

## AGENDA

**REGULAR MEETING  
OKANAGAN REGIONAL LIBRARY BOARD  
LIBRARY HEADQUARTERS BOARDROOM  
1430 K.L.O. ROAD, KELOWNA, BC  
WEDNESDAY, MAY 17, 2017  
10:00 AM - 11:30 AM**

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"The purposes of this (Library Act) are...to encourage the extension and use of public library service throughout British Columbia...to enable the delivery of public service in British Columbia...to support improvements in Public Library service."

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**1. CALL TO ORDER**

10:00 AM

**2. ADOPTION OF AGENDA**

10:00 – 10:01 AM

*Motion:*

*THAT the Agenda be adopted.*

**3. ADOPTION OF PREVIOUS MINUTES – February 15, 2017** Pages 4 - 9

10:01 – 10:02 AM

*Motion:*

*THAT the Minutes of the Regular Board Meeting held, February 15, 2017 be adopted.*

**4. FINANCE COMMITTEE REPORT – Chair Bryden Winsby**

10:02 – 10:30 AM

**4.1. Audited Financial Statements for 2016 – Presented by Ken Carmichael, BDO**

Canada

10:02 – 10:20 AM

a) Auditor's Final Report to the Board PAGES 10 - 35

b) 2016 Audited Financial Statements PAGES 36 - 57

*Committee Recommendation:*

*THAT the Auditor's Report be received for information; and*

*THAT the 2016 Audited Financial Statements be approved as presented.*

c) 2016 Statement of Financial Information PAGES 58 – 70

*Motion:*

*THAT the 2016 Statement of Financial Information be received for information.*

**4.2. Appoint Auditor for 2017 Audit**

10:20 – 10:25 AM

*Recommendation:*

*THAT BDO Canada be appointed as auditor for the 2017 ORL audit.*

**4.3. Internal Financial Statements to March 31, 2017 – D. Nettleton** PAGES 71 -73

10:25 – 10:30 AM

**5. POLICY AND PLANNING COMMITTEE REPORT – Chair Karla Kozakevich**

10:30 – 10:45 AM

- a) Policy Section III: Library Membership, B. Membership Junior: BC School Child Program (Policy pg. 15) PAGES 74 - 75

*Committee Recommendation:*

*THAT the following sentence be removed from Policy Section III: “Under the BC Schoolchild library card program, children living in Area ‘H’ of the Okanagan Similkameen Regional District are issued cards that expire 1 year from date of issue.”*

- b) Policy Section III: Library Membership, C. Late Fees and Other Charges (Policy pg. 21) PAGES 76 - 77

*Committee Recommendation:*

*THAT the following sentence be removed from Policy Section III: “Materials may be faxed or scanned upon request, to a customer’s home or business for the following charges: \$2 for the first page and \$1 for each additional page for either local or long-distance requests.”*

- c) Policy Section IX: Gifts and Donor Recognition. C. Definitions - Proposed New Sponsorship and Partnership Policy (Policy pg. 49) PAGES 78 - 79

*Committee Recommendation:*

*THAT the draft sponsorship and partnership policy be approved and added to Policy Section IX.*

- d) Policy Section II: Board Organization and Structure, A. Meetings (Policy pg. 8) PAGES 80 -81

*Committee Recommendation:*

*THAT the following language be added to Policy Section II: “In general, Board members are permitted to share in-camera items with their own councils in-camera where relevant. If an item is not to be shared in this way, a formal motion will be required.”*

**6. STAFF REPORTS**

10:45 – 11:25 AM

**6.1. CEO Report – Stephanie Hall**

10:45 – 11:05 AM

**a) Branch Updates**

- Keremeos Branch & Letter from RDOS re Funding, dated April 13, 2107<sup>PG 82</sup>
- Peachland Branch
- Silver Creek Branch

**b) Strategic Planning / Operational Plan**

2017 Operational Plan <sup>PAGES 83 - 86</sup>

**c) 2016 Annual Report (to be distributed)**

*Motion:*

*THAT the 2016 Annual Report be approved.*

**6.2. Public Services**

11:05 – 11:10 AM

Access Card Pilot Project, Evaluation – M. Gaucher & T. Thompson <sup>PAGES 87 - 91</sup>

**6.3. Marketing & Communications – Michal Utko**

11:10 – 11:25

Brand Concept Review

**7. CHAIR REPORT – Catherine Lord**

11:25 – 11:30 AM

Funding for BC Public Libraries

- a) Letter from Minister Mike Bernier re public library funding, dated March 9, 2017 <sup>PAGE 92</sup>
- b) Letter from District of Peachland re support for ORL, dated February 28, 2017 <sup>PAGES 93 - 94</sup>

**8. TRUSTEE REPORTS**

Board members will sometimes report on branch visits or library related events in their community

**9. NEW BUSINESS**

**10. ADJOURNMENT**

**DRAFT**

Note: These Minutes Have Not Yet  
Been Adopted by the Library Board

**OKANAGAN REGIONAL LIBRARY  
MINUTES OF THE MEETING OF THE BOARD  
HELD AT 1380 ELLIS STREET, KELOWNA, BC  
WEDNESDAY, FEBRUARY 15, 2017**

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*"The purposes of this (Library Act) are...to encourage the extension and use of public library service throughout British Columbia...to enable the delivery of public service in British Columbia...to support improvements in Public Library service."*

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**MEMBERS PRESENT:**

Linda Werner, Armstrong  
Gyula Kiss, Coldstream  
Tundra Baird, Enderby  
Sherry Philpott-Adhikary, Keremeos  
Nick Hodge, Lumby  
Maureen Doerr, Oliver  
Carol Youngberg, Osoyoos  
Mario Vucinovic, Peachland  
Tim Lavery, Salmon Arm

Janna Simons, Sicamous  
Christine Fraser, Spallumcheen (Alt)  
Erin Carlson, Summerland  
Catherine Lord, Vernon  
Carol Zanon, West Kelowna (Alt)  
Larry Morgan, CSRD  
Hank Cameron, NORD  
Karla Kozakevich, OSRD  
Wayne Carson, CORD

**MEMBERS ABSENT:**

Caleb Moss, Golden  
Tracy Gray, Kelowna  
Owen Dickie, Lake Country

Rosemary Doughty, Princeton  
Linda Nixon, Revelstoke  
Roxanne Lindley, WFN

**STAFF PRESENT:**

Stephanie Hall, CEO/Secretary to the Board  
Don Nettleton, Chief Financial Officer  
Georgia McKay, Public Services Manager – Customer Experience  
Carla Phillips, Director of Human Resources  
Jeff Campbell, Chief Technology Officer  
Leah Samson, Administrative Services Manager/Recording Secretary  
Michal Utko, Marketing & Communications Manager

**AND:**

Christine McPhee, Kelowna Branch Head, PEA Representative  
Rose Jurkic, ORL, CUPE Representative  
Ken Carmichael, BDO Canada

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**CALL TO ORDER**

The meeting was called to order at 9:35 AM. Quorum was established.

## **Outgoing Chair's Remarks**

### **Introduction of Guests and Welcome New Board Members**

Outgoing Chair Catherine Lord reported on the successes and highlights of 2016, including:

- Implementation of a new 4-year strategic plan with a focus on learning and community involvement;
- Fiscally ensuring that communities are receiving equitable library service applicable with contribution levels (FAMA model);
- 5.5% increase of online and in person visits
- 2.6% increase of electronic and physical circulations
- 2.4% increase of active members
- 18.7% increase of program attendance
- 40.5% increase of w-fi usage
- Renovation of the Kelowna Branch to reflect an emphasis on learning and community.

She thanked the board, management, staff and ORL patrons, and then introduced new board and staff members:

- Hank Cameron, Trustee for North Okanagan Regional District;
- Nick Hodge, Trustee for Lumby;
- Carol Zanon, Alternate Trustee for West Kelowna;
- Christine Fraser, Alternate Trustee for Spallumcheen;
- Michal Utko, ORL Marketing & Communications Manager.

## **1. AGENDA REVIEW**

MOTION 1 15/02/2017

Moved by Karla Kozakevich, seconded by Sherry Philpott-Adhikary,  
THAT the agenda be adopted.  
CARRIED

## **2. APPROVAL OF PREVIOUS MINUTES – November 16, 2016**

MOTION 2 15/02/2017

Moved by Larry Morgan, seconded by Karla Kozakevich,  
THAT the minutes of the meeting held November 16, 2016 be adopted.  
CARRIED

### **3. ELECTION OF BOARD OFFICERS**

#### Summary of Elected Positions and Time Commitments

##### **3.1. Nominations Committee Report**

##### **3.2. Elections**

- a) Board Chair
- b) Board Vice Chair
- c) Finance Committee Chair
- d) Personnel Committee Chair
- e) Policy & Planning Committee Chair

CEO Stephanie Hall conducted the elections, and announced the following nominations:

##### Chair:

Catherine Lord, Vernon (by the Nominations Committee)  
There being no other nominations, Catherine Lord was elected by acclamation.

##### Vice-Chair:

Karla Kozakevich, RDOS (by the Nominations Committee)  
There being no other nominations, Karla Kozakevich was elected by acclamation.

##### Finance Chair:

Bryden Winsby, West Kelowna (by the Nominations Committee)  
There being no other nominations, Bryden Winsby was elected by acclamation.

##### Personnel Chair:

Sherry Philpott-Adhikary, Keremeos (by the Nominations Committee)  
There being no other nominations, Sherry Philpott-Adhikary was elected by acclamation.

##### Policy & Planning Chair:

Karla Kozakevich, RDOS (by the Nominations Committee)  
There being no other nominations, Karla Kozakevich was elected by acclamation.

The meeting was turned over to newly elected Chair Catherine Lord.

### **4. APPOINT BC LIBRARY TRUSTEES' ASSOCIATION LIAISON**

Erin Carlson was appointed BCLTA Liaison for a second term.

## 5. APPOINT SIGNING OFFICERS

MOTION 3 16/02/2017  
Moved by Christine Fraser, seconded by Carol Zanon,  
THAT the following be appointed as ORL signing officers for 2017:

- |                               |                |
|-------------------------------|----------------|
| - Board Chair                 | Catherine Lord |
| - Finance Committee Chair     | Bryden Winsby  |
| - Secretary to the Board      | Stephanie Hall |
| - Chief Financial Officer     | Don Nettleton  |
| - Public Services Manager     | Georgia McKay  |
| - Public Services Manager     | Monica Gaucher |
| - Director of Human Resources | Carla Phillips |

CARRIED

## 6. FINANCE COMMITTEE REPORT

### 6.1. BDO Dunwoody, Auditor Presentation – Ken Carmichael

#### Planning Letter to the Board

Item 6.1 'Auditor Presentation' was deferred to later in the meeting. Item 6.2 'Internal Financial Statements' and Item 7 'CEO Report' were moved to the next order of business.

### 6.2. Memo & Internal Financial Statements to November 30, 2016 – CFO Don Nettleton

The financial statements were distributed. Don Nettleton reported that results continue to come in close to budget overall and he did not anticipate any material items of concern for 2016.

MOTION 4 15/02/2017  
Moved by Maureen Doerr, seconded by Carol Youngberg,  
THAT the internal financial statements to November 30, 2016 be received for information.  
CARRIED

## 7. CEO REPORT – CEO Stephanie Hall

A written report was provided with a verbal supplement.

MOTION 5 15/02/2017  
Moved by Larry Morgan, seconded by Carol Youngberg,  
THAT the CEO Report be received for information.  
CARRIED

Item 6.1 'Auditor Presentation' was moved to the next order of business.

**6.1 BDO Dunwoody, Auditor Presentation – Ken Carmichael**

Planning Letter to the Board

Ken Carmichael, partner with the auditing firm BDO Canada LLP, presented the board with the audit planning report for 2017.

MOTION 6    15/02/2017  
Moved by Gyula Kiss, seconded by Christine Fraser,  
THAT the Auditor's letter dated November 28, 2016, and presentation be received for information.  
CARRIED

**8. POLICY AND PLANNING COMMITTEE REPORT – Chair Karla Kozakevich**

Sponsorship Policy, Update & Discussion

Karla Kozakevich reported that the committee met on February 6 to further discuss the draft sponsorship and partnership guidelines (see FYI package for minutes). Board members were asked to review the guidelines and provide any feedback or recommendations to Karla and Stephanie Hall by March 15. A draft policy will be presented for approval at the May board meeting.

MOTION 7    15/02/2017  
Moved by Larry Morgan, seconded by Sherry Philpott-Adhikary,  
THAT the Policy and Planning Committee Report be received for information.  
CARRIED

**9. CHAIR AND TRUSTEE REPORTS**

Board members will sometimes speak about branch visits or other Library related events in their community

Provincial Operating Grant

RDOS Director Karla Kozakevich reported that she and Stephanie Hall met with Penticton MLA Dan Ashton in regards to the Select Standing Committee on Finance and Government Services' Report on the Budget 2017 Consultations, and their recommendation to provide inflation-adjusted funding increases to public libraries. The Report will be tabled in the House in February.



Silver Creek Branch

RDCS Director Larry Morgan reported that he and Stephanie Hall attended a Silver Creek Community Association Meeting on February 7, to discuss library service for the area. A library services community survey has been extended to February 28. The purpose of the survey is to hear how people in Silver Creek and surrounding areas are using their local branches and which services they find most important. Staff will report back.

Westbank Branch

West Kelowna Councillor Carol Zanon reported that Council will hold their annual budget open house this afternoon in the ORL's Westbank Branch.

**10. NEXT MEETING** – Wednesday, May 17, 2017

**11. ADJOURN TO IN-CAMERA MEETING**

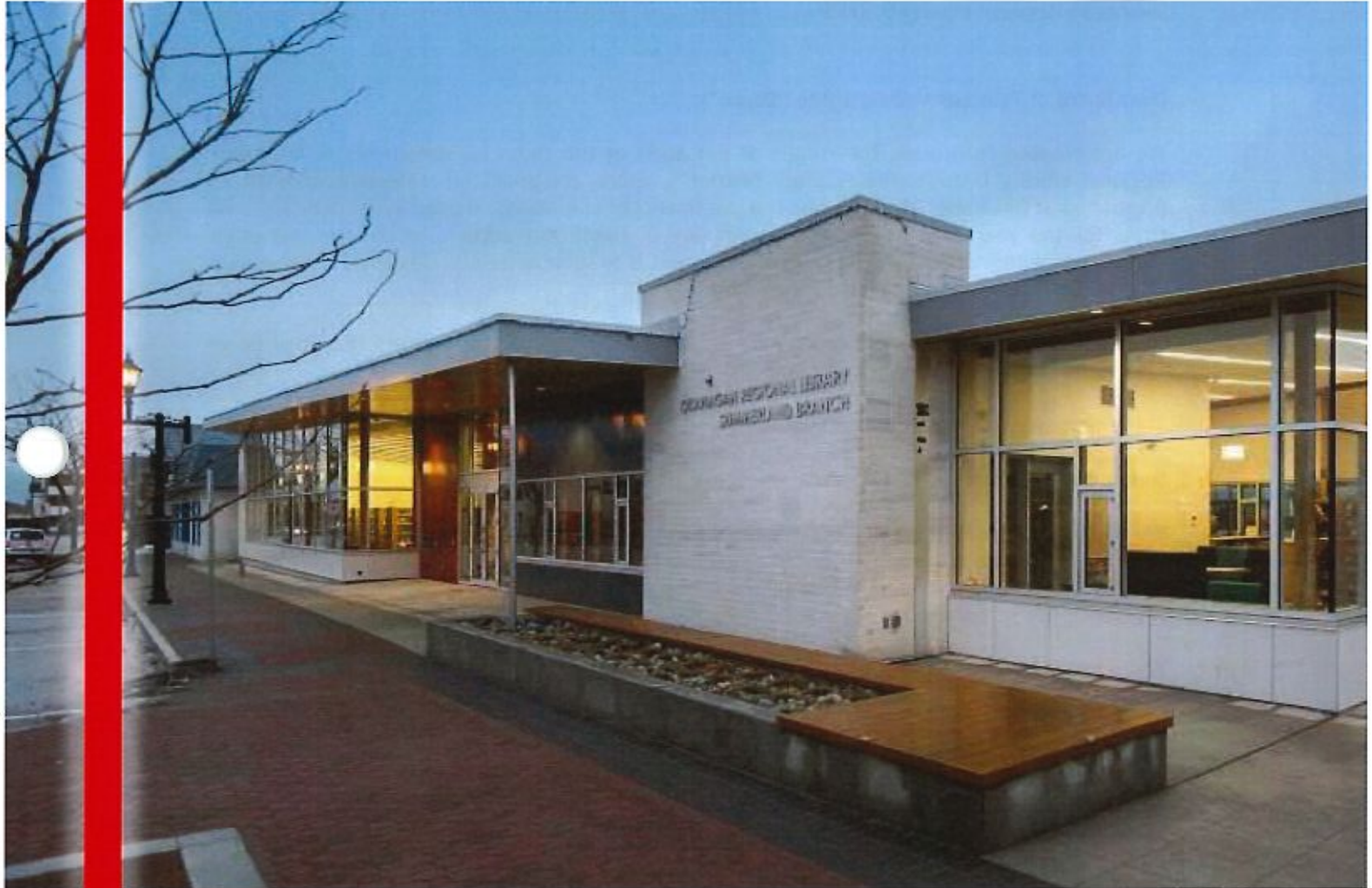
MOTION 8 15/02/2017  
Moved by Karla Kozakevich, seconded by Tim Lavery,  
THAT the regular meeting be adjourned.  
CARRIED

The meeting adjourned at 11:00 AM.

