

**Squamish Public Library**  
**Financial Statements**  
**For the year ended December 31, 2017**

**Squamish Public Library**  
**Financial Statements**  
For the year ended December 31, 2017

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## Management's Responsibility for Financial Reporting

The financial statements are the responsibility of the management of the Squamish Public Library. The financial statements have been prepared in accordance with Canadian public sector accounting standards.

The financial statements include, where appropriate, estimates based on the best judgment of management. The Squamish Public Library 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 that the Squamish Public Library's assets are appropriately accounted for and adequately safeguarded.

The Board of Trustees of the Squamish Public Library reviews and approves the annual financial statements and other information contained in the annual report.

Signed by:



Chair of the Board of Trustees



Director of Library Services

March 14, 2018



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## Independent Auditor's Report

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### To the Library Board Squamish Public Library

We have audited the accompanying financial statements of the Squamish Public Library, which comprise the Statement of Financial Position as at December 31, 2017 and the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of the Squamish Public Library as at December 31, 2017 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

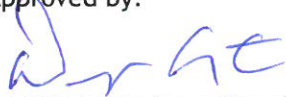
Chartered Professional Accountants

Squamish, British Columbia  
March 14, 2018


**Squamish Public Library  
Statement of Financial Position**

December 31	2017	2016
<b>Financial Assets</b>		
Cash (Note 1)	\$ 9,889	\$ 18,551
Short-term investments (Note 2)	236,333	227,900
Accounts receivable	2,780	75
GST receivable	3,528	3,064
	<b>252,530</b>	<b>249,590</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	17,180	10,606
Due to related party (Note 6)	-	2,659
	<b>17,180</b>	<b>13,265</b>
<b>Net Financial Assets</b>	<b>235,350</b>	<b>236,325</b>
<b>Non-Financial Assets</b>		
Prepaid expenses	16,550	15,319
Tangible capital assets (Note 5)	322,037	341,690
	<b>338,587</b>	<b>357,009</b>
<b>Accumulated Surplus</b>	<b>\$ 573,937</b>	<b>\$ 593,334</b>

Approved by:



Chair of the Board of Trustees



Director of Library Services

**Squamish Public Library**  
**Statement of Operations**

<b>For the year ended December 31</b>	<b>Fiscal Plan</b>		
	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<small>(Note 7)</small>		
<b>Revenue</b>			
Donations	\$ -	\$ 10,588	\$ 8,400
Fundraising	7,000	8,375	11,414
Government transfers and grants (Note 3)	1,299,579	1,202,609	1,158,009
Interest	3,500	4,396	3,870
Other	24,320	33,695	39,417
	<b>1,334,399</b>	<b>1,259,663</b>	<b>1,221,110</b>
<b>Expenses</b>			
Amortization (Note 5)	-	114,924	119,876
Building expenses	100,889	104,961	94,533
Fundraising	10,600	10,240	8,505
Loss on disposition of tangible capital assets	-	8,113	5,497
Materials and services	263,886	230,023	207,671
Salaries and benefits	873,524	810,799	752,663
	<b>1,248,899</b>	<b>1,279,060</b>	<b>1,188,745</b>
<b>Annual Surplus (Deficit)</b>	<b>85,500</b>	<b>(19,397)</b>	<b>32,365</b>
<b>Accumulated Surplus, beginning of year</b>	<b>593,334</b>	<b>593,334</b>	<b>560,969</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 678,834</b>	<b>\$ 573,937</b>	<b>\$ 593,334</b>

**Squamish Public Library**  
**Statement of Changes in Net Financial Assets**

<b>For the year ended December 31</b>	<b>Fiscal Plan</b>		
	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<small>(Note 7)</small>		
<b>Annual surplus (deficit)</b>	\$ 85,500	\$ (19,397)	\$ 32,365
Acquisition of tangible capital assets	(105,500)	(103,384)	(190,619)
Amortization of tangible capital assets	-	114,924	119,876
Net change in prepaid expenses	-	(1,231)	(1,425)
Loss on disposition of tangible capital assets	-	8,113	5,497
<b>Net change in net financial assets</b>	<b>(20,000)</b>	<b>(975)</b>	<b>(34,306)</b>
<b>Net financial assets, beginning of year</b>	<b>236,325</b>	<b>236,325</b>	<b>270,631</b>
<b>Net financial assets, end of year</b>	<b>\$ 216,325</b>	<b>\$ 235,350</b>	<b>\$ 236,325</b>

**Squamish Public Library**  
**Statement of Cash Flows**

**For the year ended December 31** **2017** **2016**

**Cash provided by (used in)**

**Operating transactions**

Annual surplus (deficit)	\$ (19,397)	\$ 32,365
Item not involving cash		
Amortization of tangible capital assets	114,924	119,876
Loss on disposition of capital assets	8,113	5,497
	103,640	157,738

