
Financial statements of
The Corporation of the Township
of Uxbridge Library Board

December 31, 2021

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations	4
Statement of change in net financial assets	5
Statement of cash flows	6
Notes to the financial statements	7-10

Independent Auditor's Report

To the Board of Directors of the Township of Uxbridge Library Board and
Members of Council of the Corporation of the Township of Uxbridge

Opinion

We have audited the financial statements of The Corporation of the Township of Uxbridge Library Board (the "Library Board"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library Board as at December 31, 2021, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Library Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Library Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Library Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Library Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 23, 2022

The Corporation of the Township of Uxbridge Library Board

Statement of financial position

As at December 31, 2021

	Notes	2021 \$	2020 \$
Assets			
Financial assets			
Cash	2	520	520
Temporary investments	2	103,888	103,164
Accounts receivable		10,996	15,602
Due from Township of Uxbridge		273,498	267,274
		388,902	386,560
Liabilities			
Accounts payable and accrued liabilities		23,941	61,858
Deferred revenues		10,784	10,784
Post-employment benefits liability	4	1,579	1,159
		36,304	73,801
Net financial assets		352,598	312,759
Non-financial assets			
Tangible capital assets	5	339,354	361,334
Prepaid expenses		6,998	812
		346,352	362,146
Accumulated surplus	6	698,950	674,905

The accompanying notes are an integral part of the financial statements.

The Corporation of the Township of Uxbridge Library Board

Statement of operations

Year ended December 31, 2021

	Notes	Budget \$	2021 Actual \$	2020 Actual \$
		(Note 7)		
Revenue				
Grants				
Township of Uxbridge - operating		787,147	787,147	713,880
Province of Ontario		24,176	25,711	29,357
Other grants		8,000	9,878	21,911
Income from other funds				
Bascom Trust Fund		90	90	90
Todorow Reserve Fund		1,811	1,811	1,811
Interest		400	408	701
Fines and fees		16,400	8,740	6,004
Donation of tangible capital assets	5	—	5,431	4,657
Donations and fundraising		2,000	7,620	1,955
		840,024	846,836	780,366
Expenses				
Salaries and wages		439,464	363,685	292,462
Benefits	3	115,358	68,755	65,883
Repairs and maintenance		75,300	176,523	85,960
Utilities		30,537	26,629	23,167
Sundry		24,388	23,441	23,099
Computer maintenance		38,000	32,391	31,734
Township of Uxbridge - repayment to reserve	8	25,547	25,547	25,046
Janitor and expenses		19,960	17,584	12,829
Other supplies		4,700	1,633	2,597
Transfer to the Township of Uxbridge - Capital		—	—	37,791
		773,254	736,188	600,568
Amortization expense		95,000	86,603	89,914
		868,254	822,791	690,482
Annual surplus (deficit)		(28,230)	24,045	89,884
Accumulated surplus, beginning of year		509,963	674,905	585,021
Accumulated surplus, end of year		481,733	698,950	674,905

The accompanying notes are an integral part of the financial statements.

The Corporation of the Township of Uxbridge Library Board

Statement of change in net financial assets

Year ended December 31, 2021

	Budget	2021	2020
	\$	Actual	Actual
	\$	\$	\$
	(Note 7)		
Annual surplus (deficit)	(28,230)	24,045	89,884
Acquisition of tangible capital assets	(66,770)	(64,623)	(90,915)
Amortization of tangible capital assets	95,000	86,603	89,914
	—	46,025	88,883
(Increase) decrease in prepaid expenses		(6,186)	(235)
Change in net financial assets	—	39,839	88,648
Net financial assets, beginning of year	(14,716)	312,759	224,111
Net financial assets, end of year	(14,716)	352,598	312,759

The accompanying notes are an integral part of the financial statements.

The Corporation of the Township of Uxbridge Library Board

Statement of cash flows

Year ended December 31, 2021

	2021	2020
	\$	\$
Operating activities		
Annual surplus (deficit)	24,045	89,884
Items not involving cash		
Amortization expense	86,603	89,914
Donation of tangible capital assets	(5,431)	(4,657)
Change in non-cash operating items		
Decrease in accounts receivable	4,606	2,850
Increase in due from Township of Uxbridge	(6,224)	(115,419)
Increase in temporary investments	(724)	(183)
Increase in prepaid expenses	(6,186)	(235)
(Decrease) increase in accounts payable and accrued liabilities	(37,917)	33,497
(Decrease) increase in deferred revenues	—	(732)
Increase (decrease) in post-employment benefits liability	420	(8,661)
	59,192	86,258
Capital activity		
Acquisition of tangible capital assets (net of donated tangible capital assets)	(59,192)	(86,258)
Change in cash	—	—
Cash, beginning of year	520	520
Cash, end of year	520	520

The accompanying notes are an integral part of the financial statements.

