

# **Toronto Public Library Board**

**Financial Statements**  
**December 31, 2016**



May 17, 2017

## **Independent Auditor's Report**

### **To the Members of Toronto Public Library Board**

We have audited the accompanying financial statements of the Toronto Public Library Board, which comprise the statement of financial position as at December 31, 2016 and the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Toronto Public Library Board as at December 31, 2016 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

# Toronto Public Library Board

## Statement of Financial Position

As at December 31, 2016

	2016 \$	2015 \$
<b>Financial Assets</b>		
Cash and cash equivalents	10,876,052	10,197,165
Accounts receivable		
City of Toronto (note 3)	9,650,768	6,641,916
Other accounts receivable (note 3)	4,020,919	2,206,023
	<u>24,547,739</u>	<u>19,045,104</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	21,790,545	16,046,353
Deferred revenues (note 3)	1,338,058	1,881,809
Employee benefits (note 4)	86,441,642	88,475,507
Payable to Canada Life Assurance Company (note 5)	335,853	508,765
	<u>109,906,098</u>	<u>106,912,434</u>
<b>Net debt</b>	(85,358,359)	(87,867,330)
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	<u>309,506,934</u>	<u>293,064,922</u>
<b>Accumulated Surplus</b>		
Accumulated operating surplus	<u>224,148,575</u>	<u>205,197,592</u>
<b>Lease commitments and contingencies</b> (notes 6 and 8)		

### Approved by the Board



Toronto Public Library Board Chair



City Librarian

The accompanying notes are an integral part of these financial statements.

# Toronto Public Library Board

## Statement of Operations and Accumulated Surplus

For the year ended December 31, 2016

	Budget \$ (note 2)	Actual 2016 \$	Actual 2015 \$
<b>Revenues</b>			
City of Toronto (note 3)	203,441,592	206,002,944	193,537,429
Province of Ontario	5,678,427	6,230,181	5,989,502
Federal government	-	251,239	137,909
Fines and user charges	4,225,105	4,480,557	4,508,523
Investment income	139,500	202,550	183,850
Donations and other grants (note 3)	122,800	3,710,465	2,589,186
Other income	2,692,897	2,868,689	4,151,877
	<u>216,300,321</u>	<u>223,746,625</u>	<u>211,098,276</u>
<b>Expenses</b>			
Staff costs	143,760,023	142,356,420	143,287,247
Maintenance and supplies	12,614,506	14,479,061	15,151,281
Utility costs	6,041,526	9,385,065	8,380,704
Administration costs	5,697,316	3,552,045	3,418,073
Rental costs	2,820,700	2,651,349	2,531,713
Library materials	-	191,664	147,813
Transfers to City of Toronto and other (note 3)	939,432	195,893	964,548
Amortization of tangible capital assets	31,984,145	31,984,145	31,476,837
	<u>203,857,648</u>	<u>204,795,642</u>	<u>205,358,216</u>
<b>Surplus for the year</b>	<u>12,442,673</u>	18,950,983	5,740,060
<b>Accumulated surplus - Beginning of year</b>		<u>205,197,592</u>	<u>199,457,532</u>
<b>Accumulated surplus - End of year</b>		<u>224,148,575</u>	<u>205,197,592</u>

The accompanying notes are an integral part of these financial statements.

# Toronto Public Library Board

## Statement of Change in Net Debt

For the year ended December 31, 2016

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	2016 \$	2015 \$
<b>Surplus for the year</b>	18,950,983	5,740,060
Acquisition of tangible capital assets	(48,426,157)	(38,971,971)
Amortization of tangible capital assets	31,984,145	31,476,837
<b>Change in net debt</b>	2,508,971	(1,755,074)
<b>Net debt - Beginning of year</b>	(87,867,330)	(86,112,256)
<b>Net debt - End of year</b>	(85,358,359)	(87,867,330)

The accompanying notes are an integral part of these financial statements.

# Toronto Public Library Board

## Statement of Cash Flows

For the year ended December 31, 2016

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	2016 \$	2015 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Surplus for the year	18,950,983	5,740,060
Items not affecting cash		
Amortization of tangible capital assets	31,984,145	31,476,837
Employee benefits expense	(2,033,865)	1,439,542
	48,901,263	38,656,439
Changes in non-cash assets and liabilities		
Accounts receivable	(4,823,748)	(2,203,941)
Accounts payable and accrued liabilities	5,744,192	(2,964,387)
Deferred revenue	(543,751)	401,334
	49,277,956	33,889,445
<b>Capital activities</b>		
Acquisition of tangible capital assets	(48,426,157)	(38,971,971)
<b>Financing activities</b>		
Principal repayment on long-term payable with Canada Life Assurance Company	(172,912)	(159,732)
<b>Increase (decrease) in cash and cash equivalents during the year</b>	678,887	(5,242,258)
<b>Cash and cash equivalents - Beginning of year</b>	10,197,165	15,439,423
<b>Cash and cash equivalents - End of year</b>	10,876,052	10,197,165

The accompanying notes are an integral part of these financial statements.

