

Squamish Public Library
Financial Statements
For the year ended December 31, 2022

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For the year ended December 31, 2022

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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 15, 2023

Independent Auditor's Report

To the Board of Trustees
Squamish Public Library

Opinion

We have audited the financial statements of the Squamish Public Library (the "Library"), which comprise the Statement of Financial Position as at December 31, 2022 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 Library as at December 31, 2022 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.

- 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.

Chartered Professional Accountants

Squamish, British Columbia
March 15, 2023

Squamish Public Library Statement of Financial Position

December 31	2022	2021
Financial assets		
Cash (Note 1)	\$ 70,994	\$ 124,141
Due from the District of Squamish (Note 7)	3,340	4,605
Short-term investments (Note 2)	337,347	171,991
Accounts receivable	1,783	1,673
GST receivable	3,507	4,654
	<u>416,971</u>	<u>307,064</u>
Liabilities		
Accounts payable and accrued liabilities	22,776	10,446
Deferred grants (Note 6)	84,359	-
	<u>107,135</u>	<u>10,446</u>
Net financial assets	<u>309,836</u>	<u>296,618</u>
Non-financial assets		
Prepaid expenses	10,445	8,479
Tangible capital assets (Note 5)	252,708	280,996
	<u>263,153</u>	<u>289,475</u>
Accumulated surplus	<u>\$ 572,989</u>	<u>\$ 586,093</u>

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		
	2022	2022	2021
	<small>(Note 8)</small>		
Revenue			
Donations	\$ 2,000	\$ 7,145	\$ 14,140
Fundraising	3,500	3,902	6,020
Government transfers and grants (Note 3)	1,573,486	1,413,537	1,320,588
Interest	1,500	6,276	2,534
Other	10,500	13,876	6,215
	<u>1,590,986</u>	<u>1,444,736</u>	<u>1,349,497</u>
Expenses			
Amortization (Note 5)	-	93,790	99,722
Building expenses	105,761	86,253	95,458
Fundraising	9,600	9,745	12,018
Loss on disposition of tangible capital assets	-	6,088	11,336
Materials and services	295,445	298,105	266,608
Salaries and benefits	1,091,600	963,859	897,165
	<u>1,502,406</u>	<u>1,457,840</u>	<u>1,382,307</u>
Annual surplus (deficit)	<u>88,580</u>	<u>(13,104)</u>	<u>(32,810)</u>
Accumulated surplus, beginning of year	<u>586,093</u>	<u>586,093</u>	<u>618,903</u>
Accumulated surplus, end of year	<u>\$ 674,673</u>	<u>\$ 572,989</u>	<u>\$ 586,093</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		
	2022	2022	2021
	(Note 8)		
Annual surplus (deficit)	\$ 88,580	\$ (13,104)	\$ (32,810)
Acquisition of tangible capital assets	(88,580)	(71,590)	(106,027)
Amortization of tangible capital assets	-	93,790	99,722
Net change in prepaid expenses	-	(1,966)	7,871
Loss on disposition of tangible capital assets	-	6,088	11,336
Net change in net financial assets	-	13,218	(19,908)
Net financial assets, beginning of year	296,618	296,618	316,526
Net financial assets, end of year	\$ 296,618	\$ 309,836	\$ 296,618

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

Squamish Public Library
Statement of Cash Flows

For the year ended December 31 **2022** **2021**

Cash provided by (used in)

Operating transactions

Annual surplus (deficit)	\$ (13,104)	\$ (32,810)
Item not involving cash		
Amortization of tangible capital assets	93,790	99,722
Loss on disposition of capital assets	6,088	11,336
	<u>86,774</u>	<u>78,248</u>

Changes in non-cash operating working capital

Accounts receivable	(110)	(754)
Due from District of Squamish	1,265	29,095
GST receivable	1,147	(1,631)
Prepaid expenses	(1,966)	7,871
Accounts payable and accrued liabilities	12,330	(15,324)
Deferred revenue	84,359	-
	<u>183,799</u>	<u>97,505</u>

Capital transactions

Purchase of tangible capital assets	<u>(71,590)</u>	<u>(106,027)</u>
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Investing transactions

Increase (decrease) in short-term investments	<u>(165,356)</u>	<u>106,666</u>
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(Decrease) increase in cash during the year **(53,147)** **98,144**

Cash, beginning of year **124,141** **25,997**

Cash, end of year **\$ 70,994** **\$ 124,141**

Squamish Public Library Summary of Significant Accounting Policies

December 31, 2022

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.