# Okanagan Regional Library District

## Final Report to the Board of Trustees

May 17, 2017



Prepared by: **BDO**



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Landmark Technology Centre  
400 - 1631 Dickson Ave  
Kelowna, BC V1Y 0B5

May 17, 2017

Members of the Board of Trustees  
Okanagan Regional Library District

Dear Board of Trustees Members (the "Board"):

We are pleased to present the results of our audit of the financial statements of Okanagan Regional Library District (the "Library District"), which comprise the statement of financial position as at December 31, 2016, and the statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The purpose of our report is to summarize certain aspects of the audit that we believe to be of interest to the Board.

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Board in fulfilling its responsibilities.

This report has been prepared solely for the use of the Board and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

We wish to express our appreciation for the co-operation we received during the audit from the Library District's management and staff who have assisted us in carrying out our work. We look forward to meeting with you to discuss the contents of this report and any other matters that you consider appropriate.

Yours truly,

K.J. Carmichael, CPA, CA

Partner through a corporation  
BDO Canada LLP  
Chartered Professional Accountants



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## Section 1

### Important Canadian Auditing Standards Topics





## STATUS OF THE AUDIT

As of the date of this final report, we have substantially completed our audit of the 2016 financial statements pending the completion of the items highlighted below. These items will need to be completed prior to issuance of our audit report on the financial statements.

### COMPLETION OF AUDIT

- Receipt of signed management representation letter
- Subsequent events review through to financial statement approval date

### FINANCIAL STATEMENTS

- Approval of financial statements by the Board of Trustees

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement. The scope of the work performed was substantially the same as that described in our Planning Report to the Board dated January 25, 2017.

## INDEPENDENCE

At the core of the provision of external audit services is the concept of independence. Canadian generally accepted auditing standards require us to communicate to the Board at least annually, all relationships between BDO Canada LLP and its related entities and the Library District and its related entities, that, in our professional judgment, may reasonably be thought to bear on our independence with respect to the audit of the Library District.

Our annual letter confirming our independence was previously provided to you in our audit planning letter. We confirm that as of the date of this letter that we remain independent with respect to the Library District.

## MATERIALITY

Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As communicated to you in our Planning Report to the Board, preliminary materiality was \$275,000. Final materiality remained at \$275,000 as the final numbers did not differ greatly from the preliminary figures.

## RESPONSIBILITIES OF THE AUDITOR

It is important for the Board of Trustees to understand the responsibilities that rest with the Library District and its management and those that belong to the auditor. The audit of financial statements does not relieve management or those charged with governance of their responsibilities as outlined in our Planning Report to the Board dated January 25, 2017. A summary of the auditor's responsibilities is as follows:

- The auditor's responsibility is to express an opinion on each financial statement based on an audit thereof;
- An audit is performed to obtain reasonable, but not absolute, assurance as to whether the financial statements are free of material misstatement and, owing to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the financial statements will not be detected (particularly intentional misstatements concealed through collusion), even though the audit is properly planned and performed;
- The audit includes:
  - (i) Assessing the risks of material misstatement of the financial statements, whether due to fraud or error;
  - (ii) Obtaining an understanding of the entity and its environment including internal control in order to plan the audit and to assess the risk that the financial statements may contain misstatements that, individually or in the aggregate, are material to the financial statements taken as a whole;
  - (iii) Examining, on a test basis, evidence supporting the amounts and disclosures in each financial statement;
  - (iv) Assessing the accounting principles used and their application; and
  - (v) Assessing the significant estimates made by management;
- When the auditor's risk assessment includes an expectation of the operating effectiveness of controls, sufficient appropriate audit evidence is obtained through tests of controls to support the assessment, but the scope of the auditor's review of internal control is insufficient to express an opinion as to the effectiveness or efficiency of the entity's controls; and
- The auditor will express an opinion as to whether the each financial statement presents fairly in all material respects, in accordance with Canadian generally accepted accounting principles, the financial position, results of operations and cash flows of the entity.

Further details regarding our responsibilities are outlined in our engagement letter which was included in our Planning Report to the Board dated January 25, 2017.



## AUDIT FINDINGS

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Library District's accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In order to have a frank and open discussion, these matters will be discussed verbally with you. A summary of the key discussion points are as follows:

### ACCOUNTING AND AUDIT MATTERS

#### Budget Allocation

Given that there is a risk that management may manage purchases to match the budget by deferring costs to a later period; accruing and expensing costs to utilize unused budgeted funds; or allocating costs to different expense categories, we performed the following procedures to mitigate this risk:

- Reviewed expense accounts for capital items;
- Performed a search for unrecorded liabilities; and
- Performed variance analysis of current year in comparison to prior year and to budget.

During the course of these audit procedures, it was assessed that the budget allocations are reasonable.

#### Estimates Useful Life of Capital Assets

Given the size and type of the Library District's tangible assets, a risk was raised with regard to the useful life of capital assets, such that an error in this estimate could have a material impact on the financial statement. In order to mitigate this risk, we performed the following procedures:

- Reviewed estimated useful life of tangible capital assets for the purpose of depreciation to determine that they are reasonable and consistently applied.

It was determined estimated useful life of tangible capital assets are reasonable and consistently applied.



## AUDIT FINDINGS (Continued)

### ACCOUNTING AND AUDIT MATTERS (Continued)

#### Reserves

The reserve accounts are reconciled once per year at year end. As such, allocation errors could have a material impact on capital assets and purchases. In addition, transactions are sometimes posted directly to reserve accounts, instead of being transferred through the operating fund making reconciliation difficult. In order to mitigate these risks, we performed the following procedures:

- Obtained general ledger print outs and:
  - a. Agreed changes to appropriate source documentation;
  - b. Manually reconciled accounts with significant transactions; and
  - c. Checked arithmetic accuracy.

It was determined that the balances in reserve funds are reasonable.

### MANAGEMENT REPRESENTATIONS

During the course of our audit, management made certain representations to us. These representations were verbal or written and therefore explicit, or they were implied through the financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. Such representations were part of the evidence gathered by us to be able to draw reasonable conclusions on which to base our audit opinion. These representations were documented by including in the audit working papers memoranda of discussions with management and written representations received from management.

A summary of the representation we have requested from management can be requested from management or us.

### ACCOUNTING ADJUSTMENTS

We discussed all significant adjusting journal entries that we proposed during the course of our audit with management. Management receives a copy of these adjustments and they are reviewed and approved by management. Copies of adjustments if so required can be requested of management or us.

### FINANCIAL STATEMENT DISCLOSURE OMISSIONS

During the course of our audit we noted no circumstances where required financial statement disclosure was either avoided or requested to be left out by management.

## AUDIT FINDINGS (Continued)

### UNADJUSTED AUDIT DIFFERENCES

Management has determined that the unadjusted differences are immaterial both individually and in aggregate to the financial statements taken as a whole. Should the Board agree with this assessment, we do not propose further adjustments.

Description of Misstatement	Identified Misstatement	Assets Dr(Cr)	Liabilities Dr(Cr)	Opening R/E Dr(Cr)	Income Dr(Cr)
To accrue City of Kelowna portion of flooring replacement	\$13,910	13,910	-	-	(13,910)
Effects of Previous Year's Errors, Net of Tax Effects	-	-	-	-	-
Tax Effect	-	-	-	-	-
<b>Likely Aggregate Misstatements</b>	<b>\$13,910</b>	<b>13,910</b>	<b>-</b>	<b>-</b>	<b>(13,910)</b>

## FRAUD DISCUSSION

Canadian generally accepted auditing standards require us to discuss fraud risk with the Board on an annual basis. As an update to the discussion held with the Board during the planning of our audit, we have prepared the following comments:

Required Discussion	BDO Response	Question to Board
<p>Details of existing oversight processes with regards to fraud.</p>	<p>Based on our discussions during the planning of our audit, the Board's oversight processes include:</p> <ul style="list-style-type: none"> <li>• Board charters;</li> <li>• Discussions at Board meetings;</li> <li>• Review of related party transactions; and</li> <li>• Consideration of tone at the top.</li> <li>• Review of controls and control environment with management.</li> </ul>	<p>Are there any new processes or changes in existing processes relating to fraud since the date of our previous discussions, that we should be aware of?</p>
<p>Knowledge of actual, suspected or alleged fraud.</p>	<p>Currently, we are not aware of any actual, suspected or alleged fraud.</p>	<p>Are you aware of any instances of actual, suspected or alleged fraud affecting the Library District?</p>

### AUDITORS' RESPONSIBILITIES FOR DETECTING FRAUD

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error, because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.



## FRAUD DISCUSSION (Continued)

### OVERVIEW OF PROCEDURES DESIGNED TO DETECT FRAUD

#### Management Override of Controls Risk

Canadian Audit Standard 240.32 requires auditors to consider the potential risk of management override of controls and management biases with estimates. In order to mitigate this risk, we performed the following procedures:

- Tested the appropriateness of routine and non-routine journal entries recorded to the general ledger; and
- Reviewed accounting estimates and considered their appropriateness.

From the extent of our testing we determined that no management override of controls occurred and that estimates were free of clear management bias.

#### Fraud Risk Related to Revenue Recognition

Canadian Audit Standard 240.26 requires that auditors presume there are risks of fraud related to revenue recognition and the types of revenue, revenue transactions and assertions that give rise to such risks must be evaluated. In order to mitigate this risk, we performed the following additional procedures:

- Reviewed the adequacy of controls over revenue;
- Performed analytical procedures to determine the reasonableness of the revenue; and
- Performed additional audit procedures designed specifically to detect potential fraudulent transactions in the revenue streams. This was primarily performed by testing additional samples and items related to revenue to increase the overall testing.

From the extent of our testing we determined that no clear fraud related to revenue recognition occurred.

## INTERNAL CONTROL MATTERS

During the course of our audit, we performed the following procedures with respect to the Library District's internal control environment:

- Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- Discussed and considered potential audit risks with management.

The results of these procedures were considered in determining, the extent and nature of substantive audit testing required.

We are required to report to you in writing, significant deficiencies in internal control that we have identified during the audit. A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

During the course of our audit, there were no significant deficiencies in internal control noted.

## OTHER REQUIRED COMMUNICATIONS

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the table below summarizes these additional required communications.

Communication Required	Auditors' Response
Potential effect on the financial statements of any material contingencies or commitments, such as pending litigation, that are required to be disclosed in the financial statements.	There are no material contingencies or commitments that need to be disclosed in the financial statements other than normal course items.
Matters involving non-compliance with laws and regulations.	We noted no instances of non-compliance with laws or regulations during the course of our audit.
Material uncertainties related to events and conditions that may cast significant doubt on the Library District's ability to continue as a going concern.	There is no going concern issue noted.
Disagreements with management about matters that, individually or in aggregate, could be significant to the Library District's financial statements or our audit report.	No disagreements were noted with management.
Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.	None noted.
Discussion of whether subsequent events are appropriately disclosed or resulted in adjustments.	No subsequent events noted.
Discussion of whether scope limitations were present, preventing us from carrying out our audit completely.	No scope limitations were noted.
Discussion of whether the audit report required modifications or a qualified audit report was issued.	No report modifications were needed and the opinion was unqualified.



## Section 2

### Audit Process Summary



## AUDIT STRATEGY

The overall audit strategy for the yearend audit of the Library District remained consistent with the strategy that we discussed in our planning letter. To briefly recap that information, BDO performed a risk based audit which allows us to focus our effort on higher risk areas and other areas of concern for management or those charged with governance.

Two basic audit approaches generally exist for auditors to utilize and the use of a particular approach depends largely on the auditors overall assessment of the entity including the control environment and risk. For the audit of the Library District we took a combined approach. This means that we relied on the control functions of the Library District for at least some of our testing. The following is meant for discussion purposes only and is intended to facilitate conversation surrounding how key financial statement areas of the Library District were audited. The summaries below are not meant to be an exhaustive description of the procedures we performed.

### STATEMENT OF FINANCIAL POSITION APPROACH

Financial Assets	
Accounts Receivable	As a primary procedure we review larger accounts receivable balances by obtaining supporting documentation and then vouching receivables to subsequent collection. This testing provides support for the existence and valuation of the receivables. As supplementary tests, we perform cut off tests to ensure that amounts have been recorded in the proper period and we also conduct certain reasonability testing on amounts, especially if they are significantly aged.
Tangible Capital Assets	We obtained the asset registers and recalculate the register(s) to check for accuracy and consistency. We focus our testing on larger capital asset additions (with a sample of smaller items) and vouch those additions to supporting documentation. For book purchases we rely on controls in place and verify that the controls for the purchasing and accurate recording of books is consistently followed.
Financial Liabilities	
Accounts Payable and Accrued Liabilities	Our primary risk is that liabilities are not recorded or are under recorded. As a result, perform cut-off testing to ensure that expenses / purchases have been recorded in the proper period. We also do a review of all significant accruals.
Long Term Debt	We obtain the loan statements directly from MFA and confirm the loan balance. 3 <sup>rd</sup> party documentation provides the greatest audit support for balances.



## AUDIT STRATEGY (Continued)

### STATEMENT OF FINANCIAL POSITION APPROACH (Continued)

Surplus	
Reserves	We obtain and review continuity schedules for each reserve. We agree opening balances and investigate unusual items.
Equity in Tangible Capital Assets (TCA)	We obtain and review continuity schedules for equity in TCA. We generally perform a recalculation of the fund to ensure it matches with the capital assets recorded.

### STATEMENT OF OPERATIONS APPROACH

Revenue	
Assessments	We agree assessment revenue to amounts approved by the Board in the annual budget. We also perform test calculations to ensure each municipality's portion is reasonable and accurate.
Grants	We obtain copies of the funding agreements and agree them to the revenue recorded. We assess if the grants should be recorded as revenue or deferred for future years. We also review the minutes for any new grants that were discussed to ensure the grants have been recorded or deferred.
Fines, damaged and lost books	We obtain a sample of fines, damaged and lost book revenue and agree the amount from the system to what was recorded in the general ledger.

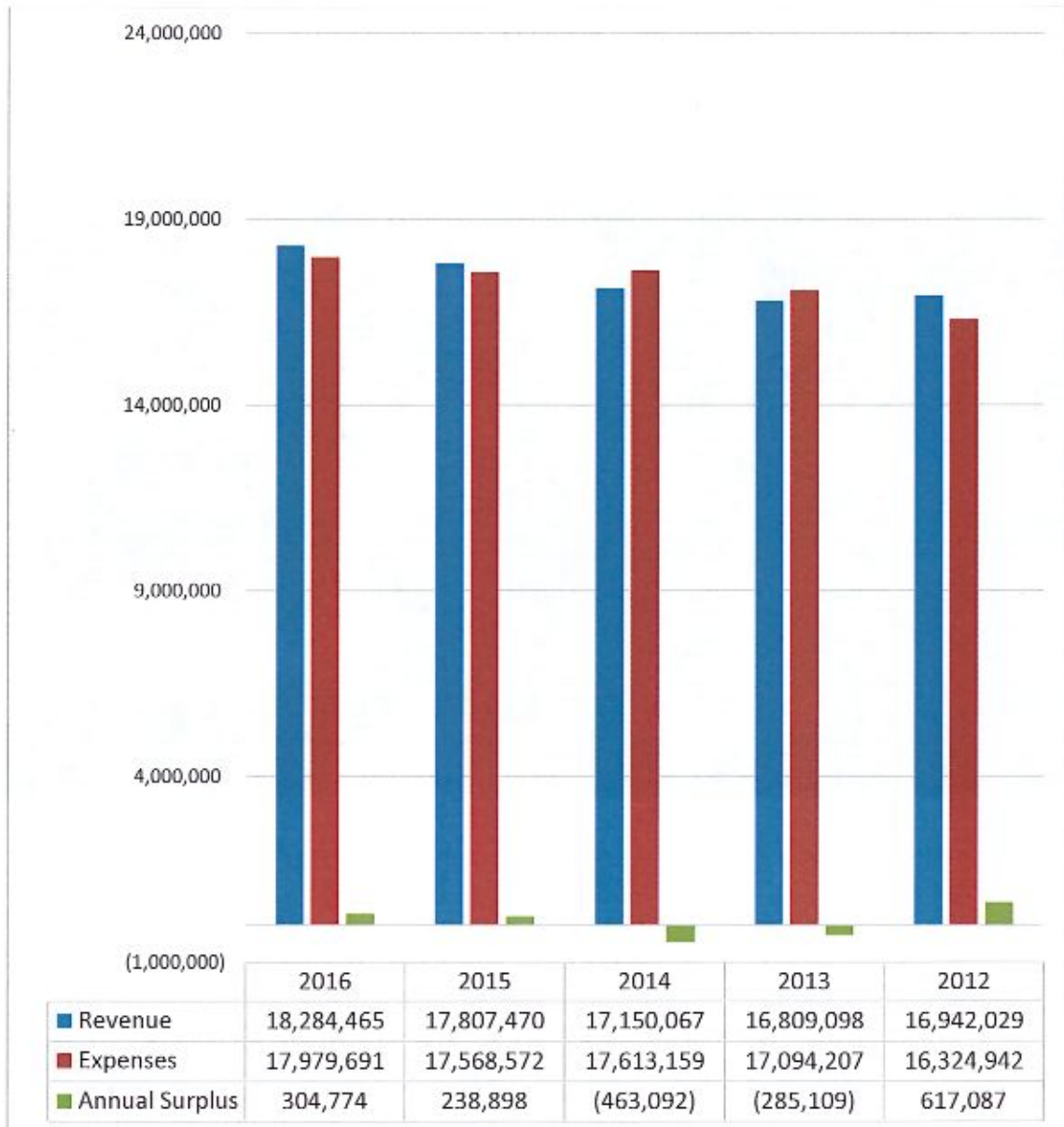
Expenses	
Purchases / Expenses	We perform test of controls on a cyclical basis. This tests the various input and output controls for the purchase system. We also perform a detailed comparison of budget to actual by significant account grouping and follow-up on significant variances.
Interest on Long Term Debt	We obtain the long term debt schedules from MFA and agree the amount of interest and actuarial gains per the schedules to the amount recorded in the general ledger. We also perform a recalculation of the interest expense to make sure the amount recorded is reasonable.

