



Oxford County Library Board Financial Statements
December 31, 2017

Oxford County Library Board

Statement of Financial Position

As at December 31, 2017 (comparative balances as at December 31, 2016)

	2017	2016
Financial assets		
Cash	\$ 98,299	\$ 176,291
Accounts receivable	19,958	23,971
Due from the County of Oxford	1,588,313	1,310,820
	<u>1,706,570</u>	<u>1,511,082</u>
Liabilities		
Accounts payable and accrued liabilities	260,132	216,317
Deferred revenue (Note 1)	575,832	507,900
Net long term liabilities (Note 2)	743,810	922,141
	<u>1,579,774</u>	<u>1,646,358</u>
Net financial assets (liabilities)	<u>126,796</u>	<u>(135,276)</u>
Non financial assets		
Tangible capital assets (Schedule 1)	5,072,005	5,213,980
Prepaid and deferred charges	5,786	-
	<u>5,077,791</u>	<u>5,213,980</u>
Accumulated surplus (Note 3)	<u>\$ 5,204,587</u>	<u>\$ 5,078,704</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, 2017 (comparative figures for year ended December 31, 2016)

	Budget 2017	Actual 2017	Actual 2016
	(Note 4)		
Revenues			
Property taxes	\$ 3,604,321	\$ 3,604,321	\$ 3,508,623
User fees and charges	39,695	59,050	52,432
Government transfers - Federal	-	-	17,500
Government transfers - Provincial	158,603	165,242	158,593
Investment income	-	999	855
Development charges	78,200	78,200	78,200
Donations	5,000	33,738	69,257
	3,885,819	3,941,550	3,885,460
Expenses			
Salaries, wages and benefits	2,263,949	2,117,766	2,083,349
Materials and supplies	286,181	376,749	427,565
Contracted services	34,392	21,905	23,806
Rents and financial expenses	-	-	207,829
Interfunctional transfers	815,332	809,350	503,561
Interest on long term debt	31,955	31,956	39,771
Amortization	438,307	438,460	441,682
	3,870,116	3,796,186	3,727,563
Excess revenues over expenses before other	15,703	145,364	157,897
Other expenses			
Loss on disposal of capital assets	-	(19,481)	(59,292)
Excess revenues over expenses	15,703	125,883	98,605
Accumulated surplus, beginning of year	5,078,704	5,078,704	4,980,099
Accumulated surplus, end of year	\$ 5,094,407	\$ 5,204,587	\$ 5,078,704

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, 2017 (comparative figures for year ended December 31, 2016)

	2017	2016
Excess revenues over expenses	\$ 125,883	\$ 98,605
Acquisition of tangible capital assets	(315,966)	(291,174)
Amortization of tangible capital assets	438,460	441,682
Loss on sale of tangible capital assets	19,481	59,292
Increase in prepaid expenses	(5,786)	-
	<hr/>	<hr/>
Increase in net financial assets	262,072	308,405
Net financial liabilities, beginning of year	(135,276)	(443,681)
	<hr/>	<hr/>
Net financial assets (liabilities), end of year	\$ 126,796	\$ (135,276)

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, 2017 (comparative figures for year ended December 31, 2016)

	2017	2016
Operating activities		
Excess revenues over expenses	\$ 125,883	\$ 98,605
Non-cash changes to operations		
Amortization of tangible capital assets	438,460	441,682
Loss on disposal of capital assets	19,481	59,292
Changes in non-cash operating balances		
Accounts receivable	4,013	143,735
Due from Oxford County	(277,493)	(534,746)
Accounts payable and accrued liabilities	43,815	66,974
Deferred revenue	67,932	70,934
Prepaid expenses	(5,786)	-
Net change in cash from operating	<u>416,305</u>	<u>346,476</u>
Capital activities		
Acquisition of tangible capital assets	<u>(315,966)</u>	<u>(291,174)</u>
Net change in cash from capital	<u>(315,966)</u>	<u>(291,174)</u>
Financing activities		
Long term debt principal repayments	<u>(178,331)</u>	<u>(175,818)</u>
Net change in cash from financing	<u>(178,331)</u>	<u>(175,818)</u>
Increase (decrease) in cash	(77,992)	(120,516)
Cash, beginning of year	<u>176,291</u>	<u>296,807</u>
Cash, end of year	<u>\$ 98,299</u>	<u>\$ 176,291</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, 2017

1. Deferred Revenue

The deferred revenue balance is comprised of the following:

	<u>2017</u>		<u>2016</u>
Development charges	\$ 439,707	\$	348,485
Donations	136,125		159,415
	<u>\$ 575,832</u>	\$	<u>507,900</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>2017</u>		<u>2016</u>
Total long term liabilities incurred on behalf of the Oxford County Library at various rates of interest ranging from 3.22% to 4.65% (2016 - 3.22% to 6.25%) with maturity dates ranging from March 2022 to September 2023	<u>\$ 743,810</u>	\$	<u>922,141</u>

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

2018	\$ 137,458
2019	137,458
2020	137,458
2021	137,458
2022	110,479
2023	83,499
	<u>\$ 743,810</u>

(c) The net interest expense for the year ended December 31, 2017 was \$31,956 (2016 - \$39,771).

Oxford County Library Board
Notes to the Financial Statements
December 31, 2017

3. Accumulated Surplus

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

	<u>2017</u>	<u>2016</u>
Surpluses (deficits)		
Operating fund	\$ 223,000	\$ 60,616
Invested in tangible capital assets	4,328,195	4,291,839
Library	270,090	157,183
	<u>4,821,285</u>	<u>4,509,638</u>
 Reserves		
Library	<u>383,302</u>	<u>569,066</u>
	<u>\$ 5,204,587</u>	<u>\$ 5,078,704</u>

4. Budget

The Financial Plan (Budget) By-Law adopted by Council on January 11, 2017 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2017 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 11, 2017 with adjustments as follows:

	<u>2017</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	500,000
Debt principal repayment	178,332
Less:	
Amortization	438,307
Transfers from accumulated surplus	224,322
	<u>\$ 15,703</u>

Oxford County Library Board
Schedule of Tangible Capital Assets
As at December 31, 2017

Schedule 1

	Cost Dec 31, 2016	Additions	Disposals	Cost Dec 31, 2017	Accumulated Amortization Dec 31, 2016	Amortization	Disposals	Accumulated Amortization Dec 31, 2017	Net Book Value Dec 31, 2017
General									
Land improvements	499,329	-	-	499,329	128,095	14,255	-	142,350	356,979
Buildings	4,926,701	79,845	26,569	4,979,977	1,295,433	144,475	7,088	1,432,820	3,547,157
Furniture and fixtures	2,160,633	19,753	-	2,180,386	1,929,903	36,660	-	1,966,563	213,823
Machinery and equipment	8,624	-	-	8,624	8,235	388	-	8,624	-
Library books	1,698,771	216,368	230,410	1,684,729	718,412	242,682	230,411	730,683	954,046
Total Tangible Capital Assets	\$9,294,058	\$315,966	\$256,979	\$9,353,045	\$4,080,078	\$438,460	\$237,499	\$4,281,040	\$5,072,005