



Oxford County Library Board Financial Statements
December 31, 2015

Oxford County Library Board

Statement of Financial Position

As at December 31, 2015 (comparative balances as at December 31, 2014)

	2015	2014
Financial assets		
Cash	\$ 296,807	\$ 123,605
Accounts receivable	167,706	19,258
Due from the County of Oxford	753,618	910,461
	<u>1,218,131</u>	<u>1,053,324</u>
Liabilities		
Accounts payable and accrued liabilities	149,343	226,739
Deferred revenue (Note 1)	436,966	364,565
Net long term liabilities (Note 2)	1,097,959	1,271,415
	<u>1,684,268</u>	<u>1,862,719</u>
Net financial liabilities	<u>(466,137)</u>	<u>(809,395)</u>
Non financial assets		
Tangible capital assets (Schedule 1)	<u>5,446,236</u>	<u>5,613,264</u>
Accumulated surplus (Note 3)	<u>\$ 4,980,099</u>	<u>\$ 4,803,869</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 Operations and Accumulated Surplus

For the year ended December 31, 2015 (comparative figures for year ended December 31, 2014)

	Budget 2015	Actual 2015	Actual 2014
(Note 4)			
Revenues			
Property taxes	\$ 3,392,810	\$ 3,392,810	\$ 2,962,786
User fees and charges	33,225	43,575	39,317
Government transfers - Federal	16,852	9,501	78,711
Government transfers - Provincial	162,490	162,490	143,872
Investment income		925	1,053
Development charges	100,000	78,200	244,062
Donations	5,000	13,097	10,510
	<u>3,710,377</u>	<u>3,700,598</u>	<u>3,480,311</u>
Expenses			
Salaries, wages and benefits	2,185,865	2,058,473	2,011,206
Materials and supplies	313,671	333,276	365,318
Contracted services	56,276	33,959	56,115
Rents and financial expenses	216,590	213,767	215,434
Interfunctional transfers	386,987	399,359	393,438
Interest on long term debt	48,011	47,227	54,592
Amortization	392,825	438,307	441,722
	<u>3,600,225</u>	<u>3,524,368</u>	<u>3,537,825</u>
Excess revenues over expenses	110,152	176,230	(57,514)
Accumulated surplus, beginning of year	<u>4,803,869</u>	<u>4,803,869</u>	<u>4,861,383</u>
Accumulated surplus, end of year	<u>\$ 4,914,021</u>	<u>\$ 4,980,099</u>	<u>\$ 4,803,869</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 Change in Net Financial Assets (Liabilities)

For the year ended December 31, 2015 (comparative figures for year ended December 31, 2014)

	2015	2014
Excess revenues over expenses (excess expenses over revenues)	\$ 176,230	\$ (57,514)
Acquisition of tangible capital assets	(271,279)	(280,744)
Amortization of tangible capital assets	438,307	441,722
Increase in net financial assets (liabilities)	343,258	103,464
Net financial liabilities, beginning of year	(809,395)	(912,859)
Net financial liabilities, end of year	<u>\$ (466,137)</u>	<u>\$ (809,395)</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, 2015 (comparative figures for year ended December 31, 2014)

	2015	2014
Operating activities		
Excess revenues over expenses (excess expenses over revenues)	\$ 176,230	\$ (57,514)
Non-cash changes to operations		
Amortization of tangible capital assets	438,307	441,722
Changes in non-cash operating balances		
Accounts receivable	(148,448)	8,898
Due from Oxford County	156,843	(147,029)
Accounts payable and accrued liabilities	(77,396)	55,952
Deferred revenue	72,401	(90,719)
Net change in cash from operating	<u>617,937</u>	<u>211,310</u>
Capital activities		
Acquisition of tangible capital assets	<u>(271,279)</u>	<u>(280,744)</u>
Net change in cash from capital	<u>(271,279)</u>	<u>(280,744)</u>
Financing activities		
Long term debt principal repayments	<u>(173,456)</u>	<u>(171,240)</u>
Net change in cash from financing	<u>(173,456)</u>	<u>(171,240)</u>
Increase in cash	173,202	(240,674)
Cash, beginning of year	<u>123,605</u>	<u>364,279</u>
Cash, end of year	<u>\$ 296,807</u>	<u>\$ 123,605</u>

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

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. The preparation of financial statements in conformity with Canadian public sector accounting standards established by the Public Sector Accounting Board "PSAB" of the Chartered Professional Accountants "CPA" Canada 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.