## Section 3

### Financial Highlights

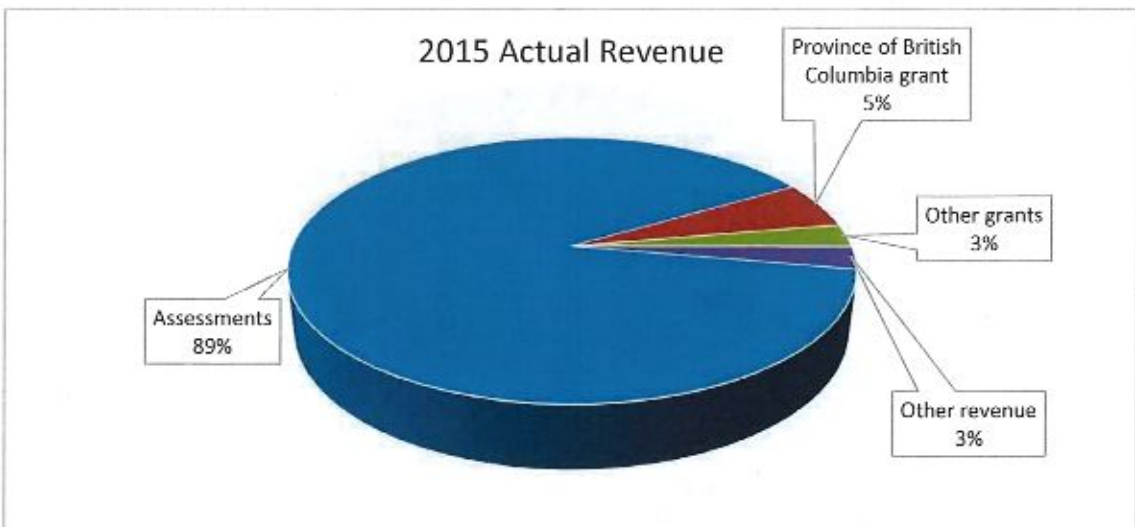
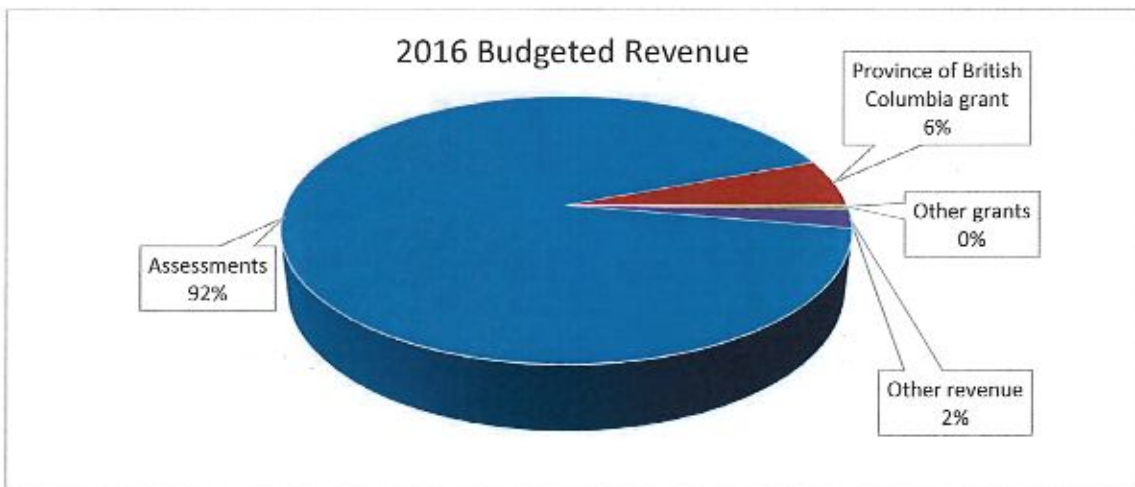


## TOTAL REVENUE, EXPENSES, AND ANNUAL SURPLUS

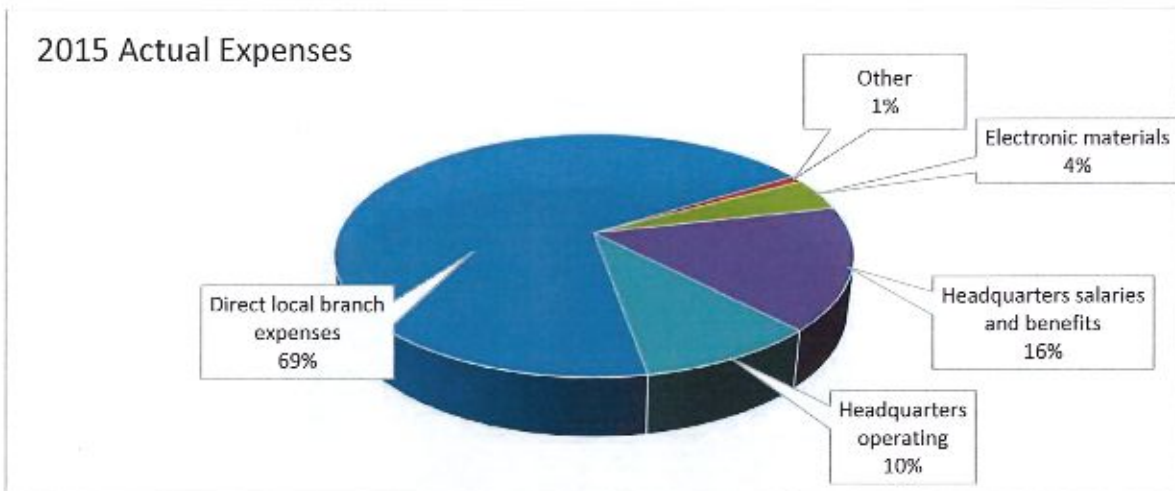
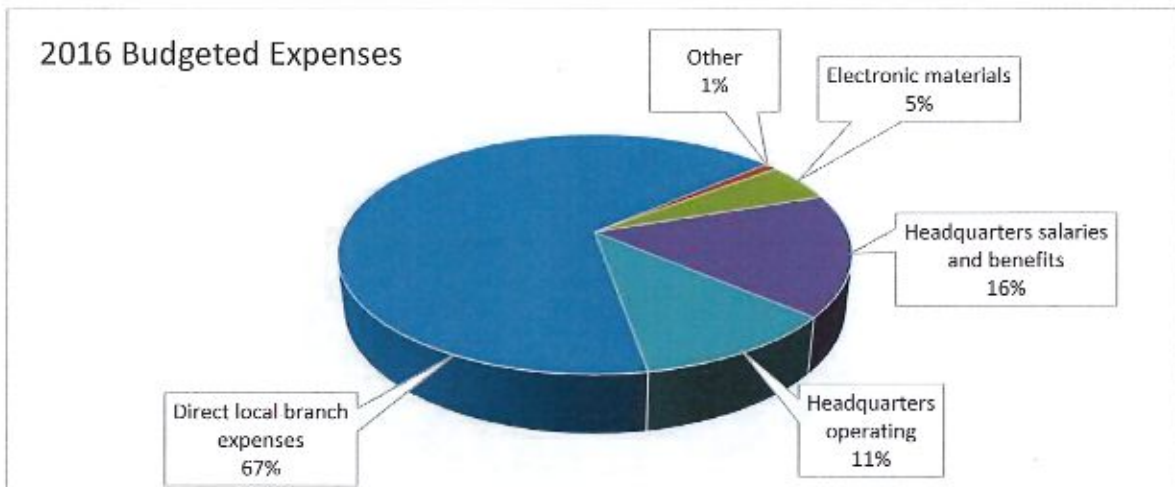
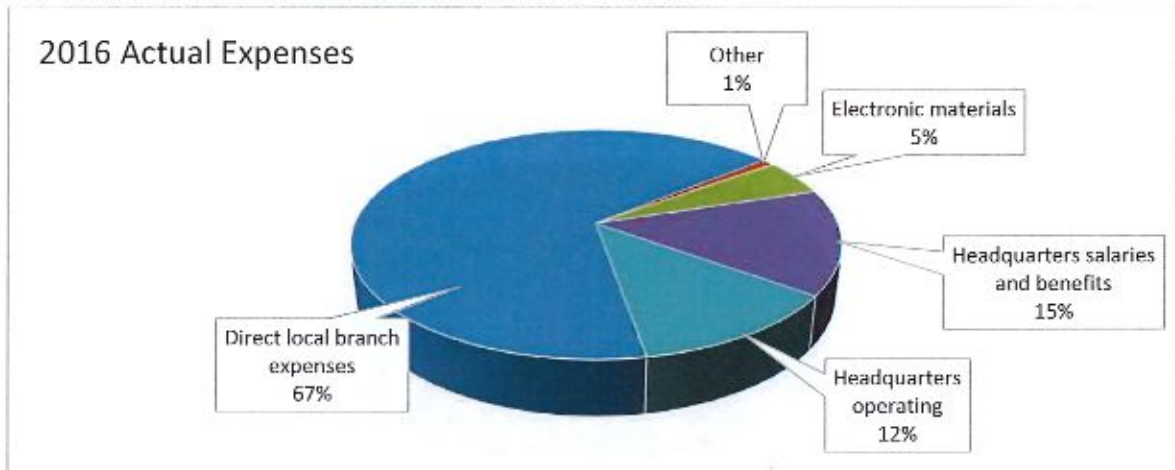




## REVENUE ANALYSIS

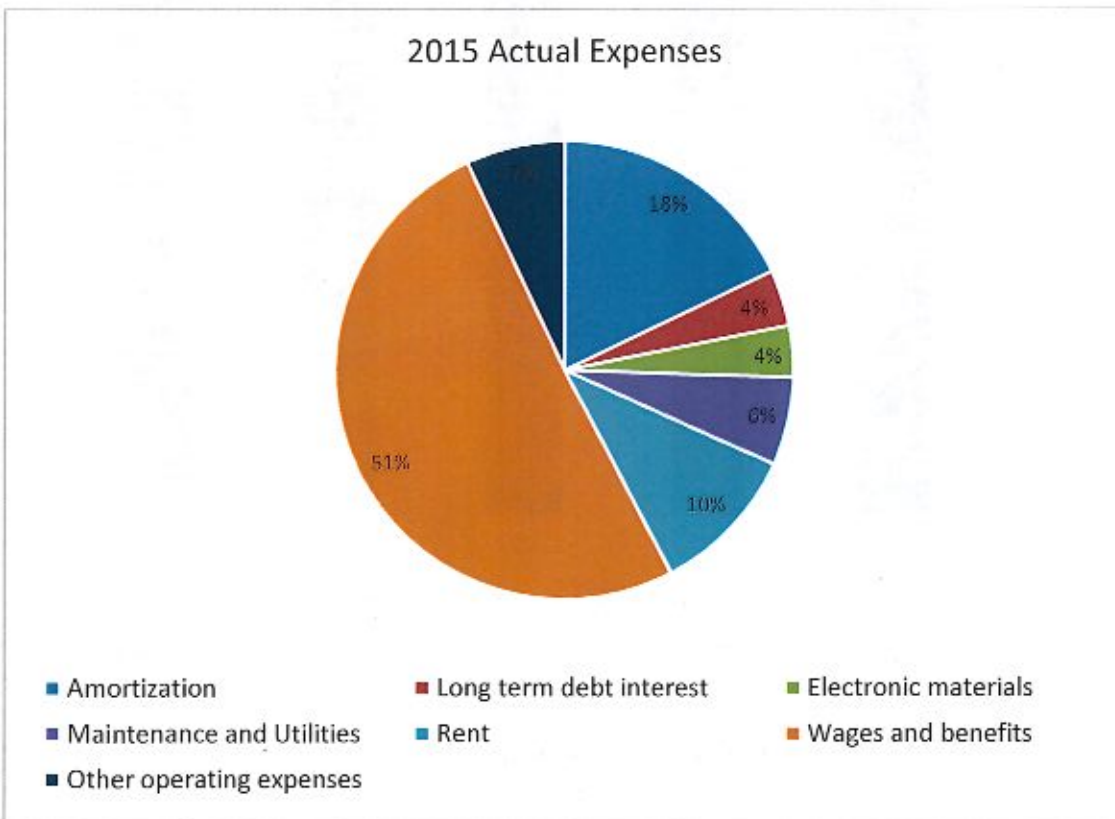
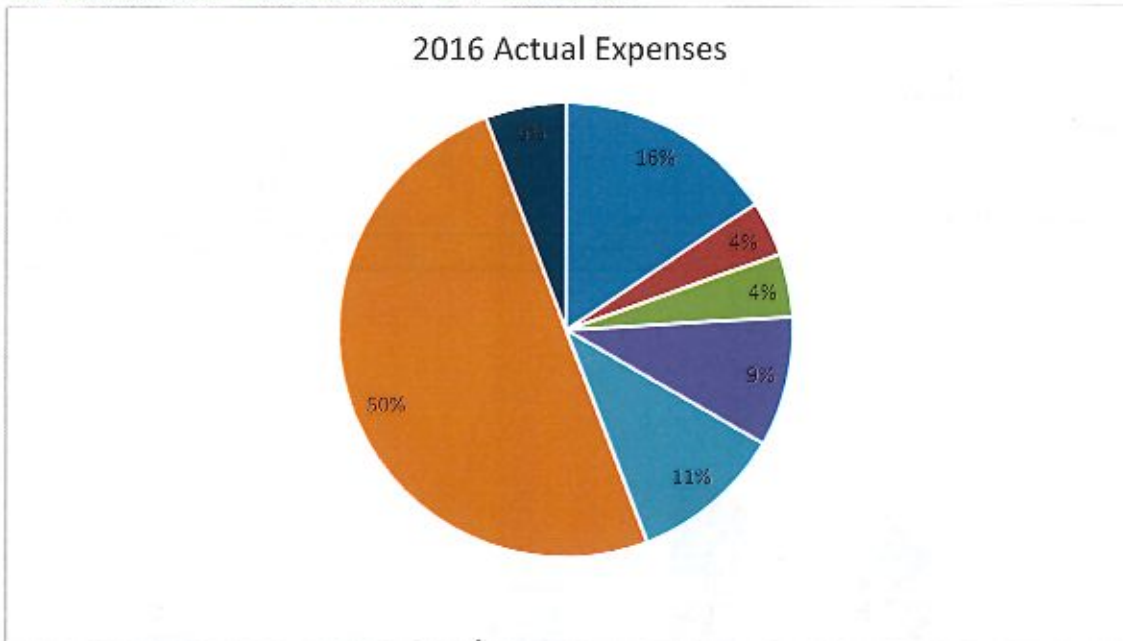


## OPERATING EXPENSES BY FUNCTION



\* Any expense less than 1% of total expenses is included in other. Physical books and tangible capital assets are capitalized and amortized which is excluded above.

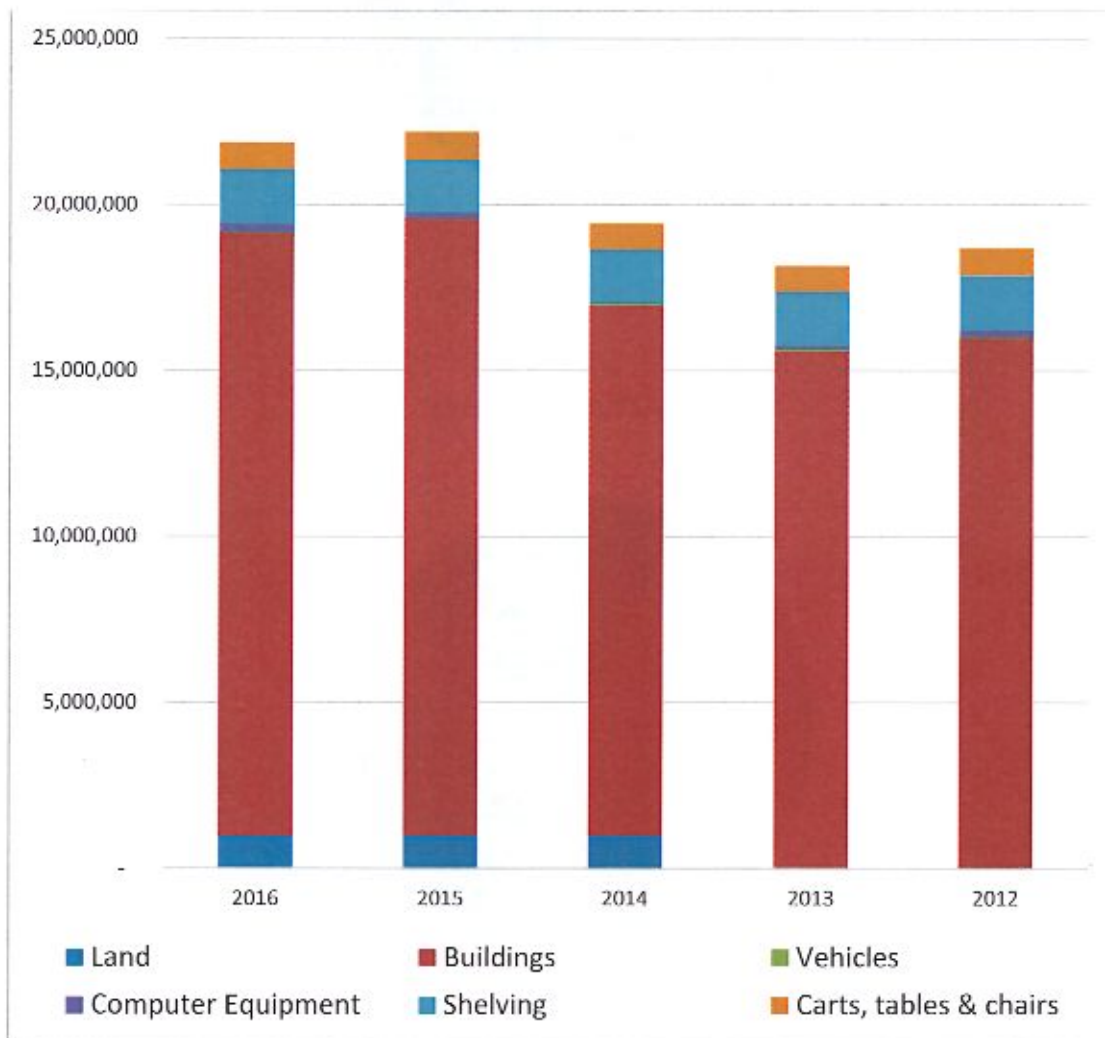
**OPERATING EXPENSES BY OBJECT**



\* Any expense less than 3% of total expenses is included in other operating expenses

## CAPITAL ASSET ANALYSIS - CATEGORY BREAKDOWN

	2016	2015	2014	2013	2012
<b>Tangible capital assets</b>					
Beginning of year	29,130,149	27,168,126	26,604,468	27,688,732	23,511,577
Purchases	2,041,724	5,099,166	3,689,348	2,151,494	7,180,978
Disposals	(25,902)	(3,829)	(3,798)	(13,250)	(53,514)
Amortization	(2,755,937)	(3,133,314)	(3,121,892)	(3,222,508)	(2,950,309)
End of year	<u>28,390,034</u>	<u>29,130,149</u>	<u>27,168,126</u>	<u>26,604,468</u>	<u>27,688,732</u>



\* Amounts above do not include the capitalized book inventory.