# Toronto Public Library Board

## Notes to Financial Statements

December 31, 2016

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### 1 Operations

The Toronto Public Library Board (the Board or the Library) is a local board of the City of Toronto (the City) deemed to be a public library board established under the Public Libraries Act (Ontario) and is responsible for providing public library services that reflect the community's unique needs. The Public Libraries Act (Ontario) has also designated the Board as a special library service board to provide library resources and services to the Ontario library community.

The Board is not subject to income taxes under Section 149(1) of the Income Tax Act (Canada).

The Toronto Public Library Foundation (the Foundation) has responsibility for most of the fundraising activities for the Library. Fundraising efforts of the Foundation are to benefit the Library. The Foundation's net assets, revenues and expenses are not included in these financial statements (note 3).

### 2 Summary of significant accounting policies

#### Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) for local governments as defined by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is as follows:

#### Revenue recognition

Government transfers, which include municipal, provincial and federal grants, are recognized in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

Donations and other grants are recognized as revenue when received or receivable if the amount to be received can be reasonably measured and collection is reasonably assured. Donations and other grants received that have restrictions are recognized as revenue to the extent the funds have been spent, with any unspent amounts recorded as deferred revenue.

Revenues from user charges and other related services are recognized at the point of sale or when services have been provided and collection is reasonably assured. Investment income earned on available current funds is reported as revenue in the year earned.

#### Measurement uncertainty

The preparation of the financial statements in accordance with PSAS requires management to make estimates and assumptions. The employee benefits liability and related costs charged to the statement of operations and accumulated surplus depend on certain actuarial and economic assumptions. These estimates and assumptions are based on the Board's best information and judgment and may differ significantly based on actual results.



# Toronto Public Library Board

## Notes to Financial Statements

December 31, 2016

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### Restricted cash

Included in cash is \$210,074 (2015 - \$130,848) of restricted amounts held in trust for employees eligible for the sabbatical leave program.

### Cash and cash equivalents

Cash and cash equivalents include cash on deposit, money market funds and short-term securities with original terms to maturity of less than 90 days.

### Materials and supplies

Materials and supplies purchased for consumption in the Library's activities are reported as an expense on the statement of operations and accumulated surplus in the year of acquisition.

### Tangible capital assets

Tangible capital assets are non-financial assets that 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.

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. The Board recognizes disposals when the tangible capital assets are considered fully amortized, which is at the end of the useful life for capital assets and vehicles and at the end of the lease for leasehold improvements, or when the asset has been disposed of. Amortization is recognized on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Leasehold improvements	term of the lease or useful life estimated by management
Furniture, fixtures and equipment	5 to 20 years
Vehicles	8 to 12 years
Library materials	6 years

Assets under construction are not amortized until the date of substantial completion.

Contributed rare books and other collections are expensed in the year received.

The cost of normal maintenance and repairs, which does not significantly enhance the service potential of tangible capital assets, is recognized as an expense in the year it has been incurred.

# Toronto Public Library Board

## Notes to Financial Statements

December 31, 2016

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### Employee benefits

The Board has adopted the following policies with respect to employee benefit plans:

- the Board's contributions to a multi-employer, defined benefit pension plan are expensed when contributions are due as the plan is accounted for as a defined contribution plan;
- the costs of termination benefits and compensated absences are recognized when the event that obligates the Board occurs; costs include projected future income payments, health-care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis;
- the costs of other employee benefits are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation, expected health-care costs and plan investment performance;
- past service costs from plan amendments related to prior years' employee services are accounted for in the year of the plan amendment;
- employee future benefit liabilities are discounted using the City's cost of borrowing;
- net actuarial gains and losses are amortized over the expected average remaining service life of the related employee group, which ranges from 12 to 16 years; and
- the effects of a gain or loss from settlements or curtailments are expensed in the year they occur.

### Contributed materials and services

Donated materials and services are not recorded in the financial statements except for special collections and works of art, which are measured at fair value. During the year there were contributions of special collections of \$356,778 (2015 - \$229,345) and works of art of \$45,161 (2015 - \$46,794), which have been recorded as revenue and expense in the statement of operations and accumulated surplus.

