

**Okanagan Regional Library District**  
**Financial Statements**  
*December 31, 2024*

# Okanagan Regional Library District

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*For the year ended December 31, 2024*

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## Management's Responsibility

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To the Board of Trustees of Okanagan Regional Library District:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Trustees is composed primarily of members who are neither management nor employees of the Okanagan Regional Library District (the "Library District"). The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Library District's external auditors.

MNP LLP is appointed by the Board of Trustees to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

May 21, 2025

 e-Signed by Jeremy Feddersen

2025-05-21 08:36:27:27 PDT

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Chief Financial Officer

 e-Signed by Tasha Da Silva

2025-05-21 16:55:12:12 PDT

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Chairperson

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To the Board of Trustees of 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, 2024, and the statements of operations, changes in net debt, cash flows and the related schedules 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, 2024, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian 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.

## Other Matter

The financial statements for the year ended December 31, 2023 were audited by another practitioner who expressed an unmodified opinion on those statements on May 15, 2024.

## Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 15-20 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 the 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.

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.

Vernon, British Columbia

May 21, 2025

*MNP LLP*

Chartered Professional Accountants

# Okanagan Regional Library District

## Statement of Financial Position

*As at December 31, 2024*

	2024	2023
<b>Financial assets</b>		
Cash	5,966,054	8,872,145
Accounts receivable (Note 4)	492,558	768,371
MFA debt reserve	235,000	235,000
	<b>6,693,612</b>	<b>9,875,516</b>
<b>Liabilities</b>		
Accounts payable and accruals	2,834,509	2,578,323
Deferred revenue	20,657	25,049
Wages payable	300,222	262,023
Long-term debt (Note 5)	13,714,383	14,763,568
	<b>16,869,771</b>	<b>17,628,963</b>
<b>Net debt</b>	<b>(10,176,159)</b>	<b>(7,753,447)</b>
<b>Contingencies (Note 10)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	34,258,175	31,997,278
Prepaid expenses	186,730	379,003
	<b>34,444,905</b>	<b>32,376,281</b>
<b>Accumulated surplus (Note 7)</b>	<b>24,268,746</b>	<b>24,622,834</b>

**Approved on behalf of the Board**

e-Signed by Tasha Da Silva  
2025-05-21 16:55:17:17 PDT

**Chairperson**

# Okanagan Regional Library District

## Statement of Operations

*For the year ended December 31, 2024*

	<i>Budget</i>	<b>2024</b>	2023
<b>Revenue</b>			
Assessments <i>(Schedule 3)</i>	20,774,669	20,774,703	19,730,611
Province of British Columbia grant	1,038,411	1,086,582	2,548,783
Other revenue <i>(Schedule 4)</i>	647,807	981,433	1,224,665
Other grant revenue	55,500	77,921	32,317
	<b>22,516,387</b>	<b>22,920,639</b>	23,536,376
<b>Expenses <i>(Note 6)</i></b>			
Direct local branch expenses <i>(Schedule 5)</i>	13,002,105	13,705,439	12,427,500
Headquarters support services <i>(Schedule 6)</i>	4,680,852	5,347,306	4,953,879
Electronic materials	1,685,608	1,694,322	1,672,143
Delivery/transportation operating	102,505	140,491	105,150
Children's programs	32,652	32,680	29,916
Amortization	-	2,356,411	2,291,717
	<b>19,503,722</b>	<b>23,276,649</b>	21,480,305
<b>Annual surplus (deficit) before other items</b>	<b>3,012,665</b>	<b>(356,010)</b>	2,056,071
<b>Other income</b>			
Gain on disposal of capital assets	-	1,922	-
<b>Annual surplus (deficit)</b>	<b>3,012,665</b>	<b>(354,088)</b>	2,056,071
<b>Accumulated surplus, beginning of year</b>	<b>24,622,834</b>	<b>24,622,834</b>	22,566,763
<b>Accumulated surplus, end of year</b>	<b>27,635,499</b>	<b>24,268,746</b>	24,622,834