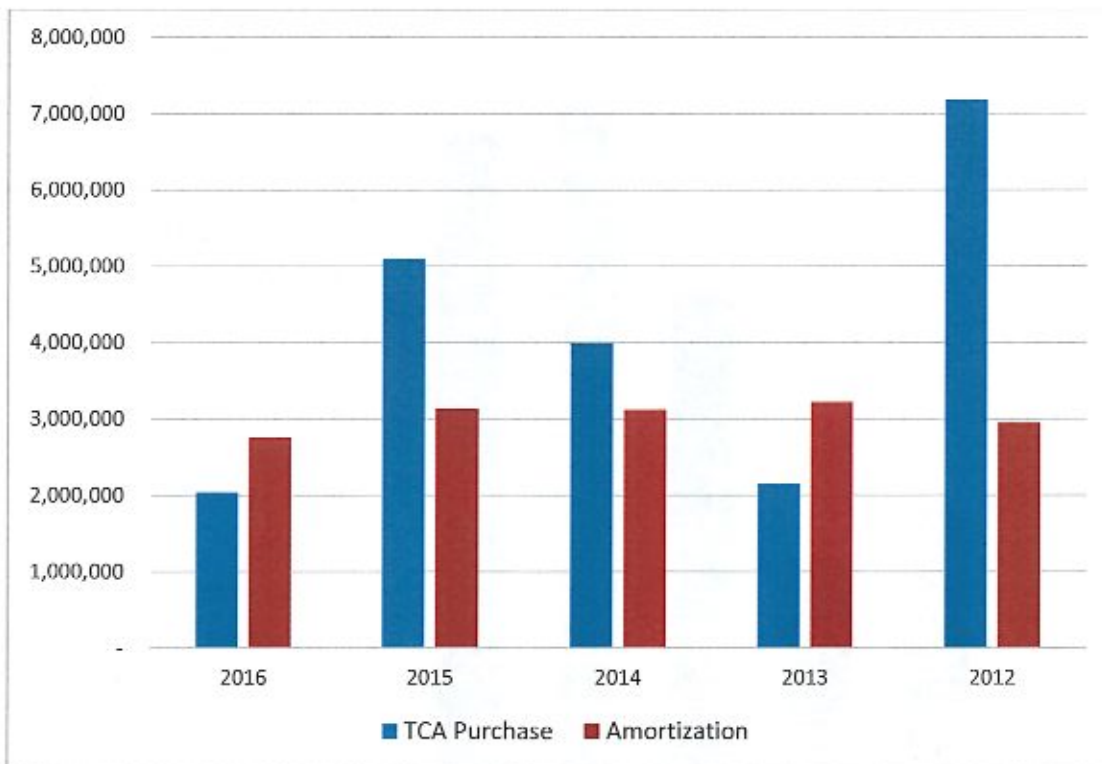
## CAPITAL ASSET ANALYSIS - TCA FINANCIAL INDICATOR

As assets age, the TCA Financial Indicator percentage will decrease. The newer the assets, the longer the remaining life of the asset and the higher the percentage.

The formula is as follows:

$$\text{Age of TCA Financial Indicator} = \frac{\text{Net Book Value of TCA}}{\text{Historical Cost of TCA}}$$

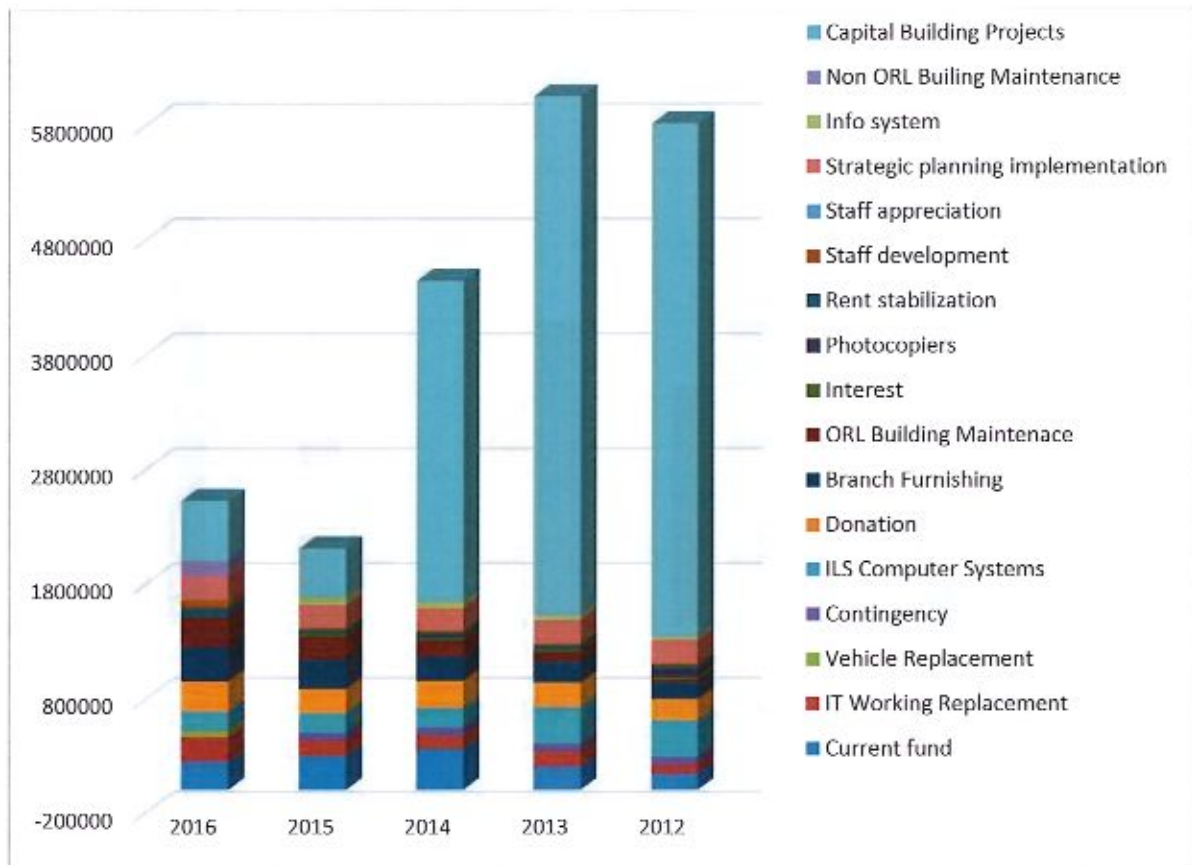
	2016	2015	2014	2013	2012
Building	88%	90%	91%	93%	95%
Books	41%	34%	41%	42%	48%
Computer	26%	17%	5%	11%	20%
Miscellaneous	55%	55%	56%	58%	61%
<b>Total</b>	<b>65%</b>	<b>62%</b>	<b>64%</b>	<b>63%</b>	<b>68%</b>





## RESERVE ANALYSIS

	2016	2015	2014	2013	2012
Reserves and discretionary reserve funds					
Current fund	252,529	301,307	363,284	208,293	142,048
IT Working Replacement	216,288	131,117	114,628	127,241	76,907
Contingency	-	75,007	75,077	75,077	75,077
ILS Computer Systems	170,221	170,221	170,221	320,221	320,221
Donation	265,426	209,805	235,849	212,855	184,798
Equipment	299,186	255,703	209,188	183,980	146,953
Vehicle Replacement	50,510	-	-	-	-
Non ORL Building Maintenance	141,960	-	-	-	-
ORL Building Maintenance	260,000	200,000	140,000	80,000	20,000
Interest	-	25,000	25,000	25,000	25,000
Photocopiers	-	1,967	16,768	1,918	67,355
Rent Stabilization	82,729	32,652	32,652	32,652	32,652
Staff Development	66,320	16,020	15,620	15,620	15,620
Staff Appreciation	4,882	4,882	3,382	1,882	3,000
Strategic Planning Implementation	197,934	195,934	193,934	206,934	204,934
Info system	-	60,000	48,000	36,000	24,000
Capital Building Projects	517,553	432,169	2,798,112	4,524,193	4,475,108
	2,525,538	2,111,784	4,441,715	6,051,866	5,813,673



\* This does not include the equity in tangible capital assets.



## Section 4

### BDO Resources



## BDO PROFILE

BDO is one of Canada's largest accounting services firms providing assurance and accounting, taxation, financial advisory, risk advisory, financial recovery and consulting services to a variety of publicly traded and privately held companies.

BDO serves its clients through 105 offices across Canada. As a member firm of BDO International Limited, BDO serves its multinational clients through a global network of over 1,300 offices in 151 countries. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

Outlined below is a summary of certain BDO resources which may be of interest to the Board.

## PSAB PUBLICATIONS

BDO's national and international accounting and assurance department issues publications on the transition and application of Public Sector Accounting Standards (PSAB) as well as common differences between PSAB and Canadian generally accepted accounting principles.

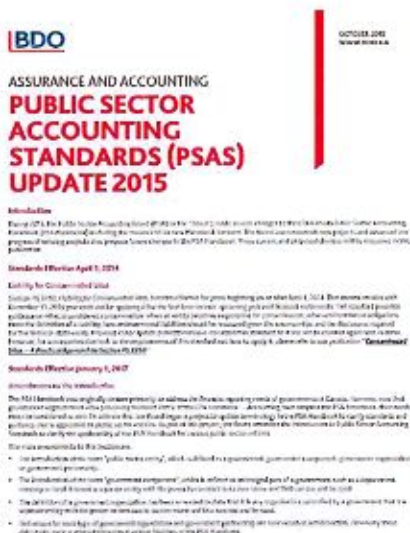
For additional information on PSAB including links to archived publications and model financial statements, refer to:

<http://www.bdo.ca/library/publications/psab/index.cfm>

## PSAB UPDATES

For a complete reference to PSAB updates, refer to:

<http://www.bdo.ca/en/Library/Services/assurance-and-accounting/Documents/Publications/PSAS-Update-2015.pdf>





**OKANAGAN REGIONAL  
LIBRARY DISTRICT  
Financial Statements**  
For the year ended December 31, 2016

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## Management's Responsibility for Financial Reporting

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The accompanying financial statements of the Okanagan Regional Library District have been approved by the Board. The preparation of these financial statements is the responsibility of management.

The financial statements were prepared by our external auditor in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the financial statements are based on management's best estimates and judgments. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects. Management has reviewed these financial statements and has taken responsibility for them.

The Okanagan Regional Library District maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Okanagan Regional Library District's assets are appropriately accounted for and adequately safeguarded.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the Board. The independent auditor's report expresses their opinion on these financial statements. The auditors have full and free access to the accounting records and to the Board of the Okanagan Regional Library District.

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\_\_\_\_\_ Chairperson

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\_\_\_\_\_ Chief Executive Officer

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\_\_\_\_\_ Chief Financial Officer

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## Independent Auditor's Report

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### To the Members of the Board of Trustees of the Okanagan Regional Library District

We have audited the accompanying financial statements of the Okanagan Regional Library District which comprise the statement of financial position as at December 31, 2016, and the statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Library District's 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.

### Auditor's 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 consolidated financial statements are free of 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 the auditor's 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, the auditor considers internal control relevant to the Library District'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 Library District's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 Okanagan Regional Library District as at December 31, 2016 and its financial performance and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

### Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 17 through 22 of the Okanagan Regional Library District's Financial Statements.

Chartered Professional Accountants

Kelowna, British Columbia  
May 17, 2017

**Okanagan Regional Library District  
Statement of Financial Position**

December 31	2016	2015
<b>Financial Assets</b>		
Cash (Note 1)	\$ 2,487,646	\$ 2,189,420
Accounts receivable	654,668	562,954
MFA debt reserve	155,000	155,000
	<u>3,297,314</u>	<u>2,907,374</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	871,575	724,766
Wages payable	7	136,324
Long term debt (Note 2)	12,106,779	12,737,785
	<u>12,978,361</u>	<u>13,598,875</u>
<b>Net Debt</b>	<u>(9,681,047)</u>	<u>(10,691,501)</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	255,006	220,570
Tangible capital assets (Note 3)	28,390,034	29,130,149
	<u>28,645,040</u>	<u>29,350,719</u>
<b>Accumulated Surplus (Note 4)</b>	<u>\$ 18,963,993</u>	<u>\$ 18,659,218</u>

Approved on behalf of the Board:

\_\_\_\_\_ Chairperson

**Okanagan Regional Library District  
Statement of Operations and Accumulated Surplus**

For the year ended December 31	2016	2016	2015
	Actual	Budget	Actual
<b>Revenue</b>			
Assessments	\$ 16,203,810	\$ 16,203,810	\$ 15,816,441
Province of British Columbia grant	1,009,058	1,008,808	1,008,871
Other grants	44,137	83,500	49,890
Other revenue	541,610	416,877	490,239
Branch building and furnishing fund	485,850	-	442,029
	<u>18,284,465</u>	<u>17,712,995</u>	<u>17,807,470</u>
<b>Expenses (Note 6)</b>			
Direct local branch expenses	10,608,363	10,021,828	9,999,045
Delivery/transportation			
Operating expenses	77,393	103,700	85,976
Children's programs	38,576	30,866	40,355
Electronic materials	790,033	790,000	633,026
Headquarters supportive services			
Salaries and benefits	2,263,311	2,464,589	2,352,416
Operating	1,420,374	1,594,162	1,320,611
Amortization	2,755,937	-	3,133,314
Loss on disposal of tangible capital assets	25,703	-	3,829
	<u>17,979,690</u>	<u>15,005,145</u>	<u>17,568,572</u>
<b>Annual surplus (deficit)</b>	<u>304,775</u>	<u>2,707,850</u>	<u>238,898</u>
<b>Accumulated surplus, beginning of year</b>	<u>18,659,218</u>	<u>18,659,218</u>	<u>18,420,320</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 18,963,993</u>	<u>\$ 21,367,068</u>	<u>\$ 18,659,218</u>



**Okanagan Regional Library District  
Statement of Change in Net Debt**

<u>For the year ended December 31</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>Annual surplus (deficit)</b>	<b>\$ 304,775</b>	<b>2,707,850</b>	<b>\$ 238,898</b>
Acquisition of tangible capital assets	(2,041,724)	(1,596,852)	(5,099,166)
Amortization of tangible capital assets	2,755,937	-	3,133,314
Loss on disposal of tangible capital assets	25,703	-	3,829
Acquisition of prepaid expenses	(34,237)	-	(144,221)
<b>Change in net debt</b>	<b>1,010,454</b>	<b>1,110,998</b>	<b>(1,867,346)</b>
<b>Net debt, beginning of year</b>	<b>(10,691,501)</b>	<b>(10,691,501)</b>	<b>(8,824,155)</b>
<b>Net debt, end of year</b>	<b>\$ (9,681,047)</b>	<b>\$ (9,580,503)</b>	<b>\$ (10,691,501)</b>

**Okanagan Regional Library District  
Statement of Cash Flows**

<u>For the year ended December 31</u>	<u>2016</u>	<u>2015</u>
<b>Cash flows provided by (used in) operating activities</b>		
Cash receipts from taxes, grants, user fees and donations (a)	\$ 18,175,721	\$ 17,438,118
Cash paid to employees and suppliers	(14,528,047)	(13,962,467)
Interest received	17,032	36,228
Interest paid	(693,750)	(693,750)
	<u>2,970,956</u>	<u>2,818,129</u>
<b>Cash flows provided by (used in) capital activities</b>		
Purchase of tangible capital assets	<u>(2,041,724)</u>	<u>(5,099,166)</u>
<b>Cash flows provided by (used in) financing activities</b>		
Repayment of MFA debt	<u>(631,006)</u>	<u>(606,736)</u>
<b>Increase (decrease) in cash during the year</b>	<b>298,226</b>	<b>(2,887,773)</b>
Cash, beginning of year	<u>2,189,420</u>	<u>5,077,193</u>
<b>Cash, end of year</b>	<b>\$ 2,487,646</b>	<b>\$ 2,189,420</b>

**Supplemental Information:**

- (a) Included in the 2016 balance for cash receipts from taxes, grants, user fees and donations is an increase in accounts receivable of \$91,713 (2015 - a reduction of \$333,126).

