



# **NOTICE OF MEETING**

Okanagan Regional Library Board  
will meet virtually via Microsoft Teams  
on Wednesday, May 19, 2021

## **IN-CAMERA MEETING**

**9:30 AM – 10:00 AM**

## **REGULAR MEETING**

**10:00 AM – 11:00 AM**

Public wishing to attend the regular meeting must provide their e-mail contact information to [lsamson@orl.bc.ca](mailto:lsamson@orl.bc.ca) by 3:00 PM on Monday, May 17<sup>th</sup> order to receive an e-mail invitation, which will be sent when the regular meeting begins.

**AGENDA**  
**LIBRARY BOARD MEETING**  
**HELD VIRTUALLY VIA MICROSOFT TEAMS**  
**WEDNESDAY, MAY 19, 2021**  
**10:00 AM – 11:00 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 / INTRODUCTION OF GUESTS**

*A majority of all the members of the library board is a quorum.*

**2. ADOPTION OF THE AGENDA**

**RECOMMENDATION 1**

*THAT the Agenda be adopted.*

**3. ADOPTION OF PREVIOUS MINUTES (Attached) (pgs. 3 – 7)**

**RECOMMENDATION 2**

*THAT the Minutes of the Regular Library Board Meeting held February 17, 2021 be approved.*

**4. BOARD COMMITTEE REPORTS**

**4.1. FINANCE COMMITTEE – Chair David Mattes**

- a) **BDO Final Report to the Board** - Presented by Markus Schrott, BDO Canada LLP (Attached) (pgs. 8 – 45)
- b) **2020 Audited Financial Statements** (Attached) (pgs. 46 – 68)

**RECOMMENDATION 3**

*THAT the Auditor's Report be received for information.*

**FINANCE COMMITTEE RECOMMENDATION 4**

*THAT the draft 2020 Audited Financial Statements be approved.*

- c) **Statement of Financial Information (SOFI) Report Year 2020** – CFO Jeremy Sundin (Attached) (pgs. 69 – 80)

**RECOMMENDATION 5**

*THAT the 2020 Statement of Financial Information Report be received for information.*

- d) **Appoint Auditor for 2021 Audit**

**FINANCE COMMITTEE RECOMMENDATION 6**

*THAT BDO Canada LLP be appointed as auditor for the Okanagan Regional Library 2021 audit.*

- e) **Budget 2022** (for information only) – David Mattes  
Initial discussion, proposed timeframe, and any input from the Board

**5. ANNUAL REPORT 2020** (Attached) (pgs. 81 – 100)

*RECOMMENDATION 7*

*THAT the 2020 Annual Report be approved.*

**6. STAFF REPORTS**

- A. **CEO Report** - Don Nettleton (Attached) (pgs. 101 – 103)

*RECOMMENDATION 8*

*THAT the CEO Report be received for information.*

- B. **CFO Report** - Jeremy Sundin (Attached) (pgs. 104 – 112)

*RECOMMENDATION 9*

*THAT the CFO Report be received for information.*

- C. **Public Services Presentation** - Monica Gaucher & Christine McPhee

**7. BOARD CHAIR REPORT** – Sherry Philpott-Adhikary

**8. TRUSTEE REPORTS**

**9. NEXT MEETING** – Wednesday, September 8, 2021

**10. MOTION TO ADJOURN**

**DRAFT MINUTES**  
**LIBRARY BOARD MEETING**  
WEDNESDAY, FEBRUARY 17, 2021  
HELD VIRTUALLY VIA MICROSOFT TEAMS

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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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**TRUSTEES IN ATTENDANCE:**

Linda Fisher, Armstrong	Michael Brooks-Hill, Revelstoke
Pat Cochrane, Coldstream	Louise Wallace Richmond, Salmon Arm
Tundra Baird, Enderby	Bob Evans, Sicamous
Caleb Moss, Golden	Todd York, Spallumcheen
Loyal Wooldridge, Kelowna	Erin Carlson, Summerland
Sherry Philpott-Adhikary, Keremeos	Kari Gares, Vernon
Todd McKenzie, Lake Country	Doug Findlater, West Kelowna
Lori Mindnich, Lumby	Wayne Carson, CORD
David Mattes, Oliver	Jay Simpson, CSRD
Brian Harvey, Osoyoos	Amanda Shatzko, NORD
Patrick Van Minsel, Peachland	Subrina Monteith, OSRD

**TRUSTEES ABSENT:**

Christopher Derickson, WFN	George Elliott, Princeton
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**ADMINISTRATIVE STAFF IN ATTENDANCE:**

Don Nettleton, Chief Executive Officer  
Christine McPhee, Director of Public Services South  
Monica Gaucher, Director of Public Services North  
Jeff Campbell, Chief Technology Officer  
Michal Utko, Director of Marketing and Communications  
Leah Samson, Administrative Services Manager (Recording Secretary)

**GUESTS IN ATTENDANCE:**

Rose Jurkic, C.U.P.E. President  
Ashley Machum, P.E.A. President  
Babs Kelly, BCLTA Director for Learning & Development

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**1. CALL TO ORDER / INTRODUCE GUESTS AND NEW TRUSTEES**

Outgoing Vice-Chair Sherry Philpott-Adhikary presided over the meeting until the election of officers. She called the meeting to order at 9:59 AM and introduced the guests and trustees new to the Board.

**2. ADOPTION OF THE AGENDA**

***MOTION 1***

***It was moved and seconded***  
***THAT the Agenda be adopted.***  
***CARRIED***

**3. ADOPTION OF THE PREVIOUS MINUTES**

***MOTION 2***

**It was moved and seconded**

***THAT the Minutes of the Regular Library Board Meeting held November 18, 2020 be approved.***

**CARRIED**

**4. ANNUAL ELECTIONS AND APPOINTMENTS**

**4.1. Board Nominations Committee Report 2021**

Trustee Brian Harvey presented the Nominations Committee Report.

***MOTION 3***

**It was moved and seconded**

***THAT the Nominations Committee Report be received for information.***

**CARRIED**

**4.2. Election of Board Chair and Board Vice Chair**

**Library Act Part 3 Section 19 (1)**

***The library board must elect a chair and a vice chair at the first meeting in each year.***

CEO Don Nettleton presided over the election of the Board Chair.

**a) Library Board Chair:**

Keremeos Trustee Sherry Philpott-Adhikary was elected by acclamation for a first term.

Newly elected Chair Philpott-Adhikary resumed chairing the meeting.

**b) Library Board Vice Chair:**

West Kelowna Trustee Doug Findlater was elected by acclamation for a first term.

**4.3. Elect Board Officers**

**Policy Section II: Board Organization and Structure**

**Standing Committees**

***Standing Committees are the Policy and Planning Committee, the Finance Committee, and the Personnel Committee. Chairs of all Standing Committees are elected from amongst all members for a one-year term, at the first meeting of each year.***

**a) Finance Committee Chair**

Oliver Trustee David Mattes was elected by acclamation for another term.

**b) Policy and Planning Committee Chair**

Kelowna Trustee Loyal Wooldridge was elected by acclamation for a first term.

**c) Personnel Committee Chair**

RDOS Trustee Subrina Monteith was elected by acclamation for a first term.

Board Chair Philpott-Adhikary will consult with each Committee Chair to appoint membership.

#### 4.4. Appoint BC Library Trustees' Association Liaison

Policy Section II: Board Organization and Structure

*"The Board shall appoint, annually, a British Columbia Library Trustees' Association liaison, from amongst its members. BCLTA relies on liaisons to distribute BCLTA information to Board members. The liaison also informs and educates Board members about BCLTA, its services and programs, and encourages discussion between the ORL Board and BCLTA on issues of mutual concern."*

OSRD Trustee Subrina Monteith was appointed BCLTA Liaison for a first term. The Board thanked Erin Carlson for her years of service.

#### 4.5. Appoint Signing Officers

Policy Section II: Board Organization and Structure

*"Signing officers shall include the Secretary, plus the Chair or presiding officer at the meeting (usually the Vice-Chair).... the signing officers shall include one of the Secretary to the Board, the Chief Financial Officer, the Directors of Public Services, the Director of Human Resources together with one of the Finance Committee Chair and the Board Chair."*

**MOTION 4**

**It was moved and seconded**

**THAT the following positions be appointed as ORL signing officers for 2021:**

- a) **Board Chair**
- b) **Finance Committee Chair**
- c) **CEO/Secretary to the Board**
- d) **Chief Financial Officer**
- e) **Director of Public Services, North**
- f) **Director of Public Services, South**
- g) **Director of Human Resources**

**CARRIED**

#### 5. STAFF REPORTS

**a) Public Services Report – Christine McPhee, Director of Public Services South**

The Board heard a report on ORL's public services, including that:

- the ORL is currently offering browse and borrow service
- circulation of physical items is back up to at 90% of pre-Covid levels
- e-book circulation continues to increase
- Summer Reading Club activities will be primarily virtual
- senior staff are closely monitoring public health updates to determine service delivery, which may include increased seating in some branches once risk assessments are complete and may include limited in-person programming based on public health orders.

**MOTION 5**

**It was moved and seconded**

**THAT the Public Services Report be received for information.**

**CARRIED**

**b) CEO Report – Don Nettleton**

The Board heard a report from CEO Don Nettleton, which highlighted a Peer Navigation Pilot Project and included a recommendation to postpone the Strategic Plan due to impacts from the ongoing pandemic.

***MOTION 6***

***It was moved and seconded***

***THAT the CEO Report be received for information.***

***CARRIED***

**6. BC LIBRARY TRUSTEES' ASSOCIATION (BCLTA) REPORT**

The Board heard a presentation from Babs Kelly, BCLTA Director for Learning & Development. Board members will be asked to complete a workshop survey regarding further ORL Board development.

***MOTION 7***

***It was moved and seconded***

***THAT the BCLTA Report be received for information.***

***CARRIED***

**7. CORRESPONDENCE**

**7.1. Submission Form from Frances Trowsse**

Discussion was held around the ORL's policies on social issues.

***MOTION 8***

***It was moved and seconded***

***THAT the matter of ORL policy on social issues be referred to the Policy and Planning Committee, with input from the professional librarians, to bring back recommendations to the Board.***

***CARRIED***

Staff were directed to draft a response to Frances Trowsse.

**8. BOARD CHAIR REPORT**

No report.

**9. TRUSTEE REPORTS AND OPPORTUNITY FOR NEW TRUSTEES TO INTRODUCE THEMSELVES**

The new Trustees introduced themselves:

- Louise Wallace Richmond, Salmon Arm
- Todd York, Spallumcheen
- Doug Findlater, West Kelowna
- Subrina Monteith, OSRD

**10. NEXT MEETING** – Wednesday, May 19, 2021

**11. ADJOURNMENT**

***MOTION 9***

***It was moved and seconded***  
***THAT the meeting be adjourned.***  
***CARRIED***

The meeting was adjourned at 11:12 AM.

DRAFT



# Okanagan Regional Library District

Audit final report to the Board of Trustees

START



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# To the Board of Trustees of Okanagan Regional Library District

We are pleased to provide you with the results of our audit of Okanagan Regional Library District (the "Library District") financial statements for the year ended December 31, 2020.

The enclosed final report includes estimates from management, accounting policies, financial statement disclosures, and significant transactions completed during the year. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.

During the course of our audit, management made certain representations to us—in discussions and in writing. We documented these representations in the audit working papers.

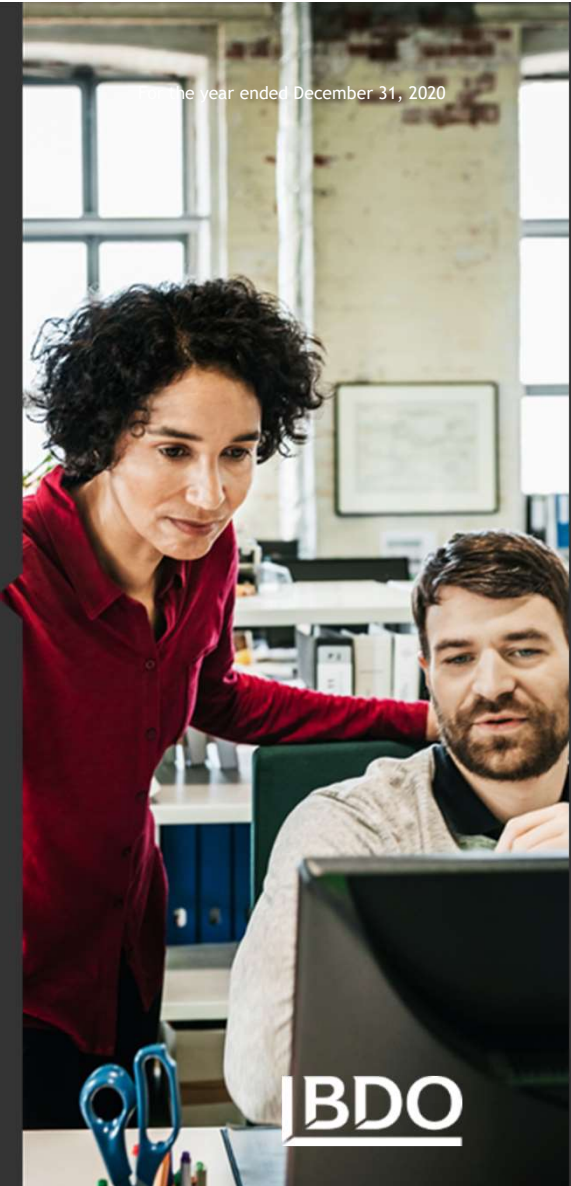
The business environment has changed for us all during the time of COVID-19. Cash flow, strategy, operations: each has received a rethink. As your auditors, we have relied on our digital audit suite to stay connected—among ourselves, with management, and with you.

We look forward to discussing our audit conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP

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For the year ended December 31, 2020



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## APT Next Gen

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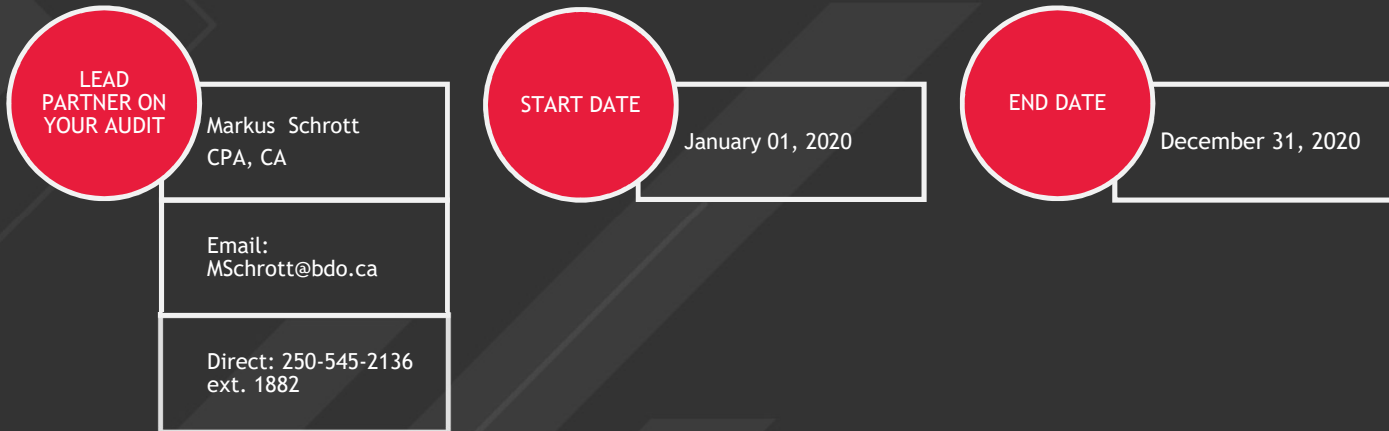
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## Audit at a glance

Preliminary materiality was \$525,000. Final materiality remained unchanged from our preliminary assessment.

We are not aware of any fraud affecting the Library District. If you have become aware of changes to processes or are aware of any instances of actual, suspected, or alleged fraud since our discussions held at planning, please let us know.

We have complied with relevant ethical requirements and are not aware of any relationships between Okanagan Regional Library District and our Firm that may reasonably be thought to bear on our independence.



For the year ended December 31, 2020

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## Status of the audit

We have substantially completed our audit of the year ended December 31, 2020 financial statements, pending completion of the following items:

- ▶ Receipt of signed management representation letter
- ▶ Subsequent events review through to the financial statements approval date
- ▶ 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. See [Appendix A](#) for our draft independent auditor's report.

For the year ended December 31, 2020



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**BDO Advantage**

We use the BDO Advantage data analytics tool to provide greater insights about the organization.

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# 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.

# 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 February 28, 2020. 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 December 10, 2020.



## 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 statements disclosures. We look forward to exploring these topics in depth and answering your questions. A summary of the key discussion points are below:

### Accounting and audit matters

#### Budget Allocation

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.





## Audit findings (Continued)

### Accounting and audit matters

#### Estimates - Useful Life of Capital Assets

Given the size and type of the Library District's tangible assets, there is a risk to the useful life of capital assets, such that an error in this estimate could have a material impact on the financial statement.

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.

#### 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.

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.



## Audit findings (Continued)

### 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.

### UNADJUSTED AUDIT DIFFERENCES

During the course of our audit, we did not identify any unadjusted audit differences more than trivial to bring to your attention.

## 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
Details of existing oversight processes with regards to fraud.	Based on our discussions during the planning of our audit, the Board's oversight processes include: <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>	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?
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any actual, suspected or alleged fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the Library District?

### 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 schedules designed to conceal it.

## Fraud Discussion (Continued)

### OVERVIEW OF PROCEDURES DESIGNED TO DETECT FRAUD

#### Management Override of Control 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 fraud related to revenue recognition was identified.

## Internal control matters

During the audit, we performed the following procedures regarding 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.

We considered the results of these procedures in determining the extent and nature of audit testing required.



We are required to report to you in writing about any 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 merits the attention of those charged with governance.

The audit expresses an opinion on the Library District's financial statements. As a result, it does not cover every aspect of internal controls—only those relevant to preparing the financial statements and designing appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

No control deficiencies were noted that, in our opinion, are of significant importance to discuss.

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## 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 attached table summarizes these additional required communications.

