584)**	$ (60,908)
Amortization of tangible capital assets	2,197,000	**2,132,768**	2,115,389
Acquisition of tangible capital assets	(1,690,000)	**(2,044,540)**	(2,033,580)
	507,000	**73,644**	20,901
Acquisition of prepaid expenses	-	**(43,249)**	(45,470)
Use of prepaid expenses	-	**45,470**	43,239
	-	**2,221**	(2,231)
Change in net financial assets	507,000	**75,865**	18,670
Net financial assets, beginning of year	208,053	**208,053**	189,383
Net financial assets, end of year	$ 715,053	**$ 283,918**	$ 208,053

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

STATEMENT OF CASH FLOWS

For the year ended December 31, 2011, with comparative figures for 2010

		2011		2010
Cash Provided By (Used In):				
OPERATIONS				
Annual Deficit	**$**	**(14,584)**	$	(60,908)
Items not involving cash				
Amortization		**2,132,768**		2,115,389
Employee future benefits expense		**210,569**		199,100
Change in non-cash assets and liabilities				
Increase (decrease) in prepaid expenses		**2,221**		(2,231)
Decrease in deferred revenue		**(8,156)**		(43,641)
Net change in cash from operating activities		**2,322,818**		2,207,709
CAPITAL ACTIVITY				
Cash used to acquire tangible capital assets		**(2,044,540)**		(2,033,580)
Net change in cash from capital activity		**(2,044,540)**		(2,033,580)
FINANCING ACTIVITY				
Due from the City of Surrey		**(195,678)**		(165,230)
Benefits paid by the City of Surrey		**(82,600)**		(8,899)
Net change in cash from financing activity		**(278,278)**		(174,129)
Net change in cash		-		-
Cash, beginning of year		-		-
Cash, end of year	**$**	-	$	-

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

As at December 31, 2011, with comparative figures for 2010

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 financial statements of the Surrey Public Library are prepared by management in accordance with Canadian generally accepted accounting principles for municipal financial reporting in British Columbia as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. 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 City 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 unaudited budget data presented in these Financial Statements was included in the City of Surrey 2011 – 2015 Consolidated Financial Plan and was adopted through By-law #17299 on January 10th, 2011 and further revised by By-law # 17544 on February 6th, 2012.

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 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 are amortized on a straight-line basis over their estimated useful lives as follows:

ASSET	USEFUL LIFE - YEARS
Books and publications	5 years
Machinery and equipment	5 - 10 years

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.

Amortization commences when the asset is put into use.

Contributions of 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. 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) Government transfers

Restricted transfers from governments are deferred and recognized as revenue in the year in which the related expenditures are incurred. Unrestricted transfers are recognized as revenue when received.

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) Segment disclosure

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.

As at December 31, 2011, with comparative figures for 2010

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.

	2011	2010
ACTUARIAL BENEFIT LIABILITY		
Balance, beginning of year	$ 1,024,603	$ 834,402
Interest cost	74,700	59,800
Current service cost	70,000	107,800
Amortization of actuarial loss	65,869	31,500
Benefits paid	(82,600)	(8,899)
Balance, end of year	$ 1,152,572	$ 1,024,603

An actuarial valuation for these benefits was performed to determine the Library's accrued benefit obligation as at December 31, 2011. The difference between the actuarially determined accrued benefit liability of $1,829,399 and the accrued benefit obligation of $1,152,572 as at December 31, 2011 is an unamortized actuarial loss of $676,827. The actuarial loss is amortized over a period equal to the employees' average remaining service lifetime.

