



OXFORD COUNTY LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2013

OXFORD COUNTY LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013
(with comparative figures as at December 31, 2012)

	2013	2012
FINANCIAL ASSETS		
Cash	\$ 364,279	\$ 342,397
Accounts receivable	28,156	195,912
Due from the County of Oxford	763,432	805,507
	<u>1,155,867</u>	<u>1,343,816</u>
LIABILITIES		
Accounts payable and accrued liabilities	170,787	154,487
Deferred revenue (Note 1)	455,284	599,692
Net long term liabilities (Note 2)	1,442,655	797,316
	<u>2,068,726</u>	<u>1,551,495</u>
NET FINANCIAL ASSETS (LIABILITIES)	(912,859)	(207,679)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	5,774,242	4,508,430
Capital work in progress	-	22,314
	<u>5,774,242</u>	<u>4,530,744</u>
ACCUMULATED SURPLUS (Note 3)	\$ 4,861,383	\$ 4,323,065

The summary of significant accounting policies and notes to the financial statement are an integral part of this financial statement.

OXFORD COUNTY LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013
(with comparative figures for the year ended December 31, 2012)

	Budget 2013	Actual 2013	Actual 2012
	(Note 4)		
REVENUES			
County of Oxford contribution	\$ 2,962,786	\$ 2,962,786	\$ 2,516,919
Government of Canada grants	289,591	219,019	69,543
Province of Ontario grants	240,219	180,461	125,719
Fees and service charges	229,750	36,548	52,129
Investment income	-	980	961
Development charges	502,300	506,956	35,000
Donations	5,000	8,907	5,079
	4,229,646	3,915,657	2,805,350
EXPENSES			
Salaries, wages and benefits	2,051,573	1,994,950	1,660,876
Materials and supplies	294,449	320,074	254,996
Contracted services	54,642	43,431	40,678
Rents and financial expenses	174,198	197,233	169,036
Interfunctional transfers	359,553	381,931	322,793
Interest on long term debt	39,088	46,895	48,826
Amortization	-	392,825	365,716
	2,973,503	3,377,339	2,862,921
EXCESS REVENUES OVER EXPENSES BEFORE OTHER (EXCESS EXPENSES OVER REVENUES BEFORE OTHER)	1,256,143	538,318	(57,571)
OTHER REVENUES			
Gain on disposal of capital assets	-	-	3,270
Proceeds from building sale	-	-	40,466
	-	-	43,736
EXCESS REVENUES OVER EXPENSES (EXCESS EXPENSES OVER REVENUES)	1,256,143	538,318	(13,835)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,323,065	4,323,065	4,336,900
ACCUMULATED SURPLUS, END OF YEAR	\$ 5,579,208	\$ 4,861,383	\$ 4,323,065

The summary of significant accounting policies and notes to the financial statement are an integral part of this financial statement.

OXFORD COUNTY LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013
(with comparative figures for the year ended December 31, 2012)

	2013	2012
EXCESS REVENUES OVER EXPENSES (EXCESS EXPENSES OVER REVENUES)	\$ 538,318	\$ (13,835)
Acquisition of tangible capital assets	(1,658,637)	(248,288)
(Increase) in capital work in progress	22,314	(22,314)
Amortization of tangible capital assets	392,825	365,716
(Gain) on disposal of tangible capital assets	-	(3,270)
Proceeds from the sale of tangible capital assets	-	3,270
INCREASE IN NET FINANCIAL ASSETS (LIABILITIES)	(705,180)	81,279
NET FINANCIAL ASSETS (LIABILITIES), BEGINNING OF YEAR	(207,679)	(288,958)
NET FINANCIAL ASSETS (LIABILITIES), END OF YEAR	<u>\$ (912,859)</u>	<u>\$ (207,679)</u>

The summary of significant accounting policies and notes to the financial statement are an integral part of this financial statement.

OXFORD COUNTY LIBRARY BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013
(with comparative figures for the year ended December 31, 2012)

	2013	2012
OPERATING ACTIVITIES		
Excess revenues over expenses (excess expenses over revenues)	\$ 538,318	\$ (13,835)
Non-cash changes to operations		
Amortization of tangible capital assets	392,825	365,716
(Gain) on disposal of capital assets	-	(3,270)
Changes to non-cash operating balances		
Accounts receivable	167,756	(13,133)
Due from Oxford County	42,075	153,988
Accounts payable and accrued liabilities	16,300	(10,353)
Deferred revenue	(144,408)	83,088
Net change in cash from operating	<u>1,012,866</u>	<u>562,201</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(1,658,637)	(248,288)
Decrease (increase) in capital work in progress	22,314	(22,314)
Proceeds from the sale of tangible capital assets	-	3,270
Net change in cash from capital	<u>(1,636,323)</u>	<u>(267,332)</u>
FINANCING ACTIVITIES		
Proceeds from long term debt	835,000	-
Long term debt principal repayments	(189,661)	(183,709)
Net change in cash from financing	<u>645,339</u>	<u>(183,709)</u>
Increase (decrease) in cash and cash equivalents	21,882	111,160
Cash and short term investments, beginning of year	<u>342,397</u>	<u>231,237</u>
Cash and short term investments, end of year	<u>\$ 364,279</u>	<u>\$ 342,397</u>

The summary of significant accounting policies and notes to the financial statement are an integral part of this financial statement.