Issue	BDO response
Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.	None noted.
Material uncertainties related to events and conditions that may cast significant doubt on the Library District's ability to continue as a going concern.	None noted.
Disagreements with management about matters that, individually or in the aggregate, could be significant to the Library District's financial statements or our audit report.	None noted.
Matters involving non-compliance with laws and regulations.	None noted.
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.
Management consultation with other accountants about significant auditing and accounting matters.	None noted.
Discussion of whether subsequent events are appropriately disclosed or resulted in adjustments.	None noted
Discussion of whether scope limitations were present, preventing us from carrying out our audit completely.	None noted
Discussion of whether the audit report required modifications or a qualified audit report was issued.	None noted

For the year ended December 31, 2020



BDO'S DIGITAL AUDIT SUITE

### BDO Portal

We use BDO Portal to help you collaborate with your audit team in a seamless way—placing everything you need in one accessible, secure place.

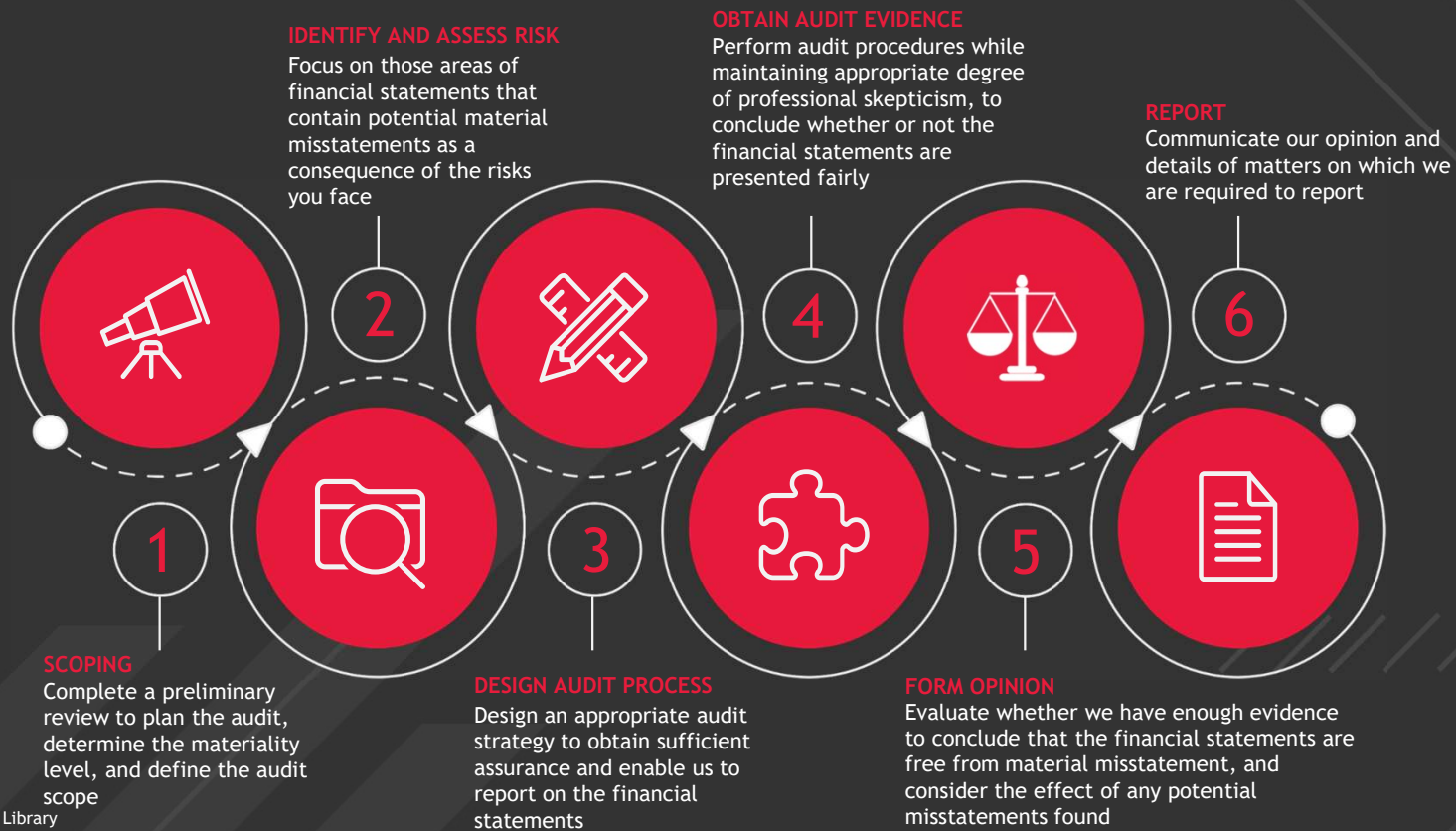
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# How we audit financial statements: Our six-step audit process



## 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.



## Audit Strategy (Continued)

### STATEMENT OF FINANCIAL POSITION APPROACH (Continued)

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 loan statements directly from MFA and confirm the loan balance. 3rd party documentation provides the greatest audit support for balances.
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.

## Audit Strategy (Continued)

### STATEMENT OF OPERATIONAL 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	
Purchase/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.

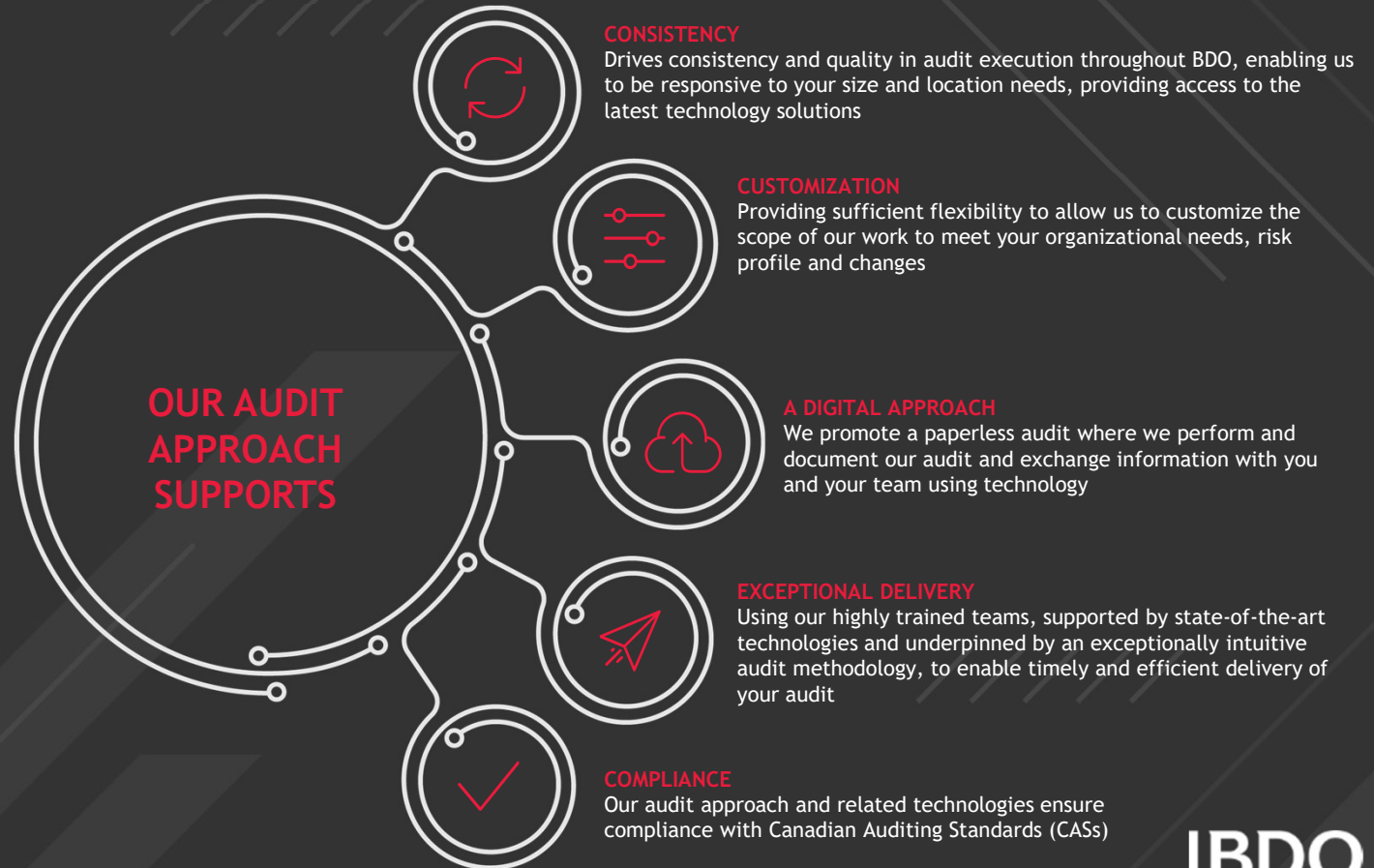
## Your audit: Client-centricity in action

The cornerstone of each audit engagement is how we deliver our services.

Our firm is deliberately structured to allow one partner to every six staff members. This means easy access to senior staff and the lead partner throughout your audit, as well as a quick turnaround on any questions. It also helps our team gain a better understanding of your organization.

Our audit process differs from the typical audit in our use of in-field reviews, subject to COVID-19 safety protocols. The benefit of these in-field reviews is that final decision-makers are on site ensuring issues are resolved and files closed quickly.

We offer clients the full-service expertise of a national firm. Even more: As part of the global BDO network, we provide seamless and consistent cross-border services to clients with global needs. Yet we maintain a local community focus. The comprehensive range of services we deliver is complemented by a deep industry knowledge gained from nearly 100 years of working within local communities.



# BDO's digital audit suite

Our digital audit suite of technologies enables our engagement teams to conduct consistent risk-based audits, both domestically and internationally, with maximum efficiency and minimal disruption to our clients' operations and people.



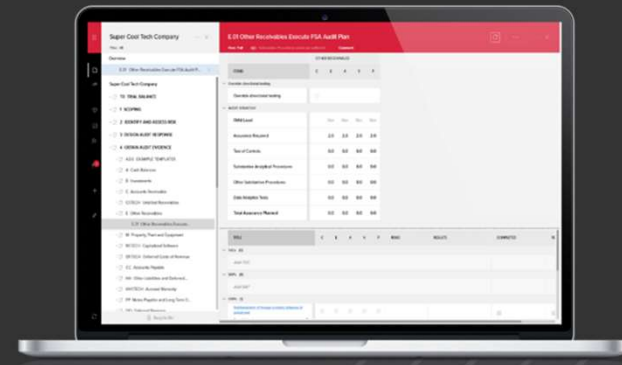
## APT Next Gen

Our audit software and documentation tool, APT, is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs), as well as to factor in engagement and industry-specific objectives and circumstances.

APT enables us to deliver an audit that fits your organization—whether large or small; complex or basic.

This sophisticated tool also amplifies two key attributes of our audits: consistency and quality. The quality framework that we developed measures our audit performance with hard quality indicators and reflects our indispensable culture for quality. To see our audit quality and consistency in action, look no further than how our teams share best audit practices for continuous improvement.

Through a strategic alliance with Microsoft and the introduction of new technology, this global, cloud-based application can now streamline and focus the audit process in even more ways for BDO professionals and their clients.





## BDO Data Analytics

BDO Data Analytics is a suite of tools that combines the benefits of modern technology with our knowledge and understanding of your business. Our technology solutions transform your audit experience by summarizing and presenting complete data set outliers and anomalies. We incorporate this information into the subjective assessments within our audit approach, using them to assess risk, gather audit evidence, provide greater insights, and support more efficient and effective strategies.

### GENERAL AUDIT

- ▶ Journal entry analyzer
- ▶ Preliminary analytical review



### EXPENSES

- ▶ Depreciation proof-in-total
- ▶ Three-way match



### OTHER INCOME

- ▶ Dividend income recalculation
- ▶ Interest income



### BDO DATA ANALYTICS

### REVENUE

- ▶ Three-way match
- ▶ Analytics
- ▶ Cash proof-in-total
- ▶ Retrospective review of accounts receivable



### PAYROLL

- ▶ Hourly payroll regression



### INVENTORY

- ▶ NRV testing
- ▶ Inventory reserve testing



### TRADITIONAL AUDIT PROCEDURES

- Require extensive sampling and manual vouching to support documentation
- Provide aggregated SAPs that often present low levels of assurance with difficult-to-investigate differences
- Deliver high assurance SAPs which are often time intensive and require extensive manual data manipulation

### AUDIT DATA ANALYTICS PROCEDURES

- Allow for the testing of 100% of a population
- Automates calculations and audit procedures
- Visualize data to simplify the identification of unusual items
- Allow for a disaggregated and visual review of unusual items, simplifying the investigation process



## BDO Portal

BDO Portal transforms and enhances your digital experience with your BDO advisors. Available at any time, Portal enables you to access all services, tools, apps, and information and to collaborate with your advisors in a seamless way through a flexible, appealing, and secure environment.



### SECURE DOCUMENT SHARING

BDO Portal allows BDO and the clients to collaborate securely through features like multi-factor authentication, DocuSign, data storage encryption, secure document exchange, and audit logging.



### ONE PLATFORM, CUSTOMER AT THE CENTRE

BDO Portal is a customer-centric solution that reflects your needs through quarterly platform releases.



### SEAMLESS AND INTEGRATED EXPERIENCE

BDO Portal is an open platform enabling firms to integrate local applications and languages. This creates a seamless and tailored experience.



### 24/7 ACCESS TO BDO SERVICES

BDO Portal provides 24/7 access to BDO services, modern tools, and apps as well as insights tailored to your industry and business.



### ENHANCE COLLABORATION

BDO Portal offers a real time collaboration space for BDO and its clients, including project, task and team management.



### NOTIFICATIONS

Within the BDO Portal you can set the interval for when and which notifications you want to receive about the changes in the BDO Portal.

## Recommended resources

### Financing and the special role of boards of directors



Boards play a critical role in helping businesses obtain financing during a crisis. But what exactly is that role—and how can boards excel at it?

**PROTECT THE ORGANIZATION**

### The latest tax pointers



Corporate. Commodity. Transfer pricing. International tax. Government programs. Together they add up to immense differences on the organization's bottom line. Our tax collection keeps you current.

**STAY ON TOP OF TAXES**

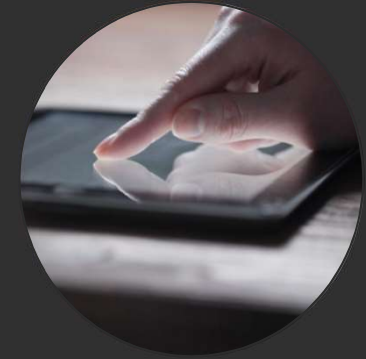
### COVID-19: From surviving to thriving



Whether you're building a recovery plan, scanning new opportunities for growth, or revisiting your response—you'll find something to help you in our library of 100-plus webinars, articles, infographics, and videos.

**EXPLORE OUR COVID-19 RESOURCE HUB**

### Key changes to financial reporting



When the rules of reporting change, you may need to fine-tune how to present financial statements and govern the organization.

**ACCESS OUR KNOWLEDGE CENTRE**

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For the year ended December 31, 2020

## Appendices

- ▶ Appendix A: Independent auditor's report
- ▶ Appendix B: Representation letter
- ▶ Appendix C: Financial highlights



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For the year ended December 31, 2020



## Appendix A: Independent auditor's report

25 | Okanagan Regional Library  
District



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## Independent Auditor's Report

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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, 2020, 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, 2020, 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 19, 2021



## Appendix B: Representation letter



May 19, 2021

BDO Canada LLP  
Chartered Professional Accountants  
2706 30<sup>th</sup> Ave Suite 202  
Vernon, British Columbia  
V1T 2B6

This representation letter is provided in connection with your audit of the financial statements of Okanagan Regional Library District for the yearended December 31, 2020, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### **Financial Statements**

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 16, 2020, for the preparation of the financial statements in accordance with Canadian public sector accounting standards; in particular, the financial statements are fairly presented in accordance therewith.

- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with Canadian public sector accounting standards.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
- All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- To the extent that our normal procedures and controls related to our financial statement close process at any of our locations were adversely impacted by the COVID-19 outbreak, we took appropriate actions and safeguards to reasonably ensure the fair presentation of the financial statements in accordance with Public Sector Accounting Standards.

### **Information Provided**

- We have provided you with:
  - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity’s related parties and all the related party relationships and transactions of which we are aware.

**Fraud and Error**

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators, or others.

