

Financial Statements of

**THE HAMILTON PUBLIC LIBRARY
BOARD**

Period ended December 31, 2018

THE HAMILTON PUBLIC LIBRARY BOARD

Financial Statements

December 31, 2018, with comparative figures for 2017

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INDEPENDENT AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

Opinion

We have audited the financial statements of The Hamilton Public Library Board (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations, its changes in net financial assets and its 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 “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

We are independent of the Entity 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 the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
May 15, 2019

THE HAMILTON PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2018, with comparative figures for 2017

	2018	2017
Financial assets		
Cash	\$ 348,645	\$ 363,657
Accounts receivable	90,493	106,907
Investments held with the Hamilton Community Foundation (note 2)	2,225,110	2,643,978
Due from City of Hamilton (note 3)	7,235,337	7,800,119
	<u>\$9,899,585</u>	<u>10,914,661</u>
Liabilities		
Accounts payable and accrued liabilities	639,548	369,494
Liability for future benefits (note 4)	2,434,000	2,478,900
Deferred revenue (note 5)	966,593	1,053,782
	<u>4,040,141</u>	<u>3,902,176</u>
Net financial assets	5,859,444	7,012,485
Non-financial assets:		
Prepaid expenses	620,869	340,794
Tangible capital assets (Schedule)	11,501,008	11,682,107
	<u>12,121,877</u>	<u>12,022,901</u>
Commitments (note 8)		
Accumulated surplus (note 9)	<u>\$17,981,321</u>	<u>\$19,035,386</u>

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

THE HAMILTON PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus

Year ended December 31, 2018, with comparative figures for 2017

	Budget 2018	Actual 2018	Actual 2017
	(note 10)		
Revenue:			
Municipal contribution (note 3)	\$30,166,680	\$ 30,166,680	\$ 29,526,180
Province of Ontario Grants	949,450	949,451	949,451
Fines	360,000	339,942	334,417
Photocopier revenue	127,000	160,136	138,159
Donations	-	12,994	20,198
Other grant revenue	243,000	432,700	396,787
Other – rentals, sales and recoveries	116,070	122,252	107,488
Interest	-	288,842	291,793
Contributions from Municipal reserves (note 3)	281,490	287,428	281,639
	32,243,690	32,760,425	32,046,112
Expenditures:			
Employee related expenses	21,564,670	21,095,234	20,274,896
Contractual	1,706,460	2,013,389	2,125,655
Building and grounds	1,667,030	1,482,779	1,515,910
Materials and supplies	1,066,230	1,037,996	1,060,921
Financial	385,220	343,870	367,105
Capital Financing (note 6)	468,780	280,701	337,267
Vehicle expenses	80,640	68,658	60,715
Other	-	39,884	38,486
Consulting	-	28,041	10,043
Amortization	-	3,335,490	3,389,617
Municipal cost recoveries (note 3)	2,225,000	2,128,806	1,765,403
	29,164,030	31,854,848	30,946,018
Annual surplus before reserve transfers	3,079,660	905,577	1,100,094
Reserves transfer to Municipal capital fund (note 3) (note 11)	-	1,734,897	107,186
Contribution to Municipal reserves (note 3)	10,970	194,745	139,279
Contribution to Municipal capital fund (note 3)	-	30,000	100,000
Annual surplus (deficit)	3,068,690	(1,054,065)	753,629
Accumulated surplus, beginning of year	19,035,386	19,035,386	18,281,757
Accumulated surplus, end of year	\$22,104,076	\$17,981,321	\$ 19,035,386

See accompanying notes to financial statements.

THE HAMILTON PUBLIC LIBRARY BOARD

Statement of Changes in Net Financial Assets

Year ended December 31, 2018, with comparative figures for 2017

	2018	2017
Annual surplus (deficit)	\$(1,054,065)	\$ 753,629
Purchase of tangible capital assets	(3,154,391)	(3,419,029)
Amortization of tangible capital assets	3,335,490	3,389,617
	(872,966)	724,217
Net (increase) decrease in prepaid expenses	(280,075)	46,018
Change in net financial assets	(1,153,041)	770,235
Net financial assets, beginning of year	7,012,485	6,242,250
Net financial assets, end of year	\$ 5,859,444	\$ 7,012,485

See accompanying notes to financial statements.

THE HAMILTON PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2018, with comparative figures for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$(1,054,065)	\$ 753,629
Items not involving cash:		
Amortization	3,335,490	3,389,617
Increase (decrease) in liability for future benefits	(44,900)	76,800
Change in non-cash assets and other liabilities:		
Accounts receivable	16,414	(4,639)
Prepaid expenses	(280,075)	46,018
Accounts payable and accrued liabilities	270,054	(48,093)
Change in Due from City of Hamilton	564,782	(682,536)
Deferred revenue	(87,189)	48,955
	2,720,511	3,579,751
Capital activities:		
Purchase of tangible capital assets	(3,154,391)	(3,419,029)
Investing activities:		
Change in investments	418,868	(145,622)
Net change in cash	(15,012)	15,100
Cash, beginning of year	363,657	348,557
Cash, end of year	\$ 348,645	\$ 363,657

See accompanying notes to financial statements.