### Financial instruments

PSAS allows the Library to classify its financial instruments as either fair value or amortized cost. Currently, the Library does not classify any financial instruments at fair value. Financial instruments carried at amortized cost include accounts receivable and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost, less any impairment losses on financial assets, except for contributions, which are initially recognized at fair value.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown recognized in the statement of operations and accumulated surplus.

# Toronto Public Library Board

## Notes to Financial Statements

December 31, 2016

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### Budget figures

Budget data presented is based on the 2016 operating and capital budgets approved by the City's council. Adjustments to budgeted values were required to provide comparative budget values based on the PSAS basis of accounting. The following chart reconciles the approved budget with the budget figures as presented in the statement of operations and accumulated surplus.

	Budget amount \$
Revenue	
Approved budgets	
Operating	193,461,950
Capital	25,156,264
Less: Inter-budget transfers	(2,317,893)
	<u>216,300,321</u>
Expenses	
Approved budgets	
Operating	193,461,950
Capital	25,156,264
Less: Inter-budget transfers	(2,317,893)
	<u>216,300,321</u>
Adjustments	
Tangible capital assets	
Library materials - included in operating expenses	(19,270,554)
Building and equipment - capitalized for GAAP purposes	(25,156,264)
Amortization	31,984,145
	<u>203,857,648</u>
Adjusted annual budget surplus on PSAS basis	<u>12,442,673</u>

### New accounting standards issued but not yet effective

- PS 3210, Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights.

In June 2015, the Canadian Public Sector Accounting Standards Board (PSASB) issued the Basis of Conclusions document in respect of three new sections: PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Obligations.

- PS 3210 Assets provides guidance for applying the definition of assets and established general disclosure standards for assets, including disclosure of information about the major categories of assets that are not recognized.
- PS 3320 Contingent Assets defines and establishes disclosure standards on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

# Toronto Public Library Board

## Notes to Financial Statements

December 31, 2016

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- PS 3380 Contractual Rights defines and establishes standards on contractual rights. Disclosure of information about contractual rights is required including a description about their nature and extent and the timing.

These standards are effective for fiscal years beginning on or after April 1, 2017. The adoption of these standards do not have a material impact on the financial statements.

- PS 2200 Related Party Disclosures and PS 3420 Inter-entity Transactions.

In March 2015, the PSASB issued two new accounting standards dealing with related party disclosures and the recognition and measurement of related party transactions between certain related parties. The new standards are effective for fiscal years beginning on or after April 1, 2017. The adoption of these standards does not have a material impact on the financial statements.

- PS 2200 Related Party Disclosures

PS 2200 Related Party Disclosures defines a related party under PSAS as well as establishes the disclosures required for related party transactions. The standard requires disclosure of sufficient information about the terms and conditions of related party transactions and related party relationships to enable users to assess the effect that they have had, or, if not recognized, may have had, on a public sector entity's reported financial position and changes in it.

- PS 3420 Inter-entity Transactions

Section PS 3420 Inter-entity Transactions provides the recognition and measurement requirements for transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Inter-entity transactions may involve the transfer of assets and liabilities, cost allocations and recoveries, or unallocated costs.

- PS 3450 Financial Instruments

PSASB issued a new standard for financial instruments that is effective for governments with fiscal years beginning on or after April 1, 2019. PS 3450 establishes standards on recognition, measurement and disclosure requirements for financial instruments and the presentation of associated gains and losses, as well as related consequential amendments. The Library has not yet determined the impact of adoption of this new standard, but plans to commence an assessment of the requirements in fiscal 2017.

### 3 Related party balances and transactions

#### City of Toronto

In the normal course of operations, the Board incurs costs for various expenses payable to the City and earns various revenues from the City. Such transactions between the City and the Board are made at the agreed exchange amount.

# Toronto Public Library Board

## Notes to Financial Statements

December 31, 2016

Accounts receivable from (payable to) the City consist of the following:

	2016 \$	2015 \$
City funding receivable	8,858,903	8,212,436
Rental receivable	40,482	-
Operating expenses	-	(121,990)
Operating surplus payable	(246,233)	(13,525)
Hydro charges	-	(770,779)
Capital project funding receivable	1,437,683	1,581,805
Unexpended capital advance	(440,067)	(2,246,031)
	<u>686,300</u>	<u>(1,570,520)</u>
	<u>9,650,768</u>	<u>6,641,916</u>

Payments to the City that are included in the statement of operations and accumulated surplus consist of the following:

	2016 \$	2015 \$
Maintenance	371,414	364,416
Rent	506,465	603,904
Construction	278,751	20,698
Utilities	6,072,096	4,410,825
Other	143,483	243,884
	<u>7,372,209</u>	<u>5,643,727</u>

The Board received \$274,961 (2015 - \$228,587) from the City, consisting of \$257,471 (2015 - \$225,339) in rental income and \$17,490 (2015 - \$3,248) in miscellaneous income.