**General Representations**

**Other Representations Where the Situation Exists**

Yours truly,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position

\_\_\_\_\_  
Signature

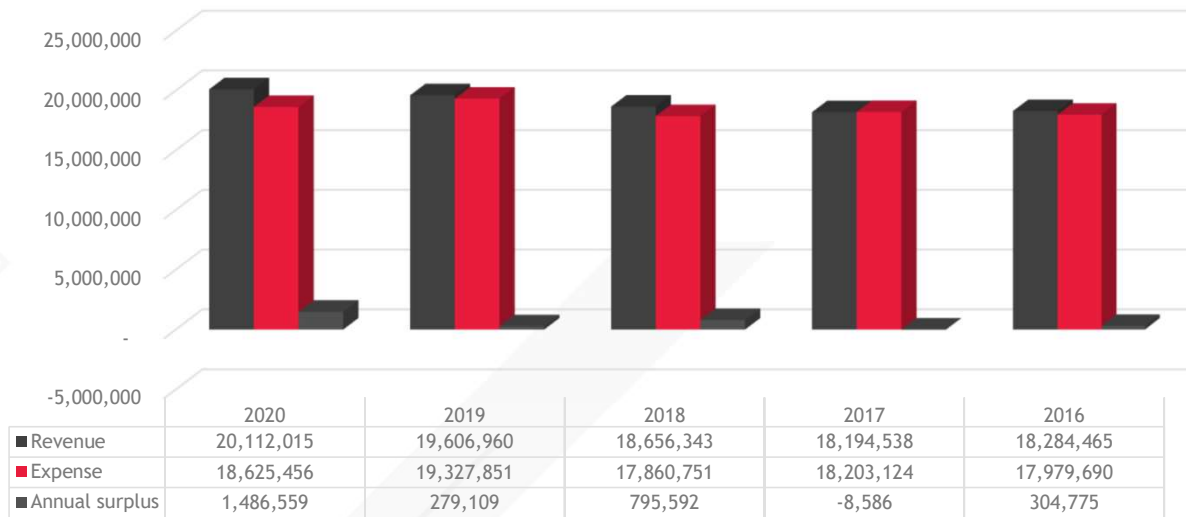
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Position

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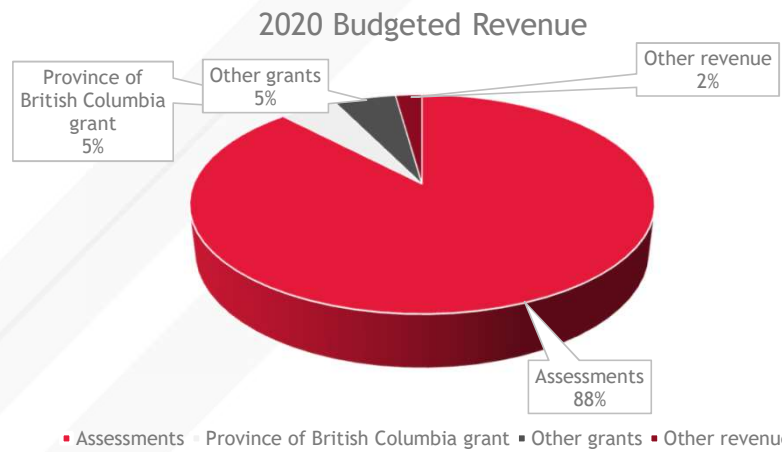
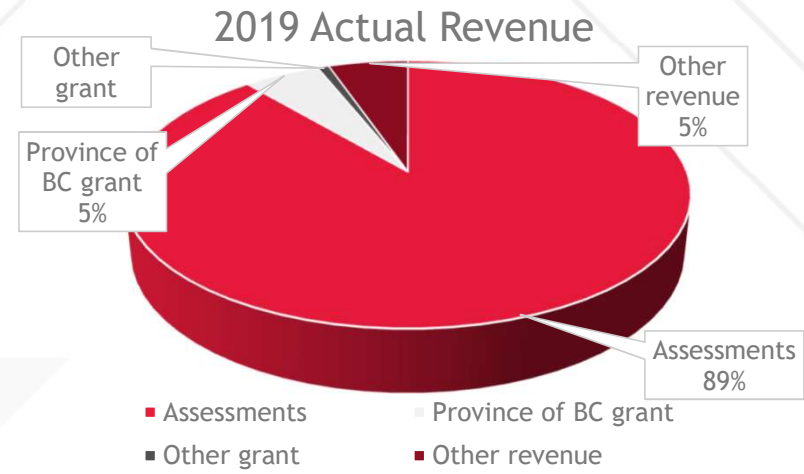
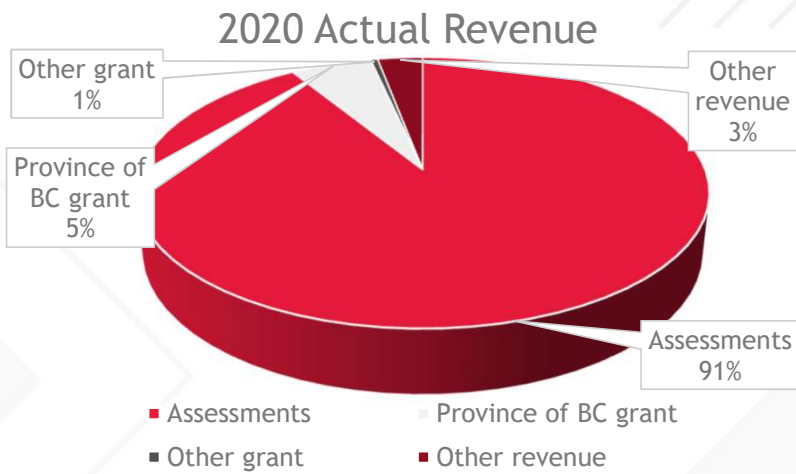
For the year ended December 31, 2020

## \$ Appendix C: Financial Highlights

### TOTAL REVENUE, EXPENSES, AND ANNUAL SURPLUS

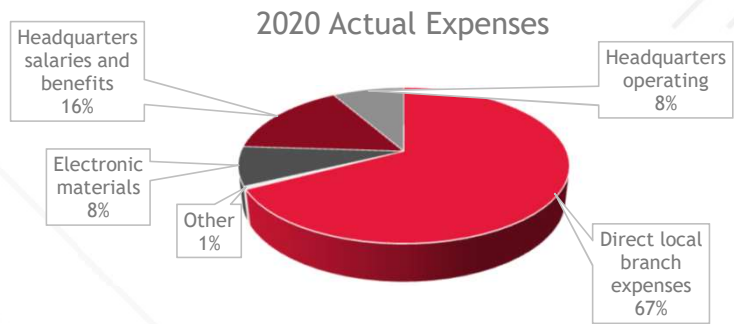


REVENUE ANALYSIS

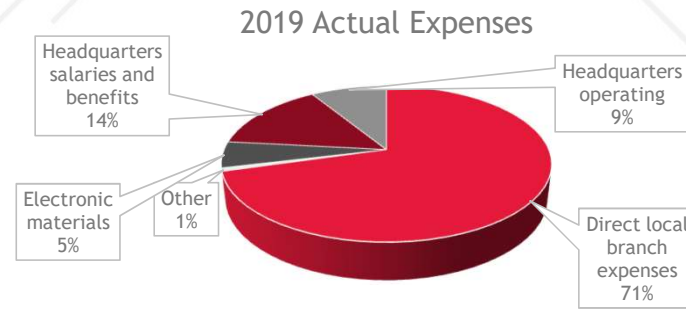




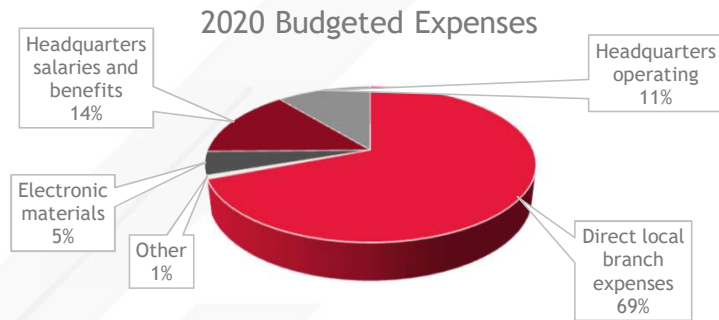
**OPERATING EXPENSES BY FUNCTION**



- Direct local branch expenses
- Electronic materials
- Headquarters operating
- Other
- Headquarters salaries and benefits

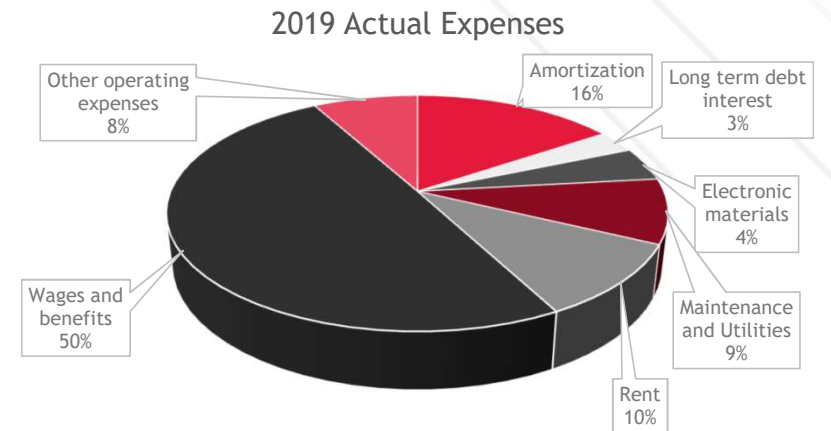
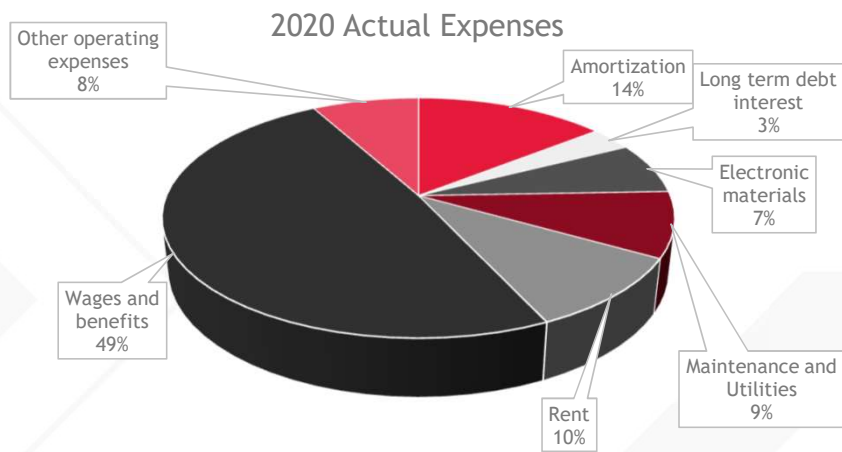


- Direct local branch expenses
- Electronic materials
- Headquarters operating
- Other
- Headquarters salaries and benefits

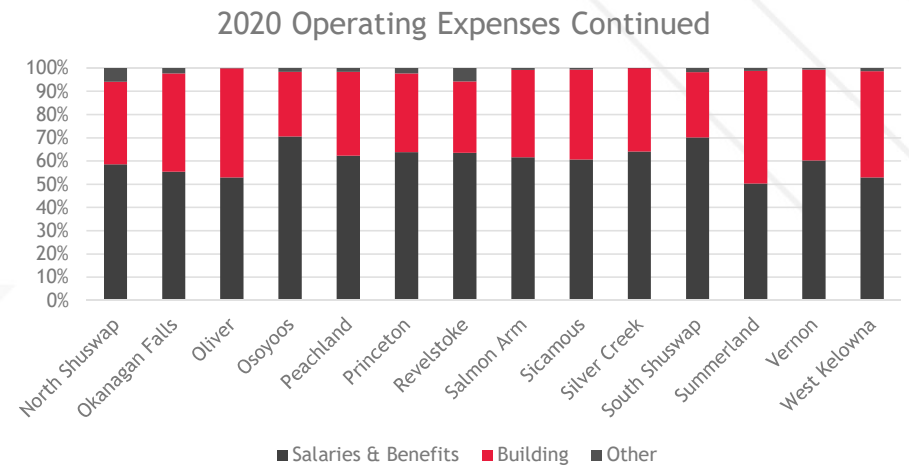
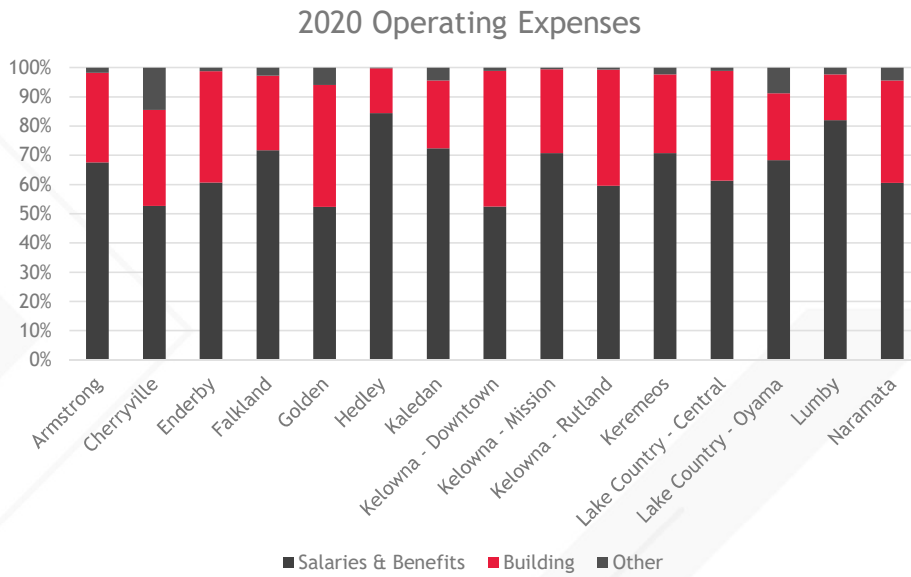


- Direct local branch expenses
- Electronic materials
- Headquarters operating
- Other
- Headquarters salaries and benefits

OPERATING EXPENSES BY OBJECT

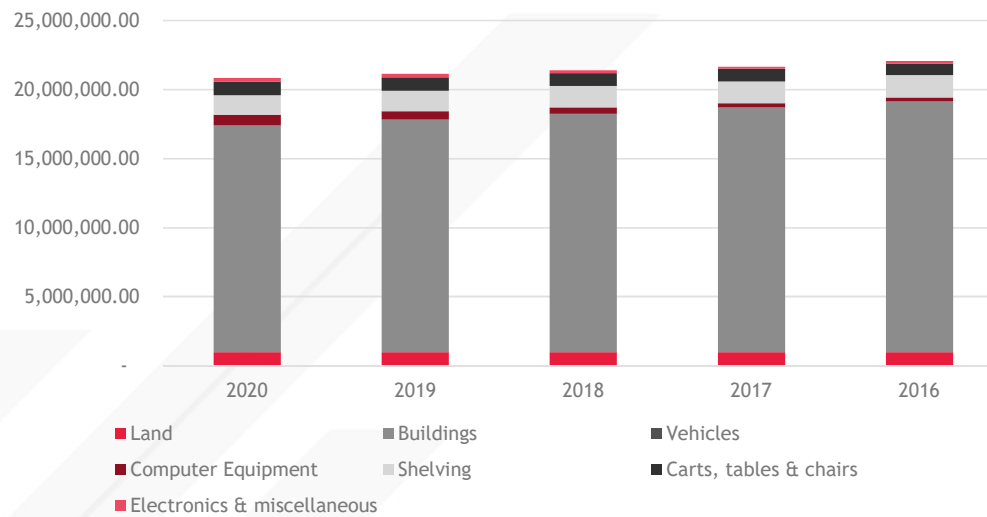


ALLOCATION OF OPERATING EXPENSES BY BRANCH



**CAPITAL ASSET ANALYSIS - CATEGORY BREAKDOWN**

	2020	2019	2018	2017	2016
Tangible capital assets					
Beginning of year	25,662,689	26,664,873	27,566,327	28,390,034	29,130,149
Purchases	1,588,632	2,010,356	2,002,431	1,902,060	2,041,724
Disposals	- 5,138	-	-	- 40,790	- 25,902
Amortization	- 2,670,106	- 3,012,540	- 2,903,885.00	- 2,684,977	- 2,755,937
End of year	24,576,077	25,662,689	26,664,873.00	27,566,327	28,390,034



For the year ended December 31, 2020

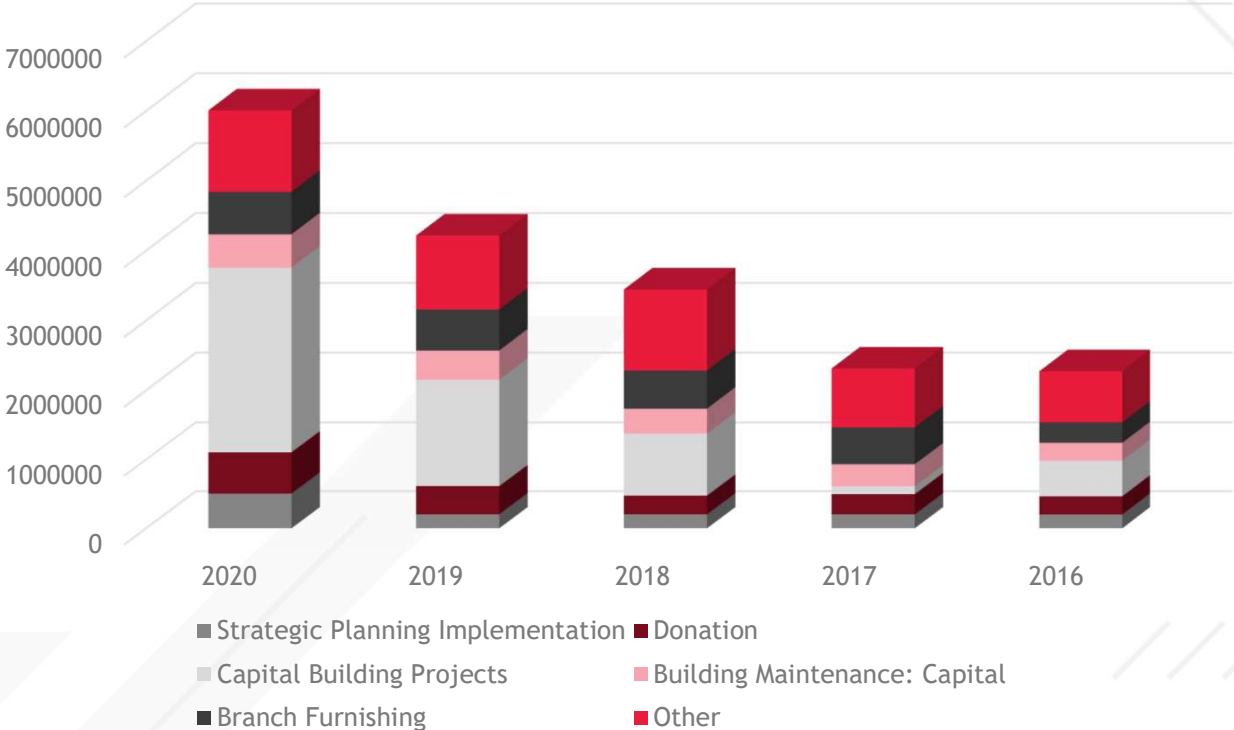
RESERVE ANALYSIS

	2020	2019	2018	2017	2016	2015
Reserve Funds						
Branch Furnishing	608,211	586,670	546,626	538,650	299,186	255,703
Building Maintenance						
Capital	476,697	419,197	359,197	320,000	260,000	200,000
Non-capital	359,973	358,200	472,231	194,250	141,960	-
Capital Building Projects	2,653,318	1,539,318	903,464	114,464	517,553	432,169
Computer Systems	170,221	170,221	170,221	170,221	170,221	170,221
Contingency	-	-	-	-	-	75,007
Donation	599,606	409,065	273,454	294,439	265,426	209,805
Interest	-	-	-	-	-	25,000
IT Working Replacement	363,095	272,619	223,253	262,285	216,288	131,117
Rent Stabilization	82,729	82,729	82,729	82,729	82,729	32,652
Staff Development	96,320	96,320	126,320	66,320	66,320	16,020
Staff Appreciation	12,850	11,382	9,882	6,382	4,882	4,882
Strategic Planning Implementation	503,330	201,934	199,934	199,934	197,934	193,934
Vehicle Replacement	80,576	68,075	75,510	63,010	50,510	-
	6,006,925	4,215,730	3,442,821	2,312,684	2,273,009	1,746,510



