

**OKANAGAN REGIONAL
LIBRARY DISTRICT
Financial Statements
For the year ended December 31, 2018**

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Management's Responsibility for Financial Reporting

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.

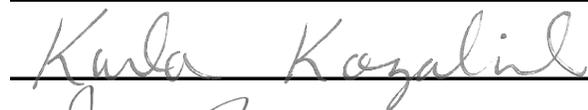
The financial statements were prepared by our external auditor in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the financial statements are based on management's best estimates and judgments. Actual results could differ as additional information 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.



Chairperson



Chief Financial Officer

May 22, 2019

Independent Auditor's Report

To the Board of Trustees of the Okanagan Regional Library District

Opinion

We have audited the financial statements of Okanagan Regional Library District (the "Library District"), which comprise the statement of financial position as at December 31, 2018, and the statements of operation and accumulated surplus, changes in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library District as at December 31, 2018, and the statements of operations and accumulated surplus, change in net debt, and cash flows for the year then ended in accordance with Canadian accounting standards for public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Library District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 18 through 23 of the Library District's financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for public sector accounting, 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.

In preparing the financial statements, management is responsible for assessing the Library District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Library District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library District's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Library District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Vernon, British Columbia
May 22, 2019

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

December 31	2018	2017
Financial assets		
Cash (Note 1)	\$ 4,218,084	\$ 3,105,887
Accounts receivable	283,331	318,612
MFA debt reserve	155,000	155,000
	<u>4,656,415</u>	<u>3,579,499</u>
Financial liabilities		
Accounts payable and accrued liabilities	962,145	862,939
Wages payable	97,603	75,697
Deferred revenue	59,141	32,667
Long-term debt (Note 2)	10,768,038	11,450,533
	<u>11,886,927</u>	<u>12,421,836</u>
Net debt	<u>(7,230,512)</u>	<u>(8,842,337)</u>
Non-financial assets		
Tangible capital assets (Note 3)	26,664,873	27,566,327
Prepaid expenses	316,638	231,417
	<u>26,981,511</u>	<u>27,797,744</u>
Accumulated surplus (Note 4)	<u>\$ 19,750,999</u>	<u>\$ 18,955,407</u>

Approved on behalf of the Board:



Chairperson

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

For the year ended December 31	2018	2018	2017
	Actual	Budget	Actual
Revenue			
Assessments (Schedule 2)	\$ 16,965,470	\$ 16,965,465	\$ 16,580,526
Province of British Columbia grant	1,008,062	1,008,808	1,008,026
Other grant revenue	56,162	83,500	40,479
Other revenue (Schedule 3)	626,649	428,327	565,507
	18,656,343	18,486,100	18,194,538
Expenses (Note 6)			
Amortization	2,903,885	-	2,684,976
Children's programs	44,032	19,333	41,925
Delivery/transportation			
Operating expenses	87,656	96,084	81,537
Direct local branch expenses (Schedule 4)	10,563,233	10,426,534	10,961,118
Electronic materials	787,801	790,000	779,691
Headquarters supportive services			
Salaries and benefits	2,138,929	2,632,526	2,270,771
Operating (Schedule 5)	1,335,215	1,818,656	1,342,317
Loss on disposal of tangible capital assets	-	-	40,789
	17,860,751	15,783,133	18,203,124
Annual surplus (deficit) (Note 9)	795,592	2,702,967	(8,586)
Accumulated surplus, beginning of year	18,955,407	18,955,407	18,963,993
Accumulated surplus, end of year	\$ 19,750,999	\$ 21,658,374	\$ 18,955,407

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

For the year ended December 31	2018	2018	2017
	Actual	Budget	Actual
Annual surplus (deficit)	\$ 795,592	\$ 2,702,967	\$ (8,586)
Acquisition of tangible capital assets	(2,002,431)	(1,596,852)	(1,902,060)
Amortization of tangible capital assets	2,903,885	-	2,684,976
Loss on disposal of tangible capital assets	-	-	40,789
(Acquisition) use of prepaid expenses	(85,221)	-	23,591
Change in net debt	1,611,825	1,106,115	838,710
Net debt, beginning of year	(8,842,337)	(8,842,337)	(9,681,047)
Net debt, end of year	\$ (7,230,512)	\$ (7,736,222)	\$ (8,842,337)