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## Okanagan Regional Library District Summary of Significant Accounting Policies

December 31, 2016

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**Nature of Business** The Okanagan Regional Library District (the "Library District") provides equitable access to relevant educational, recreational, and cultural library resources to residents of the Okanagan.

**Basis of Presentation** It is the Library District's policy to follow accounting principles generally accepted for municipalities in the Province of British Columbia. The financial statements include the account of all funds for the Library District. All interfund transfers have been eliminated. They have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of CPA Canada.

**Tangible Capital  
Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Books	2 to 50 years, straight line
Building	2.5% declining balance
Carts	5% declining balance
Chairs	5% declining balance
Computer equipment*	25% declining balance
Electronics	15% declining balance
Leasehold improvement	100% declining balance
Miscellaneous	15% declining balance
Shelving	40 years, straight line
Tables	5% declining balance
Vehicles	20% declining balance

**Revenue Recognition** Assessment revenue is invoiced quarterly and is recorded when it becomes due on the first day of the last month of each quarter. The schedule of due dates is set by the Library Act. Revenue from grants is recorded when received and when conditions specified in the grant are met. Other revenue is recorded when the service has been provided or when performance has been achieved and the revenue is reasonably collectible.

**Reserve Funds** The Library District has established several reserves relating to future capital expenses and operating expenses. Amounts transferred to and from these reserves are per approval of the Board of Trustees for the Library District.

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**Okanagan Regional Library District  
Summary of Significant Accounting Policies**

**December 31, 2016**

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<b>MFA Debt Reserve</b>	As a condition of borrowing through Regional Districts (Note 2), a portion of the loan proceeds are withheld by the Regional Districts to be used as a debt reserve for the Municipal Finance Authority.
<b>Financial Instruments</b>	The Library District's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, wages payable and long-term debt. Unless otherwise noted, it is management's opinion that the Library District is not exposed to significant interest, currency, liquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.
<b>Use of Estimates</b>	The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
<b>Government Transfers</b>	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.



**Okanagan Regional Library District  
Notes to Financial Statements**

**December 31, 2016**

**1. Cash**

Cash is held in a financial institution earning interest at an average rate of 0.89% (2015 - 0.89%) per annum.

**2. Long Term Debt**

The Regional District of the Central Okanagan was authorized (Regional District of Central Okanagan, Okanagan Regional Library District Borrowing Loan Authorization Bylaw No. 1236, 2008) to borrow \$4,500,000 from the Municipal Finance Authority on behalf of the Library District.

The Regional District of North Okanagan was authorized (Regional District of North Okanagan, Okanagan Regional Library District Borrowing Loan Authorization Bylaw No. 2436, 2010) to borrow \$11,000,000 from the Municipal Finance Authority on behalf of the Library District.

	2016	2015
Debenture payable to the Municipal Finance Authority of British Columbia, with semi annual interest payments of \$115,875 and annual principal payments of \$151,118, interest rate at 5.15%, due November 20, 2028.	\$ 3,107,564	\$ 3,306,426
Debenture payable to the Municipal Finance Authority of British Columbia, with semi annual interest payments of \$231,000 and annual principal payments of \$369,399, interest rate at 4.2%, due April 4, 2031.	<u>8,999,215</u>	<u>9,431,359</u>
	<u><b>\$12,106,779</b></u>	<u><b>\$ 12,737,785</b></u>

Principal payments estimated to be required in each of the next five years and thereafter is as follows:

2016	\$ 520,517
2017	520,517
2018	520,517
2019	520,517
2020	520,517
Thereafter	<u>4,751,817</u>
	\$ 7,354,402
Add: Actuarial additions until maturity	<u>4,752,377</u>
	<u><b>\$ 12,106,779</b></u>

Okanagan Regional Library District  
Notes to Financial Statements

December 31, 2016

3. Tangible Capital Assets

2016

	Land	Buildings	Vehicles	Computer Equipment	Shelving	Carts, Tables & Chairs	Electronics & Miscellaneous	Book Inventory	Total
Cost, beginning of year	\$ 983,134	\$ 20,647,170	\$ 65,583	\$ 1,047,355	\$ 2,702,623	\$ 1,426,853	\$ 613,795	\$ 19,600,278	\$ 47,086,791
Additions	-	28,616	23,606	174,927	110,948	50,129	3,380	1,650,118	2,041,724
Disposals	-	-	-	(198,160)	(53,114)	(10,654)	(28,666)	(5,776,764)	(6,067,358)
Cost, end of year	\$ 983,134	\$ 20,675,786	\$ 89,189	\$ 1,024,122	\$ 2,760,457	\$ 1,466,328	\$ 588,509	\$ 15,473,632	\$ 43,061,157
Accumulated amortization, beginning of year	\$ -	\$ 2,070,593	\$ 45,534	\$ 869,497	\$ 1,097,181	\$ 595,533	\$ 412,298	\$ 12,866,006	\$ 17,956,642
Amortization	-	465,130	6,370	88,146	68,012	42,579	30,288	2,055,412	2,755,937
Disposals	-	-	-	(197,961)	(33,481)	(5,850)	(27,400)	(5,776,764)	(6,041,456)
Accumulated amortization, end of year	\$ -	\$ 2,535,723	\$ 51,904	\$ 759,682	\$ 1,131,712	\$ 632,262	\$ 415,186	\$ 9,144,654	\$ 14,671,123
Net carrying amount, end of year	\$ 983,134	\$ 18,140,063	\$ 37,285	\$ 264,440	\$ 1,628,745	\$ 834,066	\$ 173,323	\$ 6,328,978	\$ 28,390,034

Okanagan Regional Library District  
Notes to Financial Statements

December 31, 2016

3. Tangible Capital Assets (continued)

2015

	Land	Buildings	Vehicles	Computer Equipment	Shelving	Carts, Tables & Chairs	Electronics & Miscellaneous	Book Inventory	Total
Cost, beginning of year	\$ 983,134	\$ 17,589,250	\$ 65,583	\$ 1,051,395	\$ 2,618,570	\$ 1,354,221	\$ 555,236	\$ 18,394,109	\$ 42,611,498
Additions		3,057,920	-	187,814	93,931	74,512	59,434	1,625,555	5,099,166
Disposals		-	-	(191,854)	(9,878)	(1,880)	(875)	(419,386)	(623,873)
Cost, end of year	\$ 983,134	\$ 20,647,170	\$ 65,583	\$ 1,047,355	\$ 2,702,623	\$ 1,426,853	\$ 613,795	\$ 19,600,278	\$ 47,086,791
Accumulated amortization, beginning of year	\$ -	\$ 1,594,271	\$ 40,522	\$ 1,002,066	\$ 1,037,078	\$ 555,022	\$ 382,837	\$ 10,831,576	\$ 15,443,372
Amortization		476,322	5,012	59,285	66,772	41,793	30,314	2,453,816	3,133,314
Disposals		-	-	(191,854)	(6,669)	(1,282)	(853)	(419,386)	(620,044)
Accumulated amortization, end of year	\$ -	\$ 2,070,593	\$ 45,534	\$ 869,497	\$ 1,097,181	\$ 595,533	\$ 412,298	\$ 12,866,006	\$ 17,956,642
Net carrying amount, end of year	\$ 983,134	\$ 18,576,577	\$ 20,049	\$ 177,858	\$ 1,605,442	\$ 831,320	\$ 201,497	\$ 6,734,272	\$ 29,130,149

**Okanagan Regional Library District  
Notes to Financial Statements**

**December 31, 2016**

**4. Accumulated Surplus**

The Library District segregates its accumulated surplus in the following categories:

	2016	2015
Financial equity		
Current fund	\$ 252,530	\$ 301,307
Equity in capital assets (Note 5)	16,438,454	16,547,364
Reserve funds	2,273,009	1,810,547
	\$ 18,963,993	\$ 18,659,218

Equity in capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by the Board of Trustees for specific purposes.

**5. Equity in Capital Assets**

	2016	2015
Balance, beginning of year	\$ 16,547,364	\$ 13,978,605
<b>Add:</b>		
Contribution for debt reduction	631,006	606,736
Contribution for capital assets	1,511,883	2,465,498
Contribution from reserve funds	529,841	2,633,668
<b>Deduct:</b>		
Amortization	(2,755,937)	(3,133,314)
Loss on disposal of assets	(25,703)	(3,829)
Balance, end of year	\$ 16,438,454	\$ 16,547,364

Okanagan Regional Library District  
Notes to Financial Statements

December 31, 2016

6. Expenses by Object

	2016	2016	2015
	Actual	Budget	Actual
Advertising	\$ 73,799	\$ 52,735	\$ 56,112
Amortization	2,755,937	-	3,133,314
Association dues, staff development and travel	156,853	110,100	113,074
Board and committee expenses	14,797	24,500	14,041
Book binding and mending	22,831	40,000	15,621
Collection agencies and sundry	11,714	287,995	17,805
Computer maintenance and telecommunication lines	508,481	489,611	376,611
Contract for library services	61,600	65,000	64,900
Electronic materials	790,033	790,000	633,026
Insurance	51,613	51,000	51,489
Interest, bank charges and US exchange	8,677	6,500	8,011
Long term debt interest	693,750	693,750	693,750
Loss on disposal of capital assets	25,703	-	3,829
Maintenance and utilities	1,623,018	1,125,697	1,087,350
Moving and storage	6,362	3,000	3,338
Postage and freight	51,726	58,400	51,782
Professional fees	85,383	54,570	163,497
Programs	38,576	30,866	40,355
Rent	1,905,209	1,814,904	1,842,864
Supplies	141,790	126,610	185,141
Telephone	26,886	39,825	22,549
Transportation	112,382	132,501	114,276
Wages and benefits	8,812,570	9,007,581	8,875,837
	<b>\$17,979,690</b>	<b>\$ 15,005,145</b>	<b>\$ 17,568,572</b>

7. Credit Facility

The Library District has a credit facility agreement with a financial institution which provides a revolving line of credit of \$750,000 with an interest rate of prime plus 3%. At December 31, 2016, the Library District had drawn \$nil (2015 - \$nil) on this agreement.



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Okanagan Regional Library District  
Notes to Financial Statements

December 31, 2016

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**8. Pension Liability**

The Library District 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 are based on a formula. As at December 31, 2016, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 145 contributors from the Library District.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation as of December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The Library District paid \$614,940 (2015 - \$633,307) for employer contributions to the Plan in fiscal 2016.

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 the 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 individual employers participating in the Plan.

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Okanagan Regional Library District  
Notes to Financial Statements

December 31, 2016

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9. Budget Information

The budget adopted by the Board of Trustees was not prepared on a basis consistent with that used to report actual results based on current Public Sector Accounting Standards ("PSAB"). The budget was prepared on a modified accrual basis while PSAB now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net debt represent the budget adopted by the Board of Directors with adjustments as follows:

	<u>2016</u>
Budget surplus (deficit) for the year as per board budget	\$ -
Add:	
Transfers to reserve funds budgeted for in expenses	486,861
Transfers to tangible capital assets budgeted for in expenses - books and material	1,596,852
Debt reduction - principal	<u>624,137</u>
Budget surplus per Statement of Operations	<u>\$ 2,707,850</u>

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**Okanagan Regional Library District  
Schedule 1 - Current Fund Operations  
(Unaudited)**

For the year ended December 31	2016	2016	2015
	Actual	Budget	Actual
<b>Revenue</b>			
Assessments (Schedule 2)	\$ 16,203,810	\$ 16,203,810	\$ 15,816,441
Province of British Columbia	1,009,058	1,008,808	1,008,871
Other grant revenue	44,137	83,500	49,890
Other revenue (Schedule 3)	541,610	416,877	490,239
Branch building and furnishing funding	485,850	-	442,029
	<u>18,284,465</u>	<u>17,712,995</u>	<u>17,807,470</u>
<b>Expenses</b>			
Direct local branch expenses (Schedule 4)	10,608,363	10,021,828	9,999,045
Delivery/transportation			
Operating expenses	77,393	103,700	85,976
Children's programs	38,576	30,866	40,354
Electronic materials	790,033	790,000	633,026
Headquarters supportive services			
Salaries and benefits	2,263,311	2,464,589	2,352,416
Operating (Schedule 5)	1,420,374	1,594,162	1,320,611
	<u>15,198,050</u>	<u>15,005,145</u>	<u>14,431,428</u>
<b>Excess of revenues over expenses</b>	<b>3,086,415</b>	<b>2,707,850</b>	<b>3,376,042</b>
<b>Net interfund transfers:</b>			
Net contributions to capital fund			
For debt reduction	(631,006)	-	(606,736)
For capital assets	(1,511,883)	(1,596,852)	(2,465,498)
Contribution from reserve fund			
Automation	27,867	-	29,348
Computer	3,384	-	-
Donation	35,254	-	45,542
Equipment	12,720	-	8,844
Contributions to reserve funds			
Equipment	(668,350)	(182,500)	(82,500)
Automation and CPU	(128,350)	(100,000)	(105,716)
Building maintenance	(60,000)	-	-
Strategic planning	(2,000)	(2,000)	(2,000)
Staff appreciation	(300)	-	(400)
Info system	-	-	(12,000)
Other	(98,528)	(88,361)	(136,903)
Building	(114,000)	(114,000)	(110,000)
<b>Change in fund balance</b>	<b>(48,777)</b>	<b>624,137</b>	<b>(61,977)</b>
<b>Surplus, beginning of year</b>	<b>301,307</b>	<b>301,307</b>	<b>363,284</b>
<b>Surplus, end of year</b>	<b>\$ 252,530</b>	<b>\$ 925,444</b>	<b>\$ 301,307</b>

**Okanagan Regional Library District  
Schedule 2 - Assessments  
(Unaudited)**

For the year ended December 31	2016	2016	2015
	Actual	Budget	Actual
<b>Municipalities</b>			
Armstrong	\$ 176,440	\$ 176,440	\$ 177,090
Coldstream	429,444	429,444	412,462
Enderby	99,537	99,537	100,720
Golden and Area	311,681	311,681	308,213
Kelowna	5,756,024	5,756,024	5,591,643
Keremeos	57,039	57,039	49,128
Lake Country	562,224	562,224	531,418
Lumby	65,359	65,359	64,273
Oliver	182,772	182,772	178,208
Osoyoos	250,882	250,882	249,926
Peachland	234,119	234,119	228,850
Princeton	112,375	112,375	101,262
Revelstoke	303,685	303,685	301,761
Salmon Arm	692,212	692,212	672,606
Sicamous	128,032	128,032	129,032
Spallumcheen	203,335	203,335	200,604
Summerland	464,010	464,010	458,528
Vernon	1,701,305	1,701,305	1,655,714
West Kelowna	1,410,926	1,410,926	1,343,116
	<u>13,141,401</u>	<u>13,141,401</u>	<u>12,754,554</u>
<b>First Nation Members</b>			
Penticton Indian Band	42,912	42,912	56,311
Westbank First Nation	355,933	355,933	342,358
	<u>398,845</u>	<u>398,845</u>	<u>398,669</u>
<b>Regional Districts</b>			
Central Okanagan	298,913	298,913	327,748
Columbia - Shuswap	830,874	830,874	823,796
North Okanagan	714,711	714,710	708,555
Okanagan - Similkameen	819,066	819,067	803,119
	<u>2,663,564</u>	<u>2,663,564</u>	<u>2,663,218</u>
	<u>\$ 16,203,810</u>	<u>\$ 16,203,810</u>	<u>\$ 15,816,441</u>

Okanagan Regional Library District  
Schedule 3 - Other Revenue  
(Unaudited)

For the year ended December 31	2016	2016	2015
	Actual	Budget	Actual
Fines, damaged and lost books	\$ 235,885	\$ 246,059	\$ 235,051
Sundry	5,807	-	5,719
Bank interest	17,032	22,600	36,228
Copying	42,806	23,730	39,264
Meeting room rental	12,457	14,000	10,635
Non resident charges	3,400	-	2,975
Actuarial earnings	110,489	110,488	86,219
Book bag revenue	2,653	-	1,357
Donation revenue	111,081	-	72,791
Interdepartment rent	583,508	591,000	526,863
<b>Total before adjustment</b>	<b>1,125,118</b>	<b>1,007,877</b>	<b>1,017,102</b>
Interdepartment rent	(583,508)	(591,000)	(526,863)
<b>Total</b>	<b>\$ 541,610</b>	<b>\$ 416,877</b>	<b>\$ 490,239</b>



Okanagan Regional Library District  
Schedule 4 - Direct Local Branch Expenses  
(Unaudited)