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 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, 2022

Revenue Recognition	Donations, fundraising, interest, and other revenues are recognized in the financial statements in the period in which they are earned.
Deferred grants	Government transfers, including government grants, are recognized as deferred grants when transfer stipulations exist that give rise to a liability.
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. Contributed services, due to the difficulty in determining their fair value, 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, 2022

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 August 8, 2023 at 4%, 1 year lock-out	\$ 150,000
Maturing August 8, 2023 at 2.6%, 1 year lock-out	30,000
Maturing December 16, 2023 at 4%, 1 year lock-out	154,400
Accrued interest to December 31, 2022	2,947
	<u>\$ 337,347</u>

3. Government Transfers and Grants

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

	<u>2022</u>	<u>2021</u>
Government Transfers		
Federal	\$ 2,874	\$ 7,281
Provincial	85,189	85,189
Regional District	49,221	50,221
Municipal	1,259,914	1,163,470
	<u>1,397,198</u>	<u>1,306,161</u>
Other grant revenue	16,339	14,427
Total government transfers and grants	<u>\$ 1,413,537</u>	<u>\$ 1,320,588</u>

4. Economic Dependence

The Library is a municipal library under the control of the District of Squamish. The District provides 87% (2021 - 86%) of the funding for the operation of the Library.

Squamish Public Library
Notes to Financial Statements

December 31, 2022

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	2022 Total
Cost, beginning of year	\$ 5,500	\$ 60,174	\$ 24,431	\$ 81,546	\$ 4,037	\$ 4,399	\$ 1,468	\$ 6,622	\$ 132,186	\$ 54,314	\$ 308,336	\$ 109,021	792,034
Additions	-	-	-	-	-	-	-	-	-	-	64,040	7,550	71,590
Disposals & adjustments	-	(5,786)	-	-	-	-	-	-	(25,648)	-	(86,757)	(2,097)	(120,288)
Cost, end of year	5,500	54,388	24,431	81,546	4,037	4,399	1,468	6,622	106,538	54,314	285,619	114,474	743,336
Accumulated Amortization, beginning of year	-	31,462	24,429	34,594	4,026	1,260	599	4,213	101,696	21,938	183,184	103,637	511,038
Amortization	-	8,514	-	2,348	3	94	43	241	5,786	5,431	62,172	9,158	93,790
Disposals & adjustments	-	(5,453)	-	-	-	-	-	-	(24,087)	-	(82,566)	(2,094)	(114,200)
Accumulated Amortization, end of year	-	34,523	24,429	36,942	4,029	1,354	642	4,454	83,395	27,369	162,790	110,701	490,628
Net Book Value, December 31, 2022	\$ 5,500	\$ 19,865	\$ 2	\$ 44,604	\$ 8	\$ 3,045	\$ 826	\$ 2,168	\$ 23,143	\$ 26,945	\$ 122,829	\$ 3,773	252,708
Net Book Value, December 31, 2021	\$ 5,500	\$ 28,712	\$ 2	\$ 46,952	\$ 11	\$ 3,139	\$ 869	\$ 2,409	\$ 30,490	\$ 32,376	\$ 125,152	\$ 5,384	280,996

December 31, 2022

6. Deferred grants

During the year, the Library received \$40,000 from the Squamish-Lillooet Regional District and \$44,359 from the Province of British Columbia for use towards operations and specific projects in 2023, with any unused funds to be returned to the funders.

7. 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 \$1,259,914 (2021 - \$1,163,470) 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 \$963,859 (2021 - \$897,165). The District also paid for other library operating costs in the year totaling \$296,055 (2021 - \$266,305).

The amount due from the District at year end is \$3,340 (2021 - \$4,605).

8. 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 the budget are not considered expenses for PSAS purposes, including capital expenditures.

The following shows how these two different bases are reconciled:

	<u>2022</u>
Annual surplus per approved budget	\$ -
Capital expenditures	<u>88,580</u>
Annual surplus on a PSAS basis	<u>\$ 88,580</u>

December 31, 2022

9. Financial Instrument Risks

The Library, through its financial assets and liabilities, is exposed to certain financial risks. The following analysis provides an assessment of those risks as at December 31, 2022.

Interest Rate Risk

The Library is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the future cash flows related to its short-term investments. The Library minimizes this interest risk by choosing investments with fixed rates.

Liquidity Risk

Liquidity risk is the risk that the Library will not be able to meet its financial obligations as they fall due. The Library has a planning and budgeting process in place to help determine the funds required to support the normal operating requirements on an ongoing basis. The Library ensures that there are sufficient funds to meet its short term requirements, taking into account its anticipated cash flows from operations and cash reserves.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Library is exposed to concentrations of credit risk related to its cash, accounts receivable, and short-term investments. The Library mitigates this risk by holding its cash and short-term investments at one BC credit union, which provides deposit insurance coverage via the Credit Union Deposit Insurance Corporation of British Columbia. Concentrations of credit risk related to accounts receivable are mitigated as the majority are due from various levels of government.

It is management's opinion that the Library is not exposed to any significant currency or market risks arising from its financial instruments.