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

For the year ended December 31	2018	2017
Cash flows provided by (used in) operating activities		
Cash receipts from assessments, grants, and other revenue	\$ 18,760,748	\$ 18,542,061
Cash paid to employees and suppliers	(14,320,962)	(14,692,963)
Interest received	51,087	21,199
Interest paid	(693,750)	(693,750)
	<u>3,797,123</u>	<u>3,176,547</u>
Cash flows provided by (used in) capital activities		
Acquisition of tangible capital assets	<u>(2,002,431)</u>	<u>(1,902,060)</u>
Cash flows provided by (used in) financing activities		
Repayment of long-term debt	<u>(682,495)</u>	<u>(656,246)</u>
Increase in cash during the year	1,112,197	618,241
Cash, beginning of year	<u>3,105,887</u>	<u>2,487,646</u>
Cash, end of year	<u>\$ 4,218,084</u>	<u>\$ 3,105,887</u>

Okanagan Regional Library District Summary of Significant Accounting Policies

December 31, 2018

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

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 Chartered Professional Accountants of Canada.

MFA Debt Reserve 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.

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:

Buildings	2.5% declining balance
Vehicles	20% declining balance
Computer equipment	25% declining balance
Shelving	40 years, straight line
Carts, tables, & chairs	5% declining balance
Electronics & miscellaneous	15% declining balance
Book inventory	2 to 50 years, straight line

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.

Government Transfers

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 Summary of Significant Accounting Policies

December 31, 2018

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.

Use of Estimates 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.

Financial Instruments 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.

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

December 31, 2018

1. Cash

Cash is held in a financial institution earning interest at an average rate of 1.74% (2017 - 1.01%) 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.

	2018	2017
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. The loan was refinanced at the end of 2018, as a result the semi annual interest payments are now \$65,250 and the interest rate is 2.90% subsequent to 2018.	\$ 2,685,662	\$ 2,900,749
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 4.20%, due April 4, 2031.	8,082,376	8,549,784
	\$ 10,768,038	\$ 11,450,533

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

2019	\$ 520,517
2020	520,517
2021	520,517
2022	520,517
2023	520,517
Thereafter	3,710,784
	\$ 6,313,369
Add: Actuarial additions until maturity	4,454,669
	\$ 10,768,038

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

December 31, 2018

3. Tangible Capital Assets

2018

	Land	Buildings	Vehicles	Computer Equipment	Shelving	Carts, Tables & Chairs	Electronics & Miscellaneous	Book Inventory	Total
Cost, beginning of year	\$ 983,134	\$ 20,675,786	\$ 89,189	\$ 1,026,537	\$ 2,729,633	\$ 1,592,386	\$ 574,900	\$ 14,578,443	\$ 42,250,008
Additions	-	-	-	263,055	44,715	48,350	100,574	1,545,737	2,002,431
Disposals	-	-	-	(96,887)	-	-	-	(556,685)	(653,572)
Cost, end of year	\$ 983,134	\$ 20,675,786	\$ 89,189	\$ 1,192,705	\$ 2,774,348	\$ 1,640,736	\$ 675,474	\$ 15,567,495	\$ 43,598,867
Accumulated amortization, beginning of year	\$ -	\$ 2,989,225	\$ 59,361	\$ 720,353	\$ 1,155,520	\$ 666,535	\$ 425,380	\$ 8,667,307	\$ 14,683,681
Amortization	-	442,163	5,965	118,087	69,225	48,709	37,514	2,182,222	2,903,885
Disposals	-	-	-	(96,887)	-	-	-	(556,685)	(653,572)
Accumulated amortization, end of year	\$ -	\$ 3,431,388	\$ 65,326	\$ 741,553	\$ 1,224,745	\$ 715,244	\$ 462,894	\$ 10,292,844	\$ 16,933,994
Net carrying amount, end of year	\$ 983,134	\$ 17,244,398	\$ 23,863	\$ 451,152	\$ 1,549,603	\$ 925,492	\$ 212,580	\$ 5,274,651	\$ 26,664,873