For the year ended December 31

Branch	Salaries & Benefits	Building	Other	2016 Total	2016 Budget	2015 Total
Armstrong	\$ 152,114	\$ 60,144	\$ 3,535	\$ 215,793	\$ 196,492	\$ 190,291
Book Deposits	-	-	3,190	3,190	3,000	4,380
Cherryville	27,921	9,052	3,476	40,449	42,692	46,051
Enderby	119,067	57,430	3,730	180,227	179,924	176,965
Falkland	47,296	15,312	3,149	65,757	66,565	65,418
Golden	112,078	60,861	20,923	193,862	198,483	196,021
Hedley	14,105	2,566	1,597	18,268	18,972	17,348
Kaleden	46,935	14,987	3,378	65,300	71,717	73,889
Kelowna						
<i>Downtown</i>	1,016,265	1,310,880	11,425	2,338,570	1,861,081	1,830,636
<i>Mission</i>	392,419	163,687	4,962	561,068	547,190	555,561
<i>Rutland</i>	358,978	306,603	4,878	670,459	677,662	600,852
Keremeos	116,939	37,168	4,825	158,932	147,446	141,300
Lake Country						
<i>Central</i>	171,076	97,846	4,131	273,053	275,900	300,074
<i>Oyama</i>	20,091	5,698	1,834	27,623	44,463	35,621
Lumby	92,242	16,752	4,167	113,161	118,632	111,506
Naramata	39,102	20,266	3,004	62,372	59,892	59,797
North Shuswap	51,725	30,635	3,954	86,314	93,279	98,838
Okanagan Falls	60,968	31,848	3,086	95,902	107,546	124,372
Oliver	198,699	100,723	3,886	303,308	298,396	299,298
Osoyoos	141,034	52,497	3,906	197,437	185,907	175,486
Peachland	102,163	69,262	3,455	174,880	181,700	175,724
Princeton	57,895	31,446	3,277	92,618	87,818	92,069
Revelstoke	119,502	46,373	17,533	183,408	194,125	188,218
Salmon Arm	431,501	242,267	5,775	679,543	725,400	736,313
Sicamous	99,686	47,193	2,801	149,680	159,258	150,720
Silver Creek	28,656	10,260	1,589	40,505	47,817	47,377
South Shuswap	111,534	51,338	5,491	168,363	160,013	148,713
Summerland	221,397	161,203	4,749	387,349	365,436	322,794
Vernon	1,089,905	679,219	10,795	1,779,919	1,714,844	1,761,531
West Kelowna	369,539	234,636	9,532	613,707	626,045	598,737
Unallocated	727,972	-	58,823	786,795	659,153	728,976
Total before adjustment	6,538,804	3,968,152	220,856	10,727,812	10,116,848	10,054,876
Interdepartment rent net of interest costs	-	(119,449)	-	(119,449)	(95,020)	(55,831)
<b>Total</b>	<b>\$ 6,538,804</b>	<b>\$ 3,848,703</b>	<b>\$ 220,856</b>	<b>\$ 10,608,363</b>	<b>\$ 10,021,828</b>	<b>\$ 9,999,045</b>

Okanagan Regional Library District  
 Schedule 5 - Headquarters Operating Expenses  
 (Unaudited)

For the year ended December 31	2016	2016	2015
	Actual	Budget	Actual
Advertising and marketing	\$ 66,394	\$ 43,860	\$ 43,928
Association dues, staff development and travel	147,430	110,100	103,245
Binding and mending	22,831	40,000	15,621
Board and committee expenses	19,797	24,500	14,395
Computer maintenance and data lines	438,888	426,726	313,730
Collection agencies and sundry	11,714	287,995	17,805
Insurance	51,613	51,000	51,489
Interest, bank charges and US exchange	8,677	6,500	8,011
Interest on MFA debt	231,750	231,750	231,750
Maintenance and utilities	136,315	133,236	139,192
Moving, storage and rent	399	-	-
Penticton library contract	61,600	65,000	64,900
Postage and freight	18,970	23,500	17,949
Professional fees	77,736	54,570	110,290
Supplies	76,992	77,100	98,984
Strategic planning	22,860	-	68,990
Telephone	5,545	1,725	5,284
Transportation (van and car)	20,863	16,600	15,048
<b>Total</b>	<b>\$ 1,420,374</b>	<b>\$ 1,594,162</b>	<b>\$ 1,320,611</b>

Okanagan Regional Library District  
Schedule 6 - Reserve Fund Continuity  
(Unaudited)

For the year ended December 31

	2015	Contributions	Expenses	Transfers	2016
IT Working Replacement	\$ 131,117	\$ 128,350	\$ (93,814)	\$ 50,635	\$ 216,288
Contingency	75,077	-	-	(75,077)	-
ILS Computer Systems	170,221	-	-	-	170,221
Donation	209,805	98,528	(42,907)	-	265,426
Branch Furnishing	255,703	630,850	(369,083)	(218,284)	299,186
Vehicle Replacement	-	12,500	(26,990)	65,000	50,510
Non ORL Building Maintenance	-	25,000	(8,040)	125,000	141,960
ORL Building Maintenance	200,000	60,000	-	-	260,000
Interest	25,000	-	-	(25,000)	-
Photocopiers	1,967	-	(11,332)	9,365	-
Rent Stabilization	32,652	-	-	50,077	82,729
Staff Development	16,020	300	-	50,000	66,320
Staff Appreciation	4,882	-	-	-	4,882
Strategic Planning Implementation	195,934	2,000	-	-	197,934
Info System	60,000	-	-	(60,000)	-
Capital Building Projects	432,169	114,000	(56,900)	28,284	517,553
<b>Total</b>	<b>\$ 1,810,547</b>	<b>\$ 1,071,528</b>	<b>\$ (609,066)</b>	<b>\$ -</b>	<b>\$ 2,273,009</b>

**TABLE OF CONTENTS**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Okanagan Regional Library  
**Fiscal Year Ended:** December 31, 2016

Documents are arranged in the following order:

1. Table of Contents
2. Financial Information Act Submission Checklist
3. Board Approval Form
4. Management Report
5. Financial Statements
6. Schedule of Debt
7. Schedule of Guarantee and Indemnity Agreements
8. Schedule of Remuneration and Expenses
9. Statement of Severance Agreements
10. Statement of Changes in Financial Position
11. Schedule of Payments for the Provision of Goods and Services (including Reconciliation to Financial Statements)

Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: Okanagan Regional Library  
Fiscal Year Ended: December 31, 2016

Due Date: May 15<sup>th</sup>, 2017

a)	<input checked="" type="checkbox"/>	Approval of Statement of Financial Information
b)	x	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 <sup>1</sup> financial statements)
d)	<input checked="" type="checkbox"/>	Statement of assets and liabilities (audited <sup>1</sup> financial statements)
e)	<input checked="" type="checkbox"/>	Schedule of debts (audited <sup>1</sup> 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 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.

<sup>1</sup> Municipal Libraries and Regional Library Districts must provide audited financial statements as per the *Libraries Act* section 11(2) and 26(2)(a).

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.



**Board Approval Form**

**Financial Information Act - Statement of Financial Information**

NAME OF LIBRARY <i>Okanagan Regional Library</i>	FISCAL YEAR END (YYYY) 2016	
LIBRARY ADDRESS 1430 KLO RD,	TELEPHONE NUMBER <i>Click here to enter text.</i>	
CITY Kelowna	PROVINCE BC	POSTAL CODE V1W 3P6
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Catherine Lord	TELEPHONE NUMBER 250 545-1361	
NAME OF THE LIBRARY DIRECTOR Stephanie Hall, CEO	TELEPHONE NUMBER 250 860-4033	

**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 December 31, 2016 for Okanagan Regional Library as required under Section 2 of the Financial Information Act.*

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD*	DATE SIGNED (DD-MM-YYYY)  17/05/2017
SIGNATURE OF THE LIBRARY DIRECTOR	DATE SIGNED (DD-MM-YYYY)  17/05/2017

**Management Report**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Okanagan Regional Library

**Fiscal Year Ended:** December 31, 2017

**MANAGEMENT REPORT**

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of the Library is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

The external auditors, BDO Dunwoody 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 of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the board's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of Okanagan Regional Library

**Signature,  
Chairperson of the  
Library Board**

**Date**  
**17/05/2017**

**Signature,  
Library Director**

**Date**  
**(17/05/2017)**

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

INSERT BOARD APPROVED & SIGNED  
2016 AUDITED FINANCIAL STATEMENTS

**Schedule of Debt**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Okanagan Regional Library  
**Fiscal Year Ended:** December 31, 2016

The Okanagan Regional Library has no long term debt other than as shown on the Financial Statements.

Schedule of Guarantee and Indemnity

Financial Information Act - Statement of Financial Information

**Library Name:** Okanagan Regional Library  
**Fiscal Year Ended:** December 31, 2017

The Okanagan Regional Library has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.



**Statement of Financial Information**  
**Schedule of Board Member Expenses**  
2016

Board Member	Position	2016
BAIRD, TUNDRA		\$ 639
CARLSON, ERIN		\$ 980
CARSON, WAYNE		\$ 1,660
CASSON, ANDREW		\$ 461
DICKIE, OWEN		\$ 235
DEJONG		\$ 17
DEMENOK, PAUL		\$ 165
DERICKSON, CHRIS		\$ 17
DOERR, MAUREEN		\$ 134
DOUGHTY, ROSEMARY		\$ 831
FORTIN		\$ 39
GRAY, TRACY		\$ -
HOLMES, DOUG		\$ 68
KISS, GYULA		\$ 279
KOZAKEVICH, KARLA		\$ 661
LAVERY, TIM		\$ 854
LINDLEY, ROXANNE		\$ -
LORD, CATHERINE	chair	\$ 1,248
MACNABB, MIKE		\$ 449
MINDNICH, LORI	treasurer	\$ 661
MORGAN, LARRY		\$ 1,514
MOSS, CALEB		\$ -
NIXON, LINDA		\$ 847
PHILPOTT-ADHIKARY, SHERRY		\$ 795
PIERRE, JOSEPH		\$ 96
SIMONS, JANNA		\$ 17
VUCINOVIC, MARIO		\$ 92
WERNER, LINDA		\$ 623
WINSBY, BRYDEN		\$ -
YOUNGBERG, CAROL		\$ 452
TOTAL BOARD OF DIRECTORS		\$ 13,833

**Statement of Financial Information  
Schedule of Employee Remuneration  
2016**

Employee	Position	Remuneration		Expenses	
		2016		2016	
CAMPBELL, JEFF	IT Manager	\$	106,891	\$	2,960
CAVENAILE, CHRIS	Network Administrator	\$	77,505	\$	220
GAUCHER, MONICA	Public Services Manager	\$	118,608	\$	5,916
HALL, STEPHANIE	Chief Executive Officer	\$	146,114	\$	4,054
HOWK, MICHAEL	Systems Administrator	\$	77,738	\$	220
MCKAY, GEORGIA	Public Services Manager	\$	118,608	\$	5,509
NETTLETON DON	Chief Financial Officer	\$	124,681	\$	3,262
TARA THOMPSON	Community Engagement Coordinator	\$	80,341	\$	2,396
		<hr/>			
		\$	850,487	\$	24,536
<b>Total Paid to Employees &lt; \$75,000</b>		\$	<b>6,437,724</b>		
<b>Total Remuneration</b>		\$	<b>7,288,211</b>		

**Statement of Severance Agreements**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Okanagan Regional Library  
**Fiscal Year Ended:** December 31, 2016

There were no severance agreements made between the Library and its non-unionized employees during fiscal year 2016.

**Schedule of Changes in Financial Position**

**Financial Information Act - Statement of Financial Information**

**Library Name:** Okanagan Regional Library  
**Fiscal Year Ended:** December 31, 2017

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

Okanagan Regional Library District  
 Schedule of Payments for the provision of goods and services  
 2016

Supplier Name	\$PAID 2016
6-4 BUILDING MAINTENANCE	84,129
654412 BC LTD	51,478
ACE COURIER SERVICES	32,522
AL STOBER CONSTRUCTION LTD	281,668
ALTEA HOLDING LTD	82,184
B.C. HYDRO	65,495
BAKER AND TAYLOR BOOKS	320,304
BDO DUNWOODY	26,733
BIBLIOCOMMONS INC	39,709
BRITISH COLUMBIA LIBRARIES COOPERATIVE	216,224
CALLAHAN CONSTRUCTION COMPANY	201,190
CANADIAN UNION OF PUBLIC EMPLOYEES	97,681
CAPITAL NEWS CENTRE	157,080
CARE SYSTEMS SERVICES LTD.	29,873
CARMI JANITORIAL SERVICES	31,046
COLUMBIA SHUSWAP REGIONAL DISTRICT	63,349
COOKSON MOTORS/IRL IDEALLEASE	45,159
CORPORATE EXPRESS	34,284
COUNTRY COURT HOLDINGS	50,290
CVS MIDWEST TAPE	129,572
DIRECTDIAL.COM	149,233
DISTRICT OF LAKE COUNTRY	88,614
DISTRICT OF SICAMOUS	50,824
FORTIS BC INC	97,238
GRAPHICALLY SPEAKING	32,412
HI-CUBE STORAGE PRODUCTS	128,130
INDEL INDUSTRIES	29,064
INNOVATIVE INTERFACES	88,527
KELOWNA, CITY OF	776,872
LIBRARY BOUND INC	178,672
LONDON LIFE	48,412
LYNDA.COM	28,190
MANULIFE C/O COLLIERS	234,999
MINISTER OF FINANCE (Medical Services)	157,549
MONAHAN AGENCY LTD.	327,237
MUNICIPAL PENSION PLAN	1,157,589
NORTH OKANAGAN REGIONAL DISTRICT	831,399
OCLC INC	26,614
OSOYOOS, TOWN OF	52,052
OVERDRIVE INC	427,152
PACIFIC BLUE CROSS	407,758
PEACHLAND VILLAGE MALL LTD	57,821
PENTICTON PUBLIC LIBRARY	61,600
PRINCETON, TOWN OF	30,590
PRO JANITORIAL	42,521
RAINCOAST BOOKS	66,646
RECEIVER-GENERAL OF CANADA	1,947,548
RECORDED BOOKS, LLC	40,359
REGIONAL DISTRICT OF CENTRAL OKANAGAN	382,973
REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN	26,994
REVELSTOKE, CITY OF	45,890
ROYAL BANK VISA	132,605
SANA KLEEN JANITORIAL	47,660
SAWCHUK DEVELOPMENTS	320,108
SECURE LINKS	74,527
SHAW CABLE AND COMMUNICATIONS	71,098
SHUSWAP WEST DEVELOPMENTS LTD	44,289
SOURCE OFFICE FURNISHING	28,121
STARGARDEN SOFTWARE LTD.	48,399
SUNCOR ENERGY PRODUCTS	29,929
TELUS COMMUNICATIONS	40,945
THE CLEANING COMPANY	46,199
THE CO-OP GENERAL INS	51,579
UNITED LIBRARY SERVICES LTD.	547,469
URBAN ARTS ARCHITECTURE	57,184
Worksafe BC	25,785
Total for Suppliers above \$25,000	\$ 11,627,342
Total for Suppliers below \$25,000	\$ <u>1,452,305</u>
Total	\$ 13,079,647.05



**Reconciliation to F/S***From statement of cash flows*

Cash paid to employees and suppliers	\$	14,528,047
Interest paid	\$	693,750
debt reduction	\$	631,006
Less Remuneration (from internal f/s)	\$	(7,277,759)
subtotal of above	\$	8,575,044
increase in accounts payable	\$	146,809
decrease in wages payable	\$	(136,317)
less prepaid expenses increase	\$	(34,436)
Purchase of capital assets	\$	2,041,724
Plus PBC Employee portion (27%)	\$	110,095
Plus superannuation employees portion	\$	499,973
MSP employees portion	\$	31,760
PEA	\$	13,416
Great West life employees portion	\$	22,163
Group Life employee portion	\$	6,553
ADD and critical illness employees portion	\$	6,511
Royal Trust RRSP's	\$	2,850
cupe	\$	97,681
wj sutton	\$	2,340
refundable HST/GST for year	\$	276,220
employees portion of tax and ui and cpp	\$	1,417,260
Total to be reported on fin inf act		<b>13,079,647</b>

# Memo

To: Finance Committee  
From: Don Nettleton, CFO  
cc: Stephanie Hall  
Date: April 28, 2017  
Re: Financial Results to March 31, 2017

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Attached is the preliminary first quarter internal financial statements for the Library. These early statements are only early results and tend to be difficult to extrapolate over the entire year as there are often timing differences in when expenses are incurred. However, they do confirm that we are operating closely with what was budgeted and what would be expected based on prior year trends. There are no areas of concern which the finance committee needs to be taking action on based on these results. Further comments on some details follow.

**Revenue:**

All assessment revenue has been received. Vernon difference is related to the additional money for Sunday opening which they have not forwarded quarterly but will forward in one amount later in the year.

The provincial grant has not been announced or forwarded yet, but we anticipate it will be the same as prior years. The Federal grants are taxes in lieu that come in unpredictably. Otherwise, revenue is very close to budget.

**Disbursements:**

The key item we always examine is the wages and fringe benefits as this is our single largest expense. This usually comes in a bit lower than budget early in the year and then closes the gap over summer when we usually have higher vacation coverage. This year is looking good and in line with what I would expect.

Building costs are generally in line with budget, except an entry for our internally charged rents to places like Vernon and Summerland has not yet been done.

Books tend to be ordered and received at varying times. To date, it is a bit above budget but we expect that is just timing issues, the Penticton Library fee is just a timing difference as it was billed earlier than budgeted for. The other significant variances also appear to be timing differences.

Conclusion: to this point in the year, we appear to be tracking budget nicely.

