



OXFORD COUNTY LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2014

OXFORD COUNTY LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014
(with comparative figures as at December 31, 2013)

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 123,605	\$ 364,279
Accounts receivable	19,258	28,156
Due from the County of Oxford	910,461	763,432
	<u>1,053,324</u>	<u>1,155,867</u>
LIABILITIES		
Accounts payable and accrued liabilities	226,739	170,787
Deferred revenue (Note 1)	364,565	455,284
Net long term liabilities (Note 2)	1,271,415	1,442,655
	<u>1,862,719</u>	<u>2,068,726</u>
NET FINANCIAL LIABILITIES	(809,395)	(912,859)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	5,613,264	5,774,242
ACCUMULATED SURPLUS (Note 3)	<u>\$ 4,803,869</u>	<u>\$ 4,861,383</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, 2014
(with comparative figures for the year ended December 31, 2013)

	Budget 2014	Actual 2014	Actual 2013
	(Note 4)		
REVENUES			
County of Oxford contribution	\$ 2,962,786	\$ 2,962,786	\$ 2,962,786
Government of Canada grants	16,768	78,711	219,019
Province of Ontario grants	140,229	143,872	180,461
Fees and service charges	27,650	39,317	36,548
Investment income	-	1,053	980
Development charges	244,062	244,062	506,956
Donations	5,000	10,510	8,907
	3,396,495	3,480,311	3,915,657
EXPENSES			
Salaries, wages and benefits	2,030,841	2,011,206	1,994,950
Materials and supplies	293,301	365,318	320,074
Contracted services	94,236	56,115	43,431
Rents and financial expenses	191,330	215,434	197,233
Interfunctional transfers	377,323	393,438	381,931
Interest on long term debt	55,373	54,592	46,895
Amortization	368,102	441,722	392,825
	3,410,506	3,537,825	3,377,339
EXCESS REVENUES OVER EXPENSES (EXCESS EXPENSES OVER REVENUES)	(14,011)	(57,514)	538,318
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,861,383	4,861,383	4,323,065
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,847,372	\$ 4,803,869	\$ 4,861,383

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OXFORD COUNTY LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

	2014	2013
EXCESS REVENUES OVER EXPENSES (EXCESS EXPENSES OVER REVENUES)	\$ (57,514)	\$ 538,318
Acquisition of tangible capital assets	(280,744)	(1,658,637)
Decrease in capital work in progress	-	22,314
Amortization of tangible capital assets	441,722	392,825
INCREASE IN NET FINANCIAL ASSETS (LIABILITIES)	103,464	(705,180)
NET FINANCIAL LIABILITIES, BEGINNING OF YEAR	(912,859)	(207,679)
NET FINANCIAL LIABILITIES, END OF YEAR	\$ (809,395)	\$ (912,859)

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, 2014
(with comparative figures for the year ended December 31, 2013)

	2014	2013
OPERATING ACTIVITIES		
Excess revenues over expenses (excess expenses over revenues)	\$ (57,514)	\$ 538,318
Non-cash changes to operations		
Amortization of tangible capital assets	441,722	392,825
Changes to non-cash operating balances		
Accounts receivable	8,898	167,756
Due from Oxford County	(147,029)	42,075
Accounts payable and accrued liabilities	55,952	16,300
Deferred revenue	(90,719)	(144,408)
Net change in cash from operating	<u>211,310</u>	<u>1,012,866</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(280,744)	(1,658,637)
Decrease in capital work in progress	-	22,314
Net change in cash from capital	<u>(280,744)</u>	<u>(1,636,323)</u>
FINANCING ACTIVITIES		
Proceeds from long term debt	-	835,000
Long term debt principal repayments	(171,240)	(189,661)
Net change in cash from financing	<u>(171,240)</u>	<u>645,339</u>
Increase (decrease) in cash and cash equivalents	(240,674)	21,882
Cash and short term investments, beginning of year	<u>364,279</u>	<u>342,397</u>
Cash and short term investments, end of year	<u>\$ 123,605</u>	<u>\$ 364,279</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, 2014

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, 2014

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 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.

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, 2014

1. Deferred Revenue

The deferred revenue balance is comprised of the following:

	2014	2013
Development charges	\$ 261,711	\$ 345,688
Donations	102,854	109,596
	\$ 364,565	\$ 455,284

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:

	2014	2013
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, 2013 - 3.22% to 6.25%) with maturity dates ranging from January 2017 to August 2023	\$ 1,271,415	\$ 1,442,655

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

2015	\$ 173,456
2016	175,817
2017	178,331
2018	137,458
2019	137,458
2020-2023	468,895
	\$ 1,271,415

(c) The net interest expense for the year ended December 31, 2014 was \$54,592 (2013 - \$46,895).

OXFORD COUNTY LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

3. Accumulated Surplus

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

	2014	2013
Surpluses (deficits)		
Operating fund	\$ (30,381)	\$ (84,302)
Invested in tangible capital assets	4,341,849	4,331,587
Library	166	136,270
	<u>4,311,634</u>	<u>4,383,555</u>
 Reserves		
Library	492,235	477,828
	<u>\$ 4,803,869</u>	<u>\$ 4,861,383</u>

4. Budget

The Financial Plan (Budget) By-Law adopted by Council on December 11, 2013 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2014 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 December 11, 2013 with adjustments as follows:

	2014
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	315,000
Debt principal repayment	171,241
Less:	
Amortization	368,102
Transfers from accumulated surplus	132,150
	<u>\$ (14,011)</u>

5. Comparative Balances

Certain comparative balances have been restated to conform with the current year's presentation.

OXFORD COUNTY LIBRARY BOARD
SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2014
(with comparative balances as at December 31, 2013)

Schedule 1

	Buildings	Furniture and Fixtures	Machinery and Equipment	Library Books	Total	Total 2013
COST						
Balance, beginning of year	\$5,447,145	\$2,160,633	\$72,588	\$1,888,409	\$9,568,775	\$7,910,138
Add: additions during the year	-	-	-	280,744	280,744	1,658,637
Less: disposals during the year	-	-	-	494,798	494,798	-
Balance, end of year	5,447,145	2,160,633	72,588	1,674,355	9,354,721	9,568,775
ACCUMULATED AMORTIZATION						
Balance, beginning of year	970,336	1,820,908	48,276	955,013	3,794,533	3,401,708
Add: amortization during the year	161,146	36,332	7,259	236,985	441,722	392,825
Less: disposals during the year	-	-	-	494,798	494,798	-
Balance, end of year	1,131,482	1,857,240	55,535	697,200	3,741,457	3,794,533
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$4,315,663	\$303,393	\$17,053	\$977,155	\$5,613,264	\$5,774,242