For the year ended December 31, 2020

RESERVE ANALYSIS (Continued)



**OKANAGAN REGIONAL  
LIBRARY DISTRICT  
Financial Statements**  
For the year ended December 31, 2020

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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

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

May 19, 2021



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## Independent Auditor's Report

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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, 2020, 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, 2020, 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 19, 2021

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

December 31	2020	2019
<b>Financial assets</b>		
Cash (Note 1)	\$ 6,367,044	\$ 3,013,767
Accounts receivable	470,170	1,873,232
MFA debt reserve	155,000	155,000
	<b>6,992,214</b>	<b>5,041,999</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	757,736	744,174
Wages payable	171,564	150,879
Deferred revenue	136,231	6,380
Long-term debt (Note 2)	9,320,055	10,058,242
	<b>10,385,586</b>	<b>10,959,675</b>
<b>Net debt</b>	<b>(3,393,372)</b>	<b>(5,917,676)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 3)	24,576,077	25,662,689
Prepaid expenses	333,962	285,095
	<b>24,910,039</b>	<b>25,947,784</b>
<b>Accumulated surplus (Note 4)</b>	<b>\$21,516,667</b>	<b>\$ 20,030,108</b>

Approved on behalf of the Board:

\_\_\_\_\_ Chairperson

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

<b>For the year ended December 31</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>Revenue</b>			
Assessments (Schedule 2)	\$ 18,331,660	\$ 18,331,441	\$ 17,401,763
Province of British Columbia grant	1,085,840	1,008,000	1,008,382
Other grant revenue	93,601	55,500	151,019
Other revenue (Schedule 3)	600,913	458,088	1,045,796
	<b>20,112,014</b>	<b>19,853,029</b>	<b>19,606,960</b>
<b>Expenses (Note 6)</b>			
Amortization	2,670,105	-	3,012,540
Children's programs	10,049	30,114	36,351
Delivery/transportation			
Operating expenses	84,884	95,168	83,049
Direct local branch expenses (Schedule 4)	10,846,310	11,762,302	11,510,695
Electronic materials	1,286,938	829,500	885,934
Headquarters supportive services			
Salaries and benefits	2,391,493	2,403,762	2,357,185
Operating (Schedule 5)	1,330,537	1,868,166	1,442,097
Loss on disposal of tangible capital assets	5,139	-	-
	<b>18,625,455</b>	<b>16,989,012</b>	<b>19,327,851</b>
<b>Annual surplus (Note 9)</b>	<b>1,486,559</b>	<b>2,864,017</b>	<b>279,109</b>
<b>Accumulated surplus, beginning of year</b>	<b>20,030,108</b>	<b>20,030,108</b>	<b>19,750,999</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 21,516,667</b>	<b>\$ 22,894,125</b>	<b>\$ 20,030,108</b>

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

<b>For the year ended December 31</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>Annual surplus</b>	<b>\$ 1,486,559</b>	<b>\$ 2,864,017</b>	<b>\$ 279,109</b>
Acquisition of tangible capital assets	(1,588,631)	(1,770,500)	(2,010,356)
Amortization of tangible capital assets	2,670,105	-	3,012,540
Loss on disposal of tangible capital assets	5,139	-	-
Increase (decrease) of prepaid expenses	(48,867)	-	31,543
<b>Change in net debt</b>	<b>2,524,305</b>	<b>1,093,517</b>	<b>1,312,836</b>
<b>Net debt, beginning of year</b>	<b>(5,917,676)</b>	<b>(5,917,676)</b>	<b>(7,230,512)</b>
<b>Net debt, end of year</b>	<b>\$ (3,393,371)</b>	<b>\$ (4,824,159)</b>	<b>\$ (5,917,676)</b>

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

<b>For the year ended December 31</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows provided by (used in) operating activities</b>		
Cash receipts from assessments, grants, and other revenue	\$ 21,603,721	\$ 17,875,450
Cash paid to employees and suppliers	(15,372,332)	(15,855,963)
Interest received	41,207	88,848
Interest paid	(592,500)	(592,500)
	<u>5,680,096</u>	<u>1,515,835</u>
<b>Cash flows provided by (used in) capital activities</b>		
Acquisition of tangible capital assets	<u>(1,588,632)</u>	<u>(2,010,356)</u>
<b>Cash flows provided by (used in) financing activities</b>		
Repayment of long-term debt	<u>(738,187)</u>	<u>(709,796)</u>
<b>Increase (decrease) in cash during the year</b>	<b>3,353,277</b>	<b>(1,204,317)</b>
Cash, beginning of year	<u>3,013,767</u>	<u>4,218,084</u>
<b>Cash, end of year</b>	<b>\$ 6,367,044</b>	<b>\$ 3,013,767</b>

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## Okanagan Regional Library District Summary of Significant Accounting Policies

December 31, 2020

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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 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 15 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.

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

**December 31, 2020**

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**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, 2020**

**1. Cash**

Cash is held in a financial institution earning interest at an average rate of 0.88% (2019 - 2.05%) 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.

	2020	2019
Debenture payable to the Municipal Finance Authority of British Columbia, with semi annual interest payments of \$65,250 and annual principal payments of \$151,118, interest rate at 2.90%, due November 20, 2028.	\$ 2,229,332	\$ 2,461,971
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.	<u>7,090,723</u>	<u>7,596,271</u>
	<u>\$ 9,320,055</u>	<u>\$ 10,058,242</u>

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

2021	\$ 520,517
2022	520,517
2023	520,517
2024	520,517
2025	520,517
Thereafter	<u>2,669,749</u>
	\$ 5,272,334
Add: Actuarial additions until maturity	<u>4,047,721</u>
	<u>\$ 9,320,055</u>

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

**December 31, 2020**

**3. Tangible Capital Assets**

**2020**

	Land	Buildings	Vehicles	Computer Equipment	Shelving	Carts, Tables & Chairs	Electronics & Miscellaneous	Book Inventory	Total
Cost, beginning of year	\$ 983,134	\$ 20,675,786	\$ 137,624	\$ 1,292,886	\$ 2,774,686	\$ 1,759,222	\$ 765,463	\$ 17,032,171	\$ 45,420,972
Additions	-	-	-	403,445	1,494	43,090	62,460	1,078,142	1,588,631
Disposals	-	-	-	(98,890)	(36,390)	(12,986)	(27,236)	(4,065,260)	(4,240,762)
Cost, end of year	\$ 983,134	\$ 20,675,786	\$ 137,624	\$ 1,597,441	\$ 2,739,790	\$ 1,789,326	\$ 800,687	\$ 14,045,053	\$ 42,768,841
Accumulated amortization, beginning of year	\$ -	\$ 3,862,498	\$ 79,785	\$ 723,680	\$ 1,293,978	\$ 769,879	\$ 513,906	\$ 12,514,557	\$ 19,758,283
Amortization	-	420,332	11,568	218,440	68,495	51,468	42,010	1,857,792	2,670,105
Disposals	-	-	-	(98,890)	(36,390)	(9,686)	(25,397)	(4,065,261)	(4,235,624)
Accumulated amortization, end of year	\$ -	\$ 4,282,830	\$ 91,353	\$ 843,230	\$ 1,326,083	\$ 811,661	\$ 530,519	\$ 10,307,088	\$ 18,192,764
<b>Net carrying amount, end of year</b>	<b>\$ 983,134</b>	<b>\$16,392,956</b>	<b>\$ 46,271</b>	<b>\$ 754,211</b>	<b>\$ 1,413,707</b>	<b>\$ 977,665</b>	<b>\$ 270,168</b>	<b>\$ 3,737,965</b>	<b>\$ 24,576,077</b>

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

**December 31, 2020**

**3. Tangible Capital Assets (continued)**

**2019**

	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	\$ 1,192,705	\$ 2,774,348	\$ 1,640,736	\$ 675,474	\$ 15,567,495	\$ 43,598,867
Additions	-	-	48,435	255,887	338	118,486	89,989	1,497,221	2,010,356
Disposals	-	-	-	(155,706)	-	-	-	(32,545)	(188,251)
Cost, end of year	\$ 983,134	\$ 20,675,786	\$ 137,624	\$ 1,292,886	\$ 2,774,686	\$ 1,759,222	\$ 765,463	\$ 17,032,171	\$ 45,420,972
Accumulated amortization, beginning of year	\$ -	\$ 3,431,388	\$ 65,326	\$ 741,553	\$ 1,224,745	\$ 715,244	\$ 462,894	\$ 10,292,844	\$ 16,933,994
Amortization	-	431,110	14,459	137,833	69,233	54,635	51,012	2,254,258	3,012,540
Disposals	-	-	-	(155,706)	-	-	-	(32,545)	(188,251)
Accumulated amortization, end of year	\$ -	\$ 3,862,498	\$ 79,785	\$ 723,680	\$ 1,293,978	\$ 769,879	\$ 513,906	\$ 12,514,557	\$ 19,758,283
Net carrying amount, end of year	\$ 983,134	\$ 16,813,288	\$ 57,839	\$ 569,206	\$ 1,480,708	\$ 989,343	\$ 251,557	\$ 4,517,614	\$ 25,662,689

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

**December 31, 2020**

**4. Accumulated Surplus**

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

	2020	2019
Financial equity		
General fund (Schedule 1)	\$ 98,532	\$ 54,741
Equity in tangible capital assets (Note 5)	15,411,211	15,759,637
Reserve funds (Schedule 6)	6,006,924	4,215,730
	\$21,516,667	\$ 20,030,108

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**

	2020	2019
<b>Balance, beginning of year</b>	\$ 15,759,637	\$ 16,052,025
<b>Add:</b>		
Contribution for long-term debt reduction	738,187	709,796
Contribution for tangible capital assets	1,588,631	2,010,356
<b>Deduct:</b>		
Amortization	(2,670,105)	(3,012,540)
Loss on disposal of tangible capital assets	(5,139)	-
<b>Balance, end of year</b>	\$ 15,411,211	\$ 15,759,637

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

**December 31, 2020**

**6. Expenses by Object**

	2020	2020	2019
	Actual	Budget	Actual
Advertising and marketing	\$ 65,007	\$ 49,475	\$ 61,668
Amortization	2,670,105	-	3,012,540
Association dues and memberships	20,147	19,380	16,824
Board and committee expenses	3,533	20,141	12,766
Board strategic planning	1,407	300,000	-
Collection agency	1,083	14,566	3,474
Book binding and mending	4,473	21,250	3,522
Computer maintenance and telecommunications	523,807	498,000	549,576
Electronic materials	1,286,938	829,500	885,934
Insurance	57,368	55,363	53,676
Interest, bank charges and foreign exchange	12,275	11,500	15,311
Long term debt interest	592,500	592,500	592,500
Loss on disposal of capital assets	5,139	-	-
Maintenance and utilities	1,638,844	1,767,655	1,715,678
Penticton library contract	46,090	46,000	46,530
Postage and freight	31,006	60,200	53,320
Professional fees	106,073	97,489	72,238
Programs	76,376	80,631	120,989
Rent	1,831,708	1,836,500	1,952,188
Staff development	117,777	236,184	242,093
Sundry	-	162,181	-
Supplies	297,373	185,578	157,205
Telephone	29,150	25,000	25,463
Transportation	98,552	136,668	120,906
Wages and benefits	9,108,724	9,943,251	9,613,450
	<b>\$ 18,625,455</b>	<b>\$ 16,989,012</b>	<b>\$ 19,327,851</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 0.3%. At December 31, 2020, the Library District had drawn \$Nil (2019 - \$Nil) on this agreement.

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

**December 31, 2020**

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**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, 2018, the Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Library District paid \$585,482 (2019 - \$603,192) for employer contributions to the Plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in late 2022.

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, 2020

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**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>2020</u>
Budget surplus (deficit) for the year as per board budget	\$ -
Add:	
Transfers to reserve funds budgeted for in expenses	953,000
Transfers to tangible capital assets budgeted for in expenses - books and material	2,408,500
Long-term debt reduction - principal	<u>520,517</u>
	3,882,017
Less:	
Transfers from reserve funds budgeted for in expenses	<u>(1,018,000)</u>
Budget surplus per statement of operations and accumulated surplus	<u>\$ 2,864,017</u>

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

For the year ended December 31	2020	2020	2019
	Actual	Budget	Actual
<b>Revenue</b>			
Assessments (Schedule 2)	\$ 18,331,660	\$ 18,331,441	\$ 17,401,763
Province of British Columbia	1,085,840	1,008,000	1,008,382
Other grant revenue	93,601	55,500	151,019
Other revenue (Schedule 3)	600,913	458,088	1,045,796
	<b>20,112,014</b>	<b>19,853,029</b>	<b>19,606,960</b>
<b>Expenses</b>			
Children's programs	10,049	30,114	36,351
Direct local branch expenses (Schedule 4)	10,846,310	11,762,302	11,510,695
Delivery/transportation			
Operating expenses	84,884	95,168	83,049
Electronic materials	1,286,938	829,500	885,934
Headquarters supportive services			
Salaries and benefits	2,391,493	2,403,762	2,357,185
Operating (Schedule 5)	1,330,537	1,868,166	1,442,097
	<b>15,950,211</b>	<b>16,989,012</b>	<b>16,315,311</b>
<b>Excess of revenues over expenses</b>	<b>4,161,803</b>	<b>2,864,017</b>	<b>3,291,649</b>
<b>Net interfund transfers:</b>			
Net contributions to tangible capital fund			
For long-term debt reduction	(738,187)	(520,517)	(709,796)
For tangible capital assets	(1,588,631)	(2,408,500)	(2,010,356)
Contribution from reserve fund (Schedule 6)			
Building maintenance (Owned)	2,500	30,000	-
Building maintenance (Non-owned)	20,925	50,000	139,032
Donation	128,218	-	161,468
Furnishings	125,761	250,000	104,956
Technology & software	302,524	323,000	122,049
Staff appreciation and development	33	-	30,000
Strategic planning	604	330,000	-
Vehicle	-	35,000	48,435
Contributions to reserve funds (Schedule 6)			
Building maintenance (Owned)	(60,000)	(60,000)	(60,000)
Building maintenance (Non-owned)	(25,000)	(25,000)	(25,000)
Capital building project	(1,114,000)	(114,000)	(635,854)
Donation	(318,759)	-	(297,079)
Furnishings	(145,000)	(145,000)	(145,000)
Staff appreciation and development	(1,500)	(1,500)	(1,500)
Strategic planning	(302,000)	(302,000)	(2,000)
Technology & software	(393,000)	(293,000)	(171,416)
Vehicle replacement	(12,500)	(12,500)	(41,000)
	<b>(4,118,012)</b>	<b>(2,864,017)</b>	<b>(3,493,061)</b>
<b>Change in fund balance</b>	<b>43,791</b>	<b>-</b>	<b>(201,412)</b>
<b>Surplus, beginning of year</b>	<b>54,741</b>	<b>-</b>	<b>256,153</b>
<b>Surplus, end of year</b>	<b>\$ 98,532</b>	<b>\$ -</b>	<b>\$ 54,741</b>



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

<b>For the year ended December 31</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>Municipalities</b>			
Armstrong	\$ 199,174	\$ 199,174	\$ 180,947
Coldstream	474,344	474,344	459,076
Enderby	109,240	109,240	99,955
Golden and Area	323,431	323,431	301,794
Kelowna	6,813,465	6,813,465	6,389,123
Keremeos	56,310	56,310	49,232
Lake Country	667,661	667,661	633,373
Lumby	71,745	71,746	62,619
Oliver	209,691	209,691	187,594
Osoyoos	264,777	264,777	254,205
Peachland	266,471	266,471	247,985
Princeton	127,406	127,186	123,252
Revelstoke	358,643	358,643	325,069
Salmon Arm	764,990	764,990	757,820
Sicamous	151,676	151,676	145,915
Spallumcheen	217,209	217,209	202,473
Summerland	524,891	524,891	499,643
Vernon	1,859,497	1,859,497	1,813,366
West Kelowna	1,600,118	1,600,118	1,529,052
	<b>15,060,739</b>	<b>15,060,520</b>	<b>14,262,493</b>
<b>First Nation Members</b>			
Westbank First Nation	427,089	427,089	409,247
	<b>15,487,828</b>	<b>15,487,609</b>	<b>14,671,740</b>
<b>Regional Districts</b>			
Central Okanagan	318,091	318,091	312,460
Columbia - Shuswap	860,703	860,703	811,651
North Okanagan	773,371	773,371	728,054
Okanagan - Similkameen	891,667	891,667	877,858
	<b>2,843,832</b>	<b>2,843,832</b>	<b>2,730,023</b>
	<b>\$ 18,331,660</b>	<b>\$ 18,331,441</b>	<b>\$ 17,401,763</b>

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

<b>For the year ended December 31</b>	<b>2020</b>		<b>2019</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
Actuarial earnings	\$ 217,670	\$ 135,488	\$ 189,278
Bank interest	41,207	35,000	88,848
Book bag revenue	591	1,630	1,699
Copying and printing	14,190	39,500	46,117
Donation revenue	218,859	-	307,220
Fines, damaged and lost books	72,140	225,000	221,634
Interdepartment rent	634,682	634,682	634,682
Meeting room rental	20,290	18,000	28,157
Non resident charges	950	2,720	2,782
Sundry	15,016	750	160,061
<b>Total before adjustment</b>	<b>1,235,595</b>	<b>1,092,770</b>	<b>1,680,478</b>
Interdepartment rent	<b>(634,682)</b>	<b>(634,682)</b>	<b>(634,682)</b>
<b>Total</b>	<b>\$ 600,913</b>	<b>\$ 458,088</b>	<b>\$ 1,045,796</b>