ITEM 4.3  
 ORL Regular Board Agenda - May 17, 2017

\*\*Dist.Fin.Comm.3-SH-DN-LS\*\*

**OKANAGAN REGIONAL LIBRARY**  
**RECEIPTS & DISBURSEMENTS**

	31/03/2017 ACTUAL YR.TO D	BUDGET YR.TO D	VARIANCE YR.TO D	BUDGET -YEAR--	VARIANCE -From Annual--	% RECEIVED -Annual--
<b>**RECEIPTS**</b>						
<b>**TAX LEVY ON MUNICIPALITIES AND REG. DISTRICTS**</b>						
ARMSTRONG-CITY-ASSESSMENT	\$44,865	\$44,865	\$0	\$179,461	\$134,596	25.00
CENTRAL/OKAN. RD - ASSESSMENT	\$76,159	\$76,159	\$0	\$304,637	\$228,478	25.00
COLDSTREAM-CORP-ASSESSMENT	\$110,341	\$110,341	\$0	\$441,363	\$331,022	25.00
COL/SHUSWAP RD - ASSESSMENT	\$207,363	\$207,363	\$0	\$829,452	\$622,089	25.00
ENDERBY-CITY-ASSESSMENT	\$24,653	\$24,653	\$0	\$98,614	\$73,960	25.00
GOLDEN-CITY-ASSESSMENT	\$78,435	\$78,435	\$0	\$313,740	\$235,305	25.00
KELOWNA-CITY-ASSESSMENT	\$1,487,576	\$1,487,576	\$0	\$5,950,303	\$4,462,727	25.00
KEREMEOS-TOWN-ASSESSMENT	\$12,891	\$12,891	\$0	\$57,577	\$44,685	22.39
LAKE COUNTRY - ASSESSMENT	\$150,724	\$150,724	\$0	\$602,897	\$452,173	25.00
LUMBY-VILLAGE-ASSESSMENT	\$16,244	\$16,244	\$0	\$64,977	\$48,733	25.00
NORTH OKAN. RD - ASSESSMENT	\$179,330	\$179,330	\$0	\$717,319	\$537,989	25.00
OLIVER-TOWN-ASSESSMENT	\$45,467	\$45,467	\$0	\$181,867	\$136,400	25.00
OKAN/SIMILK. R.D. - ASSESSMENT	\$202,020	\$202,020	\$0	\$818,388	\$616,368	24.69
OSOYOOS-TOWN-ASSESSMENT	\$62,394	\$62,394	\$0	\$249,578	\$187,183	25.00
PEACHLAND-DISTRICT-ASSESSMENT	\$58,816	\$58,816	\$0	\$235,264	\$176,448	25.00
PRINCETON-TOWN-ASSESSMENT	\$32,134	\$32,134	\$0	\$128,535	\$96,401	25.00
REVELSTOKE-CITY-ASSESSMENT	\$78,171	\$78,171	\$0	\$312,683	\$234,512	25.00
SALMON ARM-DISTRICT-ASSESSMENT	\$173,156	\$173,156	\$0	\$692,625	\$519,469	25.00
SICAMOUS ASSESSMENT	\$31,249	\$31,249	\$0	\$124,996	\$93,747	25.00
SPALLUMCHEEN-TOWNSHIP-ASSESSMT	\$51,140	\$51,140	\$0	\$204,560	\$153,420	25.00
SUMMERLAND-DISTRICT-ASSESSMENT	\$117,222	\$117,222	\$0	\$468,888	\$351,666	25.00
VERNON-CITY-ASSESSMENT	\$431,044	\$436,506	\$5,462	\$1,746,023	\$1,314,979	24.69
WESTBANK FIRST NATIONS -ASSESSMENT	\$90,175	\$90,175	\$0	\$360,701	\$270,526	25.00
WEST KELOWNA-ASSESSMENT	\$368,466	\$368,466	\$0	\$1,473,864	\$1,105,398	25.00
	(\$4,130,036)	(\$4,135,498)	(\$5,462)	(\$16,558,312)	(\$12,428,276)	24.94
<b>**FROM GOVERNMENT &amp; OWN RESOURCES**</b>						
PROV OF B.C. - PER CAPITA GRANT	\$0	\$0	\$0	\$1,008,808	\$1,008,808	0.00
GRANTS - FEDERAL	\$0	\$19,250	\$19,250	\$77,000	\$77,000	0.00
GRANTS - OTHER	\$0	\$1,625	\$1,625	\$6,500	\$6,500	0.00
CIRC. REV. - FINES & DAMAGED BKS	\$50,995	\$58,127	\$7,133	\$232,509	\$181,514	21.93
MEETING ROOM RENTAL	(\$1,265)	\$3,500	\$4,765	\$14,000	\$15,265	-9.04
INTERNET PRINTING REVENUE	\$7,243	\$2,939	(\$4,305)	\$11,755	\$4,512	61.62
KEYCARD REVENUE	\$50	\$0	(\$50)	\$0	(\$50)	0.00
INTEREST AND EXCHANGE GAIN REV	\$3,402	\$5,650	\$2,248	\$22,600	\$19,198	15.05
COPIER REVENUE	\$1,786	\$2,994	\$1,208	\$11,975	\$10,189	14.91
SUNDRY INCOME	\$1,538	\$0	(\$1,538)	\$0	(\$1,538)	0.00
MFA Actuarial earning debt reduction	\$0	\$0	\$0	\$135,488	\$135,488	0.00
INTER LIBRARY LOANS-NET	\$109	\$0	(\$109)	\$0	(\$109)	0.00
Subtotal Gov't and Own Resources	(\$63,858)	(\$94,085)	(\$30,227)	(\$1,520,635)	(\$1,456,777)	4.20
ORL owned buildings rent chargeback income	\$0	\$0	\$0	\$591,000	\$591,000	0.00
	(\$4,193,894)	(\$4,229,583)	(\$35,689)	(\$18,669,947)	(\$14,476,054)	22.46
<b>**TOTAL RECEIPTS OVER(UNDER)**</b>	<b>(\$4,193,894)</b>	<b>(\$4,229,583)</b>	<b>(\$35,689)</b>	<b>(\$18,669,947)</b>	<b>(\$14,476,054)</b>	<b>22.46</b>

ITEM 4.3

ORL Regular Board Agenda - May 17, 2017

OKANAGAN REGIONAL LIBRARY

RECEIPTS & DISBURSEMENTS

	ACTUAL YR.TO D	31/03/2017 BUDGET YR.TO D	VARIANCE YR.TO D	BUDGET -YEAR--	VARIANCE -From Annual--	% SPENT -Annual--
<b>**DISBURSEMENTS**</b>						
<b>REMUNERATION AND FRINGE BENEFITS</b>						
REMUNERATION	\$1,669,783	\$1,860,958	\$191,176	\$7,489,545	\$5,819,762	22.29
FRINGE BENEFITS	\$360,974	\$400,214	\$39,241	\$1,600,856	\$1,239,882	22.55
Subtotal	<u>\$2,030,756</u>	<u>\$2,261,173</u>	<u>\$230,416</u>	<u>\$9,090,400</u>	<u>\$7,059,644</u>	<u>22.34</u>
<b>RENT AND PROPERTY EXPENSES</b>						
RENT	\$479,506	\$630,796	\$151,290	\$2,523,184	\$2,043,678	19.00
LTD PRINCIPAL AND INTEREST	\$716,274	\$716,274	\$0	\$1,214,267	\$497,993	58.99
PROPERTY EXPENSES	\$283,083	\$286,082	\$2,998	\$1,144,327	\$861,244	24.74
Subtotal	<u>\$1,478,864</u>	<u>\$1,633,152</u>	<u>\$154,288</u>	<u>\$4,881,778</u>	<u>\$3,402,915</u>	<u>30.29</u>
BOOKS,PERIODICALS,VIDEO,CASSETTES	\$741,143	\$609,213	(\$131,930)	\$2,436,852	\$1,695,709	30.41
<b>OTHER EXPENSES</b>						
PROFESSIONAL FEES	\$17,908	\$17,660	(\$247)	\$70,641	\$52,734	25.35
PENTICTON LIB FEE	\$38,280	\$0	(\$38,280)	\$40,000	\$1,720	95.70
BOOK DEPOSIT GRANTS	\$2,000	\$750	(\$1,250)	\$3,000	\$1,000	66.67
MEMBERSHIPS	\$3,407	\$4,750	\$1,343	\$19,000	\$15,594	17.93
BOARD EXPENSES.	\$1,627	\$6,242	\$4,616	\$24,970	\$23,343	6.51
STAFF DEVELOPMENT, & MEETINGS	\$17,262	\$32,543	\$15,281	\$130,172	\$112,910	13.26
RECRUITMENT, TRAVEL & SUNDRY	\$538	\$3,622	\$3,084	\$14,487	\$13,949	3.71
WORKERS BOARD	\$5,877	\$6,022	\$145	\$24,088	\$18,210	24.40
INSUR FIRE P/L NONAUTO SELFINS	\$0	\$0	\$0	\$51,000	\$51,000	0.00
POSTAGE & FREIGHT	\$13,248	\$15,565	\$2,317	\$62,260	\$49,012	21.28
TELEPHONE & TEL.MAINT	\$7,854	\$8,012	\$159	\$32,050	\$24,196	24.51
EQUIPMENT REPS. & RENEWALS	\$5,639	\$3,315	(\$2,324)	\$13,260	\$7,621	42.53
SUPPLIES-GENERAL	\$17,002	\$11,313	(\$5,689)	\$45,251	\$28,250	37.57
SUPPLIES-COPIERS	\$2,286	\$3,137	\$851	\$12,546	\$10,260	18.22
SUPPLIES - CAT/PROC	\$4,187	\$7,523	\$3,336	\$30,090	\$25,904	13.91
SUPPLIES-CIRC	\$3,015	\$7,846	\$4,830	\$31,382	\$28,367	9.61
BINDING & MENDING	\$5,362	\$7,500	\$2,138	\$30,000	\$24,638	17.87
COLLECTION AGENCIES	\$1,800	\$3,570	\$1,770	\$14,280	\$12,480	12.61
TRANSPORT-FUEL,REPS,INS ETC	\$20,627	\$28,288	\$7,661	\$113,150	\$92,523	18.23
TRANSPORT-MILGE,SUNDS,GST ETC	\$1,390	\$3,863	\$2,473	\$15,451	\$14,061	9.00
CATALOGUE	\$18,112	\$0	(\$18,112)	\$0	(\$18,112)	0.00
LOAN INTEREST & BANK CHARGES	\$1,627	\$2,000	\$373	\$8,000	\$6,373	20.33
VIRTUAL BRANCH DEPT EXP.	\$804	\$3,750	\$2,946	\$15,000	\$14,196	5.36
COMMUNICATIONS DEPT EXP.	\$5,181	\$11,184	\$6,004	\$44,737	\$39,557	11.58
SUNDRY EXP.	\$18,272	\$250	(\$18,022)	\$339,009	\$320,737	5.39
COMPUTER EXPENSES	\$205,150	\$133,439	(\$71,711)	\$533,756	\$328,606	38.44
CHILDRENS PROGRAMMES	\$2,663	\$4,738	\$2,075	\$18,954	\$16,290	14.05
SPECIAL PROGRAMMES	\$832	\$9,380	\$8,548	\$37,520	\$36,688	2.22
RESERVES-ALLOCATION-EQUIPMENT	\$0	\$0	\$0	\$182,500	\$182,500	0.00
RESERVES APPROPN-AUTOMATION	\$0	\$0	\$0	\$100,000	\$100,000	0.00
RESERVES - STRATEGIC PLANNING	\$0	\$0	\$0	\$2,000	\$2,000	0.00
BUILDING RESERVE FUNDS	\$0	\$0	\$0	\$114,000	\$114,000	0.00
OTHER RESERVE FUNDS	\$0	\$0	\$0	\$88,361	\$88,361	0.00
<b>TOTAL DISBURSEMENTS (OVER)UNDER</b>	<u>\$4,672,712</u>	<u>\$4,839,799</u>	<u>\$167,087</u>	<u>\$18,669,947</u>	<u>\$13,997,235</u>	<u>25.03</u>
<b>NET DISBURSEMENTS OVER RECEIPTS</b>	<u>\$478,818</u>	<u>\$610,217</u>	<u>\$131,398</u>	<u>(\$0)</u>	<u>(\$478,819)</u>	



### Every School Child a Card Program

S. Hall – Memo to Policy & Planning Committee

April 28, 2017

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#### **Presented to Policy and Planning Committee on May 1, 2017:**

This was a program funded by the provincial government that enabled any schoolchild in BC to get a library card. Library systems received dedicated funding for this, but the funding was cut in 2009. In 2016, faced with a continued freeze in provincial funding, the ORL, with regret, had to finally stop offering the service. The ORL communicated with the affected areas (primarily Area H), and discontinued the program.

As a housekeeping item, I am requesting that we update our board policy to reflect this. It was an oversight that this was not done previously.

The change would be as follows (p. 15 of the policy manual):

#### **Junior**

Any child under the age of 13. Consent of parent or guardian is required to issue a membership card as parent or guardian is responsible for materials borrowed by their child. Card is valid for 2 years.

~~Under the BC Schoolchild library card program, children living in Area 'H' of the Okanagan Similkameen Regional District are issued cards that expire 1 year from date of issue.~~

Respectfully,  
Stephanie Hall

#### **Policy and Planning Committee Recommendation to the Board, May 17, 2017:**

Policy and Regulations, pg. 15:

*THAT the following sentence be removed from Policy Section III: "Under the BC Schoolchild library card program, children living in Area 'H' of the Okanagan Similkameen Regional District are issued cards that expire 1 year from date of issue."*



## SECTION III: LIBRARY MEMBERSHIP

### B. MEMBERSHIP

#### General

Okanagan Regional Library offers memberships in a variety of resident and non-resident categories upon application and satisfactory proof of identification. <sup>Adopted January 18, 1990</sup>

Memberships are valid for a specified period of time as determined by the Board. Memberships in good standing may be renewed upon presentation of an Okanagan Regional Library card and current identification. In the case of customers qualifying for membership through membership in another public library in British Columbia, proof of continuing good membership in the other library is required. The identification requirement for card renewals may be waived if the customer is known to staff. <sup>Amended May 17, 2006</sup>

Membership in the Library entitles the member to all the services offered by the Okanagan Regional Library, provided that the member follows Library rules. <sup>Amended May 17, 2006</sup>

#### Resident Card Categories

For residents of the Okanagan Regional Library, memberships are offered in the following categories: <sup>Amended June 1, 1995</sup>

#### Adult

Any individual 13 and over, card valid for 2 years.

#### Junior

Any child under the age of 13. Consent of parent or guardian is required to issue a membership card as parent or guardian is responsible for materials borrowed by their child. Card is valid for 2 years.

~~Under the BC Schoolchild library card program, children living in Area 'H' of the Okanagan Similkameen Regional District are issued cards that expire 1 year from date of issue.~~ <sup>Amended September 21, 2014</sup>



# MEMO

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Okanagan Regional Library 1430 K.L.O. Road, Kelowna, BC V1W 3P6 (250) 860-4033 Fax: (250) 861-8696

<b>To:</b>	<b>ORL Library Board</b>
<b>From:</b>	<b>Policy &amp; Planning Committee</b>
<b>Re:</b>	<b>Policy Section III: Faxing &amp; Scanning Charges</b>
<b>Date:</b>	<b>May 10, 2017</b>

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## **Board Policy Section III – Library Membership, C. Late Fees and Other Charges**

There is a clause in policy (pg. 21, attached) that reads:

*“Materials may be faxed or scanned upon request, to a customer’s home or business for the following charges: \$2 for the first page and \$1 for each additional page for either local or long-distance requests.”*

The ORL no longer has any machines in any branch with faxing capabilities and scanning costs are marginal at best.

### **Policy and Planning Committee Recommendation to the Board:**

Remove this clause from policy.

## SECTION III: LIBRARY MEMBERSHIP

### C. LATE FEES AND OTHER CHARGES

...

Charges for photocopying and all printing will be twenty-five cents (\$0.25) per page. Amended November 21, 1996

~~Materials may be faxed or scanned upon request, to a customer's home or business for the following charges: \$2 for the first page and \$1 for each additional page for either local or long distance requests.~~ Amended September 20, 2006



**POLICY SECTION IX: GIFTS AND DONOR RECOGNITION, C. DEFINITIONS (policy pg. 49)**

**Proposed Policy: Sponsorship and Partnerships**

**Definition:**

As per Okanagan Regional Library (ORL) Board Policy, a sponsorship is defined as “a *mutually beneficial business exchange between the Library and an external organization (hereinafter the sponsor) whereby the sponsor contributes funds, products or in-kind services to the Library in return for recognition, acknowledgement or other promotional considerations. Sponsorships involve an association between the sponsor and the Library and/or the specific program, event, service or activity being sponsored. Tax receipts are not issued for funds, products or in-kind services made to the Library.*” (approved Oct 21/15).

The following guidelines apply to all arrangements whereby an organization sponsors or partners with ORL programs, events, activities, and services. They do not apply to charitable philanthropic gifts from individuals or organizations, grants, or funds obtained from government.

**Policy and Planning Committee Recommendation to the Board, May 17, 2017:**

*THAT the following language be added to Policy Section IX: Gifts and Donor Recognition, C. Definitions (policy pg. 49):*

**General:**

A sponsor is an organization that provides funding for a program or service in exchange for recognition. A partner is an organization that provides an in-kind service or product.

The ORL’s mission is connecting curious minds, with a vision to provide for learning, innovation, creativity and a connected community. Sponsorships and partnerships should uphold the integrity of the non-commercial public space that the ORL provides, and we will entertain those that:

- further the library's mission, goals, objectives and priorities, without driving the library's agenda or priorities
- safeguard equity of access to library services and not allow sponsorship agreements to give unfair advantage to, or cause discrimination against, sectors of the community
- are consistent with the library's non-partisan, inclusive and educational mandate
- protect the principle of intellectual freedom and do not permit sponsors to influence the selection of collections, or staff advice and recommendations about library materials, nor require endorsement of products or services.
- ensure the confidentiality of ORL member records (we will not consider requests to share our members' personal information)
- will enhance the ORL's image in the community, in our assessment of the local political and social climate
- Ensure mutual understanding of the sponsorship arrangements through a signed agreement which describes options, including termination provisions

**Library Programs:**

Library programs support the ORL's mission by promoting our services and offering our communities informational, entertaining, or cultural experiences. The ORL will strive to offer a variety of programs that reflect a community's broad range of interests and ages. The programs may be staff-initiated, or may be presented in cooperation with other profit or nonprofit agencies. Library staff will determine what topics, speakers and resources are used based on the interests and needs of the community.