The Board contributes to a fund held by the City that provides funding for vehicle, property and liability insurance claim payments and related legal and adjusting expenses. The fund is established for insurance claim costs below deductible levels and for payments that exceed insurance coverage levels. Contributions are paid to the City, which makes insurance premium payments on behalf of the Board. During the year, the Board made \$551,002 (2015 - \$551,002) in contributions.

### Vehicle and equipment reserve fund

The City maintains a reserve fund on behalf of the Board. The reserve fund was established by the City Council and is detailed in the City's Municipal Code.

The purpose of this fund is to provide funding to purchase or acquire any vehicles or equipment for the Library. The funding promotes efficiencies and provides budget stabilization by moderating large fluctuations in the annual replacement of vehicles and equipment. During the year, the Library made \$342,000 (2015 - \$342,000) in contributions, based on future replacement of the vehicle fleet, while the City committed \$58,223 (2015 -

# **Toronto Public Library Board**

## **Notes to Financial Statements**

**December 31, 2016**

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\$100,714) of the balance to fund the purchase of vehicles. Expenditures of the fund amounted to \$742,501 during the year (2015 - Nil). The balance of the Vehicle and Equipment Reserve Fund as at December 31, 2016 was \$636,120 (2015 - \$1,094,844).

### **Toronto Public Library Foundation**

The Board benefits from the fundraising efforts of the Foundation. During the year, the Board received contributions of \$3,331,555 (2015 - \$2,686,077) from the Foundation, of which \$926,692 (2015 - \$1,302,634) is included in deferred revenues. Of the amounts received and deferred from prior years, \$3,710,465 (2015 - \$1,383,443) has been recognized in revenues. Included in other accounts receivable is \$152,586 (2015 - \$31,078) owing from the Foundation.

## **4 Employee benefits**

The Board sponsors defined benefit plans providing pension and other retirement and post-employment benefits to most of its employees. The plans provide health, dental, life insurance and long-term disability benefits to certain employees.

Information about the Board's employee benefits, other than the multi-employer, defined benefit pension plan noted below, is as follows:

### **Sick leave**

The Board's short-term disability plan for non-unionized employees provides salary protection at 100% or 75%, based on an employee's benefit eligibility for up to 26 weeks per illness or per calendar year. Absences greater than 26 weeks' duration are covered under the Board's long-term disability plan.

Under the sick leave benefit plan for unionized employees, employees are credited with a maximum of 18 days' sick time per year. Unused sick leave could accumulate and employees could become eligible for a cash payment, capped at one-half of unused sick time to a maximum of 130 days when they leave the Board's employment. Effective April 1, 2010, all new permanent employees are enrolled in a short-term disability plan that does not include the accumulation of unused sick leave. Union employees, as of that date, were given the option of remaining on the sick leave plan of 18 days' sick time per year and the accumulation of unused sick time to a maximum of 130 days or moving to the short-term disability plan that does not include the accumulation of unused sick leave. The liability for the accumulated sick leave represents the extent to which sick leave benefits have vested and could then be taken in cash by employees on termination of employment.

### **Workplace Safety Insurance Board (WSIB)**

The Board is a Schedule 2 employer and, as such, pays the full cost of all medical and all other benefits for its employees who sustain injuries at the workplace plus the administration cost as determined by the WSIB.

# Toronto Public Library Board

## Notes to Financial Statements

December 31, 2016

### Post-retirement and post-employment benefits

The Board provides health, dental, life insurance and long-term disability benefits to certain employees.

	2016 \$	2015 \$
Accrued benefit obligation	63,621,295	64,755,104
Net unamortized actuarial gain	22,820,347	23,720,403
Total employee benefit liability	86,441,642	88,475,507

Components of the accrued benefit obligation are as follows:

	2016 \$	2015 \$
Post-retirement benefits	31,815,147	31,910,016
Disabled employees' benefits	6,361,018	6,430,786
Income benefits	7,646,122	7,797,657
Sick leave benefits	17,291,462	18,324,830
WSIB	507,546	291,815
	63,621,295	64,755,104

The continuity of the accrued benefit obligation is as follows:

	2016 \$	2015 \$
Balance - Beginning of year	64,755,104	80,817,378
Current year's service cost	2,819,849	3,982,826
Interest cost	1,991,328	2,499,172
Benefits paid	(4,815,322)	(5,448,439)
Plan amendment - prior service cost	(241,656)	-
Actuarial gain	(888,008)	(17,095,833)
Balance - End of year	63,621,295	64,755,104