THE HAMILTON PUBLIC LIBRARY BOARD

Schedule of Tangible Capital Assets
Year ended December 31, 2018

The financial statements of the Hamilton Public Library Board (the "Board") are prepared by management in accordance with Canadian public sector accounting standards.

1. Significant accounting policies:

Significant accounting policies adopted by the Board are as follows:

(a) Basis of accounting:

The Library follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of a receipt of goods or services and the creation of a legal obligation to pay.

(b) Government transfers:

Government transfers received are from federal and provincial governments and the City of Hamilton. Government transfers paid relate to surplus repayment and future reserves to the City of Hamilton. Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(c) Investment income:

Investment income is reported as revenue in the period earned.

(d) Other income:

Other income is reported as revenue in the period earned.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed or donated tangible capital assets are recorded at their fair value at the date of receipt.

THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(e) Non-financial assets (continued):

(ii) Amortization

Amortization is recorded to reflect the cost, net of anticipated salvage value, associated with the use of the asset in providing library services over the estimated useful life of the asset. Amortization expense is calculated on a straight-line basis over the assets' estimated useful lives as follows:

Asset	Number of years
Collections (asset pool)	7 years
Furniture and equipment	10 years
Computer hardware	3 years
Computer software	5 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Library land and buildings are owned and controlled by the City of Hamilton and are therefore not reflected in these financial statements.

(f) Liability for future benefits:

The Library provides certain employee benefits which will require funding in future periods. The cost of self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by the employees, such as retirement health and dental benefits for retirees, is actuarially determined using the project benefit method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System (OMERS) pensions, are the employer's contributions due to the plan in the period. These contributions are recognized in the period in which the contributions are earned.

(g) Deferred revenue:

Deferred revenue represents funds collected for which related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year in which the related services are performed.

THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

1. Significant account policies (continued):

(h) Investments held with the Hamilton Community Foundation:

Investments held with the Hamilton Community Foundation are stated at cost. When the investments incur a loss in value that is other than temporary, the investments are written down to their fair value and the loss is recognized in the statement of operations.

(i) Use of estimates:

The preparation of financial statements in accordance with public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Significant estimates include assumptions used in performing actuarial valuations of liability for future benefits. Actual results could differ from those estimates.

2. Investments held with the Hamilton Community Foundation:

Investments of \$2,225,110 (2017 - \$2,643,978) are carried at cost. The investments have a market value of \$2,574,206 at the end of the year. The market value represents the realizable value of the investments if they were to be sold at December 31, 2018.

3. Related party transactions:

(a) Transactions with related parties:

	2018	2017
Revenue:		
Municipal contribution	\$ 30,166,680	\$ 29,526,180
Contribution from municipal reserves	287,428	281,639
	\$ 30,454,108	\$ 29,807,819
Expenses:		
Municipal cost recoveries	\$ 2,128,806	\$ 1,765,403
Reserves transfer to Municipal capital fund	1,734,897	107,186
Contribution to Municipal reserves	194,745	139,279
Contribution to Municipal capital fund	30,000	100,000
	\$ 4,088,448	\$ 2,111,868

These transactions have been reflected in annual surplus for the current year and were measured at the exchange amount of consideration established and agreed to by the related parties.

THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

3. Related party transactions (continued):

(b) Outstanding balances due from related parties:

	2018	2017
City of Hamilton	\$ 7,235,337	\$ 7,800,119

The balance due from the City of Hamilton is non-interest bearing and has no set terms of repayment.

4. Liability for future benefits:

In accordance with Canadian public sector accounting standards, the Board is required to report obligations for retirement benefits earned over the employment period of its employees. Retirement benefits have been determined by an actuarial valuation completed December 31, 2018.

Employees who have retired either under the OMERS early retirement provisions or otherwise are eligible to receive drug, extended health services and dental benefits for the lifetime of the retiree. Effective January 1, 2002 new retirees only receive benefits until age sixty-five.

The Board recognizes the post employment benefits costs as they are earned during the year. The Board's obligation under the post-employment provisions of employment agreements will be funded out of current revenue.