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

December 31, 2018

3. Tangible Capital Assets (continued)

2017

	Land	Buildings	Vehicles	Computer Equipment	Shelving	Carts, Tables & Chairs	Electronics & Miscellaneous	Book Inventory	Total
Cost, beginning 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
Additions	-	-	-	143,805	42,286	142,558	8,055	1,565,356	1,902,060
Disposals	-	-	-	(141,390)	(73,110)	(16,500)	(21,664)	(2,460,545)	(2,713,209)
Cost, end of year	\$ 983,134	\$ 20,675,786	\$ 89,189	\$ 1,026,537	\$ 2,729,633	\$ 1,592,386	\$ 574,900	\$ 14,578,443	\$ 42,250,008
Accumulated amortization, beginning of year	\$ -	\$ 2,535,723	\$ 51,904	\$ 759,682	\$ 1,131,712	\$ 632,262	\$ 415,186	\$ 9,144,654	\$ 14,671,123
Amortization	-	453,502	7,457	102,061	68,106	44,978	25,675	1,983,198	2,684,977
Disposals	-	-	-	(141,390)	(44,298)	(10,705)	(15,481)	(2,460,545)	(2,672,419)
Accumulated amortization, end of year	\$ -	\$ 2,989,225	\$ 59,361	\$ 720,353	\$ 1,155,520	\$ 666,535	\$ 425,380	\$ 8,667,307	\$ 14,683,681
Net carrying amount, end of year	\$ 983,134	\$ 17,686,561	\$ 29,828	\$ 306,184	\$ 1,574,113	\$ 925,851	\$ 149,520	\$ 5,911,136	\$ 27,566,327

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

December 31, 2018

4. Accumulated Surplus

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

	2018	2017
Financial equity		
General fund (Schedule 1)	\$ 256,153	\$ 371,729
Equity in tangible capital assets (Note 5)	16,052,025	16,270,994
Reserve funds (Schedule 6)	3,442,821	2,312,684
	\$ 19,750,999	\$ 18,955,407

Equity in tangible 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 Tangible Capital Assets

	2018	2017
Balance, beginning of year	\$ 16,270,994	\$ 16,438,454
Add:		
Contribution for long-term debt reduction	682,495	656,246
Contribution for tangible capital assets	1,822,643	1,597,640
Contribution from reserve funds	179,788	304,419
Deduct:		
Amortization	(2,903,895)	(2,684,976)
Loss on disposal of tangible capital assets	-	(40,789)
Balance, end of year	\$ 16,052,025	\$ 16,270,994

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

December 31, 2018

6. Expenses by Object

	2018	2018	2017
	Actual	Budget	Actual
Advertising	\$ 40,458	\$ 57,140	\$ 41,369
Amortization	2,903,890	-	2,684,976
Association dues, staff development including internal wages and travel	235,827	166,932	185,379
Board and committee expenses	7,083	20,141	8,685
Book binding and mending	11,570	30,000	13,195
Computer maintenance and telecommunications	489,898	594,702	481,147
Contract for library services	36,190	40,000	38,280
Electronic materials	787,801	790,000	779,691
Insurance	55,363	51,000	52,414
Interest, bank charges and US exchange	10,082	8,000	10,211
Long term debt interest	693,750	693,750	693,750
Loss on disposal of capital assets	-	-	40,789
Maintenance and utilities	1,318,988	1,242,974	1,784,358
Moving and storage	-	3,060	807
Postage and freight	49,700	59,200	52,778
Professional fees	91,437	75,970	114,268
Programs	44,032	19,333	41,925
Rent	1,989,029	2,016,147	1,921,532
Sundry	-	320,911	33,685
Supplies	127,984	128,147	146,163
Telephone	20,946	32,050	23,718
Transportation	124,536	131,173	114,057
Wages and benefits	8,822,187	9,302,503	8,939,947
	\$ 17,860,751	\$ 15,783,133	\$ 18,203,124

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, 2018, the Library District had drawn \$nil (2017 - \$nil) on this agreement.

Okanagan Regional Library District Notes to Financial Statements

December 31, 2018

8. Pension Liability

The Library District and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusted 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, 2017, the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 136 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contributions rates remained unchanged.

The Library District paid \$578,801 (2017 - \$591,660) for employer contributions to the Plan in fiscal 2018.

The next valuation will be as at December 31, 2018, with results available in late 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.

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

December 31, 2018

9. Budget Information

The budget adopted by the Board of Trustees was prepared on a modified accrual basis while PSAB requires 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 Trustees with adjustments as follows:

	<u>2018</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	1,695,589
Long-term debt reduction - principal	<u>520,517</u>
Budget surplus per statement of operations and accumulated surplus	<u>\$ 2,702,967</u>

