



*Growing stronger together*

**Oxford County Library Board Financial Statements**  
**December 31, 2020**

# Oxford County Library Board

## Statement of Financial Position

As at December 31, 2020 (comparative balances as at December 31, 2019)

	2020	2019
<b>Financial assets</b>		
Cash	\$ 851,118	\$ 708,446
Accounts receivable	12,040	16,634
Due from the County of Oxford	1,737,835	1,166,417
	<u>2,600,993</u>	<u>1,891,497</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	179,284	139,960
Deferred revenue (Note 1)	593,851	641,806
Net long term liabilities (Note 2)	331,437	468,895
	<u>1,104,572</u>	<u>1,250,661</u>
<b>Net financial assets</b>	<u><b>1,496,421</b></u>	<u><b>640,836</b></u>
<b>Non financial assets</b>		
Tangible capital assets (Schedule 1)	4,565,112	4,791,753
Capital work in progress	-	6,207
Prepaid and deferred charges	-	4,549
Inventory	4,152	6,454
	<u>4,569,264</u>	<u>4,808,963</u>
<b>Accumulated surplus (Note 3)</b>	<u><b>\$ 6,065,685</b></u>	<u><b>\$ 5,449,799</b></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, 2020 (comparative figures for year ended December 31, 2019)

	Budget 2020	Actual 2020	Actual 2019
	(Note 4)		
<b>Revenues</b>			
Property taxes	\$ 3,994,008	\$ 3,994,008	\$ 3,906,935
User fees and charges	39,485	18,820	63,092
Government transfer -Safe Federal Restart	-	40,781	-
Government transfer -Provincial	138,904	138,904	138,904
Investment income	-	9,699	14,948
Development charges	153,222	282,190	280,148
Donations	-	2,547	83,320
	4,325,619	4,486,949	4,487,347
<b>Expenses</b>			
Salaries, wages and benefits	2,481,471	2,062,534	2,295,929
Materials and supplies	358,209	359,547	412,597
Contracted services	24,892	22,466	21,743
Interfunctional transfers	1,002,606	963,244	913,712
Interest on long term debt	14,983	14,983	20,134
Amortization	442,282	431,548	440,439
	4,324,443	3,854,322	4,104,554
<b>Excess revenues over expenses (expenses over revenues) before other</b>	<b>1,176</b>	<b>632,627</b>	<b>382,793</b>
<b>Other expenses</b>			
Loss on disposal of capital assets	-	(16,741)	(4,546)
<b>Excess revenues over expenses (expenses over revenues)</b>	<b>1,176</b>	<b>615,886</b>	<b>378,247</b>
<b>Accumulated surplus, beginning of year</b>	<b>5,449,799</b>	<b>5,449,799</b>	<b>5,071,552</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 5,450,975</b>	<b>\$ 6,065,685</b>	<b>\$ 5,449,799</b>

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, 2020 (comparative figures for year ended December 31, 2019)

	2020	2019
<b>Excess revenues over expenses (expenses over revenues)</b>	\$ 615,886	\$ 378,247
Acquisition of tangible capital assets	(221,648)	(208,523)
Amortization of tangible capital assets	431,548	440,439
Loss on sale of tangible capital assets	16,741	4,546
Decrease (increase) in prepaid expenses	4,549	(4,549)
(Increase) in inventory	2,302	(6,454)
(Increase) in capital work in progress	6,207	(6,207)
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<b>Increase in net financial assets (liabilities)</b>	855,585	597,499
<b>Net financial assets, beginning of year</b>	640,836	43,337
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<b>Net financial assets, end of year</b>	<b>\$ 1,496,421</b>	<b>\$ 640,836</b>

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, 2020 (comparative figures for year ended December 31, 2019)