The total expenses related to employee benefits other than those related to the multi-employer pension plan are included in staff costs in the statement of operations and accumulated surplus and include the following components:

	2016 \$	2015 \$
Current year's service cost	2,819,849	3,982,826
Amortization of net actuarial loss (gain)	(1,788,064)	405,982
Interest cost	1,991,328	2,499,172
Total expenditures related to retirement benefits	3,023,113	6,887,980

# Toronto Public Library Board

## Notes to Financial Statements

December 31, 2016

Cash payments made during the year are as follows:

	2016 \$	2015 \$
Post-retirement plans	1,445,818	1,314,996
Disabled employees' benefits	1,114,767	1,044,704
Sick leave benefits	1,091,470	1,639,285
	<u>3,652,055</u>	<u>3,998,985</u>

Due to the complexities in valuing the plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial report was completed as at December 31, 2015. The next actuarial valuation is expected to be completed in 2018.

The significant actuarial assumptions are as follows:

	2016 %	2015 %
Accrued benefit obligation		
Discount rate		
Post-retirement	3.5	3.4
Disabled employees, income benefit	2.7	2.5
Sick leave	3.1	2.9
WSIB	3.1	2.9
Accrued benefit cost		
Discount rate		
Post-retirement	3.5	3.4
Disabled employees, income benefit	2.7	2.5
Sick leave - WSIB	3.1	2.9
Health-care inflation		
Hospital dental care and other medical	3.0	3.0
Drugs	6.0	6.0
Rate of compensation increase	3.0	3.0

In 2017, the drug rates are assumed to decrease by 0.25% per annum to 4%.

In addition to the above-noted benefits, the Board makes contributions to the Ontario Municipal Employees' Retirement System plan (OMERS), a multi-employer pension plan, on behalf of most of its employees. OMERS is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees, based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. Total employer contributions for the year amounted to \$10,045,785 (2015 - \$9,739,311) and are included in staff costs in the statement of operations and accumulated surplus.

## 5 Long-term payables

The long-term payable relates to a loan for energy efficiency improvements made in 2002. Under the terms of the agreement, the Board agrees to pay Canada Life annual payments of \$211,052, which include principal and interest at 8.02%, which is ultimately funded by the energy savings over the matching 15-year period. The remaining loan balance to be repaid is \$187,429 in 2017 and \$148,424 in 2018.



# Toronto Public Library Board

## Notes to Financial Statements

December 31, 2016

### 6 Lease commitments

As at December 31, 2016, the Board is committed to the following annual operating lease payments for facilities:

	\$
2017	2,168,176
2018	1,794,796
2019	1,448,526
2020	1,353,054
2021	1,168,874
Thereafter	11,282,214
	<u>19,215,640</u>

### 7 Tangible capital assets

Tangible capital assets consist of the following:

	<u>2016</u>		
	Cost \$	Accumulated amortization \$	Net \$
Land	15,376,262	-	15,376,262
Buildings and leasehold improvements	280,276,508	91,843,820	188,432,688
Furniture, fixtures and equipment	53,476,968	24,027,195	29,449,773
Vehicles	3,518,604	2,112,662	1,405,942
Library materials	111,194,924	54,020,668	57,174,256
Assets under construction	17,668,013	-	17,668,013
	<u>481,511,279</u>	<u>172,004,345</u>	<u>309,506,934</u>
	<u>2015</u>		
	Cost \$	Accumulated amortization \$	Net \$
Land	15,376,262	-	15,376,262
Buildings and leasehold improvements	274,178,704	86,103,169	188,075,535
Furniture, fixtures and equipment	52,527,800	23,653,713	28,874,087
Vehicles	2,776,103	1,879,227	896,876
Library materials	110,183,860	54,825,770	55,358,090
Assets under construction	4,484,072	-	4,484,072
	<u>459,526,801</u>	<u>166,461,879</u>	<u>293,064,922</u>

# **Toronto Public Library Board**

## **Notes to Financial Statements**

**December 31, 2016**

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During the year, there were capital additions in the amount of \$48,426,157 (2015 - \$38,971,971). Disposals for the year were \$26,441,680 (2015 - \$25,213,082), which included only fully amortized tangible capital assets for \$nil in proceeds.

### **8 Contingencies**

In the normal course of operations, the Board is subject to various arbitrations, litigations and claims. Where a potential liability is determinable, management believes the ultimate disposition of the matters will not materially exceed the amounts recorded in the accounts. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the year when the liability can be estimated.