



Growing stronger together

Oxford County Library Board Financial Statements
December 31, 2019

Oxford County Library Board

Statement of Financial Position

As at December 31, 2019 (comparative balances as at December 31, 2018)

	2019	2018
Financial assets		
Cash	\$ 708,446	\$ 366,287
Accounts receivable	16,634	13,071
Due from the County of Oxford	1,166,417	1,059,294
	<u>1,891,497</u>	<u>1,438,652</u>
Liabilities		
Accounts payable and accrued liabilities	139,960	163,249
Deferred revenue (Note 1)	641,806	625,714
Net long term liabilities (Note 2)	468,895	606,352
	<u>1,250,661</u>	<u>1,395,315</u>
Net financial assets	<u>640,836</u>	<u>43,337</u>
Non financial assets		
Tangible capital assets (Schedule 1)	4,791,753	5,028,215
Capital work in progress	6,207	-
Prepaid and deferred charges	4,549	-
Inventory	6,454	-
	<u>4,808,963</u>	<u>5,028,215</u>
Accumulated surplus (Note 3)	<u>\$ 5,449,799</u>	<u>\$ 5,071,552</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, 2019 (comparative figures for year ended December 31, 2018)

	Budget 2019	Actual 2019	Actual 2018
	(Note 4)		
Revenues			
Property taxes	\$ 3,906,935	\$ 3,906,935	\$ 3,604,321
User fees and charges	81,289	63,092	47,686
Government transfers - Provincial	138,904	138,904	161,654
Investment income	3,566	14,948	1,667
Development charges	78,200	280,148	78,200
Donations	5,000	83,320	20,880
	4,213,894	4,487,347	3,914,408
Expenses			
Salaries, wages and benefits	2,460,065	2,295,929	2,244,023
Materials and supplies	339,211	412,597	375,623
Contracted services	19,392	21,743	23,390
Interfunctional transfers	956,634	913,712	807,579
Interest on long term debt	20,134	20,134	25,332
Amortization	438,460	440,439	442,283
	4,233,896	4,104,554	3,918,230
Excess revenues over expenses (expenses over revenues) before other	(20,002)	382,793	(3,822)
Other expenses			
Loss on disposal of capital assets	-	(4,546)	(129,213)
Excess revenues over expenses (expenses over revenues)	(20,002)	378,247	(133,035)
Accumulated surplus, beginning of year	5,071,552	5,071,552	5,204,587
Accumulated surplus, end of year	\$ 5,051,550	\$ 5,449,799	\$ 5,071,552

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, 2019 (comparative figures for year ended December 31, 2018)

	2019	2018
Excess revenues over expenses (expenses over revenues)	\$ 378,247	\$ (133,035)
Acquisition of tangible capital assets	(208,523)	(527,706)
Amortization of tangible capital assets	440,439	442,283
Loss on sale of tangible capital assets	4,546	129,213
Decrease (increase) in prepaid expenses	(4,549)	5,786
(Increase) in inventory	(6,454)	-
(Increase) in capital work in progress	(6,207)	-
	<hr/>	<hr/>
Increase in net financial assets (liabilities)	597,499	(83,459)
Net financial assets, beginning of year	43,337	126,796
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Net financial assets, end of year	\$ 640,836	\$ 43,337

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, 2019 (comparative figures for year ended December 31, 2018)

	2019	2018
Operating activities		
Excess revenues over expenses (expenses over revenues)	\$ 378,247	\$ (133,035)
Non-cash changes to operations		
Amortization of tangible capital assets	440,439	442,283
Loss on disposal of capital assets	4,546	129,213
Changes in non-cash operating balances		
Accounts receivable	(3,563)	6,887
Due from Oxford County	(107,123)	529,019
Accounts payable and accrued liabilities	(23,289)	(96,883)
Deferred revenue	16,092	49,882
Prepaid expenses	(4,549)	5,786
Inventory	(6,454)	-
Net change in cash from operating	<u>694,346</u>	<u>933,152</u>
Capital activities		
Acquisition of tangible capital assets	(208,523)	(527,706)
(Increase) in capital work in progress	(6,207)	-
Net change in cash from capital	<u>(214,730)</u>	<u>(527,706)</u>
Financing activities		
Long term debt principal repayments	(137,457)	(137,458)
Net change in cash from financing	<u>(137,457)</u>	<u>(137,458)</u>
Increase in cash	342,159	267,988
Cash, beginning of year	<u>366,287</u>	<u>98,299</u>
Cash, end of year	<u>\$ 708,446</u>	<u>\$ 366,287</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.

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, 2019

1. Deferred Revenue

The deferred revenue balance is comprised of the following:

	<u>2019</u>	<u>2018</u>
Development charges	\$ 444,755	\$ 516,944
Donations	197,051	108,770
	<u>\$ 641,806</u>	<u>\$ 625,714</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>2019</u>	<u>2018</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% (2018 - 3.22% to 4.65%) with maturity dates ranging from March 2022 to September 2023	<u>\$ 468,895</u>	<u>\$ 606,352</u>

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

2020	\$ 137,458
2021	137,458
2022	110,479
2023	83,500
2024	-
	<u>\$ 468,895</u>

(c) The net interest expense for the year ended December 31, 2019 was \$20,134 (2018 - \$25,332).

Oxford County Library Board
Notes to the Financial Statements
December 31, 2019

3. Accumulated Surplus

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

	<u>2019</u>	<u>2018</u>
Surpluses		
Operating fund	\$ 46,652	\$ 27,382
Invested in tangible capital assets	4,329,065	4,421,863
	<u>4,375,717</u>	<u>4,449,245</u>
Reserves		
Library	<u>1,074,082</u>	<u>622,307</u>
	<u>\$ 5,449,799</u>	<u>\$ 5,071,552</u>

4. Budget

The Financial Plan (Budget) By-Law adopted by Council on January 09, 2019 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2019 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 09, 2019 with adjustments as follows:

	<u>2019</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	297,000
Debt principal repayment	137,458
Less:	
Amortization	438,460
Transfers from accumulated surplus	16,000
	<u>\$ (20,002)</u>

5. Subsequent Event

Subsequent to December 31, 2019, 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 are being 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, 2019

Schedule 1

	Cost Dec 31, 2018	Additions	Disposals	Cost Dec 31, 2019	Accumulated Amortization Dec 31, 2018	Amortization	Disposals	Accumulated Amortization Dec 31, 2019	Net Book Value Dec 31, 2019
General									
Land improvements	499,329	16,091	6,819	508,601	156,605	14,420	2,273	168,752	339,849
Buildings	5,124,946	-	-	5,124,946	1,543,216	151,050	-	1,694,266	3,430,680
Furniture and fixtures	2,180,386	-	-	2,180,386	2,004,870	38,307	-	2,043,177	137,209
Machinery and equipment	15,002	-	-	15,002	8,943	638	-	9,581	5,421
Library books	1,652,169	192,432	248,288	1,596,313	729,983	236,024	248,288	717,719	878,594
Total Tangible Capital Assets	\$9,471,832	\$208,523	\$255,107	\$9,425,248	\$4,443,617	\$440,439	\$250,561	\$4,633,495	\$4,791,753