*The accompanying notes are an integral part of these financial statements*

# Okanagan Regional Library District

## Statement of Changes in Net Debt

*For the year ended December 31, 2024*

	<i>Budget</i>	<b>2024</b>	<b>2023</b>
<b>Annual surplus (deficit)</b>	<b>3,012,665</b>	<b>(354,088)</b>	2,056,071
Acquisition of tangible capital assets	-	<b>(4,617,885)</b>	(6,777,908)
Amortization of tangible capital assets	-	<b>2,356,411</b>	2,291,717
Gain on disposal of tangible capital assets	-	<b>(1,922)</b>	-
Proceeds on sale of tangible capital assets	-	<b>2,500</b>	-
Increase (decrease) in prepaid expenses	-	<b>192,272</b>	(179,810)
<b>Increase in net debt</b>	<b>3,012,665</b>	<b>(2,422,712)</b>	(2,609,930)
<b>Net debt, beginning of year</b>	<b>(7,753,447)</b>	<b>(7,753,447)</b>	(5,143,517)
<b>Net debt, end of year</b>	<b>(4,740,782)</b>	<b>(10,176,159)</b>	(7,753,447)

*The accompanying notes are an integral part of these financial statements*



# Okanagan Regional Library District

## Statement of Cash Flows

*For the year ended December 31, 2024*

	2024	2023
<b>Operating activities</b>		
Annual surplus (deficit)	(354,088)	2,056,071
Non-cash items		
Amortization	2,356,411	2,291,717
Gain on disposal of capital assets	1,922	-
Trade-in value of vehicle	(2,500)	-
	2,001,745	4,347,788
Changes in working capital accounts		
Accounts receivable	272,576	(377,365)
Prepaid expenses and deposits	192,272	(179,810)
Accounts payable and accruals	294,386	(644,440)
	2,760,979	3,146,173
<b>Financing activities</b>		
Advances of long-term debt	-	2,000,000
Long-term debt repayments	(1,049,185)	(977,545)
Increase in MFA debt reserve fund	-	(20,000)
	(1,049,185)	1,002,455
<b>Capital activities</b>		
Purchases of tangible capital assets	(4,617,885)	(6,777,908)
<b>Decrease in cash</b>	<b>(2,906,091)</b>	<b>(2,629,280)</b>
<b>Cash, beginning of year</b>	<b>8,872,145</b>	<b>11,501,425</b>
<b>Cash, end of year</b>	<b>5,966,054</b>	<b>8,872,145</b>

*The accompanying notes are an integral part of these financial statements*

# Okanagan Regional Library District

## Notes to the Financial Statements

For the year ended December 31, 2024

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### 1. Incorporation and operations

The Okanagan Regional Library District (the "Library District") was formally established under the authority of the British Columbia Library Act. Incorporated as a regional library system in 1936, the Library District was among the first of its kind in Canada, created to provide coordinated public library service across multiple municipalities and regional districts in the Okanagan Valley.

### 2. Significant accounting policies

The financial statements of the Library District are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada. Significant accounting policies adopted by the Library District are as follows:

#### ***Basis of accounting***

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. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or creation of a legal obligation for pay.

#### ***Revenue recognition***

The Library District recognizes government transfers, which include legislative grants, as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Library District recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

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.

#### ***Cash and cash equivalents***

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less.

#### ***MFA debt reserve***

As a condition of borrowing through Regional Districts (Note 5), a portion of the loan proceeds are withheld by the Regional Districts to be used as a debt reserve for the Municipal Finance Authority ("MFA").

#### ***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.

#### ***Deferred revenue***

Deferred revenue represents funds which have been collected from non-government sources, but for which the performance obligation is yet to be satisfied. These amounts will be recognized as revenues in the fiscal year when all revenue recognition criteria have been met.

#### ***Non-financial assets***

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

#### ***Financial instruments***

The Library District recognizes its financial instruments when the Library District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

**Okanagan Regional Library District**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

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**2. Significant accounting policies** *(Continued from previous page)*

***Financial instruments*** *(Continued from previous page)*

At initial recognition, the Library District may irrevocably elect to subsequently measure any financial instrument at fair value. The Library District has made such an election during the year.

The Library District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Library District has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating deficit. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

***Measurement uncertainty (Use of estimates)***

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized using the methods and rates listed below based over their estimated useful lives as follows:

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Buildings	declining balance	2.5 %
Vehicles	declining balance	20 %
Computer equipment	declining balance	25 %
Shelving	straight-line	40 years
Carts, tables, & chairs	declining balance	5 %
Electronics & miscellaneous	declining balance	15 %
Book inventory	straight-line	2-15 years

**Okanagan Regional Library District**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

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**2. Significant accounting policies** *(Continued from previous page)*

***Asset retirement obligation***

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Library District to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Library District reviews the carrying amount of the liability. The Library District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Library District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

***Liability for contaminated site***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Library District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2024.