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

For the year ended December 31	2018	2018	2017
	Actual	Budget	Actual
Revenue			
Assessments (Schedule 2)	\$ 16,965,470	\$ 16,965,465	\$ 16,580,526
Province of British Columbia	1,008,062	1,008,808	1,008,026
Other grant revenue	56,162	83,500	40,479
Other revenue (Schedule 3)	626,649	428,327	565,507
	18,656,343	18,486,100	18,194,538
Expenses			
Children's programs	44,032	19,333	41,925
Direct local branch expenses (Schedule 4)	10,563,233	10,426,534	10,961,118
Delivery/transportation			
Operating expenses	87,647	96,084	81,537
Electronic materials	787,801	790,000	779,691
Headquarters supportive services			
Salaries and benefits	2,138,929	2,632,526	2,270,771
Operating (Schedule 5)	1,335,215	1,818,656	1,342,317
	14,956,857	15,783,133	15,477,359
Excess of revenues over expenses	3,699,486	2,702,967	2,717,179
Net interfund transfers:			
Net contributions to tangible capital fund			
For long-term debt reduction	(682,495)	(520,517)	(656,246)
For tangible capital assets	(2,002,430)	(1,695,589)	(1,597,640)
Contribution from reserve fund (Schedule 6)			
Building maintenance	20,803	-	511,765
Donation	104,120	-	35,925
Equipment	-	-	27,382
Furnishing	137,024	-	5,976
Technology & software	165,883	-	2,177
Contributions to reserve funds (Schedule 6)			
Building maintenance	(337,982)	(85,000)	(60,000)
Capital building project	(789,000)	(114,000)	(118,083)
Donation	(83,135)	-	-
Equipment	(145,000)	(145,000)	(543,128)
Staff appreciation and development	(61,500)	(1,511)	(1,500)
Strategic planning	(2,000)	(2,000)	(2,000)
Technology & software	(126,850)	(126,850)	(126,850)
Vehicle replacement	(12,500)	(12,500)	(75,758)
	(3,815,062)	(2,816,967)	(2,597,980)
Change in fund balance	(115,576)	(114,000)	119,199
Surplus, beginning of year	371,729	371,729	252,530
Surplus, end of year	\$ 256,153	\$ 257,729	\$ 371,729

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

For the year ended December 31	2018	2018	2017
	Actual	Budget	Actual
Municipalities			
Armstrong	\$ 184,237	\$ 184,237	\$ 179,461
Coldstream	442,409	442,409	441,363
Enderby	102,651	102,651	98,614
Golden and Area	304,814	304,814	313,740
Kelowna	6,208,386	6,208,386	5,950,303
Keremeos	53,531	53,531	58,700
Lake Country	607,575	607,575	602,897
Lumby	66,967	66,967	64,977
Oliver	190,682	190,682	181,867
Osoyoos	256,572	256,572	249,578
Peachland	251,213	251,213	235,264
Princeton	129,032	129,032	128,535
Revelstoke	321,092	321,092	312,683
Salmon Arm	712,793	712,793	692,625
Sicamous	145,421	145,420	146,096
Spallumcheen	203,005	203,005	204,560
Summerland	491,685	491,685	468,888
Vernon	1,757,829	1,757,825	1,746,023
West Kelowna	1,470,990	1,470,990	1,473,864
	13,900,884	13,900,879	13,550,038
First Nation Members			
Westbank First Nation	394,811	394,811	360,701
	14,295,695	14,295,690	13,910,739
Regional Districts			
Central Okanagan	304,452	304,452	304,637
Columbia - Shuswap	818,812	818,812	829,452
North Okanagan	727,892	727,892	717,319
Okanagan - Similkameen	818,619	818,619	818,379
	2,669,775	2,669,775	2,669,787
	\$ 16,965,470	\$ 16,965,465	\$ 16,580,526

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

For the year ended December 31	2018		2018	2017
	Actual		Budget	Actual
Actuarial earnings	\$ 161,979	\$	135,488	\$ 135,729
Bank interest	51,087		22,600	21,199
Book bag revenue	1,921		-	2,133
Copying	48,921		23,730	43,840
Donation revenue	85,071		-	70,353
Fines, damaged and lost books	229,700		232,509	240,371
Interdepartment rent	634,682		634,682	588,005
Meeting room rental	35,648		14,000	14,289
Non resident charges	3,575		-	2,875
Sundry	8,747		-	34,718
Total before adjustment	1,261,331		1,063,009	1,153,512
Interdepartment rent	(634,682)		(634,682)	(588,005)
Total	\$ 626,649	\$	428,327	\$ 565,507