**Changes in non-cash operating working capital**

Accounts receivable	(2,705)	550
GST receivable	(464)	3,440
Prepaid expenses	(1,231)	(1,425)
Accounts payable and accrued liabilities	6,574	1,529
Due to related party	(2,659)	2,659
	103,155	164,491

**Capital transaction**

Purchase of tangible capital assets	(103,384)	(190,619)
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**Investing transaction**

Decrease (increase) in short-term investments	(8,433)	34,900
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Increase (decrease) in cash during the year	(8,662)	8,772
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Cash, beginning of year	18,551	9,779
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<b>Cash, end of year</b>	<b>\$ 9,889</b>	<b>\$ 18,551</b>
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**Squamish Public Library**  
**Summary of Significant Accounting Policies**

December 31, 2017

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**Nature and Purpose of  
the Library**

The Library is a non-profit organization incorporated without share capital under the laws of British Columbia. The Library is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

**Financial Instruments**

The Library's financial instruments consist of cash, accounts receivable, short-term investments, and accounts payable and accrued liabilities. Unless otherwise indicated, it is management's opinion that the Library is not exposed to any significant interest, credit, or currency risks arising from these financial instruments.

**Tangible Capital  
Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is provided over the estimated useful life of each tangible capital asset using the declining balance and straight-line methods over the following terms:

Art work	- not amortized
Granite mantle	- 3% declining balance basis
Handrail	- 5% declining balance basis
Toilets	- 10% declining balance basis
Computer equipment	- 30% declining balance basis
Computer software	- 100% declining balance basis
Equipment and furniture	- 20% declining balance basis
Shelving	- 5% declining balance basis
Telephone system	- 30% declining balance basis
Building upgrades	- 10 year straight-line basis
Books	- 5 year straight-line basis
Audio visual materials	- 2 year straight-line basis

**Government Transfers**

Government transfers, which include government 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, there are no stipulations that create a liability and reasonable estimates of the amount can be made.

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**Squamish Public Library**  
**Summary of Significant Accounting Policies**

**December 31, 2017**

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- Revenue Recognition** Donations, fundraising, interest, and other revenues are recognized in the financial statements in the period in which they are earned. Revenues from late return fines are recognized on a cash basis due to the nature of this revenue stream and uncertainties regarding collection.
- Contributed Materials and Services** Contributed materials which are used in the normal course of the Library's operations and would otherwise have been purchased are recorded at their fair value at the date of the contribution if fair value can be reasonably estimated. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.
- Use of Estimates** The preparation of financial statements in accordance with Canadian public sector accounting standards ("PSAS") 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 revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
- Segmented Operations** The Library considers that its only program is the provision of library services. As such it has only one operating segment and does not report details of revenues and expenses by segment.

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**Squamish Public Library**  
**Notes to Financial Statements**

**December 31, 2017**

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**1. Cash**

The Library's bank accounts are held at a registered credit union. The accounts earn interest at the current prevailing rate.

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**2. Short-term Investments**

The Library's short-term investments are cashable term deposits as follows:

Maturing June 5, 2018 at 1.10%, 30 day lock-out	\$	90,000
Maturing June 30, 2018 at 1.10%, 30 day lock-out		100,000
Maturing July 13, 2018 at 1.10%, 30 day lock-out		45,000
Accrued interest to December 31, 2017		1,333
		<u>1,333</u>
	\$	<u>236,333</u>

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**3. Government Transfers and Grants**

Government transfers and grants are derived from the the following sources:

	<u>2017</u>	<u>2016</u>
Government Transfers		
Federal	\$ 7,593	\$ 7,645
Provincial	81,737	82,332
Regional District	14,221	14,221
Municipal	1,096,628	1,051,661
	<u>1,200,179</u>	<u>1,155,859</u>
Other grant revenue	2,430	2,150
Total government transfers and grants	<u>\$ 1,202,609</u>	<u>\$ 1,158,009</u>

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**4. Economic Dependence**

The Library is a municipal library under the control of the District of Squamish. The District provides 87% (2016 - 86%) of the funding for the operation of the Library.