**3. Change in accounting policy**

***Revenue***

Effective January 1, 2024, the Library District adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

**4. Accounts receivable**

	<b>2024</b>	<b>2023</b>
Accounts receivable	<b>143,317</b>	435,552
GST receivable	<b>349,241</b>	332,819
	<b>492,558</b>	768,371

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# Okanagan Regional Library District

## Notes to the Financial Statements

*For the year ended December 31, 2024*

### 5. Long-term debt

The Regional District of 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.

The Regional District of Central Okanagan was authorized (Regional District of Central Okanagan, Okanagan Regional Library District Borrowing Loan Authorization Bylaw No. 1236, 2021) to borrow \$6,000,000 from the Municipal Finance Authority on behalf of the Library District.

The Regional District of Central Okanagan was authorized (Regional District of Central Okanagan, Okanagan Regional Library District Borrowing Loan Authorization Bylaw No. 1478, 2023) to borrow \$2,000,000 from the Municipal Finance Authority on behalf of the Library District.

	2024	2023
Loan payable to the Municipal Finance Authority of British Columbia, payable in semi annual interest payments of \$65,250 at an interest rate of 4.30% (2023 - 2.90%), and annual principal payments of \$151,118. Loan matures on November 2028.	1,201,923	1,474,078
Loan payable to the Municipal Finance Authority of British Columbia, payable in semi annual interest payments of \$80,850 at an interest rate of 1.47% (2023 - 4.20%), and annual principal payments of \$404,379. Loan matures on April 2031.	4,826,692	5,426,156
Loan payable to the Municipal Finance Authority of British Columbia, payable in semi annual interest payments of \$100,800 at an interest rate of 1.68% (2023 - 1.68%), and annual principal payments of \$136,666. Loan matures on April 2052.	5,723,252	5,863,334
Loan payable to the Municipal Finance Authority of British Columbia, payable in semi annual interest payments of \$49,700 at an interest rate of 4.97% (2023 - 4.97%), and annual principal payments of \$37,485. Loan matures on October 2053.	1,962,516	2,000,000
	<b>13,714,383</b>	<b>14,763,568</b>

Principal repayments on long-term debt in each of the next five years are estimated as follows:

	Principal
2025	729,647
2026	729,647
2027	729,647
2028	729,647
2029	578,530
Thereafter	4,851,700
	8,348,818
Add: Actuarial additions until maturity	5,365,565
	<u>\$ 13,714,383</u>

**Okanagan Regional Library District**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**6. Expenses by object**

	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
Advertising and marketing	89,979	122,171	123,563
Amortization	-	2,356,411	2,291,717
Association dues and memberships	20,972	15,772	14,078
Board and committee expenses	20,745	10,684	13,390
Board strategic planning	-	8,390	63,910
Book binding and mending	22,545	2,180	2,768
Collection agency	3,000	1	354
Communications	83,175	92,646	91,577
Computer maintenance and telecommunications	609,273	799,785	730,781
Electronic materials	1,685,608	1,694,323	1,672,143
Insurance	63,732	67,110	60,782
Interest, bank charges and foreign exchange	11,500	13,710	12,868
Long-term debt interest	430,650	511,260	493,800
Maintenance and utilities	1,974,396	2,552,258	2,023,051
Penticton library contract	48,328	44,220	42,020
Postage and freight	65,143	45,824	48,274
Professional fees	90,345	139,347	117,866
Programs	162,733	123,255	113,853
Rent	1,770,218	1,744,598	1,845,012
Staff development	275,911	259,938	239,060
Supplies	149,344	539,741	278,625
Transportation	143,583	178,914	135,402
Wages and benefits	11,782,542	11,954,111	11,065,411
	<b>19,503,722</b>	<b>23,276,649</b>	<b>21,480,305</b>

Computer maintenance and telecommunications contains \$226,546 of IT costs that were completed using funds transferred from reserves for these projects. See Note 11 for further information on budgeted figures.

Maintenance and utilities contains \$336,155 of renovation costs that were completed using funds transferred from reserves for various building projects. See Note 11 for further information on budgeted figures.

