

Squamish Public Library
Financial Statements
For the year ended December 31, 2018

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Financial Statements
For the year ended December 31, 2018

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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

April 17, 2019

Independent Auditor's Report

To the Board of Trustees
Squamish Public Library

Opinion

We have audited the financial statements of the Squamish Public Library, which comprise the Statement of Financial Position as at December 31, 2018 and the Statements of Operations, Changes in Net Financial Assets 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 financial statements present fairly, in all material respects, the financial position of the Squamish Public Library as at December 31, 2018 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.

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 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.

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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Library'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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library'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.



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- 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'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'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 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.

BDO Canada LLP

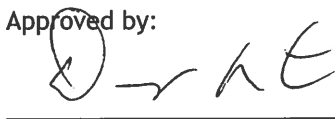
Chartered Professional Accountants

Squamish, British Columbia
April 17, 2019

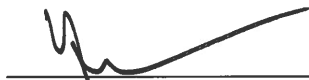
Squamish Public Library
Statement of Financial Position

December 31	2018	2017
Financial Assets		
Cash (Note 1)	\$ 22,216	\$ 9,889
Short-term investments (Note 2)	247,065	236,333
Accounts receivable	571	2,780
GST receivable	3,991	3,528
	273,843	252,530
Liabilities		
Accounts payable and accrued liabilities	17,548	17,180
Due to related party (Note 6)	5,075	-
Deferred grants	6,667	-
	29,290	17,180
Net Financial Assets	244,553	235,350
Non-Financial Assets		
Prepaid expenses	14,918	16,550
Tangible capital assets (Note 5)	307,296	322,037
	322,214	338,587
Accumulated Surplus	\$ 566,767	\$ 573,937

Approved by:



Chair of the Board of Trustees



Director of Library Services

Squamish Public Library
Statement of Operations

For the year ended December 31	Fiscal Plan		
	2018	2018	2017
	<small>(Note 7)</small>		
Revenue			
Donations	\$ -	\$ 8,348	\$ 10,588
Fundraising	7,000	7,620	8,375
Government transfers and grants (Note 3)	1,291,702	1,164,188	1,202,609
Interest	3,000	3,103	4,396
Other	29,820	34,232	33,695
	<u>1,331,522</u>	<u>1,217,491</u>	<u>1,259,663</u>
Expenses			
Amortization (Note 5)	-	108,330	114,924
Building expenses	102,067	102,243	104,961
Fundraising	10,600	10,643	10,240
Loss on disposition of tangible capital assets	-	6,943	8,113
Materials and services	266,233	250,501	230,023
Salaries and benefits	869,122	746,001	810,799
	<u>1,248,022</u>	<u>1,224,661</u>	<u>1,279,060</u>
Annual Surplus (Deficit)	<u>83,500</u>	<u>(7,170)</u>	<u>(19,397)</u>
Accumulated Surplus, beginning of year	<u>573,937</u>	<u>573,937</u>	<u>593,334</u>
Accumulated Surplus, end of year	<u>\$ 657,437</u>	<u>\$ 566,767</u>	<u>\$ 573,937</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Squamish Public Library
Statement of Changes in Net Financial Assets

For the year ended December 31	Fiscal Plan		
	2018	2018	2017
	<small>(Note 7)</small>		
Annual surplus (deficit)	\$ 83,500	\$ (7,170)	\$ (19,397)
Acquisition of tangible capital assets	(103,500)	(100,532)	(103,384)
Amortization of tangible capital assets	-	108,330	114,924
Net change in prepaid expenses	-	1,632	(1,231)
Loss on disposition of tangible capital assets	-	6,943	8,113
Net change in net financial assets	(20,000)	9,203	(975)
Net financial assets, beginning of year	235,350	235,350	236,325
Net financial assets, end of year	\$ 215,350	\$ 244,553	\$ 235,350

Squamish Public Library
Statement of Cash Flows

For the year ended December 31	2018	2017
Cash provided by (used in)		
Operating transactions		
Annual deficit	\$ (7,170)	\$ (19,397)
Item not involving cash		
Amortization of tangible capital assets	108,330	114,924
Loss on disposition of capital assets	6,943	8,113
	108,103	103,640
Changes in non-cash operating working capital		
Accounts receivable	2,209	(2,705)
GST receivable	(463)	(464)
Prepaid expenses	1,632	(1,231)
Accounts payable and accrued liabilities	368	6,574
Due to related party	5,075	(2,659)
Deferred revenue	6,667	-
	123,591	103,155
Capital transaction		
Purchase of tangible capital assets	(100,532)	(103,384)
Investing transaction		
Decrease (increase) in short-term investments	(10,732)	(8,433)
Increase (decrease) in cash during the year	12,327	(8,662)
Cash, beginning of year	9,889	18,551
Cash, end of year	\$ 22,216	\$ 9,889

Squamish Public Library
Summary of Significant Accounting Policies

December 31, 2018

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, accounts payable and accrued liabilities, and amounts due to related party. 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.