	2011	2010
ACTUARIAL BENEFIT LIABILITY		
Accrued benefit obligation, end of year	$ 1,152,572	$ 1,024,603
Unamortized actuarial loss	676,827	619,597
Liability, end of year	$ 1,829,399	$ 1,644,200

The total expenses recorded in the financial statements in respect of obligations under these plans amounts to $210,569 (2010 - $199,100)

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

	2011	2010
Discount rate	3.75%	4.50%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary inflation	2.50%	2.50%
Expected wage and salary range increases	0.50%	0.50%

4. DEFERRED REVENUE

	2011	2010
Balance, beginning of year	**$ 132,331**	$ 175,972
Amounts received for grants, sponsorships and other	**98,821**	99,864
Amounts recognized as Provincial and Federal grants revenue	**(106,977)**	(143,505)
Balance, end of year	**$ 124,175**	$ 132,331

5. TANGIBLE CAPITAL ASSETS

Cost	Balance at December 31, 2010	Additions / Adjustments	Disposals / Write-downs / Allocations	**Balance at December 31, 2011**
Books and publications	$ 10,429,303	$ 2 ,025,768	$ 2,138,210	**$ 10,316,861**
Machinery and equipment	737,155	18,772	4,354	**751,573**
Total	$ 11,166,458	$ 2 ,044,540	$ 2,142,564	**$ 11,068,434**

Accumulated Amortization	Balance at December 31, 2010	Amortization	Accumulated Amortization on Disposals	**Balance at December 31, 2011**
Books and publications	$ 5,472,476	$ 2 ,084,045	$ 2,138,210	**$ 5,418,311**
Machinery and equipment	481,013	48,723	4,354	**525,382**
Total	$ 5,953,489	$ 2,132,768	$ 2,142,564	**$ 5,943,693**

Net Book Value	Balance at December 31, 2010	**Balance at December 31, 2011**
Books and publications	$ 4,956,827	**$ 4,898,550**
Machinery and equipment	256,142	**226,191**
Total	$ 5,212,969	**$ 5,124,741**

As at December 31, 2011, with comparative figures for 2010

6. GOVERNMENT TRANSFERS

The Library recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The Government transfers reported on the Statement of Operations are:

	2011	2010
Revenue:		
Provincial grants:		
Operating	$ 856,482	$ 841,448
BC One Card	36,244	60,071
Resource Sharing	5,398	6,096
Subtotal Provincial grants	898,124	907,615
Federal grants:		
Urban Aboriginal Strategy	-	14,725
Subtotal Federal grants	-	14,725
Total revenues	$ 898,124	$ 922,340

7. ACCUMULATED SURPLUS

	2011	2010
Tangible Capital Assets	$ 5,124,741	$ 5,212,969
Appropriated for Materials on Order	651,354	577,710
Unappropriated Surplus	173,338	173,338
Unfunded Employee Future Benefits	(497,525)	(497,525)
	$ 5,451,908	$ 5,466,492

8. PENSION PLAN

The Library and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members, approximately 63,000 retired members. Active members include approximately 35,000 contributors from local government.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of $1.024 billion for basic benefits. The next valuation will be as at December 31, 2012 with results expected to be available in 2013. The actuary does not attribute portions of the surplus to individual employers.

The Library paid $611,000 for employer's contributions to the Plan in fiscal 2011 (2010 - $552,000). Employees paid $545,000 (2010 - $489,000) for employee contributions to the Plan in fiscal 2011.

9. COMPARATIVE FIGURES

Certain 2010 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

SUPPLEMENTARY FINANCIAL INFORMATION

Schedule 1 STATEMENT OF FINANCIAL POSITION BY FUND

As at December 31, 2011, with comparative figures for 2010

	Operating Fund	Capital Fund	2011	2010
FINANCIAL ASSETS				
Due from the City of Surrey	$ 1,560,665	$ -	**$ 1,560,665**	$ 1,364,987
LIABILITIES				
Employee future benefits	1,152,572	-	**1,152,572**	1,024,603
Deferred revenue	124,175	-	**124,175**	132,331
	1,276,747	-	**1,276,747**	1,156,934
Net Financial Assets	283,918	-	**283,918**	208,053
NON-FINANCIAL ASSETS				
Tangible capital assets	-	5,124,741	**5,124,741**	5,212,969
Prepaid expenses	43,249	-	**43,249**	45,470
	43,249	5,124,741	**5,167,990**	5,258,439
ACCUMULATED SURPLUS	$ 327,167	$ 5,124,741	**$ 5,451,908**	$ 5,466,492

