

TRAIL AND DISTRICT LIBRARY

ADMINISTERED BY TRAIL PUBLIC
LIBRARY BOARD

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

TRAIL AND DISTRICT LIBRARY
INDEX TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

AUDITORS' REPORT

FINANCIAL STATEMENTS

Statement of Financial Position
Statement of Operations
Statement of Changes in Net Assets
Statement of Cash Flows

Notes to Financial Statements

L. Soligo & Associates Ltd.

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

The Directors of The Trail and District Library,

We have audited the statement of financial position of the Trail and District Library as at December 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the Trail and District Public Library derives revenues from donations, dues and fines, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of receipts from these sources was limited to a comparison of recorded receipts with bank deposits and we were not able to determine whether any adjustments might be necessary to contributions, excess of expenditures over revenues, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the library as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

L. Soligo & Associates LTD

CHARTERED ACCOUNTANTS

**TRAIL, B.C.
April 23, 2009**

**TRAIL AND DISTRICT LIBRARY
ADMINISTERED BY TRAIL PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008**

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
CASH	\$ 213,615	\$ 179,349
ACCOUNTS RECEIVABLE	<u>2,891</u>	<u>4,921</u>
	<u>\$ 217,506</u>	<u>\$ 184,270</u>

LIABILITIES

CURRENT LIABILITIES

ACCOUNTS PAYABLE (Note 3)	\$ 129,219	\$ 85,834
DEFERRED CONTRIBUTIONS (Note 4)	16,375	9,500
ACCRUED BENEFITS AND WAGES (Note 5)	<u>56,306</u>	<u>73,398</u>
	<u>201,900</u>	<u>168,732</u>

NET ASSETS

UNRESTRICTED	<u>15,606</u>	<u>15,538</u>
	<u>\$ 217,506</u>	<u>\$ 184,270</u>

**TRAIL AND DISTRICT LIBRARY
ADMINISTERED BY TRAIL PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED DECEMBER 31, 2008**

	2008 BUDGET	2008 ACTUAL	2007 ACTUAL
REVENUE			
RDKB GRANT	\$ 394,476	\$ 394,476	\$ 382,986
GRANT			
-PROVINCE OF BC	36,000	36,035	36,035
-OTHER GRANTS	51,080	26,332	34,632
FINES	5,000	7,918	7,824
FEES	500	242	458
COPIER	1,200	1,475	1,291
INTEREST	4,500	4,205	4,503
MISCELLANEOUS	2,500	5,652	2,652
	<u>495,256</u>	<u>476,335</u>	<u>470,381</u>
EXPENDITURE			
SALARIES AND BENEFITS	338,500	348,455	334,103
TRAINING AND DEVELOPMENT	7,500	6,523	7,919
ASSOCIATION DUES	881	908	671
RENT AND INSURANCE	39,200	41,100	39,222
COPIER	-	-	5,594
TELEPHONE	2,200	2,199	2,284
SUPPLIES AND POSTAGE	14,500	14,228	6,663
ADVERTISING AND PROGRAMS	4,850	3,917	3,916
AUDIO AND VISUAL	8,000	4,732	5,955
PERIODICALS AND NEWSPAPERS	6,100	7,901	5,543
ACCOUNTING AND INTERNET	9,300	6,366	9,230
CAPITAL			
BOOKS	53,200	34,063	44,774
FIXTURES AND EQUIPMENT	6,000	5,099	480
COMPUTER	5,000	776	3,626
DIRECTOR'S OFFICE	-	-	401
	<u>\$ 495,231</u>	<u>\$ 476,267</u>	<u>\$ 470,381</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ 25</u>	<u>\$ 68</u>	<u>-</u>

TRAIL AND DISTRICT LIBRARY
ADMINISTERED BY TRAIL PUBLIC LIBRARY BOARD
STATEMENT OF CHANGES IN NET ASSETS
DECEMBER 31, 2008

	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$ 15,538	\$ 15,538
EXCESS OF REVENUE OVER EXPENDITURE	<u>68</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ 15,606</u>	<u>\$ 15,538</u>

TRAIL AND DISTRICT LIBRARY
ADMINISTERED BY TRAIL PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
DECEMBER 31, 2008

	2008	2007
OPERATING ACTIVITIES		
EXCESS REVENUE OVER EXPENDITURE	\$ 68	\$ -
NET CHANGE IN NON CASH FINANCIAL ITEMS		
CAPITAL RESERVE	-	-
ACCOUNTS RECEIVABLE	1,030	457
ACCOUNTS PAYABLE	43,385	4,434
ACCRUED BENEFITS AND WAGES	(17,092)	12,853
DEFERRED REVENUE	6,875	(2,065)
	<u>34,266</u>	<u>15,679</u>
INCREASE IN CASH	34,266	15,679
CASH, BEGINNING OF YEAR	<u>179,349</u>	<u>163,670</u>
CASH, END OF YEAR	<u><u>\$ 213,615</u></u>	<u><u>\$ 179,349</u></u>

**TRAIL AND DISTRICT LIBRARY
ADMINISTERED BY TRAIL PUBLIC LIBRARY BOARD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008**

NOTE 1 - PURPOSE OF ORGANIZATION

THE TRAIL AND DISTRICT LIBRARY BOARD IS ESTABLISHED UNDER THE LIBRARY ACT OF BRITISH COLUMBIA. ITS PURPOSE IS TO OPERATE A DISTRICT LIBRARY AND PROVIDE LIBRARY SERVICES TO THE RESIDENTS OF TRAIL AND THE SURROUNDING AREA.