Accrual Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or 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

Assets under construction are not amortized until the asset is available for use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

Government Transfer

Government transfers from the province or federal government 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

In accordance with PSAB requirements, obligatory reserve funds are reported as a component of deferred revenue. Development charge collections have been segregated, as required by the Development Charges Act, to finance a portion of the cost of growth-related capital projects. Revenue recognition occurs when the library has incurred the expenditure for which the development charges were collected.

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. The revenue is recognized in the year in which it is used for the specified purpose.

Revenue Recognition

Taxation revenues are recognized when the tax is authorized and the taxable event has occurred. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the assessment return roll used for billing purposes. Property taxes for these supplementary/omitted amounts are then billed according to the approved tax rate for the property class. Taxation revenues in any year may also be reduced as a result of reductions in assessment values arising from assessment and/or tax appeals. These assessment changes are recorded in the year the change is settled.

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, determines the change in net financial liabilities for the year.

Oxford County Library Board
Notes to the Financial Statements
December 31, 2015

1. Deferred Revenue

The deferred revenue balance is comprised of the following:

	<u>2015</u>	<u>2014</u>
Development charges	\$ 274,224	\$ 261,711
Donations	162,742	102,854
	<u>\$ 436,966</u>	<u>\$ 364,565</u>

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:

	<u>2015</u>	<u>2014</u>
Total long term liabilities incurred on behalf of the Oxford County Library at various rates of interest ranging from 3.22% to 6.25% (2014 - 3.22% to 6.25%) with maturity dates ranging from January 2017 to August 2023	<u>\$ 1,097,959</u>	<u>\$ 1,271,415</u>

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

2016	\$ 175,817
2017	178,331
2018	137,458
2019	137,458
2020	137,458
2020-2023	331,437
	<u>\$ 1,097,959</u>

(c) The net interest expense for the year ended December 31, 2015 was \$47,227 (2014 - \$54,592).

Oxford County Library Board
Notes to the Financial Statements
December 31, 2015

3. Accumulated Surplus

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

	<u>2015</u>	<u>2014</u>
Surpluses (deficits)		
Operating fund	\$ (21,749)	\$ (30,381)
Invested in tangible capital assets	4,348,277	4,341,849
Library	139,670	166
	<u>4,466,198</u>	<u>4,311,634</u>
 Reserves		
Library	<u>513,901</u>	<u>492,235</u>
	<u>\$ 4,980,099</u>	<u>\$ 4,803,869</u>

4. Budget

The Financial Plan (Budget) By-Law adopted by Council on January 28, 2015 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2015 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 28, 2015 with adjustments as follows:

	<u>2015</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	310,000
Debt principal repayment	173,457
Less:	
Amortization	392,825
Transfers from accumulated surplus	(19,520)
	<u>\$ 110,152</u>

Oxford County Library Board

Schedule of Tangible Capital Assets

As at December 31, 2015 (comparative balances as at December 31, 2014)

Schedule 1

	Buildings	Furniture and Fixtures	Machinery and Equipment	Library Books	Total	Total 2014
COST						
Balance, beginning of year	\$5,447,145	\$2,160,633	\$72,588	\$1,674,355	\$9,354,721	\$9,568,775
Add: additions during the year	-	22,456	-	248,823	271,279	280,744
Less: disposals during the year	-	-	-	218,476	218,476	494,798
Balance, end of year	5,447,145	2,183,089	72,588	1,704,702	9,407,524	9,354,721
ACCUMULATED AMORTIZATION						
Balance, beginning of year	1,131,482	1,857,240	55,535	697,200	3,741,457	3,794,533
Add: amortization during the year	155,524	36,331	7,259	239,193	438,307	441,722
Less: disposals during the year	-	-	-	218,476	218,476	494,798
Balance, end of year	1,287,006	1,893,571	62,794	717,917	3,961,288	3,741,457
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$4,160,139	\$289,518	\$9,794	\$986,785	\$5,446,236	\$5,613,264