STATEMENT OF FINANCIAL ACTIVITIES BY FUND *Schedule 2*

For the year ended December 31, 2011, with comparative figures for 2010

	Operating Fund	Capital Fund	2011	2010
REVENUES				
City of Surrey operating grant	$ 11,230,196	$ -	**$ 11,230,196**	$ 10,161,000
City of Surrey capital grant	-	1,308,563	**1,308,563**	1,223,921
Provincial and federal grants	898,124	-	**898,124**	922,340
Community contributions	-	735,977	**735,977**	788,437
Fines and fees	576,067	-	**576,067**	590,756
Other	110,507	-	**110,507**	179,369
	12,814,894	2,044,540	**14,859,434**	13,865,823
EXPENSES				
Salaries and benefits	10,404,837	-	**10,404,837**	9,504,858
Site operations	1,315,627	-	**1,315,627**	1,235,265
Library materials collection	431,571	-	**431,571**	392,823
Supplies	205,888	-	**205,888**	228,105
Professional services	193,118	-	**193,118**	151,403
Inter-library services	150,399	-	**150,399**	139,176
Other	39,810	-	**39,810**	159,713
Amortization expense	-	2,132,768	**2,132,768**	2,115,388
	12,741,250	2,132,768	**14,874,018**	13,926,731
Annual Surplus (Deficit)	73,644	(88,228)	**(14,584)**	(60,908)
Accumulated surplus, beginning of year	253,523	5,212,969	**5,466,492**	5,527,400
Accumulated surplus, end of year	$ 327,167	$ 5,124,741	**$ 5,451,908**	$ 5,466,492

A Schedule of Debts has not been prepared because the Surrey Public Library does not have any outstanding debt as of December 31, 2011.

Prepared under the Financial Information Regulation, Schedule 1, section 4

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.

Prepared under the Financial Information Regulation, Schedule 1, section 5

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.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(2)

Surrey Public Library
Schedule of Remuneration and Expenses
For the Year Ended December 31, 2011
Board, Employees and Reconciliation of Remuneration to Financial Statements

MEMBERS OF THE LIBRARY BOARD	BASE SALARY REMUNERATION	TAXABLE BENEFIT & OTHER	TOTAL EXPENSES
Anne Van Rynd	$ -	$ -	$ 105.00
Jas Cheema	-	-	615.75
John Shepherd	-	-	781.18
Mirela Skrijelk	-	-	255.00
Muhammad A. Malik	-	-	105.00
Puneet Agrawal	-	-	363.85
TOTAL MEMBERS OF LIBRARY BOARD	**$ -**	**$ -**	**$ 2,225.78**

NAME	BASE SALARY REMUNERATION	TAXABLE BENEFIT & OTHER	TOTAL EXPENSES
Barlow,Elizabeth A	$ 156,480.20	8,486.53	$ 3,490.04
Bhogal,Surinder K.	96,776.61	2,013.14	473.70
Brajcich,Jennifer M.	94,706.37	1,993.00	91.14
Cooke, Laura J	72,714.21	4,012.66	533.08
Cox, April L.	87,255.30	2,363.79	794.58
De Boeck, Carol J.	94,706.31	1,928.94	923.02
Forouzi, Saied	72,597.75	2,439.97	1,625.44
Ho, Michael C.	108,076.40	4,692.55	2,905.41
Houlden, Melanie G.	123,333.04	2,626.65	2,386.60
Murphy, Mary P.	82,992.92	1,145.87	667.17
Prophet, Katherine T.	82,991.13	2,021.30	-
Shandler, Carolyn A	71,627.28	3,415.53	281.75
Thind, Harjinderpal S.	70,845.10	4,538.77	505.44
Tong, Tania W	72,714.18	2,502.70	1,560.96
Walsh, W. James	82,991.17	1,350.39	894.20
Wile, Jennifer R.	90,608.97	1,043.55	308.00
TOTAL EMPLOYEES OVER $75,000	**$ 1,461,416.94**	**$ 46,575.34**	**$ 17,440.53**
TOTAL EMPLOYEES UNDER $75,000	**$ 7,055,595.39**	**$ 411,180.55**	**$ 25,008.45**
TOTAL ALL	**$ 8,517,012.33**	**$ 457,755.89**	**$ 44,674.76**