Supplies contains \$337,410 of expenses transferred from reserves. See Note 11 for further information on budgeted figures.

**7. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2024</b>	<b>2023</b>
Financial equity		
General fund (Schedule 2)	(3,115,505)	-
Equity in tangible capital assets (Note 8)	20,779,496	17,468,837
Reserve funds (Schedule 7)	6,604,755	7,153,997
	<b>24,268,746</b>	<b>24,622,834</b>

Equity in tangible capital assets reflects the funds that have already been expended on infrastructure and other non-financial assets.

Reserve funds consist of money designated by the Board of Trustees for particular, intended uses.

**Okanagan Regional Library District**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**8. Equity in tangible capital assets**

	<b>2024</b>	<b>2023</b>
<b>Equity in tangible capital assets, beginning of year</b>	<b>17,468,837</b>	13,985,101
Contribution for long-term debt reduction	<b>1,049,185</b>	977,545
Contribution for tangible capital assets	<b>4,617,885</b>	6,777,908
Contribution from reserve funds	-	20,000
Amortization	<b>(2,356,411)</b>	(2,291,717)
Loan advances	-	(2,000,000)
<b>Equity in tangible capital assets, end of year</b>	<b>20,779,496</b>	17,468,837

Equity in tangible capital assets is equal to tangible capital assets less any financing on the tangible capital assets.

**9. 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 0.3% (2024 - 5.75%). At December 31, 2024, the Library District had drawn \$nil (2023 - \$nil) on this agreement.

**10. Contingencies**

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, 2024, the Plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Library District paid \$682,948 (2023 - \$641,857) for employer contributions to the Plan in fiscal 2024.

The next valuation was performed as of December 31, 2024, of which the results are not available as of the report date. Results expected to be received late 2025.

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 the Financial Statements**  
*For the year ended December 31, 2024*

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**11. Budget amounts**

The budget data presented in these financial statements is based upon the 2024 operating and capital budgets adopted by Board of Trustees on November 15, 2023. The following table reconciles the approved budget to the budget figures reported in these financial statements.

	<i><b>Budget Amount</b></i>
Budget surplus (deficit) - Statement of operations	<b>3,012,665</b>
Adjust for budgeted cash items not included in statement of operations:	-
Repayment of long-term debt	<b>(1,087,826)</b>
Transfers to reserve funds budgeted for in expenses	<b>(688,933)</b>
Transfers to tangible capital assets budgeted for in expenses	<b>(1,961,913)</b>
Transfers from reserve funds budgeted for in expenses	<b>726,007</b>
<hr/>	
Budget surplus per statement of operations and accumulated surplus	-

**12. Financial Instruments**

The Library District as part of its operations carries a number of financial instruments. It is management's opinion that the Library District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Liquidity Risk***

Liquidity risk is the risk that the Library District will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Library District enters into transactions to purchase goods and services on credit and borrow funds from financial institutions or other creditors for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Library District's future net cash flows for the possibility of negative net cash flow.

Contractual maturities of long-term debt are disclosed in Note 5.

The Library District manages the liquidity risk resulting from its accounts payable and long-term debt by ensuring cash balances are available to meet short-term cash requirements.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through negotiation of certain long-term debt at fixed rates.

The Organization is exposed to interest rate risk with respect to cash and cash equivalents and long-term debt.

There has been no change in risk exposure from 2023.

***Interest rate risk sensitivity analysis***

A 1% change in interest rates relating to cash and cash equivalents and long-term debt held at variable rates could increase interest expense by approximately \$75,133. The Library District uses simulation modeling to simulate the effect of a change in the market rate of interest. The interest rate sensitivity information was prepared based on management's assumption that interest rates will fluctuate evenly among all financial instruments with variable rates.



**12. Financial Instruments** *(Continued from previous page)*

***Foreign currency risk***

The Library District is exposed to foreign currency risk through transactions denominated in United States Dollars ("USD"). The risk arises primarily from the purchase of supplies and capital items priced in USD.

The Library District manages foreign currency risk by maintaining a USD denominated bank account, which serves as a natural hedge by matching USD inflows and outflows. This practice mitigates most of the risk associated with foreign currency exchange fluctuations.

At year-end, the exposure to foreign currency risk is considered minimal, any unrealized gains or losses arising from the translation of USD balances are not material to the financial statements.

