



Growing stronger together

Oxford County Library Board Financial Statements
December 31, 2021

Oxford County Library Board

Statement of Financial Position

As at December 31, 2021 (comparative balances as at December 31, 2020)

	2021	2020
Financial assets		
Cash	\$ 526,788	\$ 851,118
Accounts receivable	19,921	12,040
Due from the County of Oxford	2,345,492	1,737,835
	<u>2,892,201</u>	<u>2,600,993</u>
Liabilities		
Accounts payable and accrued liabilities	370,567	179,284
Deferred revenue (Note 1)	628,407	593,851
Net long term liabilities (Note 2)	193,979	331,437
	<u>1,192,953</u>	<u>1,104,572</u>
Net financial assets	<u>1,699,248</u>	<u>1,496,421</u>
Non financial assets		
Tangible capital assets (Schedule 1)	4,381,583	4,565,112
Capital work in progress	191,680	-
Inventory	11,611	4,152
	<u>4,584,874</u>	<u>4,569,264</u>
Accumulated surplus (Note 3)	<u>\$ 6,284,122</u>	<u>\$ 6,065,685</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, 2021 (comparative figures for year ended December 31, 2020)

	Budget 2021	Actual 2021	Actual 2020
	(Note 4)		
Revenues			
Property taxes	\$ 3,994,008	\$ 3,994,008	\$ 3,994,008
User fees and charges	23,320	21,721	18,820
Government transfer -Safe Federal Restart	-	11,872	40,781
Government transfer -Provincial	138,904	138,904	138,904
Government transfer -Other	-	615	-
Investment income	-	7,459	9,699
Development charges	212,461	212,461	282,190
Donations	-	25,065	2,547
	4,368,693	4,412,105	4,486,949
Expenses			
Salaries, wages and benefits	2,545,783	2,257,729	2,062,534
Materials and supplies	440,736	448,525	359,547
Contracted services	28,972	57,400	22,466
Interfunctional transfers	1,022,356	992,327	963,244
Interest on long term debt	9,740	9,740	14,983
Amortization	440,439	422,646	431,548
	4,488,026	4,188,367	3,854,322
Excess revenues over expenses (expenses over revenues) before other	(119,333)	223,738	632,627
Other expenses			
Loss on disposal of capital assets	-	(5,301)	(16,741)
Excess revenues over expenses (expenses over revenues)	(119,333)	218,437	615,886
Accumulated surplus, beginning of year	6,065,685	6,065,685	5,449,799
Accumulated surplus, end of year	\$ 5,946,352	\$ 6,284,122	\$ 6,065,685

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, 2021 (comparative figures for year ended December 31, 2020)

	2021	2020
Excess revenues over expenses	\$ 218,437	\$ 615,886
Acquisition of tangible capital assets	(244,418)	(221,648)
Amortization of tangible capital assets	422,646	431,548
Loss on sale of tangible capital assets	5,301	16,741
Decrease in prepaid expenses	-	4,549
Decrease (increase) in inventory	(7,459)	2,302
Decrease (increase) in capital work in progress	(191,680)	6,207
Increase in net financial assets	202,827	855,585
Net financial assets, beginning of year	1,496,421	640,836
Net financial assets, end of year	<u>\$ 1,699,248</u>	<u>\$ 1,496,421</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 Cash Flows

For the year ended December 31, 2021 (comparative figures for year ended December 31, 2020)

	2021	2020
Operating activities		
Excess revenues over expenses	\$ 218,437	\$ 615,886
Non-cash changes to operations		
Amortization of tangible capital assets	422,646	431,548
Loss on disposal of capital assets	5,301	16,741
Changes in non-cash operating balances		
Accounts receivable	(7,881)	4,594
Due from Oxford County	(607,657)	(571,418)
Accounts payable and accrued liabilities	191,283	39,324
Deferred revenue	34,556	(47,955)
Prepaid expenses		4,549
Inventory	(7,459)	2,302
Net change in cash from operating	<u>249,226</u>	<u>495,571</u>
Capital activities		
Acquisition of tangible capital assets	(244,418)	(221,648)
Decrease (increase) in capital work in progress	(191,680)	6,207
Net change in cash from capital	<u>(436,098)</u>	<u>(215,441)</u>
Financing activities		
Long term debt principal repayments	<u>(137,458)</u>	<u>(137,458)</u>
Net change in cash from financing	<u>(137,458)</u>	<u>(137,458)</u>
Increase (decrease) in cash	(324,330)	142,672
Cash, beginning of year	<u>851,118</u>	<u>708,446</u>
Cash, end of year	<u>\$ 526,788</u>	<u>\$ 851,118</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, 2021

1. Deferred Revenue

The deferred revenue balance is comprised of the following:

	<u>2021</u>	<u>2020</u>
Development charges	\$ 446,189	\$ 389,409
Donations	182,218	204,442
	<u>\$ 628,407</u>	<u>\$ 593,851</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>2021</u>	<u>2020</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% (2020 - 3.22% to 4.65%) with maturity dates ranging from March 2022 to September 2023	<u>\$ 193,979</u>	<u>\$ 331,437</u>

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

2022	\$ 110,479
2023	83,500
	<u>\$ 193,979</u>

(c) The net interest expense for the year ended December 31, 2021 was \$9,740 (2020 - \$14,983).

Oxford County Library Board
Notes to the Financial Statements
December 31, 2021

3. Accumulated Surplus

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

	<u>2021</u>	<u>2020</u>
Surpluses		
Operating fund	\$ 56,202	\$ 49,468
Invested in tangible capital assets	4,379,284	4,233,675
	<u>4,435,486</u>	<u>4,283,143</u>
 Reserves		
Library	<u>1,848,636</u>	<u>1,782,542</u>
	<u>\$ 6,284,122</u>	<u>\$ 6,065,685</u>

4. Budget

The Financial Plan (Budget) By-Law adopted by Council on January 13, 2021 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2021 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, 2021 with adjustments as follows:

	<u>2021</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	588,965
Debt principal repayment	137,458
Less:	
Amortization	440,439
Transfers from accumulated surplus	405,317
	<u>\$ (119,333)</u>

Oxford County Library Board
Schedule of Tangible Capital Assets
As at December 31, 2021

Schedule 1

	Cost Dec 31, 2020	Additions	Disposals	Cost Dec 31, 2021	Accumulated Amortization Dec 31, 2020	Amortization	Disposals	Accumulated Amortization Dec 31, 2021	Net Book Value Dec 31, 2021
General									
Land improvements	508,601	-	-	508,601	183,501	14,750	-	198,251	310,350
Buildings	5,139,521	-	-	5,139,521	1,835,424	151,938	-	1,987,362	3,152,159
Furniture and fixtures	2,180,386	37,447	30,122	2,187,711	2,080,243	31,027	24,822	2,086,448	101,263
Machinery and equipment	15,002	27,175	-	42,177	10,220	1,398	-	11,618	30,559
Library books	1,564,727	179,796	280,744	1,463,779	733,737	223,533	280,743	676,527	787,252
Total Tangible Capital Assets	\$9,408,237	\$244,418	\$310,866	\$9,341,789	\$4,843,125	\$422,646	\$305,565	\$4,960,206	\$4,381,583