



Growing stronger together

Oxford County Library Board Financial Statements
December 31, 2022

Oxford County Library Board

Statement of Financial Position

As at December 31, 2022 (comparative balances as at December 31, 2021)

	2022	2021
Financial assets		
Cash	\$524,403	\$526,788
Accounts receivable	15,752	19,921
Due from the County of Oxford	2,330,226	2,345,492
	<u>2,870,381</u>	<u>2,892,201</u>
Liabilities		
Accounts payable and accrued liabilities	348,526	370,567
Deferred revenue (Note 1)	709,438	628,407
Net long term liabilities (Note 2)	83,500	193,979
	<u>1,141,464</u>	<u>1,192,953</u>
Net financial assets	<u>1,728,917</u>	<u>1,699,248</u>
Non financial assets		
Tangible capital assets (Schedule 1)	4,497,337	4,381,583
Capital work in progress	-	191,680
Inventory	6,540	11,611
	<u>4,503,877</u>	<u>4,584,874</u>
Accumulated surplus (Note 3)	<u>\$6,232,794</u>	<u>\$6,284,122</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, 2022 (comparative figures for year ended December 31, 2021)

	Budget 2022	Actual 2022	Actual 2021
	(Note 4)		
Revenues			
Property taxes	\$4,061,003	\$4,061,003	\$3,994,008
User fees and charges	37,115	33,839	21,721
Government transfer -Safe Federal Restart	5,000	5,898	11,872
Government transfer -Provincial	138,904	138,904	138,904
Government transfer -Other	-	5,541	615
Investment income	-	18,017	7,459
Development charges	180,285	187,450	212,461
Donations	-	8,267	25,065
	4,422,307	4,458,919	4,412,105
Expenses			
Salaries, wages and benefits	2,710,039	2,437,878	2,257,729
Materials and supplies	425,985	459,882	448,525
Contracted services	21,000	35,986	57,400
Interfunctional transfers	1,104,209	1,086,947	992,327
Interest on long term debt	4,541	4,541	9,740
Amortization	431,548	412,723	422,646
	4,697,322	4,437,957	4,188,367
Excess revenues over expenses (expenses over revenues) before other	(275,015)	20,962	223,738
Other expenses			
Loss on disposal of capital assets	-	(72,290)	(5,301)
Excess revenues over expenses (expenses over revenues)	(275,015)	(51,328)	218,437
Accumulated surplus, beginning of year	6,284,122	6,284,122	6,065,685
Accumulated surplus, end of year	\$6,009,107	\$6,232,794	\$6,284,122

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, 2022 (comparative figures for year ended December 31, 2021)

	Budget 2022	Actual 2022	Actual 2021
Excess revenues over expenses (expenses over revenues)	\$(275,015)	\$(51,328)	\$218,437
Acquisition of tangible capital assets	(404,000)	(600,767)	(244,418)
Amortization of tangible capital assets	431,548	412,723	422,646
Loss on sale of tangible capital assets	-	72,290	5,301
Decrease (increase) in inventory	-	5,071	(7,459)
Decrease (increase) in capital work in progress	-	191,680	(191,680)
Increase (decrease) in net financial assets	(247,467)	29,669	202,827
Net financial assets, beginning of year	1,699,248	1,699,248	1,496,421
Net financial assets, end of year	\$1,451,781	\$1,728,917	\$1,699,248

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, 2022 (comparative figures for year ended December 31, 2021)