There has been no change in risk exposure from 2023.

***Credit Risk***

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The Library District is exposed to credit risk through the possibility of non-collection of its accounts receivable of which the majority is receivable from government entities which minimizes the risk of non-collection. The Library District's maximum exposure to credit risk at the financial statement date is the carrying value of its accounts receivable as presented on the statement of financial position.

There has been no change in risk exposure from 2023.

**13. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**Okanagan Regional Library District**  
**Schedule 1 - Tangible Capital Assets**  
*For the year ended December 31, 2024*

	Land	Buildings	Vehicles	Computers	Shelving	Carts, tables, & chairs	Subtotal
<b>Cost</b>							
Balance, beginning of year	983,134	30,185,234	182,585	1,990,250	3,078,226	2,008,823	38,428,252
Acquisition of tangible capital assets	-	2,998,436	94,349	216,988	4,611	200,004	3,514,388
Disposal of tangible capital assets	-	-	(20,551)	(215,819)	(3,943)	(7,578)	(247,891)
Balance, end of year	983,134	33,183,670	256,383	1,991,419	3,078,894	2,201,249	41,694,749
<b>Accumulated amortization</b>							
Balance, beginning of year	-	5,485,440	116,715	1,217,271	1,533,460	945,619	9,298,505
Annual amortization	-	536,198	31,528	193,537	76,972	63,428	901,663
Accumulated amortization on disposals	-	-	(19,973)	(215,819)	(3,943)	(7,578)	(247,313)
Balance, end of year	-	6,021,638	128,270	1,194,989	1,606,489	1,001,469	9,952,855
<b>Net book value of tangible capital assets</b>	<b>983,134</b>	<b>27,162,032</b>	<b>128,113</b>	<b>796,430</b>	<b>1,472,405</b>	<b>1,199,780</b>	<b>31,741,894</b>
2023 Net book value of tangible capital assets	983,134	24,699,795	65,871	772,980	1,545,263	1,062,702	29,129,745

# Okanagan Regional Library District

## Schedule 1 - Tangible Capital Assets

For the year ended December 31, 2024

	Subtotal	Electronics & miscellaneous	Book inventory	2024	2023
<b>Cost</b>					
Balance, beginning of year	38,428,252	832,430	11,405,989	50,666,671	45,123,141
Acquisition of tangible capital assets	3,514,388	11,815	1,091,682	4,617,885	6,777,908
Disposal of tangible capital assets	(247,891)	(13,938)	(1,449,313)	(1,711,142)	(1,234,441)
Balance, end of year	41,694,749	830,307	11,048,358	53,573,414	50,666,608
<b>Accumulated amortization</b>					
Balance, beginning of year	9,298,505	606,787	8,764,100	18,669,392	17,612,054
Annual amortization	901,663	33,528	1,421,220	2,356,411	2,291,717
Accumulated amortization on disposals	(247,313)	(13,938)	(1,449,313)	(1,710,564)	(1,234,441)
Balance, end of year	9,952,855	626,377	8,736,007	19,315,239	18,669,330
<b>Net book value of tangible capital assets</b>	<b>31,741,894</b>	<b>203,930</b>	<b>2,312,351</b>	<b>34,258,175</b>	<b>31,997,278</b>
2023 Net book value of tangible capital assets	29,129,745	225,642	2,641,891	31,997,278	