Squamish Public Library
Summary of Significant Accounting Policies

December 31, 2018

- 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.

Squamish Public Library
Notes to Financial Statements

December 31, 2018

1. Cash

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

2. Short-term Investments

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

Maturing June 4, 2019 at 1.40%, 90 day lock-out	\$	20,000
Maturing June 15, 2019 at 1.40%, 90 day lock-out		50,000
Maturing July 4, 2019 at 1.45%, 90 day lock-out		90,000
Maturing July 5, 2019 at 1.45%, 90 day lock-out		85,000
Accrued interest to December 31, 2018		2,065
	\$	247,065

3. Government Transfers and Grants

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

	<u>2018</u>	<u>2017</u>
Government Transfers		
Federal	\$ 7,164	\$ 7,593
Provincial	84,631	81,737
Regional District	19,221	14,221
Municipal	1,049,539	1,096,628
	<u>1,160,555</u>	<u>1,200,179</u>
Other grant revenue	3,633	2,430
Total government transfers and grants	<u>\$ 1,164,188</u>	<u>\$ 1,202,609</u>

4. Economic Dependence

The Library is a municipal library under the control of the District of Squamish. The District provides 86% (2017 - 87%) of the funding for the operation of the Library.

Squamish Public Library
Notes to Financial Statements

December 31, 2018

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	2018 Total
Cost, beginning of year	\$ 5,500	\$ 29,433	\$ 24,429	\$ 84,526	\$ 4,037	\$ 4,399	\$ 1,468	\$ 6,622	\$ 150,457	\$ 34,476	\$ 439,830	\$ 122,922	908,099
Additions	-	-	-	2,376	-	-	-	-	15,398	-	66,298	16,460	100,532
Disposals & adjustments	-	-	-	(5,355)	-	-	-	-	(968)	-	(133,942)	(23,559)	(163,824)
Cost, end of year	5,500	29,433	24,429	81,547	4,037	4,399	1,468	6,622	164,887	34,476	372,186	115,823	844,807
Accumulated Amortization, beginning of year	-	16,911	24,429	26,142	3,990	853	402	2,951	82,206	4,999	309,563	113,616	586,062
Amortization	-	3,757	-	2,828	14	106	53	367	15,177	2,948	65,548	17,532	108,330
Disposals & adjustments	-	-	-	(2,335)	-	-	-	-	(905)	-	(130,105)	(23,536)	(156,881)
Accumulated Amortization, end of year	-	20,668	24,429	26,635	4,004	959	455	3,318	96,478	7,947	245,006	107,612	537,511
Net Book Value, December 31, 2018	\$ 5,500	\$ 8,765	\$ -	\$ 54,912	\$ 33	\$ 3,440	\$ 1,013	\$ 3,304	\$ 68,409	\$ 26,529	\$ 127,180	\$ 8,211	307,296
Net Book Value, December 31, 2017	\$ 5,500	\$ 12,522	\$ -	\$ 58,384	\$ 47	\$ 3,546	\$ 1,066	\$ 3,671	\$ 68,251	\$ 29,477	\$ 130,267	\$ 9,306	322,037

December 31, 2018

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 \$1,049,539 (2017 - \$1,096,628) 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 \$746,001 (2017 - \$810,799). The District also paid for other library operating costs in the year totaling \$290,764 (2017 - \$282,165) and \$12,774 (2017 - \$3,664) in tangible capital asset additions (Note 5).

During the year, \$5,000 (2017 - \$nil) 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 \$5,075 (2017 - \$nil) due to the District and pertains to expenses paid for on behalf of the Library in the year. Amounts owing to the District are non-interest bearing with no specific repayment terms.

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>2018</u>
Deficit of revenue over expenses per budget approved	\$ -
Capital expenditures	103,500
Allocation of revenues earned in prior periods	<u>(20,000)</u>
Annual surplus on a PSAS basis	<u>\$ 83,500</u>