Businesspersons or other professional experts in the field from all sectors (profit, non-profit, government) are welcomed to present programs, as long as no solicitation of business occurs. Programs will not be allowed to serve as a platform for generating income for any sponsoring/cooperating group or individual. This includes charitable organizations, who cannot solicit for donations or leave donation boxes at ORL locations. The ORL's mandate is to provide free, non-commercial access to resources and materials, and members should not feel the need to contribute to external organizations while in the library. These agencies or individuals will, however, be permitted to leave company information and business cards behind at the end of the program so attendees can take away information and make a decision later about purchasing or donating through the appropriate channels.

There are only three exceptions to this policy:

1. As a cultural and literary institution, the ORL does welcome the promotion of writers, performers, and artists who may sell their own works at the library following a program.
2. Friends of the Library groups may sell items at any program they sponsor.
3. The ORL is able to fundraise and solicit for donations for its own programs and services on its premises.

**Benefit to the ORL:**

Sponsorships and partnerships must benefit the ORL by allowing it to enhance, promote and/or market approved Library programs, services, events or activities. In return for providing certain benefits to the sponsor, the Library will receive resources in the form of cash, products, services or other in-kind contributions which can be used directly in support of partnered programs or indirectly to support other ORL programmes, services, events or activities. The sponsor will receive a benefits package and level of recognition commensurate with the value of its contribution.

While sponsorship involves an association between the sponsor and the ORL, this does not constitute official endorsement of the sponsor or its products and services.

**Publicity:**

Sponsorships that involve a longer-term, funding relationship between the ORL and sponsoring organization will be treated on a case-by-case basis and publicity of the sponsorship will be detailed in a specific Sponsorship Agreement.

For partnerships involving programs, giveaways or contests, the partner may submit a logo for usage in ORL promotional materials and online marketing; promotion will be limited to the specific event or contest that the partnership is based upon with no general endorsement of the partner or their services/products.

We encourage the sponsor or partner to promote their program through their own networks and contacts. Please contact ORL staff for an official ORL logo and do not stretch or manipulate it in any way, and inform ORL staff of publicity plans so that they can coordinate with activities of the ORL's Public Relations Department.



# MEMO

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Okanagan Regional Library 1430 K.L.O. Road, Kelowna, BC V1W 3P6 (250) 860-4033 Fax: (250) 861-8696

<b>To:</b>	<b>ORL Library Board</b>
<b>From:</b>	<b>Policy &amp; Planning Committee</b>
<b>Re:</b>	<b>Policy Section II: In-Camera Board Meetings</b>
<b>Date:</b>	<b>May 10, 2017</b>

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## **Board Policy Section II – Board Organization and Structure, A. Meetings**

At the February 15, 2017 In-Camera Board Meeting, the matter of policy was raised in regards to board members reporting back to their councils on ORL in-camera matters, and discussion was deferred to the next meeting.

### **Policy and Planning Committee Recommendation to the Board:**

*THAT the following language be added to Policy Section II:*

*In general, Board members are permitted to share in-camera items with their own councils in-camera where relevant. If an item is not to be shared in this way, a formal motion will be required.*



# BOARD POLICY AND REGULATIONS

## SECTION II: BOARD ORGANIZATION AND STRUCTURE

### A. MEETINGS

#### General

All meetings of the Library Board and its committees follow the provisions of the Community Charter, to determine if a matter is to be discussed in an open or in-camera meeting. A formal motion is required to move any matter to an in-camera meeting from an open meeting, or vice versa. Adopted September 21, 2011

#### Regular Board Meeting Schedule

There shall be four regular meetings of the Board in each year and such other meetings as the Board may decide. Regular meetings will be held in February, May, September and November, except in years when municipal elections are held. In years when there is a municipal election, meetings will be held in February, May, September and October. The Board Chair, Vice-Chair, Policy and Planning Committee Chair, Finance Committee Chair, and Personnel Committee Chair are elected annually from amongst the members at the February meeting. Signing officers are also appointed. The Board approves the Board meeting schedule for the upcoming year at the last meeting of the previous year. Final budget approval for a fiscal year takes place at the last meeting of the previous year.

Amended September 21, 2011

#### In-Camera Board Meetings

Any in-camera Board meetings required are held prior to the regular board meeting. Minutes are approved at the following in-camera meeting. Decisions will be implemented as directed by the Board. Amended September 21, 2011

Management Team staff may attend in-camera Board Meetings as required. The Chief Executive Officer is the only staff member who attends when exempt compensation is discussed by the Board at in-camera meeting.

*In general, Board members are permitted to share in-camera items with their own councils in-camera where relevant. If an item is not to be shared in this way, a formal motion will be required.*



RECEIVED  
APR 25 2017

ITEM 6.1a  
ORL Regular Board Agenda  
May 17, 2017

File: 7960.20

April 13, 2017

Ms. Stephanie Hall  
Chief Executive Officer  
Okanagan Regional Library  
1430 KLO Road  
Kelowna, BC V1W 3P6

Dear Ms. Hall:

Re: Funding for Keremeos Branch

---

The Regional District of Okanagan-Similkameen and the Village of Keremeos have made arrangements to contribute financially for 2017 to keep the Keremeos Branch open an additional 25 hours to mitigate the proposed reduction of 30 hours for 2017, with reduced staffing.

The Regional District will contribute \$10,300.00 and the Village of Keremeos will contribute \$6,011.00 to assist with 2017 funding. Supplementary funds will not be available after 2017.

If you have any questions regarding this funding arrangement, please feel free to call Bill Newell, RDOS Chief Administrative Officer, at 492-0237.

Sincerely,

Karla Kozakevich  
RDOS Board Chair



## 2017 Working Priorities

As we work towards the goals of the 2016-2019 Strategic plan, we set annual work priorities to help guide our focus. In 2017, the ORL board, with input from the staff, management, and patrons, is emphasizing the second key theme of our plan:

### Our library is an integral part of life in our diverse communities

Our communities are diverse, but we are stronger together. This Direction is about listening to those in our communities and addressing their unique needs. It is about making ORL a library system that represents the best of working cooperatively combined with the best of providing flexible service responses.

In our strategic plan, we said we would:

#### Engage with our communities

- Integrate the library into local planning processes and related community conversations.
- Actively explore community and cultural needs, and tailor services accordingly while maintaining a baseline of service across the region.
- Develop programs and partnerships that integrate the library into the community.

#### Communicate

- Strengthen and broaden awareness of our services in our communities
- Align our communication to reflect our changing role.
- Improve our understanding of both patrons and non-patrons in order to better connect with both.
- Assess our performance and the relevance of our services regularly.

In addition to the goals of our community theme, the board recognized that work on the other priorities will also be ongoing and will support the progress on this theme. Within this document, those additional activities will be grouped under the theme 'service transformation'.

## Community and Awareness Goals

Objective	Actions	Measures of Success
Align local library planning with community priorities	<ol style="list-style-type: none"> <li>1. Create community profiles that highlight local government and community strategic priorities</li> <li>2. Introduce community priorities into branch strategic planning</li> <li>3. Determine what the key collaborative community tables are and which the ORL should join</li> </ol>	<ul style="list-style-type: none"> <li>✓ Branch staff have a better understanding of community needs and priorities</li> <li>✓ Branches take actions to support community priorities</li> <li>✓ ORL increases participation on shared community initiatives</li> </ul>
ORL engages in meaningful partnerships that support our mission	<ol style="list-style-type: none"> <li>1. Create a partnership and shared services tool that assists in evaluating existing or potential collaborations</li> <li>2. Set strategic priorities for partnership development in 2017/18</li> </ol>	<ul style="list-style-type: none"> <li>✓ Partnerships and shared services are developed for the betterment of the community</li> <li>✓ Staff are better able to assess the value of and prioritize partnerships and shared services</li> </ul>
Improve awareness of and participation in the library's services	<ol style="list-style-type: none"> <li>1. Create a demographic profile of our user base vs broader community demographics to inform a communications plan</li> <li>2. Evaluate member benefits</li> <li>3. Launch a membership campaign aimed at increasing usership</li> <li>4. Annual system theme supports membership campaign</li> <li>5. Refresh the ORL brand</li> </ol>	<ul style="list-style-type: none"> <li>✓ The ORL staff and board better understand who is using the library</li> <li>✓ Increase active membership by 5% in 2017</li> <li>✓ Expand the public's perception of what the library can offer them (seeing is believing)</li> <li>✓ A new logo and visual identity is created and adopted</li> </ul>
ORL is a data-driven organization	<ol style="list-style-type: none"> <li>1. Improve our data collection, analysis, use, and reporting, with an increased interest in outcomes. Find ways to present meaningful data at the right times for staff, patrons, board, and funding bodies.</li> </ol>	<ul style="list-style-type: none"> <li>✓ Staff and Board are aware of and can easily access meaningful data when making decisions or assessing performance</li> <li>✓ Project Outcome is introduced and piloted around the system</li> </ul>

## Service Transformation Goals

Objective	Actions	Measures of Success
<p>Improve our staff's capacity to deliver innovative and impactful services</p>	<ol style="list-style-type: none"> <li>1. Find ways to free up staff capacity, such as the expansion of self-checkout</li> <li>2. Revise staffing structure to prioritise our emerging roles</li> <li>3. Improve foundational supports for staff</li> </ol>	<ul style="list-style-type: none"> <li>✓ Self-checkout use increases by 20%</li> <li>✓ Librarian portfolios are introduced</li> <li>✓ Staff training is improved and coordinates with the skills we want to see</li> <li>✓ Staffing structure plan is updated</li> <li>✓ Competencies are updated for our entry level roles</li> <li>✓ Bargaining lays a strong foundation for multiple years ahead</li> <li>✓ Payroll and scheduling systems are improved</li> <li>✓ Performance and attendance management practices strengthen our ability to make the most of our staff's abilities</li> <li>✓ Improved intranet creates a more effective environment for communication, collaboration, and knowledge transfer</li> </ul>
<p>Create inviting spaces that meet the needs of community</p>	<ol style="list-style-type: none"> <li>1. Complete the renovation of Kelowna branch, the relocation of the Armstrong branch, and the creation of the Westside Learning Lab</li> <li>2. Introduce room booking software</li> <li>3. Conduct space planning in at least three additional branches</li> <li>4. Review IT security and branch security measures.</li> <li>5. Create a facilities master plan to guide multi-year planning</li> </ol>	<ul style="list-style-type: none"> <li>✓ Kelowna, Armstrong and Westside Learning Lab locations are thriving</li> <li>✓ Patrons can book ORL spaces online</li> <li>✓ Security manual is updated</li> <li>✓ Security practices reviewed and revised where needed</li> <li>✓ IT security audit conducted</li> <li>✓ Space planning is complete and facilities priorities for 2018 are established</li> </ul>

Objective	Actions	Measures of Success
Expand our role in supporting technological literacy and connectedness	<ol style="list-style-type: none"> <li>1. Increase broadband speeds system-wide</li> <li>2. Expand technology-related programming</li> <li>3. Ensure staff in all service locations know how to escalate tech queries</li> <li>4. Evaluate pilots involving new types of technology in branches (i.e. ipads, pop-up makerspace)</li> <li>5. Continue to expand our online offerings</li> </ol>	<ul style="list-style-type: none"> <li>✓ Patrons and staff experience better broadband speeds</li> <li>✓ Patrons develop better technological fluency</li> <li>✓ ORL identifies public technology to be rolled out in branches</li> <li>✓ People increasingly view the library as 'a tech place'</li> <li>✓ More services are available and used online</li> </ul>
Assess service quality	<ol style="list-style-type: none"> <li>1. Assess current service quality both in person and online</li> <li>2. Address pain points in our policies and practices</li> </ol>	<ul style="list-style-type: none"> <li>✓ Assessment activities are completed</li> <li>✓ Key recommendations are implemented where possible</li> <li>✓ Revised public service manual and policies are completed</li> </ul>

# ACCESS CARD EVALUATION

May 16, 2017

Monica Gaucher

Tara Thompson



# OVERVIEW

- KELOWNA (KL, MI, RU) and VERNON from April 2016
  - SALMON ARM and WESTBANK from December 2017
- Allows for basic service to those who might need it the most.
- Partner with local service organizations in all areas
- Limit of 3 items, all formats
- No late fees; lost and damaged fees apply  
One piece of ID with name or letter from partner service provider
- 1 point of contact (email, cell number, message service)

# WHO IS USING ACCESS CARDS?

- Since the previous report, 18 residents have received Access cards
- As of April 15, 2017:
  - 42 cards have been registered
  - 27 cards are active (14 have expired)
  - 6 branches
  - 9 Females; 33 Males
- Wide range of ages:

Under 20	1%
20-24	15%
25-34	27%
35-44	24%
45-54	17%
55-64	15%

# WHO IS USING ACCESS CARDS?

- We have some heavy users - since January, one resident has taken 30 items out and another has 21 items.
- 25 Access Cards haven't been used to borrow physical items. We assume they are users of our public computers.
- Currently 6 of the 42 total cards owe \$224.65
- \$10 of fees have been paid back

# PARTNERSHIPS (SO FAR...)

- John Howard Society (VE)
- Vernon Upper Room Mission
- Open Door Alternative Programs (SD#22)
- John Howard Society of The Central and South OK
- Ozanam House (KL)
- Central Okanagan Family Hub (KL)
- Kelowna Women's Shelter
- Okanagan Boys and Girls Clubs
- Salvation Army (SA)



ITEM 7.a)

ITEM 7a  
ORL Regular Board Agenda - May 17, 2017

March 9, 2017

Ref: 192814

Catherine Lord, Board Chair  
Stephanie Hall, Chief Executive Officer  
Okanagan Regional Library  
Email: [CLord@vernon.ca](mailto:CLord@vernon.ca)  
[shall@orl.bc.ca](mailto:shall@orl.bc.ca)

Dear Ms. Lord and Ms. Hall:

Thank you for your letter of January 27, 2017, addressed to the Honourable Christy Clark, Premier, regarding funding for public libraries in British Columbia. As Minister of Education, I am pleased to respond on behalf of the Premier.

I appreciate hearing from you on the importance and value of provincial funding for public libraries. I share your view in that investments in public libraries support the economic vitality, social well-being and cultural development of our province.

Government recognizes the valuable services provided by public libraries across British Columbia and has provided stable funding to public libraries since 2011, while meeting its commitment to a balanced budget. Your request for an annual indexed inflationary increase for public library funding is noted and will be considered as the Ministry of Education allocates funds within its 2017/18 budget. Your recommendations will be taken into consideration as we work together to implement *Inspiring Libraries, Connecting Communities: A Vision for Public Library Service in British Columbia*.

If you have further questions or concerns, please contact Ramona Soares, Assistant Deputy Minister, International Education, Independent Schools and Partner Relations by phone at (604) 396-6132 or by email at [Ramona.Soares@gov.bc.ca](mailto:Ramona.Soares@gov.bc.ca).

Thank you for your continued commitment to strengthening public libraries in the Okanagan and across British Columbia.

Again, thank you for writing.

Sincerely,

Mike Bernier  
Minister

pc: Honourable Christy Clark, Premier

*The Corporation of the District of Peachland*

5806 Beach Avenue  
Peachland, BC  
VOH 1X7

Phone: 250-767-2647  
Fax: 250-767-3433  
www.peachland.ca

February 28, 2017

RECEIVED  
MAR 10 2017

MLA Dan Ashton  
300 Riverside Drive  
Penticton, BC V2A-9C9

**Re: Support for the Okanagan Regional Library Board**

Dear Mr. Ashton;

The District of Peachland Council would like to express their support of the Okanagan Regional Library's request to have inflation-adjusted funding increases to public libraries in order to enable them to sustain basic levels of service and consider additional increases to implement new innovation in service delivery. Provincial grant allocations to public libraries, although stable since 2010, have not increased since 2005. As a result, public libraries have been absorbing a year-over-year decrease to real revenue that cumulatively amounts to 19%, resulting in economic vulnerability. Meanwhile, the population served by public libraries has increased by 10% over the same time period.

We request that public libraries be considered for an annual inflationary adjustments and that annual increases be indexed in future. At a minimum, a single year inflationary increase of 2% over 2016 over the current allocation of 14M, amounts to a modest \$280,000.

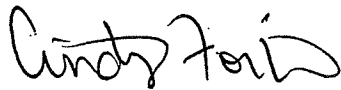
Provincial funding for libraries is an indispensable element in maintaining equitable access to information (whether print, electronic or online) for all ages, income and education levels, and is particularly important for smaller communities. The District of Peachland is one of the smaller communities in which the Okanagan Regional Library operates a small library branch that is essential to the community and is utilized by residents of Peachland, as well as, the outlying areas.

With 71 public libraries delivering services through 247 locations, public libraries are strategic assets in B.C. Communities with existing physical and digital infrastructure and well established community partnerships.

Investment in public libraries supports the economic vitality, social well-being and cultural development of our province. Government's vision is that our public libraries provide British Columbians with access to the information and tools that they need to learn, work, create and thrive in today's changing world.

Please contact me if you have any further questions.

Yours truly,

A handwritten signature in black ink that reads "Cindy Fortin". The signature is written in a cursive, flowing style.

Cindy Fortin  
Mayor

c. Council

Okanagan Regional Library Board  
CAO, Elsie Lemke