**Okanagan Regional Library District**  
**Schedule 2 - Current Fund Operations (Unaudited)**

*For the year ended December 31, 2024*

	2024	2024	2023
	Budget	Actual	Actual
<b>Revenue</b>			
Assessments (Schedule 3)	20,774,669	<b>20,774,703</b>	19,730,611
Province of British Columbia	1,038,411	<b>1,086,582</b>	2,548,783
Other revenue (Schedule 4)	647,807	<b>981,433</b>	1,224,665
Other grant revenue	55,500	<b>77,921</b>	32,317
Branch building and furnishing funding	-	-	1,980,000
	<u>22,516,387</u>	<u><b>22,920,639</b></u>	<u>25,516,376</u>
<b>Expenses</b>			
Children's programs	32,652	<b>32,680</b>	29,916
Delivery/transportation operating	102,505	<b>140,491</b>	105,150
Direct local branch expenses (Schedule 5)	13,002,105	<b>13,705,439</b>	12,427,500
Electronic materials	1,685,608	<b>1,694,322</b>	1,672,143
Headquarters supportive services (Schedule 6)			
Salaries and benefits	3,057,098	<b>3,419,524</b>	3,006,840
Operating	1,623,754	<b>1,927,783</b>	1,947,039
	<u>19,503,722</u>	<u><b>20,920,238</b></u>	<u>19,188,588</u>
<b>Excess of revenue over expenses</b>	<u>3,012,665</u>	<u><b>2,000,400</b></u>	<u>6,327,788</u>
<b>Net interfund transfers:</b>			
Net contributions to tangible capital fund			
For long-term debt reduction	(1,087,826)	<b>(1,049,185)</b>	(977,545)
For tangible capital assets	(1,961,913)	<b>(4,572,597)</b>	(6,777,908)
Contribution from reserve fund			
Branch furnishing	165,000	<b>457,623</b>	245,692
Building maintenance (owned)	30,000	<b>175,893</b>	9,787
Building maintenance (non-owned)	50,000	<b>165,055</b>	76,746
Capital building project	-	-	46,733
Donation	-	<b>162,794</b>	369,580
Provincial enhancement grant	-	<b>226,546</b>	90,482
Staff appreciation and development	-	<b>4,599</b>	1,588
Strategic planning	100,000	<b>8,390</b>	63,910
Technology and software	341,007	<b>226,765</b>	304,753
Vehicle replacement	40,000	<b>32,067</b>	-
Contributions to reserve funds			
Branch furnishings	(145,000)	<b>(145,000)</b>	(200,218)
Building maintenance (owned)	(60,000)	<b>(60,186)</b>	(69,787)
Building maintenance (non-owned)	(32,000)	<b>(57,061)</b>	(32,000)
Capital building project	(114,000)	<b>(114,000)</b>	(2,111)
Donation	-	<b>(195,062)</b>	(365,710)
Materials	-	-	(128,530)
Provincial enhancement grant	-	-	(1,505,872)
Staff appreciation and development	(1,500)	<b>(2,505)</b>	(1,625)
Strategic planning	-	-	-
Technology & software	(311,008)	<b>(311,008)</b>	(364,177)
Vehicle replacement	(25,425)	<b>(25,426)</b>	(25,425)
	<u>(3,012,665)</u>	<u><b>(5,072,298)</b></u>	<u>(9,241,637)</u>
<b>Change in fund balance</b>	<u>-</u>	<u><b>(3,071,898)</b></u>	<u>(2,913,849)</u>
<b>Surplus, beginning of year</b>	<u>-</u>	<u>-</u>	<u>1,601,126</u>
<b>Transfer from reserve fund</b>	<u>-</u>	<u>-</u>	<u>1,312,723</u>
<b>Surplus (deficit), end of year</b>	<u><b>\$ -</b></u>	<u><b>\$ (3,071,898)</b></u>	<u><b>\$ -</b></u>

# Okanagan Regional Library District

## Schedule 3 - Assessments *(Unaudited)*

*For the year ended December 31, 2024*

	2024 Budget	2024 Actual	2023 Actual
<b>Municipalities</b>			
Armstrong	220,608	<b>220,608</b>	208,248
Coldstream	520,346	<b>520,346</b>	504,202
Enderby	121,989	<b>121,989</b>	115,496
Golden and area	355,013	<b>355,013</b>	335,383
Kelowna	7,859,380	<b>7,859,246</b>	7,325,187
Keremeos	65,825	<b>66,734</b>	65,071
Lake Country	825,880	<b>825,880</b>	770,753
Lumby	82,488	<b>81,768</b>	77,511
Oliver	230,364	<b>230,364</b>	221,465
Osoyoos	300,153	<b>300,153</b>	283,309
Peachland	300,659	<b>300,659</b>	288,393
Princeton	142,329	<b>142,329</b>	137,204
Revelstoke	421,266	<b>421,266</b>	404,029
Salmon Arm	845,344	<b>845,344</b>	802,766
Sicamous	172,932	<b>172,932</b>	164,885
Spallumcheen	239,921	<b>239,921</b>	227,819
Summerland	583,034	<b>583,034</b>	555,685
Vernon	2,071,213	<b>2,071,213</b>	1,983,344
West Kelowna	1,858,743	<b>1,858,723</b>	1,755,374
	<u>17,217,487</u>	<u><b>17,217,522</b></u>	16,226,124
<b>First Nation Members</b>			
Westbank First Nation	510,141	<b>510,141</b>	477,359
	<u>17,727,629</u>	<u><b>17,727,663</b></u>	16,703,483
<b>Regional Districts</b>			
Central Okanagan	349,099	<b>349,099</b>	336,033
Columbia - Shuswap	846,517	<b>846,517</b>	935,341
North Okanagan	884,427	<b>884,427</b>	838,265
Okanagan - Similkameen	966,998	<b>966,998</b>	917,489
	<u>3,047,040</u>	<u><b>3,047,040</b></u>	3,027,128
<b>Total</b>	<u><b>\$ 20,774,669</b></u>	<u><b>\$ 20,774,703</b></u>	<u><b>\$ 19,730,611</b></u>