	2022	2021
Operating activities		
Excess revenues over expenses (expenses over revenues)	\$(51,328)	\$218,437
Non-cash changes to operations		
Amortization of tangible capital assets	412,723	422,646
Loss on disposal of capital assets	72,290	5,301
Changes in non-cash operating balances		
Accounts receivable	4,169	(7,881)
Due from Oxford County	15,266	(607,657)
Accounts payable and accrued liabilities	(22,041)	191,283
Deferred revenue	81,031	34,556
Inventory	5,071	(7,459)
Net change in cash from operating	<u>517,181</u>	<u>249,226</u>
Capital activities		
Acquisition of tangible capital assets	(600,767)	(244,418)
Decrease (increase) in capital work in progress	<u>191,680</u>	<u>(191,680)</u>
Net change in cash from capital	<u>(409,087)</u>	<u>(436,098)</u>
Financing activities		
Long term debt principal repayments	<u>(110,479)</u>	<u>(137,458)</u>
Net change in cash from financing	<u>(110,479)</u>	<u>(137,458)</u>
(Decrease) in cash	(2,385)	(324,330)
Cash, beginning of year	<u>526,788</u>	<u>851,118</u>
Cash, end of year	<u>\$524,403</u>	<u>\$526,788</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.

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

Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Taxation revenues are recognized when the tax is authorized and the taxable event has occurred.

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, 2022

1. Deferred Revenue

The deferred revenue balance is comprised of the following:

	<u>2022</u>	<u>2021</u>
Development charges	\$ 497,245	\$ 446,189
Donations	212,193	182,218
	<u>\$ 709,438</u>	<u>\$ 628,407</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>2022</u>	<u>2021</u>
Total long term liabilities incurred on behalf of the Oxford County Library at a rate of interest of 3.22% (2021 - 3.22% to 4.65%) with maturity date of September 2023	<u>\$ 83,500</u>	<u>\$ 193,979</u>

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

2023	<u>\$ 83,500</u>
	<u>\$ 83,500</u>

(c) The net interest expense for the year ended December 31, 2022 was \$4,541 (2021 - \$9,740).

Oxford County Library Board
Notes to the Financial Statements
December 31, 2022

3. Accumulated Surplus

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

	<u>2022</u>	<u>2021</u>
Surpluses		
Operating fund	\$ 88,406	\$ 56,202
Invested in tangible capital assets	4,413,837	4,379,284
	<u>4,502,243</u>	<u>4,435,486</u>
 Reserves		
Library	<u>1,730,551</u>	<u>1,848,636</u>
	<u>\$ 6,232,794</u>	<u>\$ 6,284,122</u>

4. Budget

The Financial Plan (Budget) By-Law adopted by Council on January 12, 2022 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2022 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 12, 2022 with adjustments as follows:

	<u>2022</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	404,000
Debt principal repayment	110,479
Less:	
Amortization	431,548
Transfers from accumulated surplus	353,946
	<u>\$ (271,015)</u>

5. Significant Event

In 2020, a coronavirus outbreak was declared a pandemic by the World Health Organization which prompted the Government of Ontario to declare a state of emergency on March 17, 2020. As a result of these declarations, significant economic and social impacts have been and continue to be experienced world-wide. As the full extent of impacts from the ongoing pandemic are yet to be determined, estimates contained in these statements, including those based on actuarial assumptions, are subject to change.

Oxford County Library Board
Schedule of Tangible Capital Assets
As at December 31, 2022

Schedule 1

	Cost Dec 31, 2021	Additions	Disposals	Cost Dec 31, 2022	Accumulated Amortization Dec 31, 2021	Amortization	Disposals	Accumulated Amortization Dec 31, 2022	Net Book Value Dec 31, 2022
General									
Land improvements	508,601	18,047	6,700	519,948	198,251	14,750	2,660	210,341	309,607
Buildings	5,139,521	366,358	114,631	5,391,248	1,987,362	151,937	46,381	2,092,918	3,298,330
Furniture and fixtures	2,187,711	-	-	2,187,711	2,086,448	32,334	-	2,118,782	68,929
Machinery and equipment	42,177	16,489	-	58,666	11,618	4,592	-	16,210	42,456
Library books	1,463,779	199,873	248,823	1,414,829	676,527	209,110	248,823	636,814	778,015
Total Tangible Capital Assets	\$9,341,789	\$600,767	\$370,154	\$9,572,402	\$4,960,206	\$412,723	\$297,864	\$5,075,065	\$4,497,337