NOTE 2 - ACCOUNTING POLICIES

CAPITAL ASSETS

CAPITAL ASSET PURCHASES ARE RECORDED AS AN EXPENDITURE IN THE PERIOD INCURRED. NO PROVISION IS MADE FOR THE AMORTIZATION OF ASSETS OVER THEIR USEFUL LIVES. AS PER SECTION 4430.40 OF THE CICA HANDBOOK THIS IS AN ACCEPTABLE METHOD OF ACCOUNTING FOR CAPITAL ASSETS. TOTAL CAPITAL EXPENDITURES EXPENSED IN 2008 WERE \$39,938 (2007 -\$49,281).

REVENUE RECOGNITION

THE LIBRARY FOLLOWS THE DEFERRAL METHOD OF ACCOUNTING FOR CONTRIBUTIONS. EXTERNALLY RESTRICTED CONTRIBUTIONS ARE RECOGNIZED AS REVENUE IN THE YEAR IN WHICH THE RELATED EXPENSES ARE INCURRED. UNRESTRICTED CONTRIBUTIONS ARE RECOGNIZED AS REVENUE WHEN RECEIVED OR RECEIVABLE IF THE AMOUNT TO BE RECEIVED CAN BE REASONABLY ESTIMATED AND COLLECTION IS REASONABLY ASSURED. DUES AND FINES ARE RECORDED ON A CASH BASIS.

DONATED SERVICES

THE LIBRARY BENEFITS GREATLY FROM DONATED SERVICES IN THE FORM OF VOLUNTEER TIME. DONATED SERVICES ARE NOT RECOGNIZED IN THESE FINANCIAL STATEMENTS.

NOTE 3 - ACCOUNTS PAYABLE

	<u>2008</u>	<u>2007</u>
TRADE PAYABLES	\$ 4,050	\$ 5,612
CITY OF TRAIL PAYABLES	<u>125,169</u>	<u>80,222</u>
TOTAL PAYABLES	<u>\$ 129,219</u>	<u>\$ 85,834</u>

NOTE 4 - DEFERRED CONTRIBUTIONS

AMOUNTS WILL BE RECOGNIZED AS INCOME WHEN DISBURSEMENTS FOR THE INTENDED PURPOSE IS MADE.

	<u>2008</u>	<u>2007</u>
PROVINCE OF BC	\$ 9,500	\$ 9,500
DONATION	1,000	-
OTHER	5,875	-
	<u>\$ 16,375</u>	<u>\$ 9,500</u>

NOTE 5 ACCRUED BENEFITS

A. SICK LEAVE

THE COLLECTIVE AGREEMENT BETWEEN THE EMPLOYER AND THE EMPLOYEE STIPULATES THAT AN EMPLOYEE IS ENTITLED TO A SICK LEAVE PAYMENT UPON RETIREMENT. THE SICK LEAVE IS ACCRUED FOR ALL EMPLOYEES WHO HAVE IN EXCESS OF 10 YEARS OF SERVICE WITH THE LIBRARY.

B. VACATION

EMPLOYEES WHO HAVE EARNED VACATION DAYS AS OF THEIR ANNIVERSARY DATE OF EMPLOYMENT IN THE CURRENT YEAR, BUT HAVE NOT TAKEN THESE DAYS AS PAID TIME OFF AS AT DECEMBER 31, 2008.

	<u>2008</u>	<u>2007</u>
WCB PAYABLE	\$ 653	\$ 658
SICK LEAVE ACCRUED	43,904	52,957
VACATION ACCRUED	8,965	7,432
UNION DUES PAYABLE	-	328
PAYROLL ACCRUED	2,784	12,023
TOTAL ACCRUED BENEFITS	<u>\$ 56,306</u>	<u>\$ 73,398</u>

NOTE 6 ECONOMIC DEPENDENCY

THE LIBRARY IS ECONOMICALLY DEPENDENT ON REQUISITIONS RECEIVED FROM THE CITY OF TRAIL AND GRANTS FROM THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY, ITS ABILITY TO REMAIN A VIABLE ENTITY IS DEPENDENT UPON RECEIVING THIS FUNDING.

NOTE 7 USE OF ESTIMATES

THE PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES REQUIRE MANAGEMENT TO MAKE ASSUMPTIONS THAT AFFECT THE REPORTED AMOUNTS OF ASSETS, LIABILITIES, REVENUES AND EXPENSES. ACTUAL RESULTS MAY DIFFER FROM THOSE ESTIMATES.

NOTE 8 FINANCIAL INSTRUMENTS

THE CARRYING VALUE OF CASH, ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE, AND ACCRUED BENEFITS AND WAGES REFLECTED IN THE STATEMENT OF FINANCIAL POSITION APPROXIMATE THEIR RESPECTIVE FAIR VALUE. THE LIBRARY'S REVENUES ARE DEPENDENT ON A WIDE BASE AND BAD DEBTS HAVE NOT BEEN SIGNIFICANT. AS SUCH, CONCENTRATION OF CREDIT RISK ARE CONSIDERED TO BE MINIMAL.