Accrued benefit obligation:

	2018	2017
Vested sick leave liability	\$ 17,200	\$ 30,900
Retirement benefits	3,057,500	3,156,300
	3,074,700	3,187,200
Net unamortized actuarial loss	(640,700)	(708,300)
Accrued liability	\$ 2,434,000	\$ 2,478,900

THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Liability for future benefits (continued):

The continuity of employee benefits and other obligations are summarized as follows:

	2018	2017
Liability for employee future benefits and other obligations		
balance at beginning of the year	\$ 2,478,900	\$ 2,402,100
Benefit expenditure	97,700	91,200
Interest expenditure	116,900	125,000
Amortization of actuarial loss	67,600	103,100
Benefit payments	(327,100)	(242,500)
Liability for employee benefits and other obligations		
balance at end of the year	\$ 2,434,000	\$ 2,478,900

Actuarial valuations are performed on post-employment and retirement benefits to provide estimates of the accrued benefit obligations. These estimates are based on a number of assumptions about future events including interest rates, inflation rates, salary and wage increases, medical and dental cost increases and mortality. The assumptions are determined at the time of the actuarial valuations and are reviewed annually.

	Discount Rate	Return on Assets	Inflation Rate	Salary Increases	Dental Increases	Life Expectancy (years)
Vested sick leave	3.50%	NA	2.0%	3.0%	NA	14.0
Retirement Benefits – Health and Dental	3.75%	NA	2.0%	3.0%	4.0% ⁽¹⁾	14.0

Note: (1) – Medical costs are assumed to increase at a rate of 8.0% in 2018 (2017 – 8.2%), decreasing 0.2% per annum to 4.0% in 2038.

(a) Liability for vested sick leave:

Effective May 1, 1982 the Income Protection Plan was adopted and sick leave credits earned under the Sick Leave Benefit Plan were frozen. Under the Sick Leave Benefit Plan unused sick leave would accumulate and employees were entitled to cash payment upon termination of services after ten continuous years. Entitlement to cash payment continues to apply to those employees who accumulated days prior to May 1, 1982, to the extent that they have vested and could be taken in cash by an employee on termination. The estimated accrued benefit obligation at December 31, 2018 is \$17,200 (2017 - \$30,900).

(b) Liability for retirement benefits:

The Board provides certain health, dental and life insurance benefits between the time an employee retires under OMERS or the normal retirement age and up to the age of 65 years. The estimated accrued benefit obligation at December 31, 2018 is \$3,057,500 (2017 - \$3,156,300).

THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Deferred revenue:

Deferred revenue consists of grants and funds received in advance which are expected to be earned in the next fiscal year. Continuity of deferred revenue is as follows:

Balances	2018	2017
Government grants	\$ 30,279	\$ 81,787
M. Waldon Thompson estate	22,832	22,165
Permanent fund	845,408	882,977
F. Waldon Library bequest	68,074	66,853
	\$ 966,593	\$ 1,053,782

Continuity	2018	2017
Balance, beginning of year	\$ 1,053,782	\$ 1,004,827
Add:		
Transfers in - grants	30,279	81,787
Transfers in – deferred donations	41,279	53,359
Less:		
Amounts recognized in revenue - grants	(81,787)	(72,273)
Amounts recognized in revenue - deferred donations	(76,960)	(13,918)
	\$ 966,593	\$ 1,053,782

6. Long term debt held by the City of Hamilton:

The City charges the Board principal and interest for long term debt related to Library facilities and other capital. These charges are funded by the City through its annual contributions. The debt is not disclosed on the statement of financial position as the City of Hamilton is legally responsible for the repayment of the debt.

(a) The net long term debt to which these charges are related is as follows:

Debenture Number	Purpose	Interest Rates	Maturity Date	2018	2017
08-120	South Mtn Complex	4.728%	2023	\$ 1,129,103	\$ 1,349,371
				\$ 1,129,103	\$ 1,349,371

THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

6. Long term debt held by the City of Hamilton (continued):

(b) Principal charges in each of the next five years are as follows:

2019	\$	230,805
2020		241,847
2021		253,416
2022		265,539
2023		137,496
	\$	1,129,103

(c) The Board was charged \$280,701 (2017 - \$337,267) for long term debt charges during the year as follows:

	2018	2017
Principal	\$ 220,268	\$ 266,314
Interest	60,433	70,953
	\$ 280,701	\$ 337,267

7. Pension agreements:

The Hamilton Public Library makes contributions to OMERS, which is a multi-employer plan, on behalf of 229 members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The latest actuarial valuation as at December 31, 2018 reported a funding deficit of \$4.2 billion (2017 - \$5.4 billion). OMERS expects the contributions and policy changes made in response to the deficit to return the plan to a fully funded position by 2025. Contributions were made in the 2018 calendar year at rates ranging from 9.0% to 14.6% depending on the level of earnings. As a result, \$1,292,006 was contributed to OMERS (2017 - \$1,265,472) for current service.

THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

8. Commitments:

Minimum future lease payments for various premises are as follows:

2019	\$	721,066
2020		558,886
2021		110,375
2022		112,583
2023		114,834
2024 and thereafter		4,050,079
	\$	5,667,823

9. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserve and reserve funds as follows:

	2018	2017
Reserves and reserve funds	\$ 8,914,313	\$ 9,832,179
Unfunded liability for future benefits	(2,434,000)	(2,478,900)
Tangible capital assets	11,501,008	11,682,107
Balance, end of year	\$ 17,981,321	\$ 19,035,386

Reserves and reserve funds:

	2018	2017
Library general development	\$ 916,690	\$ 1,279,883
Library major capital projects	1,829,814	2,020,044
Accessibility health and safety	974,122	890,990
Library collections	1,011,193	1,016,570
Redevelopment, training and restructuring	394,982	513,932
Summer reading	507,913	596,707
Computer reserve	642,308	482,514
Mobile equipment	539,383	562,187
Youth programming	82,908	80,868
Special gift fund	1,900,425	2,271,234
Ketha McLaren fund	42,095	48,472
Waterdown Library fundraising	48,701	47,503
Donations	23,779	21,275
	\$ 8,914,313	\$ 9,832,179

THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2018

10. Budget data:

The budgets originally approved by the Library for 2018 are reflected on the statement of operations and do not include amounts related to public sector accounting standards reporting requirements.

Accumulated surplus consists of individual fund surplus and reserve and reserve funds as follows:

Revenues:	
Operating budget	\$ 32,243,690
Capital budget	-
<u>Total revenue</u>	<u>32,243,690</u>
Expenses:	
Operating budget	29,175,000
Capital budget	3,068,690
 Less:	
Capital expenses	(3,068,690)
<u>Total expenses</u>	<u>29,175,000</u>
 <u>Annual surplus</u>	 <u>\$ 3,068,690</u>

11. Contribution to Reserves of Municipality:

Historically, there has been no budgeted amount for transfers to the Municipality. This is due to the fact that impending projects are not necessarily known or approved at the time of the budget preparation.

THE HAMILTON PUBLIC LIBRARY BOARD

Schedule of Tangible Capital Assets
Year ended December 31, 2018

December 31, 2018

Cost	Computer hardware	Computer software	Collections	Furniture and equipment	Total
Beginning of year	\$ 407,252	\$ 278,604	\$ 20,424,868	\$ 2,605,872	\$ 23,716,596
Add: Additions during the year	150,416	19,657	2,781,627	145,644	3,097,344
Less: disposals during the year	(95,958)	(112,254)	(3,200,884)	(231,166)	(3,640,262)
End of year	\$ 461,710	\$ 186,007	\$ 20,005,611	\$ 2,520,350	\$ 23,173,678
Accumulated Amortization	Computer hardware	Computer software	Collections	Furniture and Equipment	Total
Beginning of year	\$ 193,762	\$ 172,061	\$ 10,429,595	\$ 1,239,071	\$ 12,034,489
Add: amortization during the year	144,827	46,461	2,887,891	256,311	3,335,490
Less: amortization on disposals	(95,958)	(112,254)	(3,200,884)	(231,166)	(3,640,262)
End of year	\$ 242,631	\$ 106,268	\$ 10,116,602	\$ 1,264,216	\$ 11,729,717
Net book value	\$ 219,079	\$ 79,739	\$ 9,889,009	\$ 1,256,134	\$ 11,443,961
Works-in-progress	-	-	-	57,047	57,047
Total	\$ 219,709	\$ 79,739	\$ 9,889,009	\$ 1,313,181	\$ 11,501,008

December 31, 2017

Cost	Computer hardware	Computer software	Collections	Furniture and equipment	Total
Beginning of year	\$ 294,898	\$ 316,333	\$ 20,979,490	\$ 2,506,995	\$ 24,097,716
Add: Additions during the year	125,551	8,183	3,015,455	269,840	3,419,029
Less: disposals during the year	(13,197)	(45,912)	(3,570,077)	(170,963)	(3,800,149)
End of year	\$ 407,252	\$ 278,604	\$ 20,424,868	\$ 2,605,872	\$ 23,716,596
Accumulated Amortization	Computer hardware	Computer software	Collections	Furniture and equipment	Total
Beginning of year	\$ 89,934	\$ 158,479	\$ 11,042,218	\$ 1,154,390	\$ 12,445,021
Add: amortization during the year	117,025	59,494	2,957,454	255,644	3,389,617
Less: amortization on disposals	(13,197)	(45,912)	(3,570,077)	(170,963)	(3,800,149)
End of year	\$ 193,762	\$ 172,061	\$ 10,429,595	\$ 1,239,071	\$ 12,034,489
Net book value	\$ 213,490	\$ 106,543	\$ 9,995,273	\$ 1,366,801	\$ 11,682,107

The Library has no contributed assets and no tangible capital assets recognized at nominal value. The Library has works of art, historical treasures, sculptures, and murals that are preserved by the Library but are not recorded as tangible capital assets.