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

For the year ended December 31

Branch	Salaries & Benefits	Building	Other	2020 Total	2020 Budget	2019 Total
Armstrong	\$ 136,452	\$ 62,018	\$ 3,601	\$ 202,071	\$ 209,480	\$ 205,733
Book Deposits	-	-	3,190	3,190	3,200	2,000
Cherryville	17,058	10,680	4,709	32,447	39,255	35,552
Enderby	109,312	68,553	2,389	180,254	190,446	185,430
Falkland	46,733	16,656	1,835	65,224	73,345	70,005
Golden	112,336	89,733	12,967	215,036	214,569	327,391
Hedley	14,821	2,695	45	17,561	18,699	16,526
Kaleden	45,203	14,518	2,791	62,512	69,136	66,333
Kelowna						
Downtown	1,078,048	954,140	24,824	2,057,012	2,211,511	2,124,442
Mission	423,557	171,555	4,082	599,194	714,972	708,233
Rutland	459,964	307,575	5,609	773,148	788,184	776,903
Keremeos	93,242	35,664	3,102	132,008	157,552	155,004
Lake Country						
Central	173,111	105,929	3,448	282,488	318,538	304,156
Oyama	25,879	8,707	3,335	37,921	46,513	41,363
Lumby	87,693	16,721	2,601	107,015	126,205	122,552
Naramata	37,196	21,621	2,716	61,533	68,601	64,669
North Shuswap	47,839	29,070	4,893	81,802	94,067	95,932
Okanagan Falls	65,346	49,953	2,793	118,092	120,304	118,095
Oliver	143,225	127,466	332	271,023	270,039	247,927
Osoyoos	131,876	52,052	3,069	186,997	209,080	202,920
Peachland	110,353	64,085	2,873	177,311	180,688	180,695
Princeton	59,807	31,710	2,031	93,548	102,703	98,110
Revelstoke	121,044	58,508	11,007	190,559	220,788	200,662
Salmon Arm	443,874	272,258	5,835	721,967	742,839	850,993
Sicamous	95,286	60,930	1,187	157,403	164,590	161,061
Silver Creek	18,401	10,334	27	28,762	36,702	32,865
South Shuswap	129,300	51,801	3,416	184,517	199,441	197,527
Summerland	188,094	181,047	4,891	374,032	435,823	418,184
Vernon	1,079,486	699,709	14,056	1,793,251	1,895,097	1,854,781
West Kelowna & Learning Lab	497,356	335,602	10,567	843,525	886,047	854,346
Branch shared expenses	755,227	-	206,482	961,709	953,888	962,987
Total before adjustment	6,747,119	3,911,290	354,703	11,013,112	11,762,302	11,683,377
Interdepartment rent net of interest costs	-	(166,802)	-	(166,802)	-	(172,682)
<b>Total</b>	<b>\$ 6,747,119</b>	<b>\$3,744,488</b>	<b>\$ 354,703</b>	<b>\$10,846,310</b>	<b>\$11,762,302</b>	<b>\$11,510,695</b>

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

<b>For the year ended December 31</b>	<b>2020</b>		<b>2020</b>	<b>2019</b>
	<b>Actual</b>		<b>Budget</b>	<b>Actual</b>
Advertising and marketing	\$ 64,341	\$	47,475	\$ 61,237
Association dues and membership	20,147		19,380	16,824
Binding and mending	4,473		21,250	3,522
Board and committee expenses	3,533		20,141	12,766
Board strategic plan	1,407		300,000	-
Computer maintenance and telecommunications	528,444		500,217	603,136
Insurance	57,368		55,363	53,676
Interest, bank charges and foreign exchange	12,275		11,500	15,311
Interest on long-term debt	130,500		130,500	130,500
Maintenance and utilities	175,125		172,800	154,216
Penticton library contract	46,090		46,000	46,530
Postage and freight	8,700		22,400	19,614
Professional fees	106,073		97,489	72,238
Sundry	1,083		176,747	3,474
Supplies	57,259		87,250	82,489
Staff development	87,888		120,754	128,927
Telephone	12,236		7,000	6,712
Transportation	13,595		31,900	30,925
<b>Total</b>	<b>\$ 1,330,537</b>	<b>\$</b>	<b>1,868,166</b>	<b>\$ 1,442,097</b>

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

**For the year ended December 31**

	2019	Contributions	Expenses	Transfers	2020
Branch furnishings	\$ 586,670	\$ 145,000	\$ (125,761)	\$ -	\$ 605,909
Building maintenance					
Owned buildings	419,197	60,000	(2,500)	-	476,697
Non-owned building	358,200	25,000	(20,925)	-	362,275
Capital building projects	1,539,318	1,114,000	-	-	2,653,318
Donation	409,065	318,759	(128,218)	-	599,606
Integrated Library Systems (ILS)	170,221	-	-	-	170,221
IT replacement	272,619	393,000	(302,524)	-	363,095
Rent stabilization	82,729	-	-	-	82,729
Staff development	96,320	-	-	-	96,320
Staff appreciation	11,382	1,500	(33)	-	12,849
Strategic planning	201,934	302,000	(604)	-	503,330
Vehicle replacement	68,075	12,500	-	-	80,575
<b>Total</b>	<b>\$ 4,215,730</b>	<b>\$ 2,371,759</b>	<b>\$ (580,565)</b>	<b>\$ -</b>	<b>\$ 6,006,924</b>

**Okanagan Regional Library**  
**Statement of Financial Information (SOFI)**  
**For the year: 2020**

## **Report Appendices**

### **Report appendices include:**

- Financial Information Act submission checklist
- Board approval form
- Management report
- Schedule of guarantee and indemnity agreements;
- Statement of remuneration and expenses
  - Schedule showing the total amount of remuneration and the total amount of expenses paid to or on behalf of each member of the Board;
  - Schedule showing remuneration and expenses paid to or on behalf of each employee that exceeds \$75,000;
- Statement of severance agreements;
- Schedule of Payments for the Provision of Goods and Services

### **The following are not included with this report but are instead included with the Library's audited financial statements:**

- Financial statements
  - Statement of Revenue and Expenditures (Statement of Operations)
  - Statement of Assets and Liabilities (Statement of Financial Position)
- Schedule of debts;
- Statement of Changes in Financial Position

## Submission Checklist

### Financial Information Act - Statement of Financial Information

**Library Name:** Okanagan Regional Library

**Fiscal Year Ended:** December 31, 2020

a)	<input checked="" type="checkbox"/>	Approval of Statement of Financial Information
b)	<input checked="" type="checkbox"/>	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
	<input checked="" type="checkbox"/>	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.
		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.
g)	<input checked="" type="checkbox"/>	Schedule of Remuneration and Expenses, including:
		i) An alphabetical list of employees (first and last names) earning over \$75,000
		ii) Total amount of expenses paid to or on behalf of each employee under 75,000
		iii) If the total wages and expenses differs from the audited financial statements, an explanation is required
		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.
		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.
h)	<input checked="" type="checkbox"/>	Schedule of Payments for the Provision of Goods and Services including:
		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). Audited statements are not required for the SOFI but if available, please include them.

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.





**Management Report**

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

**Library Name:** Okanagan Regional Library  
**Fiscal Year Ended:** December 31, 2020

**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 generally accepted accounting principles 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 Canada 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**

**Name. Chairperson of the Library Board [Print]** Sherry Philpott-Adhikary  
**Signature, Chairperson of the Library Board** \_\_\_\_\_  
**Date (MM-DD-YYYY)** \_\_\_\_\_

**Name, Library Director [Print]** Don Nettleton  
**Signature, Library Director** \_\_\_\_\_  
**Date (MM-DD-YYYY)** \_\_\_\_\_

**Schedule of Guarantee and Indemnity**

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

**Library Name:** Okanagan Regional Library  
**Fiscal Year Ended:** December 31, 2020

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

**Schedule of Remuneration and Expenses**

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

**Library Name:** Okanagan Regional Library

**Fiscal Year Ended:** December 31, 2020

NAME		MEMBER AREA	POSITION	RENUMERATION	EXPENSES
BAIRD	TUNDRA	ENDERBY	DIRECTOR	\$ -	\$ 106
BROOKS-HILL	MICHAEL	REVELSTOKE	DIRECTOR	\$ -	\$ 227
CARLSON	ERIN	SUMMERLAND	DIRECTOR	\$ -	\$ 61
CARSON	WAYNE	REG. DIST. OF CENTRAL OKANAGAN	DIRECTOR	\$ -	\$ 118
CASSON	ANDREW	SPALLUMCHEEN	DIRECTOR	\$ -	\$ 89
COBLE	JORDAN	WESTBANK FIRST NATION	ALT. DIRECTOR	\$ -	\$ -
COCHRANE	PAT	COLDSTREAM	DIRECTOR	\$ -	\$ 130
DERICKSON	CHRISTOPHER	WESTBANK FIRST NATION	DIRECTOR	\$ -	\$ -
ELLIOTT	GEORGE	PRINCETON	ALT. DIRECTOR	\$ -	\$ 197
EVANS	BOB	SICAMOUS	DIRECTOR	\$ -	\$ 146
FINDLATER	DOUG	WEST KELOWNA	BOARD VICE-CHAIR	\$ -	\$ -
FISHER	LINDA	ARMSTRONG	DIRECTOR	\$ -	\$ -
FRIESSEN	JASON	WEST KELOWNA	DIRECTOR	\$ -	\$ -
GARES	KARI	VERNON	ALT. DIRECTOR	\$ -	\$ 123
GRICE	AIMEE	OLIVER	ALT. DIRECTOR	\$ -	\$ -
HARVEY	BRIAN	OSOYOOS	DIRECTOR	\$ -	\$ 467
HODGE	CHARLIE	KELOWNA	ALT. DIRECTOR	\$ -	\$ -
HOLMES	DOUG	SUMMERLAND	ALT. DIRECTOR	\$ -	\$ -
KONEK	TOM	WESTBANK FIRST NATION	DIRECTOR	\$ -	\$ -
KOZAKEVICH	KARLA	REG. DIST. OF OKANAGAN-SIMILKAMEEN	CHAIR	\$ -	\$ 283
LAVERY	TIM	SALMON ARM	DIRECTOR	\$ -	\$ 250
MATTES	DAVID	OLIVER	DIRECTOR	\$ -	\$ 130
MCKENZIE	TODD	LAKE COUNTRY	DIRECTOR	\$ -	\$ 61
MCLEAN	RANDY	PRINCETON	DIRECTOR	\$ -	\$ -
MINDNICH	LORI	LUMBY	DIRECTOR	\$ -	\$ -
MONTEITH	SUBRINA	REG. DIST. OF OKANAGAN-SIMILKAMEEN	DIRECTOR	\$ -	\$ -
MOSS	CALEB	GOLDEN	DIRECTOR	\$ -	\$ -
NAHAL	DAVIL	VERNON	DIRECTOR	\$ -	\$ -
PHILPOTT-ADHIKARY	SHERRY	KEREMEOS	DIRECTOR	\$ -	\$ 522
SHATZKO	AMANDA	REG.DIST.OF NORTH OKANAGAN	DIRECTOR	\$ -	\$ 132
SIMPSON	JAY	REG.DIST.OF COLUMBIA SHUSWAP	DIRECTOR	\$ -	\$ 538
VAN MINSEL	PATRICK	PEACHLAND	DIRECTOR	\$ -	\$ -
WALLACE-RICHMOND	LOUISE	SALMON ARM	DIRECTOR	\$ -	\$ -
WOOLDRIDGE	LOYAL	KELOWNA	DIRECTOR	\$ -	\$ -
YORK	TODD	SPALLUMCHEEN	DIRECTOR	\$ -	\$ -
<b>TOTAL BOARD MEMEBERS</b>				\$ -	\$ 3,581

**Schedule of Remuneration and Expenses (Continued)**

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

**Library Name:** Okanagan Regional Library  
**Fiscal Year Ended:** December 31, 2020

NAME	POSITION	REMUNTATION	EXPENSES
CAMPBELL, JEFF	CHIEF TECHNOLOGY OFFICER	\$ 110,209	\$ 3,158
GAUCHER, MONICA	DIRECTOR OF PUBLIC SERVICE	\$ 122,823	\$ 1,050
JURASSOVICH, LISA	HEAD OF SUPPORT SERVICES	\$ 76,110	\$ 1,797
LAITINEN, JAMES	HEAD OF COLLECTION DEVELOPMENT	\$ 81,224	\$ 1,296
MCGEE, CHANTELE	VIRTUAL BRANCH HEAD	\$ 75,342	\$ -
MCPHEE, CHRISTINE	DIRECTOR OF PUBLIC SERVICE	\$ 111,532	\$ 4,024
NETTLETON, DON	CHIEF EXECUTIVE OFFICER	\$ 153,017	\$ 5,422
NICHOLSON, KRISTY-LEE	REFERENCE & INSTRUCTION SUPERVISOR	\$ 77,463	\$ -
PHILLIPS, CARLA	DIRECTOR OF HUMAN RESOURCES	\$ 108,044	\$ 1,227
SAMSON, LEAH	ADMINISTRATIVE SERVICES MANAGER	\$ 75,857	\$ 2,158
SMITH, KRISTY	BRANCH HEAD	\$ 75,356	\$ -
STEPHENSON, CHRIS	BRANCH HEAD	\$ 80,935	\$ 179
SUNDIN, JEREMY	CHIEF FINANCIAL OFFICER	\$ 112,628	\$ 4,273
THOMPSON, TARA	COMMUNITY ENGAGEMENT COORDINATOR	\$ 87,502	\$ -
UTKO, MICHAL	DIRECTOR OF MARKETING & COMMUNICATIONS	\$ 85,498	\$ 5,239
<b>EMPLOYEES OVER \$75,000</b>		<b>\$ 1,433,541</b>	<b>\$ 29,823</b>
<b>EMPLOYEES UNDER \$75,000</b>		<b>\$ 6,330,022</b>	
<b>TOTAL</b>		<b>\$ 7,763,563</b>	

Explanatory note: the differences between this Schedule and the financial statements are attributed to taxable benefits and timing. The remuneration above is reported based on the year it's paid pursuant to Canada Revenue Agency requirements, where it's accounted for in the financial statements when it has been earned.

"expenses" includes:

(a) includes travel expenses, memberships, tuition, relocation, vehicle leases, extraordinary hiring expenses, registration fees and similar amounts paid directly to an employee, or to a third party on behalf of the employee, and which has not been included in "remuneration",

(b) is not limited to expenses that are generally perceived as perquisites, or bestowing personal benefit, and may include expenditures required for employees to perform their job functions, and

(c) excludes benefits of a general nature applicable to all employees pursuant to an agreement such as medical, dental, counselling, insurance and similar plans;

**Statement of Severance Agreements**

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

**Library Name:** Okanagan Regional Library

**Fiscal Year Ended:** December 31, 2020

There were no severance agreements made between the Okanagan Regional Library and its non-unionized employees during fiscal year 2020.

**Schedule of Payments Made For the Provision of Goods and Services**

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

**Library Name:** Okanagan Regional Library

**Fiscal Year Ended:** December 31, 2020

<b>NAME OF INDIVIDUAL, FIRM OR CORPORATION</b>	<b>AMOUNT PAID</b>
6-4 BUILDING MAINTENANCE	\$ 73,135
654412 BC LTD	\$ 60,139
A&G SUPPLY	\$ 78,536
AL STOBER CONSTRUCTION LTD	\$ 25,669
ANTHEM OLIVER PLACE MALL	\$ 51,746
BAKER AND TAYLOR BOOKS	\$ 375,310
BC HYDRO	\$ 58,578
BDO CANADA LLP	\$ 25,725
BIBLIOCOMMONS INC	\$ 52,012
BRITISH COLUMBIA LIBRARIES COOPERATIVE	\$ 231,047
CALLAHAN CONSTRUCTION COMPANY	\$ 212,999
CANADIAN UNION OF PUBLIC EMPLOYEES	\$ 96,623
CAPITAL NEWS CENTRE	\$ 166,320
CARE SYSTEMS SERVICES LTD.	\$ 29,240
CARMI JANITORIAL SERVICES	\$ 26,567
CHURHILL WFN LTD PARTNERSHIP	\$ 93,532
CO-OPERATORS GENERAL INSURANCE	\$ 57,368
COUNTRY COURT HOLDINGS	\$ 51,272
CVS MIDWEST TAPE	\$ 56,974
DIGITAL BOUNDARY GROUP	\$ 39,831
DIRECTDIAL.COM	\$ 308,751
EQUITABLE LIFE OF CANADA	\$ 492,586
FFD DEVITO INVESTMENTS	\$ 44,888
FORTIS BC	\$ 101,709
HOULE ELECTRIC LIMITED	\$ 27,439
INDEL INDUSTRIES	\$ 29,485
INNOVATIVE INTERFACES GLOBAL	\$ 84,548
IRL IDEALEASE LTD	\$ 48,360
KANOPY LLC	\$ 58,500
KELOWNA, CITY OF	\$ 831,933
KIMCO CONTROLS LTD	\$ 35,708
LAKE COUNTRY, DISTRICT OF	\$ 96,003
LIBRARY BOUND INC	\$ 157,639
MANULIFE C/O COLLIERS INTERNATIONAL	\$ 252,673
MINISTER OF FINANCE	\$ 25,656