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

For the year ended December 31

Branch	Salaries & Benefits	Building	Other	2018 Total	2018 Budget	2017 Total
Armstrong	\$ 136,195	\$ 61,761	\$ 3,271	\$ 201,227	\$ 203,459	347,227
Book Deposits	-	-	3,190	3,190	3,000	3,190
Cherryville	17,348	10,692	5,569	33,609	43,916	46,267
Enderby	124,827	62,039	2,629	189,495	189,492	178,665
Falkland	46,909	15,869	2,788	65,566	67,744	78,570
Golden	113,819	63,580	21,735	199,134	217,688	198,495
Hedley	14,032	2,466	3,892	20,390	22,252	18,289
Kaleden	48,174	16,493	1,586	66,253	70,965	60,812
Kelowna						
<i>Downtown</i>	1,089,416	944,800	8,790	2,043,006	1,989,751	2,364,368
<i>Mission</i>	403,309	172,163	3,459	578,931	566,493	574,774
<i>Rutland</i>	418,317	320,561	4,748	743,626	765,241	694,438
Keremeos	107,479	39,057	4,078	150,614	142,887	160,646
Lake Country						
<i>Central</i>	197,752	108,573	3,429	309,754	286,944	280,343
<i>Oyama</i>	26,773	6,522	2,779	36,074	45,384	34,421
Lumby	96,908	20,014	5,236	122,158	123,604	116,659
Naramata	38,251	22,317	3,000	63,568	63,030	61,620
North Shuswap	55,092	30,269	3,858	89,219	95,968	83,477
Okanagan Falls	67,962	43,808	3,134	114,904	114,007	107,558
Oliver	170,013	95,523	3,848	269,384	315,836	282,249
Osoyoos	152,973	52,619	3,299	208,891	191,567	214,471
Peachland	108,779	63,071	3,401	175,251	178,117	195,278
Princeton	62,746	32,405	5,510	100,661	91,606	90,086
Revelstoke	122,148	56,055	20,075	198,278	208,998	196,720
Salmon Arm	435,106	255,492	6,523	697,121	691,095	673,008
Sicamous	100,240	46,829	2,705	149,774	154,246	148,567
Silver Creek	24,268	11,278	1,855	37,401	50,019	44,311
South Shuswap	114,015	52,591	3,319	169,925	163,200	175,194
Summerland	212,733	185,895	6,235	404,863	414,253	401,288
Vernon	1,035,121	740,488	10,089	1,785,698	1,803,956	1,788,839
West Kelowna	386,202	247,925	5,420	639,547	681,054	606,685
Branch shared expenses	820,888	-	45,771	866,659	641,374	859,325
Total before adjustment	6,747,795	3,781,155	205,221	10,734,171	10,597,146	11,085,840
Interdepartment rent net of interest costs	-	(170,938)	-	(170,938)	(170,612)	(124,722)
Total	\$ 6,747,795	\$3,610,217	\$ 205,221	\$10,563,233	\$10,426,534	\$10,961,118

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

For the year ended December 31	2018	2018	2017
	Actual	Budget	Actual
Advertising and marketing	\$ 38,700	\$ 45,632	\$ 39,371
Association dues, staff development and travel	171,290	182,488	157,024
Binding and mending	11,570	30,000	13,195
Board and committee expenses	7,083	20,141	8,685
Computer maintenance and telecommunications	417,468	528,020	421,809
Insurance	55,363	51,000	52,414
Interest, bank charges and US exchange	10,082	8,000	10,211
Interest on long-term debt	231,750	231,750	231,750
Maintenance and utilities	159,798	157,845	134,036
Moving, storage and rent	-	-	578
Penticton library contract	36,190	40,000	38,280
Postage and freight	12,981	21,300	13,934
Professional fees	91,437	75,970	114,268
Sundry	-	320,911	33,685
Supplies	61,967	79,199	50,339
Strategic planning	-	-	578
Telephone	7,089	6,000	5,628
Transportation	22,447	20,400	16,532
Total	\$ 1,335,215	\$ 1,818,656	\$ 1,342,317

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

For the year ended December 31

	2017	Contributions	Expenses	Transfers	2018
Branch furnishing	\$ 538,650	\$ 145,000	\$ (137,024)	\$ -	\$ 546,626
Building maintenance					
Capital	320,000	60,000	(20,803)	-	359,197
Non-capital	194,250	277,982	-	-	472,232
Capital building projects	114,464	789,000	-	-	903,464
Computer systems	170,221	-	-	-	170,221
Donation	294,439	83,135	(104,120)	-	273,454
IT working replacement	262,285	126,850	(165,883)	-	223,252
Rent stabilization	82,729	-	-	-	82,729
Staff development	66,320	60,000	-	-	126,320
Staff appreciation	6,382	3,500	-	-	9,882
Strategic planning implementation	199,934	-	-	-	199,934
Vehicle replacement	63,010	12,500	-	-	75,510
Total	\$ 2,312,684	\$ 1,557,967	\$ (427,830)	\$ -	\$ 3,442,821

A one-time \$60,000 additional contribution has been included in Staff development reserve that will be withdrawn in 2019 related to the additional expense the Library District will incur from having to pay both Medical Service Plan premiums and the Employer Health Tax in 2019.