# Okanagan Regional Library District

## Schedule 4 - Other Revenue *(Unaudited)*

*For the year ended December 31, 2024*

	2024 Budget	2024 Actual	2023 Actual
Actuarial earnings	346,474	<b>319,538</b>	285,382
Bank interest	185,000	<b>338,457</b>	477,052
Book bag revenue	1,630	<b>783</b>	809
Copying and printing	39,525	<b>41,482</b>	41,045
Donation revenue	-	<b>195,881</b>	152,721
Fines, damaged and lost books	52,501	<b>43,579</b>	14,657
Interdepartment rent	909,650	<b>909,650</b>	647,376
Meeting room rental	19,207	<b>14,437</b>	10,152
Non resident charges	2,720	<b>2,499</b>	1,875
Sundry	750	<b>24,777</b>	240,972
Total before adjustment	1,557,457	<b>1,891,083</b>	1,872,041
Interdepartment rent	(909,650)	<b>(909,650)</b>	(647,376)
<b>Total</b>	<b>\$ 647,807</b>	<b>\$ 981,433</b>	<b>\$ 1,224,665</b>

**Okanagan Regional Library District**  
**Schedule 5 - Direct Local Branch Expenses (Unaudited)**

*For the year ended December 31, 2024*

	2024 Budget	Salaries & Benefits	Building	Other	2024 Actual	2023 Actual
Armstrong	241,932	202,776	72,838	1,739	<b>277,353</b>	254,655
Book deposit	3,200	-	-	5,500	<b>5,500</b>	5,250
Cherryville	46,559	23,789	13,271	4,093	<b>41,153</b>	47,964
Enderby	218,847	152,820	79,759	5,433	<b>238,012</b>	228,249
Falkland	84,371	61,727	24,860	2,187	<b>88,774</b>	83,532
Golden	250,570	156,465	89,019	20,303	<b>265,787</b>	239,431
Hedley	23,113	16,230	5,543	-	<b>21,773</b>	19,002
Kaleden	81,375	69,683	14,372	3,155	<b>87,210</b>	95,386
Kelowna						
Downtown	2,470,072	1,343,574	1,070,027	25,753	<b>2,439,354</b>	2,303,261
Mission	801,590	564,394	184,739	10,856	<b>759,989</b>	775,407
Rutland	865,125	535,162	337,898	22,621	<b>895,681</b>	831,995
Keremeos	179,475	112,993	42,232	5,432	<b>160,657</b>	179,833
Lake Country						
Central	361,922	276,489	126,538	12,222	<b>415,249</b>	360,319
Oyama	48,012	(3,094)	160	-	<b>(2,934)</b>	3,718
Lumby	168,432	133,018	142,444	41,388	<b>316,850</b>	178,784
Naramata	80,004	45,069	30,819	2,141	<b>78,029</b>	85,622
North Shuswap	107,223	50,121	7,789	3,068	<b>60,978</b>	74,410
Okanagan Falls	139,320	81,653	50,883	6,956	<b>139,492</b>	135,757
Oliver	295,857	205,450	115,270	3,153	<b>323,873</b>	291,986
Osoyoos	238,488	173,600	60,825	3,251	<b>237,676</b>	227,815
Peachland	207,389	158,484	75,915	5,961	<b>240,360</b>	213,067
Princeton	117,345	78,816	32,764	14,180	<b>125,760</b>	101,246
Revelstoke	258,123	203,116	147,203	57,786	<b>408,105</b>	251,668
Salmon Arm	855,342	543,437	310,291	17,885	<b>871,613</b>	820,179
Sicamous	189,108	113,969	53,721	2,570	<b>170,261</b>	159,992
Silver Creek	43,105	26,674	15,475	4,170	<b>46,319</b>	42,847
South Shuswap	228,386	163,361	62,190	8,380	<b>233,931</b>	219,082
Summerland	484,434	216,220	264,344	6,977	<b>487,541</b>	411,378
Vernon	2,095,854	1,390,094	810,956	17,171	<b>2,218,221</b>	2,120,506
West Kelowna & Learning	-	-	-	-	-	-
Lab	1,227,404	715,957	687,482	123,308	<b>1,526,747</b>	995,227
Branch Shared Expenses	1,036,607	853,827	-	116,994	<b>970,821</b>	953,864
Total before adjustment	13,448,584	8,665,874	4,929,627	554,633	<b>14,150,134</b>	12,711,432
Interdepartment rent net						
of interest cost	(446,479)	-	(444,695)	-	<b>(444,695)</b>	(283,932)
<b>Total</b>	<b>\$ 13,002,105</b>	<b>\$ 8,665,874</b>	<b>\$ 4,484,932</b>	<b>\$ 554,633</b>	<b>\$ 13,705,439</b>	<b>\$ 12,427,500</b>