MONAHAN AGENCY LTD	\$	100,895
MUNICIPAL PENSION PLAN	\$	1,106,468
NORTON ROSE FULBRIGHT CANADA LLP	\$	38,360
OCLC INC	\$	41,695
OSOYOOS, TOWN OF	\$	56,390
OVERDRIVE INC	\$	412,180
PALADIN SECURITY GROUP LTD	\$	126,683
PEACHLAND VILLAGE MALL LTD	\$	58,730
PENTICTON PUBLIC LIBRARY	\$	46,090
POINTS WEST AUDIO	\$	46,753
PRINCETON, TOWN OF	\$	34,399
PRO JANITORIAL	\$	44,588
RAINCOAST BOOKS	\$	153,934
RECEIVER GENERAL OF CANADA	\$	1,861,093
REGIONAL DISTRICT OF CENTRAL OKANAGAN	\$	281,738
REGIONAL DISTRICT OF COLUMBIA SHUSWAP	\$	72,734
REGIONAL DISTRICT OF NORTH OKANAGAN	\$	831,399
REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN	\$	30,828
REVELSTOKE, CITY OF	\$	62,392
RICOH CANADA INC	\$	62,618
ROYAL BANK VISA - CAD	\$	166,181
ROYAL BANK VISA - USD	\$	342,124
SANA KLEEN JANITORIAL	\$	46,111
SCOTT WELLS	\$	31,500
SECURE LINKS	\$	116,260
SHAW CABLE AND COMMUNICATIONS	\$	73,687
SICAMOUS, DISTRICT OF	\$	68,319
SOURCE OFFICE FURNISHING	\$	40,225
STARGARDEN SOFTWARE LTD	\$	44,382
SUNCOR ENERGY PRODUCTS	\$	27,819
TELUS COMMUNICATIONS	\$	66,466
THE CLEANING COMPANY	\$	59,033
TNG CALGARY	\$	38,454
UNITED LIBRARY SERVICES LTD.	\$	539,337
WESTERN GATEWAY INVESTMENT LTD	\$	258,326
WHISPER ROOM INC	\$	36,839
WORKSAFE BC	\$	31,511
<b>TOTAL SUPPLIERS WITH PAYMENTS EXCEEDING \$25,000</b>	<b>\$</b>	<b>11,915,042</b>
<b>TOTAL SUPPLIERS WHERE PAYMENTS ARE \$25,000 OR LESS</b>	<b>\$</b>	<b>1,293,094</b>
<b>CONSOLIDATED TOTAL</b>	<b>\$</b>	<b>13,208,136</b>

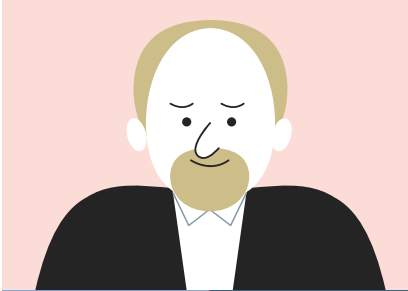
\*\* Also see the explanatory notes on the following page



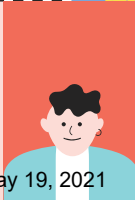
Explanatory note:

The total in this Schedule will differ from the Statement of Operations in the audited financial statements for the following reasons:

- The financial statements are prepared on an accrual basis while this Schedule is prepared on a cash basis;
- The Schedule includes amounts paid for GST while the expenses in the financial statements do not;
- The Schedule includes employee and employer amounts paid, while the financial statements only include the employer amounts;
- The financial statements include a provision for amortization while the Schedule does not because amortization is a non-cash expense;
- The Schedule includes amounts paid that were capitalized (not expensed) by the Library; capitalized expenditures do not appear on the Statement of Operations.



# 2020 ANNUAL REPORT





The ORL provides for learning, innovation, creativity and a connected community.



# 2020 - A year like no other! Library service in a pandemic

2020 was the year that none of us anticipated. The year began normally enough by building upon our progress and strengths of the last few years - additional technology, anticipated new services, serving more people through doing more programming in our communities, and taking additional steps toward the finishing off of the renewal of our strategic plan to help guide direction for the next generation of library services.

And then came early March.

Suddenly, without preplanning or a roadmap to guide us everything changed literally overnight. We moved from inviting everybody into our buildings to connect and enjoy our programs and services, to closing our doors and ceasing the sharing of physical resources to all staff and the public. We had to pivot all staff to being trained and enabled to work from home. Everybody had to learn how to connect virtually through Microsoft teams and other similar tools like Zoom. Our service delivery moved to solely on-line means such as borrowing of e-materials, signing up on-line for library cards, creating chat and telephone help lines, and developing and delivering new virtual programming.

In the midst of high anxiety, and a total throwing out the window of normal routines and methods, staff and library leaders at all levels showed tremendous creativity and their deep passion for trying to serve our communities and meet their most basic needs. This included identifying and addressing community needs by repurposing some library I-pads for the hospice so that those in their last days were able to connect to family and friends, setting up some older computers for a homeless shelter so that they could access needed on-line government and other services, and partnering our makerspace staff with UBCO to use our 3D printers to manufacture facemasks needed for front-line medical workers.

By May, we were able to start to bring limited numbers of our staff back into our facilities with carefully developed site specific risk assessments, training, new protocols such as spacing and cleaning, and safety equipment such as plexi-barriers, gloves, masks, and hand

sanitizer. We were able to restart our circulation of physical materials through beginning processes for curbside pickup of holds, reopening of book returns, and restarting of our ILS circulation system and truck deliveries. By July we were moving to browse and borrow service and a return to regular open hours (though limiting building capacity and still having no branch in-person programming or seating, and minimal public computers with restricted time limits) which we continued throughout the rest of the year. As more was learned about the virus transmission, requirements like quarantining of returned materials were discontinued while face-mask wearing by staff and public became mandatory. By later in the year, our circulation of physical resources was back to 80 to 90% of pre-pandemic levels even though we had fewer in-person visits and no in-person programs to draw people through our doors.

Our staff reported that even though our services and programming were restricted due to public health measures users, continued to express how much they missed full services. Patrons shared how happy they were how happy they were to be able to once again have access to our staff and materials which they valued as being even more necessary during these times.



While the pandemic continues into 2021, we all look forward to the day when we can once again pivot to welcoming the community back into our buildings and offering the diverse array of in-person programming that our communities appreciate.

The pandemic of 2020 has revealed several things and likely permanently changed other things.

- It has demonstrated anew that we have dedicated and talented staff that are at the heart of our services.
- It has shown us that our communities need their library and the services we offer for daily living and good mental health.
- It has also allowed many in our communities to discover how the library has changed over the past years and revealed to them the value and diversity of virtual resources and programming that can be accessed by all citizens 24 hours a day seven days a week.
- We expect to have many new users post pandemic and we are continuing to see new methods of service and new attitudes for how we can serve our communities even better in the years to come.

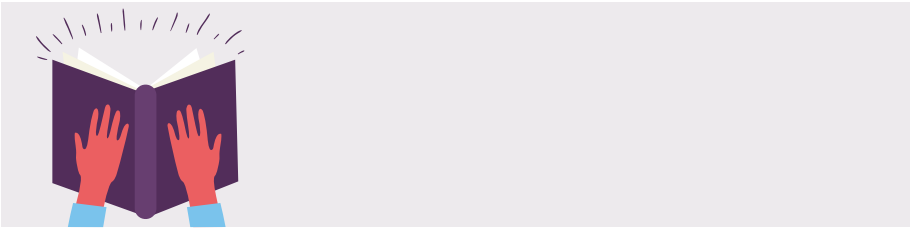
In conclusion we are thankful that we can state that Libraries have been safe spaces in our communities. Through carefully developing and following our protocol and safety measures, there have been no instances of transmission of covid 19 happening within our branches in 2020. Staff and the public can continue to benefit from our services while feeling as safe as possible. Maintaining the safety of our staff and patrons, while still providing as much of the services they need as possible, has been our most critical success of 2020!



**Sherry Philpott-Adhikary**  
**Library Board Chair**

**Don Nettleton**  
**Chief Executive Officer**





The Okanagan Regional Library (ORL), is one of the largest public library systems in Canada. The ORL is a Regional Library situated in the southern interior of BC, created in 1936, currently serving just over 400,000 people in a diverse geographic area the size of Ireland. The administration center/ head office is centrally located in Kelowna. The ORL provides service on-line, and via 31 physical branch locations. Our communities include some of the fastest growing urban areas of Canada such as those in the central Okanagan, as well as very rural and sparsely settled regions. Because of our natural beauty, thriving economy, and favorable climate our citizens include an above average percentage of retirees, and a rapidly growing number of college age and young entrepreneurs and families drawn by UBCO and thriving hi tech or other business start-ups particularly in the Central Okanagan.

Each year we deliver millions of service transactions thru providing access to physical and online material, connecting people to the web, providing community space, delivering programs and learning

sessions, offering public use of and training on tech equipment, and referral to other resources and services.

We are governed by a 24 member board entirely comprised of elected councillors, mayors, regional district directors and elected first nation leaders. We have a staff of just under 275 employees totalling approximately 115 FTE. Our direct service points include 30 full service branches ranging in size from just a few hundred square ft to close to 40,000 square feet, one small pocket unstaffed location within UBCO Library, 2 active book deposits run by volunteer organizations, and of course our website.

Our annual operating budget is approximately \$20 million dollars. Approximately 92% of our funding comes from local tax revenues. Provincial grant funding has dropped to only about 5% over the past several years as the base grant funding has been frozen by the province for over a decade. The remainder comes from minor other sources such as fines and lost book charges or room rentals.







# VISION

The ORL provides for learning, innovation, creativity and a connected community.

## ORL'S 4 STRATEGIC DIRECTIONS & THEMES

### Our library advances learning, creativity, and imagination

Our priority has always been on reading and learning, but technology is changing the way people learn. The library is evolving to reflect that.

### 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.

### Our library branches are innovative, inviting and reflect their communities

Is the library a bit bland? Maybe. Does it need to be? No! We have the unique opportunity to refresh and reinvent in response to changing needs in our communities. Bring it on.

### Our library is focused on customer service, staffed by learners confident in their abilities

ORL staff care about their patrons – we see it every day. We need to make structural changes to enable staff to provide effective services that continue to make a difference in peoples lives.



# Library Strategic Direction

**The current ORL Strategic Plan was created in 2015 and has guided the Library vision from 2016 to the present. This plan closely aligns to the provincial strategic plan and is focused on our mission, vision and values to connect curious minds by providing for learning, innovation, creativity and a connected community.**

The importance and challenge and critical need for this service to our communities was never more apparent than during this past year where our world was turned upside down by COVID-19. The Board and staff had begun work on a new strategic plan which was to have been completed fall 2020, but the COVID-19 pandemic necessitated setting that aside as all of the ORL energy had to be focused on the constant adaptation to be able to serve our communities amidst the constantly changing environment.

For the past 6-8 years, the focus of the ORL has been shifting. Because of limited funding, the previous focus had been limited to offering a large and diverse floating collection of materials through our branches, as well as the provision of some children's programming like story time and summer reading club. Over the past number of years, the library has broadened its focus to include a wide range of adult programming, as well as introducing technical literacy

programming and training, and additional partnerships. As part of these broader thrusts, several maker spaces were created in a few branches, with some portable technical equipment available for the rest of the system. These additional programs and technology, as well as expanded services, have largely been funded by internally having to reallocate almost \$1 million dollars of resources. This happened by reducing traditional services in some areas to fund growing communities and new initiatives. The Library was also able to get some important donations for some of the equipment. A lot of staff training and hiring focused on helping develop staff with a passion for new technology and services has happened. This has helped the ORL to expand its focus and pivot to meet the changing needs of its communities. The primary business of the ORL remains the provision and circulation of physical and on-line resources which has generally totalled between 3 -3.5 million circulations per year.

The circulation of physical items has been gradually decreasing by a few percentage points per year, while digital circulation and usage has been rapidly increasing to more than offset the loss of the physical. Obviously, the ability to access digital resources was increasingly critical during the enforced isolation and partial lockdown periods of 2020.

The ORL has also been renovating its branches and adjusting its physical locations, moving some collections

online and using the freed up or redesigned spaces for programming and a place for the community to meet and enjoy. The Library is one of the few remaining public spaces open to all in the community regardless of their socioeconomic or other situations. Branches are now seen as inviting and vibrant community spaces as opposed to the traditional image of carefully monitored quiet study rooms warehousing books.



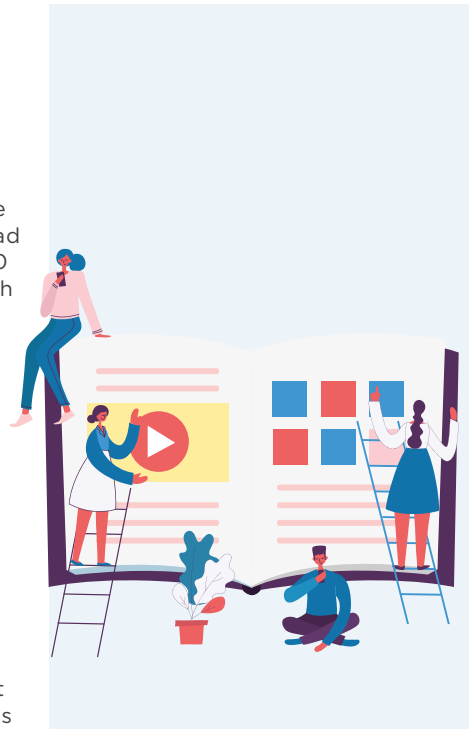
STEAM @ the Library - How to Make Reverse Videos that Defy Gravity

# COVID-19 impact on ORL

**The Library was expecting 2020 to continue to build on these same thrusts and expansions and this did happen for the first two months of the year. However, in early March everything that had been normal and expected ceased. Overnight, the library shut down all branches, and all staff were pivoted to working from home.**

This was a massive undertaking, which was only possible because of the significant advances in technology and infrastructure that the library had implemented over the past couple of years. One of the critical tools necessary was Microsoft Teams, which allowed staff spread all over the southern interior to work from any location where they could get internet service and hold video meetings, share files and resources, and access all of the ORL system. The technological backbone for this had only been completed in early 2020 and most staff were unfamiliar with it. Necessity required everybody to pivot, leap in, and learn on the job. ORL librarian teams pivoted to assisting other staff, and then supporting and creating virtual programs and resources for the public. This included launching an e-card for the public to self register for service to access our collections, and creating virtual programming. Purchasing of materials switched primarily to digital formats from physical for several months to help build up these in demand collections. Most support staff and functions such as

payroll, accounting, cataloguing, and senior administration including completing the annual audit work also had to happen from home or remote locations.



# FULL PERIOD OF TOTAL BRANCH CLOSURE TO THE PUBLIC

All ORL branches were closed to the public with a few hours notice at the end of day Monday March 16, 2020. The Library pivoted efforts to serving online via the website. As mentioned above, this included rolling out online library card registration, developing and staffing an online chat and phone service, creating virtual programs such as storytime and online bookclubs, as well as switching a significant amount of materials purchasing to focus on digital resources like e-books and e-audiobooks. A small number of staff were laid off, but the Library was able to keep most frontline staff gainfully employed supporting the digital efforts and with significant and long overdue staff development and training. This will greatly increase the skills of staff as they serve the public post covid19.

As Covid19 health guidelines were clarified by the province, the Library worked with staff and Worksafe BC to create safety plans for reopening 31 locations, and to source and purchase the necessary supplies such as plexi shields, cleaning products, masks, and gloves which were all initially in short supply. Physical spaces were adjusted to make them Covid19 safe by creating space for social distancing through moving collections, eliminating most public seating, spacing out public computers, creating signage, and spacing out staff work areas. The Library also shifted for almost 7 months to quarantining all returned books and materials which required a lot of space and effort. The ORL also increased cleaning and trained staff in the constantly changing necessary protocols.



Christmas Puppet Show with Ardie

# GRADUAL REOPENING AND REINSTATING OF SERVICES

## **The Libraries were finally able to restart some provision of physical material circulation with the introduction of curbside holds pickup by early June.**

This took a massive effort to get safety plans, training, and protocol in place and restarting internal support and delivery systems. Hours of public service were still significantly reduced in most locations.

By late July our branches were able to transition to Browse and Borrow service which allowed the public back into our buildings with limited stay which the public greatly appreciated. Over the next month open hours were extended to what they had been prior to Covid19. However, in-house seating and in-person programming within our buildings was not possible the remainder of 2020 which greatly impacted the traffic to our buildings and reduced the programming services we were able to offer to those that were on-line. In spite of this, by the later part of the year, our volume of physical circulation of items had returned to over 90% of the level that it was at for the same month the year before. E-material circulation had also increased during our closure period and stayed at higher levels than the previous year even after we were reopened.

**The statistics on the following page clearly demonstrate the significant impact that Covid19 had on the usage of our resources and system compared to two years prior.**

**The actual impact on services is not as bad as might be anticipated considering:**

That only 2 months were normal service,

2.5 months were totally closed to physical service, and

Another almost 2 months only allowed holds placing and pickup at the door

No regular in-person programming has been allowed since March 16

The public have been encouraged to quickly enter and get materials and leave

For covid19 safety the number of public computers has been reduced and seating removed for most of the year

Data	2020	2018	Change
Total number of programs offered*	2,363	6,644	-64% **
Total attendance at ORL programs*	35,636	145,742	-76% ***
Number of adult programs**	1,134	3,274	-65%
ORL eBooks & eAudio Checkouts	858,496	519,567	65%
Books, magazines & other materials borrowed	1,628,760	2,796,537	-42%
Hours spent learning new languages through Rosetta Stone	1,540	740	108%
Hours spent learning new skills through Lynda.com	4,145	2,799	48%
Number of devices connecting to ORL wifi	296,271	n/a ****	n/a ****
Number of Patrons walked through our doors	632,224	1,622,850	-61%
PressReader Articles Read	946,538	620,143	53%
Active Cardholders	102,172	106,003	-4%
Number of ORL Public Use Computers	358	250	43%
Patrons visited our website	2,141,267	2,303,332	-7%
Terabytes of wireless data traffic	36	57	-37%



# OTHER SIGNIFICANT CHANGES FOR ORL IN 2020 EVEN WITH COVID-19

**Even in the midst of COVID-19 the ORL was able to complete some significant projects.**

Golden Library closed for a few weeks while they repainted and all the flooring in the buildings was replaced.



Oliver Library branch relocated to a slightly larger location which was conveniently located in a shopping mall.

Doing both of these in the midst of a pandemic was challenging but the public greatly appreciate the improved spaces.

The ORL hired a new position to increase services to the shut-in and those with visual or other special challenges with print.



# USE OF PROVINCIAL ONE-TIME TECHNOLOGY GRANT

**The special one-time technology grant from the Province is also allowing the ORL to replace the routers and other hardware in many of our branches that are at end of life, throttling bandwidth and speed for users in these locations.**

This will allow the Library, using the same contracted services, to more than double the speed and bandwidth for users of library equipment and of wi-fi. This will enable additional programs and equipment to run and users to have a less frustrating and quicker experience.

