



Growing stronger together

Oxford County Library Board Financial Statements
December 31, 2018

Oxford County Library Board

Statement of Financial Position

As at December 31, 2018 (comparative balances as at December 31, 2017)

	2018	2017
Financial assets		
Cash	\$ 366,287	\$ 98,299
Accounts receivable	13,071	19,958
Due from the County of Oxford	1,059,294	1,588,313
	<u>1,438,652</u>	<u>1,706,570</u>
Liabilities		
Accounts payable and accrued liabilities	163,249	260,132
Deferred revenue (Note 1)	625,714	575,832
Net long term liabilities (Note 2)	606,352	743,810
	<u>1,395,315</u>	<u>1,579,774</u>
Net financial assets	<u>43,337</u>	<u>126,796</u>
Non financial assets		
Tangible capital assets (Schedule 1)	5,028,215	5,072,005
Prepaid and deferred charges		5,786
	<u>5,028,215</u>	<u>5,077,791</u>
Accumulated surplus (Note 3)	<u>\$ 5,071,552</u>	<u>\$ 5,204,587</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, 2018 (comparative figures for year ended December 31, 2017)

	Budget 2018	Actual 2018	Actual 2017
	(Note 4)		
Revenues			
Property taxes	\$ 3,604,321	\$ 3,604,321	\$ 3,604,321
User fees and charges	39,050	47,686	59,050
Government transfers - Federal	-	-	-
Government transfers - Provincial	138,904	161,654	165,242
Investment income	-	1,667	999
Development charges	78,200	78,200	78,200
Donations	5,000	20,880	33,738
	3,865,475	3,914,408	3,941,550
Expenses			
Salaries, wages and benefits	2,411,648	2,244,023	2,117,766
Materials and supplies	321,837	375,623	376,749
Contracted services	24,392	23,390	21,905
Interfunctional transfers	836,612	807,579	809,350
Interest on long term debt	25,332	25,332	31,956
Amortization	441,682	442,283	438,460
	4,061,503	3,918,230	3,796,186
Excess revenues over expenses (expenses over revenues) before other	(196,028)	(3,822)	145,364
Other expenses			
Loss on disposal of capital assets	-	(129,213)	(19,481)
Excess revenues over expenses (expenses over revenues)	(196,028)	(133,035)	125,883
Accumulated surplus, beginning of year	5,204,587	5,204,587	5,078,704
Accumulated surplus, end of year	\$ 5,008,559	\$ 5,071,552	\$ 5,204,587

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, 2018 (comparative figures for year ended December 31, 2017)

	2018	2017
Excess revenues over expenses (expenses over revenues)	\$ (133,035)	\$ 125,883
Acquisition of tangible capital assets	(527,706)	(315,966)
Amortization of tangible capital assets	442,283	438,460
Loss on sale of tangible capital assets	129,213	19,481
Increase in prepaid expenses	5,786	(5,786)
	<hr/>	<hr/>
Increase in net financial assets (liabilities)	(83,459)	262,072
Net financial assets (liabilities), beginning of year	126,796	(135,276)
	<hr/>	<hr/>
Net financial assets, end of year	\$ 43,337	\$ 126,796

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, 2018 (comparative figures for year ended December 31, 2017)

	2018	2017
Operating activities		
Excess revenues over expenses (expenses over revenues)	\$ (133,035)	\$ 125,883
Non-cash changes to operations		
Amortization of tangible capital assets	442,283	438,460
Loss on disposal of capital assets	129,213	19,481
Changes in non-cash operating balances		
Accounts receivable	6,887	4,013
Due from Oxford County	529,019	(277,493)
Accounts payable and accrued liabilities	(96,883)	43,815
Deferred revenue	49,882	67,932
Prepaid expenses	5,786	(5,786)
Net change in cash from operating	<u>933,152</u>	<u>416,305</u>
Capital activities		
Acquisition of tangible capital assets	<u>(527,706)</u>	<u>(315,966)</u>
Net change in cash from capital	<u>(527,706)</u>	<u>(315,966)</u>
Financing activities		
Long term debt principal repayments	<u>(137,458)</u>	<u>(178,331)</u>
Net change in cash from financing	<u>(137,458)</u>	<u>(178,331)</u>
Increase (decrease) in cash	267,988	(77,992)
Cash, beginning of year	<u>98,299</u>	<u>176,291</u>
Cash, end of year	<u>\$ 366,287</u>	<u>\$ 98,299</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, 2018

1. Deferred Revenue

The deferred revenue balance is comprised of the following:

	<u>2018</u>	<u>2017</u>
Development charges	\$ 516,944	\$ 439,707
Donations	108,770	136,125
	<u>\$ 625,714</u>	<u>\$ 575,832</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>2018</u>	<u>2017</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% (2017 - 3.22% to 6.25%) with maturity dates ranging from March 2022 to September 2023	<u>\$ 606,352</u>	<u>\$ 743,810</u>

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

2019	\$ 137,458
2020	137,458
2021	137,458
2022	137,458
2023	56,520
	<u>\$ 606,352</u>

(c) The net interest expense for the year ended December 31, 2018 was \$25,332 (2017 - \$31,956).

Oxford County Library Board
Notes to the Financial Statements
December 31, 2018

3. Accumulated Surplus

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

	<u>2018</u>	<u>2017</u>
Surpluses (deficits)		
Operating fund	\$ 27,382	\$ 223,000
Invested in tangible capital assets	4,421,863	4,328,195
Library		270,090
	<u>4,449,245</u>	<u>4,821,285</u>
 Reserves		
Library	<u>622,307</u>	<u>383,302</u>
	<u>\$ 5,071,552</u>	<u>\$ 5,204,587</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 2018 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>2018</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	301,000
Debt principal repayment	137,458
Less:	
Amortization	441,682
Transfers from accumulated surplus	192,804
	<u><u>\$ (196,028)</u></u>

Oxford County Library Board
Schedule of Tangible Capital Assets
As at December 31, 2018

Schedule 1

	Cost Dec 31, 2017	Additions	Disposals	Cost Dec 31, 2018	Accumulated Amortization Dec 31, 2017	Amortization	Disposals	Accumulated Amortization Dec 31, 2018	Net Book Value Dec 31, 2018
General									
Land improvements	499,329	-	-	499,329	142,350	14,255	-	156,605	342,724
Buildings	4,979,977	312,512	167,543	5,124,946	1,432,820	148,727	38,331	1,543,216	3,581,730
Furniture and fixtures	2,180,386	-	-	2,180,386	1,966,563	38,307	-	2,004,870	175,516
Machinery and equipment	8,624	6,378	-	15,002	8,624	318	-	8,943	6,059
Library books	1,684,729	208,816	241,376	1,652,169	730,683	240,676	241,376	729,983	922,186
Total Tangible Capital Assets	\$9,353,045	\$527,706	\$408,919	\$9,471,832	\$4,281,040	\$442,283	\$279,707	\$4,443,617	\$5,028,215