	2020	2019
<b>Operating activities</b>		
Excess revenues over expenses (expenses over revenues)	\$ 615,886	\$ 378,247
Non-cash changes to operations		
Amortization of tangible capital assets	431,548	440,439
Loss on disposal of capital assets	16,741	4,546
Changes in non-cash operating balances		
Accounts receivable	4,594	(3,563)
Due from Oxford County	(571,418)	(107,123)
Accounts payable and accrued liabilities	39,324	(23,289)
Deferred revenue	(47,955)	16,092
Prepaid expenses	4,549	(4,549)
Inventory	2,302	(6,454)
Net change in cash from operating	<u>495,571</u>	<u>694,346</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(221,648)	(208,523)
(Increase) in capital work in progress	6,207	(6,207)
Net change in cash from capital	<u>(215,441)</u>	<u>(214,730)</u>
<b>Financing activities</b>		
Long term debt principal repayments	<u>(137,458)</u>	<u>(137,457)</u>
Net change in cash from financing	<u>(137,458)</u>	<u>(137,457)</u>
Increase in cash	<b>142,672</b>	<b>342,159</b>
Cash, beginning of year	<u>708,446</u>	<u>366,287</u>
Cash, end of year	<u><b>\$ 851,118</b></u>	<u><b>\$ 708,446</b></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**

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, 2020**

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**1. Deferred Revenue**

The deferred revenue balance is comprised of the following:

	<u>2020</u>	<u>2019</u>
Development charges	\$ 389,409	\$ 444,755
Donations	204,442	197,051
	<u>\$ 593,851</u>	<u>\$ 641,806</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>2020</u>	<u>2019</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% (2019 - 3.22% to 4.65%) with maturity dates ranging from March 2022 to September 2023	<u>\$ 331,437</u>	<u>\$ 468,895</u>

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

2021	\$ 137,458
2022	110,479
2023	83,500
	<u>\$ 331,437</u>

(c) The net interest expense for the year ended December 31, 2020 was \$14,983 (2019 - \$20,134).

**Oxford County Library Board**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**3. Accumulated Surplus**

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

	<u>2020</u>	<u>2019</u>
<b>Surpluses</b>		
Operating fund	\$ 49,468	\$ 46,652
Invested in tangible capital assets	4,233,675	4,329,065
	<u>4,283,143</u>	<u>4,375,717</u>
 <b>Reserves</b>		
Library	<u>1,782,542</u>	<u>1,074,082</u>
	<u><b>\$ 6,065,685</b></u>	<u><b>\$ 5,449,799</b></u>

**4. Budget**

The Financial Plan (Budget) By-Law adopted by Council on January 08, 2020 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2020 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 08, 2020 with adjustments as follows:

	<u>2020</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	284,000
Debt principal repayment	137,458
Less:	
Amortization	442,282
Transfers from accumulated surplus	(22,000)
	<u><b>\$ 1,176</b></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, 2020**

**Schedule 1**

	Cost Dec 31, 2019	Additions	Disposals	Cost Dec 31, 2020	Accumulated Amortization Dec 31, 2019	Amortization	Disposals	Accumulated Amortization Dec 31, 2020	Net Book Value Dec 31, 2020
<b>General</b>									
Land improvements	508,601	-	-	508,601	168,752	14,749	-	183,501	<b>325,100</b>
Buildings	5,124,946	41,208	26,633	5,139,521	1,694,266	151,050	9,892	1,835,424	<b>3,304,097</b>
Furniture and fixtures	2,180,386	-	-	2,180,386	2,043,177	37,066	-	2,080,243	<b>100,143</b>
Machinery and equipment	15,002	-	-	15,002	9,581	639	-	10,220	<b>4,782</b>
Library books	1,596,313	180,440	212,026	1,564,727	717,719	228,044	212,026	733,737	<b>830,990</b>
<b>Total Tangible Capital Assets</b>	<b>\$9,425,248</b>	<b>\$221,648</b>	<b>\$238,659</b>	<b>\$9,408,237</b>	<b>\$4,633,495</b>	<b>\$431,548</b>	<b>\$221,918</b>	<b>\$4,843,125</b>	<b>\$4,565,112</b>