**Squamish Public Library**  
**Notes to Financial Statements**

**December 31, 2017**

**5. Tangible Capital Assets**

	Artwork	Computer equipment	Computer software	Shelving	Telephone system	Granite mantle	Handrails	Toilets	Furniture and equipment	Building upgrade	Books	Audio visual materials	2017 Total
<b>Cost, beginning of year</b>	\$ 5,500	\$ 40,169	\$ 24,429	\$ 88,012	\$ 4,037	\$ 4,399	\$ 1,468	\$ 6,622	\$ 174,303	\$ 34,476	\$ 385,743	\$ 107,053	<b>876,211</b>
Additions	-	3,483	-	-	-	-	-	-	17,299	-	63,973	18,629	<b>103,384</b>
Disposals & adjustments	-	(14,219)	-	(3,486)	-	-	-	-	(41,145)	-	(9,886)	(2,760)	<b>(71,496)</b>
<b>Cost, end of year</b>	<b>5,500</b>	<b>29,433</b>	<b>24,429</b>	<b>84,526</b>	<b>4,037</b>	<b>4,399</b>	<b>1,468</b>	<b>6,622</b>	<b>150,457</b>	<b>34,476</b>	<b>439,830</b>	<b>122,922</b>	<b>908,099</b>
<b>Accumulated Amortization, beginning of year</b>	-	26,029	24,429	25,370	3,970	743	346	2,543	103,542	1,724	249,775	96,050	<b>534,521</b>
Amortization	-	4,337	-	3,094	20	110	56	408	16,179	3,275	67,131	20,314	<b>114,924</b>
Disposals & adjustments	-	(13,455)	-	(2,322)	-	-	-	-	(37,515)	-	(7,343)	(2,748)	<b>(63,383)</b>
<b>Accumulated Amortization, end of year</b>	<b>-</b>	<b>16,911</b>	<b>24,429</b>	<b>26,142</b>	<b>3,990</b>	<b>853</b>	<b>402</b>	<b>2,951</b>	<b>82,206</b>	<b>4,999</b>	<b>309,563</b>	<b>113,616</b>	<b>586,062</b>
<b>Net Book Value, December 31, 2017</b>	<b>\$ 5,500</b>	<b>\$ 12,522</b>	<b>\$ -</b>	<b>\$ 58,384</b>	<b>\$ 47</b>	<b>\$ 3,546</b>	<b>\$ 1,066</b>	<b>\$ 3,671</b>	<b>\$ 68,251</b>	<b>\$ 29,477</b>	<b>\$ 130,267</b>	<b>\$ 9,306</b>	<b>322,037</b>
<b>Net Book Value, December 31, 2016</b>	<b>\$ 5,500</b>	<b>\$ 14,140</b>	<b>\$ -</b>	<b>\$ 62,642</b>	<b>\$ 67</b>	<b>\$ 3,656</b>	<b>\$ 1,122</b>	<b>\$ 4,079</b>	<b>\$ 70,761</b>	<b>\$ 32,752</b>	<b>\$ 135,968</b>	<b>\$ 11,003</b>	<b>341,690</b>

**December 31, 2017**

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**6. Related Party Transactions**

The Squamish Public Library is related to the District of Squamish as it is a municipal library that is 100% controlled by the District of Squamish. The employees of the Squamish Public Library are effectively employees of the District of Squamish. The District and the Squamish Public Library are separate legal entities as defined by the separate letters patent and authorized by separate legislation. Transactions with the District consist of the following:

The Library's operations are conducted in the Squamish Public Library, a building owned by the District. Use of the building by the Library is on a rent-free basis.

During the year, the Library received \$1,096,628 (2016 - \$1,051,661) in grant revenue from the District. Part of this funding was received in the form of salaries and benefits supplied to the Squamish Public Library by the District of Squamish, which totaled \$810,799 (2016 - \$752,663). The District also paid for other library operating costs in the year totaling \$282,165 (2016 - \$266,153) and \$3,664 (2016 - \$32,845) in tangible capital asset additions (Note 5).

During the year, \$nil (2016 - \$62,377) in capital asset additions for the Library were paid for by the District which were subsequently reimbursed by the Library.

The Due to related party account consists of \$nil (2016 - \$2,659) due to the District and pertains to expenses paid for on behalf of the Library in the prior year. Amounts owing to the District are non-interest bearing with no specific repayment terms.

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**7. Fiscal Plan**

The fiscal plan amounts represent the budget adopted by the Board of Trustees as adjusted to a PSAS basis in order to match the required presentation in the Statement of Operations and the Statement of Changes in Net Financial Assets. This adjustment is necessary because certain expense items in budget are not considered expenses for PSAS purposes, including capital expenditures.

The following shows how these two different bases are reconciled:

	<u>2017</u>
Deficit of revenue over expenses per budget approved	\$ -
Capital expenditures	105,500
Allocation of revenues earned in prior periods	<u>(20,000)</u>
<b>Annual surplus on a PSAS basis</b>	<b><u>\$ 85,500</u></b>

December 31, 2017

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8. Comparative Figures

Comparative figures have been restated to conform to the current year's presentation.

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