OXFORD COUNTY LIBRARY BOARD
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2013

Management's Responsibility for the Financial Statements

The financial statements of the Oxford County Library Board are the representation of management in accordance with accounting policies as recommended by the Public Sector Accounting Board. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of these financial statements necessarily involves the use of estimates and approximations.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and the creation of a legal obligation to pay.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees, and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	35 years
Furnishings and fixtures	10 years
Library books	7 years
Machinery and equipment	10 years

Government Transfers

Government transfers, which include legislative 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, and reasonable estimates of the amount can be made.

Deferred Revenue

Revenues received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general library purposes are accounted for as deferred revenue on the Statement of Financial Position. The revenues are recognized in the Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

OXFORD COUNTY LIBRARY BOARD
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2013

Revenue Recognition

Taxes are recognized as revenue in the year they are levied.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenses are made.

Sales of service and other revenue are recognized on an accrual basis.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

OXFORD COUNTY LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. Deferred Revenue

The deferred revenue balance is comprised of the following:

	2013	2012
Development charges	\$ 345,688	\$ 504,318
Donations	109,596	95,374
	\$ 455,284	\$ 599,692

2. Net Long Term Liabilities

(a) The balance of long term liabilities reported on the Statement of Financial Position is made up of the following:

	2013	2012
Total long term liabilities incurred on behalf of the Oxford County Library at various rates of interest ranging from 3.22% to 6.25% (December 31, 2012 - 4.00% to 6.25%) with maturity dates ranging from January 2017 to August 2023	\$ 1,442,655	\$ 797,316

(b) Of the net long term liabilities reported in (a) of this note, the minimum principal repayments required are estimated as follows:

2014	\$ 171,240
2015	173,456
2016	175,817
2017	178,331
2018	137,458
2019-2023	606,353
	\$ 1,442,655

(c) The net interest expense for the year ended December 31, 2013 was \$46,895 (2012 - \$48,826).

OXFORD COUNTY LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

3. Accumulated Surplus

Accumulated surplus consists of individual fund surpluses and reserves as follows:

	2013	2012
Surpluses (deficits)		
Operating fund	\$ (1,526,957)	\$ (746,343)
Invested in tangible capital assets	5,774,242	4,530,744
Library	136,270	74,388
	4,383,555	3,858,789
 Reserves		
Library	477,828	464,276
	\$ 4,861,383	\$ 4,323,065

4. Budget

The Financial Plan (Budget) By-Law adopted by Council on January 09, 2013 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2013 actuals are reported on a full accrual basis which includes; amortization of, gains and losses on disposal of and certain revenues related to, capital assets, but excludes debt repayment, capital asset costs and transfers of accumulated surplus. This is consistent with the Public Sector Accounting Standard. As a result, the budget figures presented in the Statement of Operations and Accumulated Surplus represent the Financial Plan adopted by Council on January 09, 2013 with adjustments as follows:

	2013
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	1,911,875
Debt principal repayment	189,661
Less:	
Issuance of long term liabilities	835,000
Transfers from accumulated surplus	10,393
	\$ 1,256,143

OXFORD COUNTY LIBRARY BOARD
SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2013
(with comparative balances as at December 31, 2012)

Schedule 1

	Buildings	Furniture and Fixtures	Machinery and Equipment	Library Books	Total	Total 2012
COST						
Balance, beginning of year	\$4,289,351	\$1,871,816	\$72,588	\$1,676,383	\$7,910,138	\$7,878,346
Add: additions during the year	1,157,794	288,817	-	212,026	1,658,637	248,288
Less: disposals during the year	-	-	-	-	-	216,496
Balance, end of year	5,447,145	2,160,633	72,588	1,888,409	9,568,775	7,910,138
ACCUMULATED AMORTIZATION						
Balance, beginning of year	831,703	1,813,458	41,017	715,530	3,401,708	3,252,488
Add: amortization during the year	138,633	7,450	7,259	239,483	392,825	365,716
Less: disposals during the year	-	-	-	-	-	216,496
Balance, end of year	970,336	1,820,908	48,276	955,013	3,794,533	3,401,708
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$4,476,809	\$339,725	\$24,312	\$933,396	\$5,774,242	\$4,508,430