**Okanagan Regional Library District**  
**Schedule 6 - Headquarters Support Services (Unaudited)**

*For the year ended December 31, 2024*

	2024 Budget	2024 Actual	2023 Actual
Advertising and marketing	89,978	<b>121,052</b>	123,516
Association dues and membership	20,972	<b>15,772</b>	14,080
Binding and mending	22,545	<b>2,180</b>	2,768
Board and committee expenses	20,745	<b>10,684</b>	13,390
Board strategic plan	-	<b>8,390</b>	69,519
Communications	63,816	<b>40,593</b>	47,606
Computer maintenance and telecommunications	687,944	<b>886,197</b>	810,800
Insurance	63,732	<b>67,110</b>	60,782
Interest, bank charges, and foreign exchange	11,500	<b>13,710</b>	12,868
Interest on long-term debt	65,250	<b>48,560</b>	130,500
Maintenance and utilities	191,249	<b>255,213</b>	263,471
Penticton library contract	48,328	<b>44,220</b>	42,020
Postage and freight	24,239	<b>10,606</b>	10,441
Professional fees	90,345	<b>139,347</b>	117,866
Sundry and collection agencies	3,000	<b>1</b>	354
Supplies	50,695	<b>117,771</b>	71,848
Staff development	138,423	<b>128,651</b>	145,468
Transportation	30,993	<b>17,725</b>	9,742
Total operating expenses	1,623,754	<b>1,927,782</b>	1,947,039
Salaries and benefits	3,057,098	<b>3,419,524</b>	3,006,840
<b>Total</b>	<b>\$ 4,680,852</b>	<b>\$ 5,347,306</b>	<b>\$ 4,953,879</b>



**Okanagan Regional Library District**  
**Schedule 7 - Reserve Fund Continuity (Unaudited)**

*For the year ended December 31, 2024*

	2023	Contributions	Expenses	Transfers	2024
Branch furnishings	\$ 612,928	\$ 145,000	\$ (457,621)	\$ -	300,307
Building maintenance (owned)	656,697	60,186	(175,893)	-	540,990
Building maintenance (non-owned)	313,249	57,061	(165,055)	-	205,255
Capital building projects	1,482,422	114,000	-	-	1,596,422
Donation	880,966	195,062	(162,794)	-	913,234
Integrated Library Systems (ILS)	170,221	-	-	-	170,221
Materials	91,684	-	-	-	91,684
Provincial Enhancement Grant	1,415,390	-	(226,546)	-	1,188,844
Rent stabilization	82,729	-	-	-	82,729
Staff development	96,320	-	-	-	96,320
Staff appreciation	15,549	2,505	(4,599)	-	13,455
Strategic planning	563,420	-	(8,390)	-	555,030
Technology & software	722,673	311,248	(226,765)	-	807,156
Vehicle replacement	49,749	25,426	(32,067)	-	43,108
<b>Total</b>	<b>\$ 7,153,997</b>	<b>\$ 910,488</b>	<b>\$ (1,459,730)</b>	<b>\$ -</b>	<b>\$ 6,604,755</b>