



**Oxford County Library Board Financial Statements**  
**December 31, 2016**

# Oxford County Library Board

## Statement of Financial Position

As at December 31, 2016 (comparative balances as at December 31, 2015)

	2016	2015
<b>Financial assets</b>		
Cash	\$ 176,291	\$ 296,807
Accounts receivable	23,971	167,706
Due from the County of Oxford	1,310,820	776,074
	<u>1,511,082</u>	<u>1,240,587</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	216,317	149,343
Deferred revenue (Note 1)	507,900	436,966
Net long term liabilities (Note 2)	922,141	1,097,959
	<u>1,646,358</u>	<u>1,684,268</u>
<b>Net financial liabilities</b>	<u><b>(135,276)</b></u>	<u><b>(443,681)</b></u>
<b>Non financial assets</b>		
Tangible capital assets (Schedule 1)	<u>5,213,980</u>	<u>5,423,780</u>
<b>Accumulated surplus (Note 3)</b>	<u><b>\$ 5,078,704</b></u>	<u><b>\$ 4,980,099</b></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, 2016 (comparative figures for year ended December 31, 2015)

	Budget 2016	Actual 2016	Actual 2015
	(Note 4)		
<b>Revenues</b>			
Property taxes	\$ 3,508,623	\$ 3,508,623	\$ 3,392,810
User fees and charges	32,025	52,432	43,575
Government transfers - Federal	-	17,500	9,501
Government transfers - Provincial	138,904	158,593	162,490
Investment income	-	855	925
Development charges	150,000	78,200	78,200
Donations	5,000	69,257	13,097
	3,834,552	3,885,460	3,700,598
<b>Expenses</b>			
Salaries, wages and benefits	2,265,839	2,083,349	2,058,473
Materials and supplies	329,020	427,565	333,276
Contracted services	40,000	23,806	33,959
Rents and financial expenses	343,406	207,829	213,767
Interfunctional transfers	468,818	503,561	399,359
Interest on long term debt	39,771	39,771	47,227
Amortization	441,722	441,682	438,307
	3,928,576	3,727,563	3,524,368
<b>Excess revenues over expenses (expenses over revenues) before other</b>	<b>(94,024)</b>	<b>157,897</b>	<b>176,230</b>
<b>Other expenses</b>			
Loss on disposal of capital assets	-	(59,292)	-
<b>Excess revenues over expenses (expenses over revenues)</b>	<b>(94,024)</b>	<b>98,605</b>	<b>176,230</b>
<b>Accumulated surplus, beginning of year</b>	<b>4,980,099</b>	<b>4,980,099</b>	<b>4,803,869</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 4,886,075</b>	<b>\$ 5,078,704</b>	<b>\$ 4,980,099</b>

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, 2016 (comparative figures for year ended December 31, 2015)

	2016	2015
<b>Excess revenues over expenses</b>	\$ 98,605	\$ 176,230
Acquisition of tangible capital assets	(291,174)	(248,823)
Amortization of tangible capital assets	441,682	438,307
Loss on sale of tangible capital assets	59,292	-
	<hr/>	<hr/>
<b>Increase in net financial assets</b>	308,405	365,714
<b>Net financial liabilities, beginning of year</b>	(443,681)	(809,395)
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<b>Net financial liabilities, end of year</b>	<b>\$ (135,276)</b>	<b>\$ (443,681)</b>

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, 2016 (comparative figures for year ended December 31, 2015)

	2016	2015
<b>Operating activities</b>		
Excess revenues over expenses	\$ 98,605	\$ 176,230
Non-cash changes to operations		
Amortization of tangible capital assets	441,682	438,307
Loss on disposal of capital assets	59,292	-
Changes in non-cash operating balances		
Accounts receivable	143,735	(148,448)
Due from Oxford County	(534,746)	134,387
Accounts payable and accrued liabilities	66,974	(77,396)
Deferred revenue	70,934	72,401
Net change in cash from operating	<u>346,476</u>	<u>595,481</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	<u>(291,174)</u>	<u>(248,823)</u>
Net change in cash from capital	<u>(291,174)</u>	<u>(248,823)</u>
<b>Financing activities</b>		
Long term debt principal repayments	<u>(175,818)</u>	<u>(173,456)</u>
Net change in cash from financing	<u>(175,818)</u>	<u>(173,456)</u>
Increase (decrease) in cash	<b>(120,516)</b>	<b>173,202</b>
<b>Cash, beginning of year</b>	<u>296,807</u>	<u>123,605</u>
<b>Cash, end of year</b>	<u><b>\$ 176,291</b></u>	<u><b>\$ 296,807</b></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:

Land Improvements	30 to 40 years
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, using property tax assessments 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, 2016**

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**1. Deferred Revenue**

The deferred revenue balance is comprised of the following:

	<u>2016</u>	<u>2015</u>
Development charges	\$ 348,485	\$ 274,224
Donations	159,415	162,742
	<u>\$ 507,900</u>	<u>\$ 436,966</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>2016</u>	<u>2015</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% (2015 - 3.22% to 6.25%) with maturity dates ranging from January 2017 to August 2023	<u>\$ 922,141</u>	<u>\$ 1,097,959</u>

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

2017	\$ 178,331
2018	137,458
2019	137,458
2020	137,458
2021	137,458
2022-2023	193,978
	<u>\$ 922,141</u>

(c) The net interest expense for the year ended December 31, 2016 was \$39,771 (2015 - \$47,227).



**Oxford County Library Board**  
**Notes to the Financial Statements**  
**December 31, 2016**

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**3. Accumulated Surplus**

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

	<u>2016</u>	<u>2015</u>
<b>Surpluses (deficits)</b>		
Operating fund	\$ 60,616	\$ (21,749)
Invested in tangible capital assets	4,291,839	4,348,277
Library	157,183	139,670
	<u>4,509,638</u>	<u>4,466,198</u>
 <b>Reserves</b>		
Library	<u>569,066</u>	<u>513,901</u>
	<u><b>\$ 5,078,704</b></u>	<u><b>\$ 4,980,099</b></u>

**4. Budget**

The Financial Plan (Budget) By-Law adopted by Council on January 13, 2016 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2016 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 13, 2016 with adjustments as follows:

	<u>2016</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	280,000
Debt principal repayment	175,818
Less:	
Amortization	441,722
Transfers from accumulated surplus	108,120
	<u><u><b>\$ (94,024)</b></u></u>

**5. Comparative Balances**

Asset opening balances have been reclassified for financial statement presentation, and do not represent a change in accounting policy. The change results in a more appropriate presentation that aligns better with the Ministry of Municipal Affairs Financial Information Return.

**6. Tangible Capital Asset Restatement**

An adjustment was made to the 2015 tangible capital assets to record an asset that were previously recognized as a Library asset in error. The adjustment decreased net book value of tangible capital assets by \$22,456, and increased the amount due from the County of Oxford by \$22,456.

**Oxford County Library Board**  
**Schedule of Tangible Capital Assets**  
**As at December 31, 2016**

**Schedule 1**

	Cost Dec 31, 2015	Additions	Disposals	Cost Dec 31, 2016	Accumulated Amortization Dec 31, 2015	Amortization	Disposals	Accumulated Amortization Dec 31, 2016	Net Book Value Dec 31, 2016
<b>General</b>									
Land improvements	499,329	-	-	499,329	113,840	14,255	-	128,095	<b>371,234</b>
Buildings	4,947,816	54,071	75,186	4,926,701	1,173,165	141,339	19,071	1,295,433	<b>3,631,268</b>
Furniture and fixtures	2,160,633	-	-	2,160,633	1,893,571	36,332	-	1,929,903	<b>230,730</b>
Machinery and equipment	72,588	-	63,964	8,624	62,794	6,228	60,787	8,235	<b>389</b>
Library books	1,704,702	237,103	243,034	1,698,771	717,918	243,528	243,034	718,412	<b>980,359</b>
<b>Total Tangible Capital Assets</b>	<b>\$9,385,068</b>	<b>\$291,174</b>	<b>\$382,184</b>	<b>\$9,294,058</b>	<b>\$3,961,288</b>	<b>\$441,682</b>	<b>\$322,892</b>	<b>\$4,080,078</b>	<b>\$5,213,980</b>