

Squamish Public Library
Financial Statements
For the year ended December 31, 2014

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Independent Auditor's Report

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, 2014 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, 2014 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.



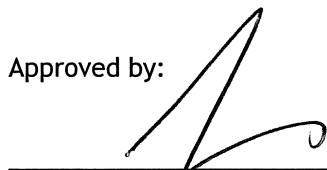
Chartered Accountants

Squamish, British Columbia
February 18, 2015

Squamish Public Library
Statement of Financial Position

	2014	2013
Financial Assets		
Cash (Note 1)	\$ 26,359	\$ 65,530
Short-term investments (Note 2)	261,800	234,458
Accounts receivable	75	3,650
GST receivable	6,714	8,223
	294,948	311,861
Liabilities		
Accounts payable and accrued liabilities	11,769	8,788
	283,179	303,073
Net Financial Assets		
	283,179	303,073
Non-Financial Assets		
Prepaid expenses	14,399	12,469
Tangible capital assets (Note 5)	264,984	256,289
	279,383	268,758
Accumulated Surplus	\$ 562,562	\$ 571,831

Approved by:



Chair of the Board of Trustees



Chief Librarian

Squamish Public Library
Statement of Operations

For the year ended December 31	Fiscal Plan		
	2014	2014	2013
	(Note 6)		
Revenues			
Donations	\$ 8,800	\$ 11,234	\$ 2,689
Fundraising	4,000	6,988	1,845
Grants	1,067,304	958,314	999,913
Interest	2,000	3,401	2,396
Other	20,730	22,300	23,536
	<u>1,102,834</u>	<u>1,002,237</u>	<u>1,030,379</u>
Expenses			
Amortization (Note 5)	-	113,535	112,091
Building expenses	92,108	86,573	93,879
Fundraising	7,500	7,604	7,315
Loss on disposition of tangible capital assets	-	5,065	-
Materials and services	153,760	148,824	131,803
Salaries and benefits	739,966	649,905	685,153
	<u>993,334</u>	<u>1,011,506</u>	<u>1,030,241</u>
Annual Surplus	<u>109,500</u>	<u>(9,269)</u>	<u>138</u>
Accumulated Surplus, beginning of year	<u>571,831</u>	<u>571,831</u>	<u>571,693</u>
Accumulated Surplus, end of year	<u>\$ 681,331</u>	<u>\$ 562,562</u>	<u>\$ 571,831</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	Budget 2014 <small>(Note 6)</small>	2014	2013
Annual surplus (deficiency)	\$ 109,500	\$ (9,269)	\$ 138
Acquisition of tangible capital assets	(109,500)	(127,295)	(120,908)
Amortization of tangible capital assets	-	113,535	112,091
Net change in prepaid expenses	-	(1,930)	(2,848)
Loss on disposition of tangible capital assets	-	5,065	-
Net change in net financial assets	-	(19,894)	(11,527)
Net financial assets, beginning of year	303,073	303,073	314,600
Net financial assets, end of year	\$ 303,073	\$ 283,179	\$ 303,073

Squamish Public Library
Statement of Cash Flows

For the year ended December 31	2014	2013
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit)	\$ (9,269)	\$ 138
Item not involving cash		
Amortization of tangible capital assets	113,535	112,091
Loss on disposition of capital assets	5,065	-
	109,331	112,229
Changes in non-cash operating working capital		
Accounts receivable	3,575	(3,650)
GST receivable	1,509	694
Prepaid expenses	(1,930)	(2,848)
Accounts payable and accrued liabilities	2,981	1,563
Due to related party	-	(8,103)
	115,466	99,885
Capital transaction		
Purchase of tangible capital assets	(127,295)	(120,908)
Investing transaction		
Increase in short-term investments	(27,342)	(74,458)
Increase in cash during the year	(39,171)	(95,481)
Cash, beginning of year	65,530	161,011
Cash, end of year	\$ 26,359	\$ 65,530

Squamish Public Library Summary of Significant Accounting Policies

December 31, 2014

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.

Management's Responsibility for the Financial Statements

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

Financial Instruments

The Library's financial instruments consist of cash, accounts receivable, GST 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
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, 2014

- 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 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, 2014

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 April 11, 2015 at 1.300%, 30 day lock-out	\$ 7,800
Maturing January 31, 2015 at 1.300%, 30 day lock-out	30,000
Maturing April 11, 2015 at 1.300%, 30 day lock-out	80,000
Maturing May 5, 2015 at 1.700%, 30 day lock out	70,000
Maturing July 24, 2015 at 1.300%, 30 day lock-out	74,000
	<hr/>
	\$ 261,800

3. District of Squamish

The Squamish Public Library is related to the District of Squamish as it is a municipal library that is 100% owned by the District of Squamish. The employees of the Squamish Public Library are corresponding 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.

During the year, salaries and benefits supplied to the Squamish Public Library by the District of Squamish totaled \$649,905 (2013 - \$685,153). The District also paid for other library operating costs in the year totaling \$179,264 (2013 - \$186,803) and \$16,179 (2013 - \$19,747) in tangible capital asset additions (Note 5).

Amounts owing to the District are non-interest bearing with no specific repayment terms.

4. Economic Dependence

The Library is a municipal library under the control of the District of Squamish. The District provides 84% (2013 85%) of the funding for the operation of the Library.

Squamish Public Library
Notes to Financial Statements

December 31, 2014

5. Tangible Capital Assets

	Artwork	Computer equipment	Computer software	Shelving	Telephone system	Granite mantle	Handrails	Toilets	Furniture and equipment	Books	Audio visual materials	2014 Total
Cost, beginning of year	\$ 5,500	\$ 16,476	\$ 13,125	\$ 53,733	\$ 4,037	\$ 4,399	\$ 1,468	\$ 6,622	\$ 113,489	\$ 629,265	\$ 122,779	\$ 970,893
Additions	-	-	-	-	-	-	-	-	29,494	76,516	21,285	127,295
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals & adjustments	-	-	-	-	-	-	-	-	-	(11,310)	(1,668)	(12,978)
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-
Cost, end of year	5,500	16,476	13,125	53,733	4,037	4,399	1,468	6,622	142,983	694,471	142,396	1,085,210
Accumulated Amortization, beginning of year	-	15,838	13,125	19,652	3,840	393	159	1,027	75,280	474,398	110,892	714,604
Amortization	-	191	-	1,704	59	120	66	559	10,591	77,719	22,526	113,535
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals & adjustments	-	-	-	-	-	-	-	-	-	(7,079)	(834)	(7,913)
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Amortization, end of year	-	16,029	13,125	21,356	3,899	513	225	1,586	85,871	545,038	132,584	820,226
Net Book Value, December 31, 2014	\$ 5,500	\$ 447	\$ -	\$ 32,377	\$ 138	\$ 3,886	\$ 1,243	\$ 5,036	\$ 57,112	\$ 149,433	\$ 9,812	\$ 264,984
Net Book Value, December 31, 2013	\$ 5,500	\$ 638	\$ -	\$ 34,081	\$ 197	\$ 4,006	\$ 1,309	\$ 5,595	\$ 38,209	\$ 154,867	\$ 11,887	\$ 256,289

December 31, 2014

6. Fiscal Plan

The fiscal plan amounts represent the budget adopted by the Board of Trustees as adjusted to a "PSAB 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 revenue items in budget are not considered revenues for PSAB purposes including capital expenditures.

The following shows how these two different bases are reconciled:

	<u>2014</u>
Excess of revenue over expenses per budget approved	\$ -
Capital expenditures	<u>(109,500)</u>
Annual surplus on a PSAB basis	<u>\$ 109,500</u>