Address connectivity issues in Golden branch which had a very poor connectivity to the web. This grant funds fibre being pulled to the Library and will cover the additional costs for this service for the next three years. In addition to normal branch services this location had recently added a maker space and this proper internet connection will allow that equipment to function as it should.





Westside Learning Lab

**358**

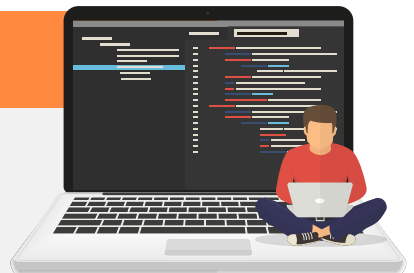
public use computers  
system wide

43% INCREASE SINCE 2018

**4,145**

hours spent learning new  
skills though Lynda.com

48% INCREASE SINCE 2018



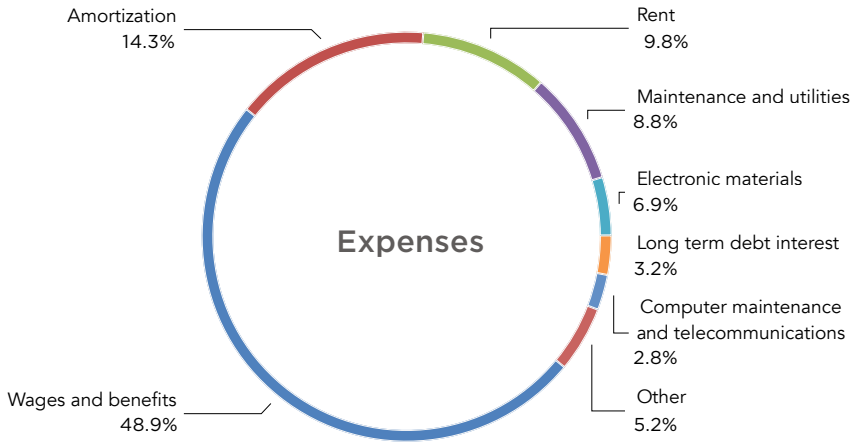
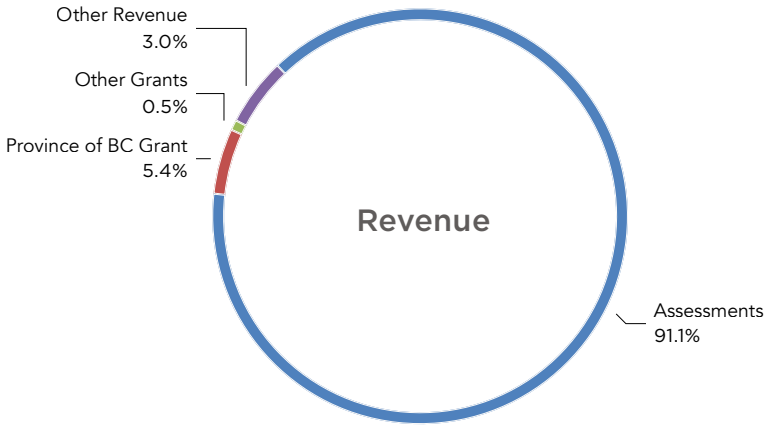
## Okanagan Regional Library District

For the year ended December 31	2020	2020	2019
	Actual	Budget	Actual
<b>Revenue</b>			
Assessments	\$ 18,331,660	\$ 18,331,441	\$ 17,401,763
Province of British Columbia grant	1,085,840	1,008,000	1,008,382
Other grant revenue	93,601	55,500	151,019
Other revenue	600,913	458,088	1,045,796
	<b>20,112,014</b>	<b>19,853,029</b>	<b>19,606,960</b>

### Expenses

	2020	2020	2019
	Actual	Budget	Actual
Advertising and marketing	\$ 65,007	\$ 49,475	\$ 61,668
Amortization	2,670,105	-	3,012,540
Association dues and memberships	20,147	19,380	16,824
Board and committee expenses	3,533	20,141	12,766
Board strategic planning	1,407	300,000	
Book binding and mending	4,473	21,250	3,522
Computer maintenance and telecommunications	523,807	498,000	549,576
Electronic materials	1,286,938	829,500	885,934
Insurance	57,369	55,363	53,676
Interest, bank charges and foreign exchange	12,275	11,500	15,311
Long term debt interest	592,500	592,500	592,500
Maintenance and utilities	1,638,844	1,767,655	1,715,678
Penticton library contract	46,090	46,000	46,530
Postage and freight	31,006	60,200	53,320
Professional fees	106,073	97,489	72,238
Programs	76,376	80,631	120,989
Rent	1,831,708	1,836,500	1,952,188
Staff development	177,777	236,184	242,093
Sundry	6,222	176,747	-
Supplies	297,373	187,578	157,205
Telephone	29,150	25,000	25,463
Transportation	98,552	136,668	120,906
Wages and benefits	9,108,724	9,943,251	9,613,450
	<b>\$ 18,625,455</b>	<b>\$ 16,989,012</b>	<b>\$ 19,327,851</b>





## Need Help? Contact Us!

Visit us at your nearest ORL library,

[www.orl.bc.ca/hours-locations](http://www.orl.bc.ca/hours-locations) or email us at [info@orl.bc.ca](mailto:info@orl.bc.ca)

Call the toll-free eBook Help Line: 1-855-853-2665

## 31 ORL LIBRARY BRANCHES

Armstrong	Osoyoos
Cherryville	Oyama
Enderby	Peachland
Falkland	Princeton
Golden	Revelstoke
Hedley	Rutland
Kaleden	Salmon Arm
Kelowna	Sicamous
Keremeos	Silver Creek
Lake Country	South Shuswap
Lumby	Summerland
Mission	UBC-O
Naramata	Vernon
North Shuswap	Westbank
Okanagan Falls	Westside Learning Lab
Oliver	Administration

## CONTACT INFORMATION



[info@orl.bc.ca](mailto:info@orl.bc.ca)



[www.orl.bc.ca](http://www.orl.bc.ca)



OKRegLib



#ORLreads

# Memo

**To:** ORL Board Members  
**From:** Don Nettleton, CEO  
**Date:** May 12, 2021  
**Re:** CEO Update to the Board for May 19 Board Meeting

Since the last Board meeting, the major focus for management has continued to be ensuring continuing of operations under COVID-19 and covering and hiring for key position vacancies.

## KEY STAFF CHANGES

I am happy to report that after significant recruitment processes we have the following key leaders arriving or about to arrive:

- Our new branch head librarian to head up our largest branch, Kelowna, finally arrived and began work on May 17. **Jill Kaplonski** comes to us from the Fraser Valley Regional Library system where she has most recently been leading Ladner Library Branch and was interim leader for Delta. Prior to that she had experience as a Children's Librarian in Canmore where she was able to participate in the planning for that new library building. She recently finished the Leads library leadership development program and will bring these additional skills to help lead the significant in person programming that Kelowna branch hopes to soon restart as we come out of Covid restrictions. This position has been vacant since the end of December with interim direction falling to Christine McPhee on top of her many other duties.
- Our Westbank/Westside Learning Lab branch head Librarian position has also been filled within the past couple of weeks. **James Stuart**, who has been a reference librarian in the Kelowna Library for the past several years is moving into this position. With the new Westbank Library branch being planned and opened over the next year and a half as well as the hoped for restarting of in person use of our makerspaces it is an exciting time. James is looking forward to re-establishing the community connections which were interrupted by Covid-19 and the changing leadership of this branch as well as making new ones. Special thanks to Kristy Nicholson for filling in at this branch over the past year since our previous librarian left on maternity leave (and has since moved away). Kristy has returned to her position as reference supervisor located in Kelowna branch.
- We are also looking forward to our new **Director of Human Resources Leslie Brecht**. Leslie will be starting with the ORL on May 31, although she will be working virtually from Alberta for the first few weeks until school is ended, and she can get her family moved. Leslie has been working for the past number of years in the Peace River area of Alberta for Alberta Health

Services and prior to that in the private sector. She brings a solid background in Human Resources leadership in the public sector and is looking forward to returning to the Okanagan where she did some of her education at Okanagan University College. Leslie will be replacing Carla Phillips who unexpectedly fell ill in late 2020 and had to step down from her position at the end of February to focus on her health.

- We have been very fortunate to find **Denise Fallis**, a semi-retired HR leader most recently from Okanagan College, who very capably stepped into this key role over the past couple of months on an interim basis. Denise led the recruitment for these key positions and also was instrumental in leading several critical projects. The ORL has greatly benefited from her willingness to assist us during a critical period and we wish her well as she refocuses on her golf game.
- We also had a key retirement in Vernon Library, when long time Branch Services Supervisor **Amy Smith** retired in April. Amy has provided key leadership in this branch from the time the new Vernon Library was planned, through the move and opening, and since. **Kelly-Lynn Ware**, who has worked in the Vernon branch for many years, has stepped into this key position. As Vernon is the largest branch building and asset that we own, many building service issues often tend to fall on the person in this position as contractors get called and attend to things.

### **UPDATE ON LIBRARY SERVICES**

We have been able to continue to offer **Browse and Borrow** services throughout the spring even with the changing Covid-19. This is significantly better than many libraries across the country who have had to do periodic closures or revert to curbside delivery. I am happy to report that so far we have not had any instances where there has been covid-19 transmission linked to any of our branches, though of course some staff have been affected and had to isolate due to community transmissions.

We had started to initiate a few in person small pilot programs and had done training and developed protocols to reinstitute some in person programming on a small scale. However, with the increase in cases during March and April we postponed that until the covid-19 situation in BC has sufficiently subsided. At this stage in time, we are unlikely to be able to begin in person programs before the fall at the earliest. If things improve significantly over the summer, we may have a couple of small outdoor programs happen, but they would be very limited and have considerable extra protocols in place.

Our always popular Summer Reading Club will again be offered online. We will be part of the provincial program but will also supplement it with some additional online or take out events of our own. We are also planning to try an adult summer reading program this year which I suspect might prove to be very popular.

We are hoping that our makerspaces can start to get more usage under Covid-19 over the next month. Beginning in June, patrons will be able to start to take on-line testing to have the necessary certification to use our equipment. Up to now, this had to be done in person with hands on training, which of course has been restricted under Covid-19. This new virtual certification will be available to any library patron and consistent throughout our system. We are looking forward to more restoration of activity on this equipment which has had to be very restricted during covid-19.

The new Peer Navigator partnership Program which was reported to you last meeting has begun in Kelowna branch, and so far, appears to be off to a good start. This program is designed to help connect some of our citizens who have previously had difficulties accessing services due to homelessness or other circumstances.

### **SOME LIBRARY BUILDING MATTERS**

In our Vernon Library we have been dealing with Worksafe BC in regard to some smell events that have happened earlier this spring and resulted in a few building evacuations. The most significant have been connected to activities of a neighboring local brewery. The brewery has assured us that they will change their cleanout activities and undertake them at times that will not impact nearby neighbors such as ourselves. There are also occasional instances of some other smells which we have been doing air testing for and have brought in other experienced experts to try to trace. We expect they may relate to some venting or hidden dried out traps which could be occasionally letting sewage odors pass by. We hope to have the definitive answer and solution over the next few weeks as the investigations and testing results are received.

The West Kelowna new Library branch planning is proceeding well, and we should soon be in a position to start to get public input and feedback – West Kelowna is anticipating this should start over the next month or so. The project still plans to be complete by the fall of 2022 and we are excited with the possibilities of additional programming and services to the West Kelowna residents which this new and expanded space will allow – both indoors and outdoors. The Central Okanagan Regional District is still assisting us in putting the necessary by-laws and approvals in place so that we can access the MFA borrowing which is much cheaper and thus more beneficial for taxpayers than borrowing from other sources would be. This will require an Alternate approval process for all cord taxpayers which should take place sometime early summer.

### **OTHER MATTERS**

Looking forward I am hoping that we will be in a position to restart the review and revitalization of our Strategic Planning by early fall with the Board Policy and Planning Committee and then the full Board. We hope to be able to continue to work with our consultant Daphne Wood of GVPL. We also anticipate that the Policy and Planning Committee will start to review several policies that are outdated or need to be revised to reflect current needs. We are also of course hoping that by the fall we can start to invite people back into our buildings with restoration of some seating, additional computers, and at least some small in person programming.

Respectfully submitted,

*Don Nettleton, CEO  
Okanagan Regional Library*





# REPORT

File No. 100.29

To: Okanagan Regional Library Board of Directors

From: Chief Financial Officer

Date: May 11, 2021

Subject: Financial Update Report to December 31, 2020 (12 Months)

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## RECOMMENDATION

THAT the Board receive the CFO's Financial Update Report to December 31, 2020 for information.

## BACKGROUND

The attached **Appendix 1** provides the Board with a financial report (receipts and disbursements) to December 31<sup>st</sup> along with the year-to-date (YTD), annual budget, and variances. The report has been prepared on a modified cash basis, meaning not all accounting accruals have been made. This report will briefly discuss some of the financial information that staff deemed may be of interest to the Board.

Note that COVID19 related financial implications are discussed during this report; these implications are summarized and provided separately in **Appendix 2**.

## DISCUSSION

### Receipts – Tax Levy

There is no variances and the results are consistent with expectation.

### Receipts – Government & Own Resources

This category appears to exceed the budget to December 31<sup>st</sup> however this is largely due to the recognition of \$323,042 donations as part of the year-end process. Donations are unbudgeted because the ORL does not know what level of donations will come in each year. This funding is transferred to the donation reserves, and then withdrawn from those donation reserves as approved programs and projects are conducted.

Other notable variances are the fines, fees and damaged materials revenue, which combined with printing revenue were under budget by \$172,805. This of course is due to the impact of COVID and the temporary branch closures, curbside pickup and reduced or modified in-branch service that have occurred as a result of the pandemic. The effects of which remain ongoing.

The MFA actuarial debt reduction adjustment was also greater than budgeted. This figure comes from the MFA (Municipal Finance Authority) and represents the proportionate amount they

estimate the Library has earned on its sinking fund balance that they hold on the Library's behalf and eventually apply against the Library's MFA debt.

From Reserves and Internal Rent

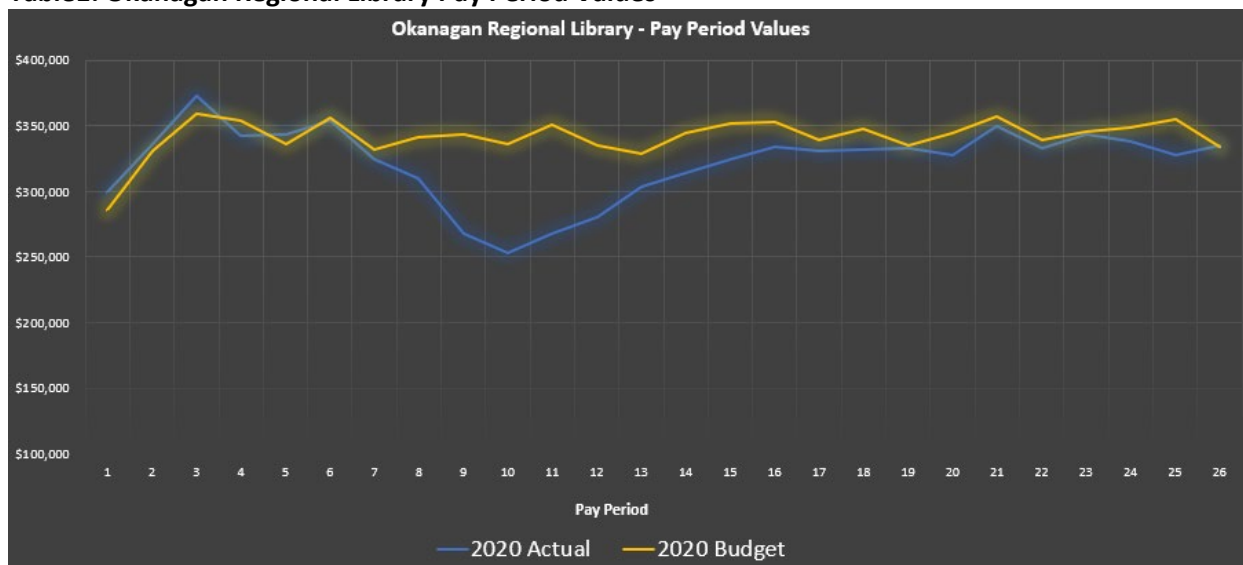
The transfers from reserves was \$437,435 under budget. This is driven by the fact that \$300,000 was not pulled from the Strategic Planning/Initiatives reserve as the process was halted due to the pandemic early in the year. Also largely influenced by the pandemic: a planned vehicle replacement did not happen, which would have pulled from the reserve, and only about half of the usual furnishings/equipment acquisitions or replacement was able to occur due to the impact on operations and focus on the COVID response and recovery.

Total receipts (including transfers from reserves and own rent chargeback) to December 31<sup>st</sup> are \$21,320,168.

Disbursements

As expected due primarily to the COVID19 temporary branch closures and temporary layoffs, lesser or no need for on-call shifts to be filled, decreased programming, compounded by staff positions that were unfilled for a large part of the year due to priorities shifting during the COVID response, remuneration and benefits are lower than budgeted to December 31<sup>st</sup> by 9.1%. With branches reopened and positions filled the variance is not expected to continue, and you can see in the later pay periods (17 to 26) the two lines in the graph have nearly merged.

**Table1: Okanagan Regional Library Pay Period Values**



The rent and property expenses category is almost on budget, ending the year just 1.7% over due to a larger than expected MFA actuarial adjustment offset by lower property operating and maintenance expenses. This ties into the MFA actuarial revenue referred to above.

Library materials\*\* includes items such as e-materials, subscriptions, database access, etc. Demand for these services increased as they remained accessible while the physical collection was unavailable during the temporary branch closures. Although the expense may appear high compared to budget, it's more than offset by the decreased purchase of physical material as noted in the capital expenditures section of the appendix.