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

RECONCILIATION:

Base salary remuneration	$ 8,517,012.33
Taxable benefit & other	457,755.89
Total remuneration - all employees	8,974,768.22
Reconciling items:	
Add: Other benefit overhead	1,350,061.98
Less: Prior-year accrual	- 181,642.96
Add: Current-year accrual	230,435.19
Total Library Salary and Benefits	$ 10,373,622.43
Total Library Salaries and Benefits per Statement of Operations	$ 10,404,836.74
Less: Payroll labour allocations	- 31,214.31
Total Library Salary and Benefits	$ 10,373,622.43

There were **no** severance agreements made between the Surrey Public Library and its non-unionized employees during the fiscal year ending December 31, 2011.

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.

Prepared under the Financial Information Regulation, Schedule 1, subsection 7(1)

Surrey Public Library
Schedule of Payments to Suppliers for
Goods and Services
For the year ended December 31, 2011

SUPPLIER NAME		AGGREGATE AMOUNT PAID TO SUPPLIERS
3M CANADA COMPANY COMPAGNIE 3M CANADA		50,932.01
ARGUS CARRIERS LTD.		133,806.38
ASIAN PUBLICATIONS		49,967.29
BC HYDRO		215,269.00
BEEDIE 132ND STREET SURREY LP		48,689.35
BEST FACILITIES SERVICES LTD.		25,513.35
BRITISH COLUMBIA LIBRARY ASSOCIATION		91,707.21
CLEAN FOR YOU CLEANING SERVICES LTD.		46,766.10
CVS MIDWEST TAPE LLC		276,148.82
EBSCO CANADA LTD.		48,182.47
EDU REFERENCE PUBLISHERS DIRECT INC.		62,064.25
FORTIS (TERASEN) GAS		94,561.18
IMPERIAL HOBBIES		45,396.57
LIBERTY QUEST ENTERPRISES INC.		29,400.00
MILLS BASICS		32,526.99
OMNI FACILITY SERVICES CANADA LIMITED		63,446.88
PALADIN SECURITY GROUP LTD.		35,049.39
PRIME BUILDING MAINTENANCE LTD.		135,411.15
PUBLIC LIBRARY INTERLINK		264,076.79
RECORDED BOOKS,LLC		55,046.04
RIOKIM HOLDINGS (STRAWBERRY HILL) INC.		88,155.46
STRICKER BOOKS		110,287.85
THE NEWS GROUP		75,919.23
UNITED LIBRARY SERVICES INC.		563,617.64
UNITED PROTECTION SERVICES INC.		74,494.62
VANCOUVER KIDSBOOKS		609,971.44
WHITEHOTS INC.		135,661.15
PAYMENTS TO SUPPLIERS WHO RECEIVED AGGREGATE PAYMENTS EXCEEDING $25,000	**$**	**3,462,068.61**
CONSOLIDATED TOTAL PAID TO SUPPLIERS WHO RECEIVED AGGREGATE PAYMENTS OF $25,000 OR LESS	**$**	**842,690.27**

Surrey Public Library
Schedule of Payments to Suppliers for Goods and Services
For the year ended December 31, 2011
Reconciliation to Financial Statements

RECONCILIATION:				**2011**
Total of aggregate payments exceeding $25,000 paid to suppliers			$	3,462,069
Consolidated total of payments of $25,000 or less paid to suppliers				842,690
Employee remuneration expenses				42,449
Less: Prior-year accruals				-
Add: Current-year accruals				35,600
Add: Net capital acquisitions				
Cash used to acquire tangible capital assets	-	2,044,540		
Amortization expense		2,132,768		
Reconciling capital item *		366		
				88,594
Less: Increase in prepaid expenses			-	2,221
Total Library Operating Expenses			**$**	**4,469,181**
Total Statement of Operations			$	14,874,018
Less: Salary and Benefits per Statement of Operations			-	10,404,837
Total Library Operating Expenses			**$**	**4,469,181**

* 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.