When taken together the total collections budget (that for both Library materials\*\* and Books and Other Physical Materials) the ORL is 9.0% under budget to December 31<sup>st</sup>.

**\*\* Library materials and books and other physical materials, combined:**

	ACTUAL YR.TO D	BUDGET YR.TO D	VARIANCE YR.TO D	BUDGET -YEAR--	VARIANCE -From Annual--	% SPENT -Annual--
LIBRARY MATERIALS	1,286,938	829,500	-457,438	829,500	-457,438	
BOOKS AND OTHER PHYSICAL MATERIALS	1,078,143	1,770,500	692,357	1,770,500	692,357	
	<b>2,365,081</b>	<b>2,600,000</b>	<b>234,919</b>	<b>2,600,000</b>	<b>234,919</b>	<b>91.0%</b>

Other expenses as a whole make up less than 9.0% of the total budget, so variances within the individual line items are relatively insignificant. The most significant variances within this category include:

- 1) FAMA/reallocations – this was temporary savings resulting from withdrawing resources in overserved areas which are then reallocated to those in underserved areas. The reallocating has already occurred, however because the budget figures are fixed when approved by the Board it presents like this.
- 2) Strategic planning and implementation – a plan and implementation strategy to use the approved \$300,000 strategic planning/initiatives funding was halted due to the pandemic with just a small amount spend on the process to date.
- 3) Supplies – however this is where the COVID19 supplies and additional costs have been included, which were entirely unbudgeted. These costs topped \$150,000 during 2020, although the impact to the ORL was even greater when the significant loss of revenue is also incorporated. See Appendix 2.

Total disbursements before capital expenditures and reserve transactions are \$17,317,491.

The Capital Expenditures for Books and Other Physical Materials was previously discussed with the Library Materials. Technology Assets includes the regular/planned acquisitions as well as those funded by donations or grants. This is why the line may appear over budget, due to the technology capital purchases associated with grants or donations (i.e. Vernon branch's recording studio / Whisper room funded entirely by the Friends of the Library group). Furniture, equipment and other is low due to the focus of branch leaders and their Directors being on COVID response and recovery efforts for most of the year, as well as the replacement of an ORL vehicle being deferred.

The Transfers to Reserves were completed and are as expected with exception. Firstly, the Donation reserve transfers are not budgeted, similar to the donation revenue. This is not an uncommon practice due to the nature of donations. The capital building project reserve and IT replacement reserve did however receive contributions in excess of what was budgeted. Overall savings in 2020 from reduced operations due to covid, additional transfers to the building and IT reserves were added to provide funds needed for future projects like the West Kelowna new Library branch.

The net receipts over disbursements to December 31, 2020 were \$52,417.

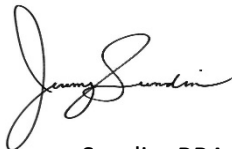
#### **BUDGET AND COST IMPACTS**

There are no budget or cost impacts that would derive from this report.

#### **CONCLUSION**

The ORL's financial results to December 31<sup>st</sup> are reasonably consistent with some explained expectations as a result of the COVID19 worldwide pandemic; there does not appear to be anything that requires specific Board attention at this time.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeremy Sundin', written in a cursive style.

Jeremy Sundin, BBA, CPA, CA  
Chief Financial Officer

**Okanagan Regional Library**

**Appendix 1**

**Financial Report**

**(Receipts & Disbursements)**

**January 1, 2020 to December 31, 2020**

**OKANAGAN REGIONAL LIBRARY**  
**RECEIPTS & DISBURSEMENTS**  
**For the 12 Months Ending December 31, 2020**

	ACTUAL YR.TO D	BUDGET YR.TO D	VARIANCE YR.TO D	BUDGET -YEAR--	VARIANCE -From Annual--	% RECEIVED -Annual--
<b>RECEIPTS</b>						
<b>LEVY ON MUNICIPALITIES AND REGIONAL DISTRICTS</b>						
ARMSTRONG, CITY	\$199,174	\$199,174	-\$0	\$199,174	-\$0	100.0%
CENTRAL OKANAGAN RD	\$318,091	\$318,091	\$0	\$318,091	\$0	100.0%
COLDSTREAM, DISTRICT	\$474,344	\$474,344	\$0	\$474,344	\$0	100.0%
COLUMBIA SHUSWAP RD	\$860,703	\$860,703	\$0	\$860,703	\$0	100.0%
ENDERBY, CITY	\$109,240	\$109,240	-\$0	\$109,240	-\$0	100.0%
GOLDEN, CITY	\$323,431	\$323,431	-\$0	\$323,431	-\$0	100.0%
KELOWNA, CITY	\$6,813,465	\$6,813,465	\$0	\$6,813,465	\$0	100.0%
KEREMEOS, VILLAGE	\$56,310	\$56,310	\$0	\$56,310	\$0	100.0%
LAKE COUNTRY, DISTRICT	\$667,661	\$667,661	-\$0	\$667,661	-\$0	100.0%
LUMBY, VILLAGE	\$71,745	\$71,746	\$1	\$71,746	\$1	100.0%
NORTH OKANAGAN RD	\$773,371	\$773,371	\$0	\$773,371	\$0	100.0%
OLIVER, TOWN	\$209,691	\$209,691	-\$0	\$209,691	-\$0	100.0%
OKANAGAN SIMILKAMEEN RD	\$891,667	\$891,667	-\$0	\$891,667	-\$0	100.0%
OSOYOOS, TOWN	\$264,777	\$264,777	\$0	\$264,777	\$0	100.0%
PEACHLAND, DISTRICT	\$266,471	\$266,471	-\$0	\$266,471	-\$0	100.0%
PRINCETON, TOWN	\$127,405	\$127,186	-\$219	\$127,186	-\$219	100.2%
REVELSTOKE, CITY	\$358,643	\$358,643	\$0	\$358,643	\$0	100.0%
SALMON ARM, CITY	\$764,990	\$764,990	-\$0	\$764,990	-\$0	100.0%
SICAMOUS, DISTRICT	\$151,676	\$151,676	-\$0	\$151,676	-\$0	100.0%
SPALLUMCHEEN, TOWNSHIP	\$217,209	\$217,209	\$0	\$217,209	\$0	100.0%
SUMMERLAND, DISTRICT	\$524,891	\$524,891	\$0	\$524,891	\$0	100.0%
VERNON, CITY	\$1,859,497	\$1,859,497	-\$0	\$1,859,497	-\$0	100.0%
WESTBANK FIRST NATION	\$427,089	\$427,089	-\$0	\$427,089	-\$0	100.0%
WEST KELOWNA, CITY	\$1,600,118	\$1,600,118	\$0	\$1,600,118	\$0	100.0%
	<b>\$18,331,660</b>	<b>\$18,331,441</b>	<b>-\$219</b>	<b>\$18,331,441</b>	<b>-\$219</b>	<b>100.0%</b>
<b>FROM GOVERNMENT &amp; OWN RESOURCES</b>						
PROVINCE OF BC - PER CAPITA GRANT	\$1,008,382	\$1,008,000	-\$382	\$1,008,000	-\$382	100.0%
PROVINCE OF BC - OTHER	\$2,458	\$0	-\$2,458	\$0	-\$2,458	0.0%
GRANTS - FEDERAL	\$57,369	\$49,000	-\$8,369	\$49,000	-\$8,369	117.1%
GRANTS - OTHER	\$7,049	\$6,500	-\$549	\$6,500	-\$549	108.4%
FINES, FEES AND DAMAGED MATERIALS	\$72,140	\$225,000	\$152,860	\$225,000	\$152,860	32.1%
SPACE RENTALS	\$20,290	\$18,000	-\$2,290	\$18,000	-\$2,290	112.7%
PRINTING REVENUE	\$10,030	\$29,975	\$19,945	\$29,975	\$19,945	33.5%
KEYCARD REVENUE	\$1,096	\$250	-\$846	\$250	-\$846	438.4%
INTEREST AND EXCHANGE	\$39,252	\$35,000	-\$4,252	\$35,000	-\$4,252	112.1%
COPIER REVENUE	\$4,160	\$9,525	\$5,365	\$9,525	\$5,365	43.7%
SUNDRY INCOME	\$10,437	\$5,000	-\$5,437	\$5,000	-\$5,437	208.7%
DONATIONS	\$323,042	\$0	-\$323,042	\$0	-\$323,042	0.0%
MFA ACTUARIAL , DEBT REDUCTION	\$217,670	\$135,488	-\$82,182	\$135,488	-\$82,182	160.7%
INTER LIBRARY LOANS, NET	-\$114	-\$150	-\$36	-\$150	-\$36	75.7%
<b>SUBTOTAL GOVERNMENT &amp; OWN RESOURCES</b>	<b>\$1,773,261</b>	<b>\$1,521,588</b>	<b>-\$251,673</b>	<b>\$1,521,588</b>	<b>-\$251,673</b>	<b>116.5%</b>
TRANSFERS FROM RESERVES	\$580,565	\$1,018,000	\$437,435	\$1,018,000	\$437,435	57.0%
ORL OWNED BUILDINGS, RENT CHARGEBACK	\$634,682	\$634,682	-\$0	\$634,682	-\$0	100.0%
<b>TOTAL RECEIPTS</b>	<b>21,320,168</b>	<b>21,505,711</b>	<b>185,543</b>	<b>21,505,711</b>	<b>185,543</b>	<b>99.1%</b>

**OKANAGAN REGIONAL LIBRARY**  
**RECEIPTS & DISBURSEMENTS**  
**For the 12 Months Ending December 31, 2020**

	ACTUAL YR.TO D	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	\$ 7,706,469	\$ 8,267,997	\$ 561,528	\$ 8,267,997	\$ 561,528	93.2%
FRINGE BENEFITS	\$ 1,407,227	\$ 1,760,572	\$ 353,345	\$ 1,760,572	\$ 353,345	79.9%
WCB	\$ 24,917	\$ 30,112	\$ 5,195	\$ 30,112	\$ 5,195	82.7%
	<b>\$ 9,138,613</b>	<b>\$ 10,058,681</b>	<b>\$ 920,068</b>	<b>\$ 10,058,681</b>	<b>\$ 920,068</b>	<b>90.9%</b>
<b>RENT AND PROPERTY EXPENSES</b>						
RENT	\$ 2,466,390	\$ 2,471,182	\$ 4,792	\$ 2,471,182	\$ 4,792	99.8%
LTD PRINCIPAL, ACTUARIAL AND INTEREST	\$ 1,330,687	\$ 1,113,017	-\$ 217,670	\$ 1,113,017	-\$ 217,670	119.6%
PROPERTY EXPENSES	\$ 1,629,869	\$ 1,752,335	\$ 122,466	\$ 1,752,335	\$ 122,466	93.0%
	<b>\$ 5,426,947</b>	<b>\$ 5,336,534</b>	<b>-\$ 90,413</b>	<b>\$ 5,336,534</b>	<b>-\$ 90,413</b>	<b>101.7%</b>
<b>LIBRARY MATERIALS</b>	<b>\$ 1,286,938</b>	<b>\$ 829,500</b>	<b>-\$ 457,438</b>	<b>\$ 829,500</b>	<b>-\$ 457,438</b>	<b>155.1%</b>
<b>OTHER EXPENSES</b>						
BINDING & MENDING	\$ 4,473	\$ 21,250	\$ 16,777	\$ 21,250	\$ 16,777	21.0%
BOARD EXPENSES	\$ 3,533	\$ 20,141	\$ 16,608	\$ 20,141	\$ 16,608	17.5%
BOOK DEPOSIT GRANTS	\$ 3,190	\$ 3,200	\$ 10	\$ 3,200	\$ 10	99.7%
COLLECTION AGENCY	\$ 1,083	\$ 14,566	\$ 13,483	\$ 14,566	\$ 13,483	7.4%
EQUIPMENT REPAIRS & RENEWALS	\$ 8,974	\$ 13,260	\$ 4,286	\$ 13,260	\$ 4,286	67.7%
FAMA/REALLOCATIONS	\$ -	\$ 162,181	\$ 162,181	\$ 162,181	\$ 162,181	0.0%
INSURANCE	\$ 57,368	\$ 55,363	-\$ 2,005	\$ 55,363	-\$ 2,005	103.6%
INTEREST & BANK CHARGES	\$ 10,320	\$ 11,500	\$ 1,181	\$ 11,500	\$ 1,181	89.7%
MARKETING & COMMUNICATIONS	\$ 64,341	\$ 47,475	-\$ 16,866	\$ 47,475	-\$ 16,866	135.5%
MEMBERSHIPS	\$ 20,147	\$ 19,380	-\$ 767	\$ 19,380	-\$ 767	104.0%
PENTICTON LIBRARY FEE	\$ 46,090	\$ 46,000	-\$ 90	\$ 46,000	-\$ 90	100.2%
POSTAGE & FREIGHT	\$ 31,006	\$ 62,260	\$ 31,254	\$ 62,260	\$ 31,254	49.8%
PROFESSIONAL FEES	\$ 106,073	\$ 97,489	-\$ 8,584	\$ 97,489	-\$ 8,584	108.8%
PROGRAMS	\$ 76,376	\$ 80,631	\$ 4,255	\$ 80,631	\$ 4,255	94.7%
RECRUITMENT, TRAVEL & SUNDRY	\$ 8,396	\$ 15,374	\$ 6,978	\$ 15,374	\$ 6,978	54.6%
STAFF DEVELOPMENT & MEETINGS	\$ 75,147	\$ 105,380	\$ 30,233	\$ 105,380	\$ 30,233	71.3%
STRATEGIC PLANNING	\$ 5,752	\$ 300,000	\$ 294,248	\$ 300,000	\$ 294,248	1.9%
SUPPLIES	\$ 284,090	\$ 169,378	-\$ 114,712	\$ 169,378	-\$ 114,712	167.7%
TECHNOLOGY EXPENSES	\$ 526,348	\$ 498,000	-\$ 28,348	\$ 498,000	-\$ 28,348	105.7%
TELEPHONE & INTERNET	\$ 29,150	\$ 25,000	-\$ 4,150	\$ 25,000	-\$ 4,150	116.6%
TRANSPORTATION	\$ 98,552	\$ 136,668	\$ 38,116	\$ 136,668	\$ 38,116	72.1%
VIRTUAL BRANCH	\$ 4,583	\$ 15,000	\$ 10,417	\$ 15,000	\$ 10,417	30.6%
	<b>\$ 1,464,992</b>	<b>\$ 1,919,496</b>	<b>\$ 454,504</b>	<b>\$ 1,919,496</b>	<b>\$ 454,504</b>	<b>76.3%</b>
<b>DISBURSEMENTS BEFORE CAPITAL EXPENDITURES AND TRANSFERS TO RESERVES</b>	<b>\$ 17,317,491</b>	<b>\$ 18,144,211</b>	<b>\$ 826,720</b>	<b>\$ 18,144,211</b>	<b>\$ 826,720</b>	<b>95.4%</b>

**OKANAGAN REGIONAL LIBRARY  
RECEIPTS & DISBURSEMENTS  
For the 12 Months Ending December 31, 2020**

	ACTUAL YR.TO D	BUDGET YR.TO D	VARIANCE YR.TO D	BUDGET -YEAR--	VARIANCE -From Annual--	% SPENT -Annual--
<b>CAPITAL EXPENDITURES</b>						
BOOKS AND OTHER PHYSICAL MATERIALS	\$ 1,078,143	\$ 1,770,500	\$ 692,357	\$ 1,770,500	\$ 692,357	60.9%
TECHNOLOGY ASSETS	\$ 403,445	\$ 323,000	-\$ 80,445	\$ 323,000	-\$ 80,445	124.9%
FURNITURE, EQUIPMENT & OTHER	\$ 96,913	\$ 315,000	\$ 218,087	\$ 315,000	\$ 218,087	30.8%
	<b>\$ 1,578,501</b>	<b>\$ 2,408,500</b>	<b>\$ 829,999</b>	<b>\$ 2,408,500</b>	<b>\$ 829,999</b>	<b>65.5%</b>
<b>TRANSFERS TO RESERVES</b>						
TO BRANCH FURNISHING RESERVE	\$ 145,000	\$ 145,000	\$ -	\$ 145,000	\$ -	
TO CAPITAL PROJECTS RESERVE	\$ 1,114,000	\$ 114,000	-\$ 1,000,000	\$ 114,000	-\$ 1,000,000	
TO DONATION RESERVES	\$ 318,759	\$ -	-\$ 318,759	\$ -	-\$ 318,759	
TO IT REPLACEMENT RESERVE	\$ 393,000	\$ 293,000	-\$ 100,000	\$ 293,000	-\$ 100,000	
TO NON-OWNED BUILDING MNTC RESERVE	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ -	
TO OWNED BUILDING MNTC RESERVE	\$ 60,000	\$ 60,000	\$ -	\$ 60,000	\$ -	
TO STAFF APPRECIATION OR DEVELOPMENT RE	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	\$ -	
TO STRATEGIC INITIATIVES RESERVE	\$ 302,000	\$ 302,000	\$ -	\$ 302,000	\$ -	
TO VEHICLE REPLACEMENT RESERVE	\$ 12,500	\$ 12,500	\$ -	\$ 12,500	\$ -	
	<b>\$ 2,371,759</b>	<b>\$ 953,000</b>	<b>-\$ 1,418,759</b>	<b>\$ 953,000</b>	<b>-\$ 1,418,759</b>	
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 21,267,751</b>	<b>\$ 21,505,711</b>	<b>\$ 237,960</b>	<b>\$ 21,505,711</b>	<b>\$ 237,960</b>	
<b>NET DISBURSEMENTS OVER RECEIPTS</b>	<b>\$ 52,417</b>	<b>\$ -</b>	<b>-\$ 52,417</b>	<b>\$ -</b>	<b>-\$ 52,417</b>	



# Okanagan Regional Library

## Appendix 2

### Summary of COVID19 Financial Impacts

January 1, 2020 to December 31, 2020

<b>COVID 19 Costs</b>
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<b>Lost Revenue</b>	
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Fines, Damage/Replacement	\$	172,805
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<b>Additional Expenses</b>	
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Material for curbside	\$	6,368
Communications & signage	\$	11,178
Plexi barriers	\$	17,956
Enhanced janitorial	\$	16,364
Supplies	\$	98,629
	\$	150,495