The Corporation of the Township of Uxbridge Library Board

Notes to the financial statements

December 31, 2021

1. Significant accounting policies

The financial statements of the Corporation of the Township of Uxbridge Library Board (the "Library Board") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants of Canada.

Basis of presentation

(i) Basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occur that gave rise to the revenues and the amounts are determined to be collectible; expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(ii) Temporary investments

Temporary investments are recorded at lower of cost and market value.

(iii) 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.

Tangible capital assets

(a) Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Library collections	7 years
Furniture and equipment	10 to 50 years
Computer systems	3 to 20 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

(b) Contribution/donation of tangible capital assets

Tangible capital assets received as contributions or donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

(iv) Post-employment benefits liability

The Library Board recognizes a post-employment benefits liability as employees earn entitlements through service.

(v) Government transfers

Government transfers are recognized as revenues by the Library Board in the period in which the transfer is authorized and any eligibility criteria are met unless they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized as the stipulation has been met.

The Corporation of the Township of Uxbridge Library Board

Notes to the financial statements

December 31, 2021

1. Significant accounting policies (continued)

Basis of presentation (continued)

(vi) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Due to inherent uncertainty in making estimates, actual results could differ from those estimates. Accounts which are subject to estimates include post-employment benefits liability and related expenses and the net book value of tangible capital assets which is based on estimated useful lives of various capital asset categories.

(vii) Contributed services

Township of Uxbridge staff contribute many hours per year in back office services such as human resources, payroll and financial services to assist the Library Board in carrying out its activities. In addition, the Township of Uxbridge provides the Library Board with space to provide its services. Because of the difficulty of determining their fair value, these contributed services are not recognized in the financial statements.

2. Cash and temporary investments

This represents a consolidation of cash and temporary investments from the operating fund and the reserve fund. The composition is as follows:

	Cash	Temporary investments	2021 Total	2020 Total
	\$	\$	\$	\$
Operating Fund	384	58,605	58,989	58,265
Reserve Fund (Note 6)	136	45,283	45,419	45,419
	520	103,888	104,408	103,684

The Reserve Fund cash and temporary investments are held by the Township on behalf of the Library Board. The operating fund temporary investments include a guaranteed investment certificate resulting from a donation from the estate of a patron of the Library.

3. Pension agreement

The Library Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, which as of December 31, 2021, was on behalf of 8 members of its staff. The multi-employer plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions were made to OMERS in the amount of \$24,867 (\$19,429 in 2020).

4. Post-employment benefits liability

The Library Board makes available to qualifying employees who retire before the age of 65, the opportunity to continue their coverage for such benefits as extended health and drugs and dental care. Coverage ceases at age 65. The last actuarial valuation was conducted as of December 31, 2020.

The Corporation of the Township of Uxbridge Library Board
Notes to the financial statements
December 31, 2021

4. Post-employment benefits liability (continued)

The following assumptions were used in calculating the post-employment benefit liability:

(a) *General inflation*

A rate of 2.0% (2.0% in 2020) per year is used.

(b) *Interest (discount) rate*

A rate of 2.9% (3.1% in 2020) is used to determine liabilities at the beginning of the fiscal period and for extrapolations during the period. A rate of 2.4% (2.4% in 2020) is used to determine liabilities at the end of the fiscal period.

(c) *Health and dental rate*

Drug costs are presumed to increase 6.5% (6.5% in 2020) after the first year, this rate reducing linearly to 5% after 3 years (3 years in 2020). Non-drug health and dental costs are presumed to increase 4% per year. Drug costs are assumed to make up 70% of the health costs.

(d) *Mortality table*

Canadian Institute of Actuaries 2014 Composite Mortality Table.

Information about the Library Board's post-employment benefit plan is as follows:

	2021	2020
	\$	\$
Accrued benefit liability, at January 1	1,159	9,820
Increase (decrease) during the current year	420	(8,661)
Accrued benefit liability, at December 31	1,579	1,159

5. Tangible capital assets

	Collections	Furniture and equipment	Computer systems	Total 2021	Total 2020
	\$	\$	\$	\$	\$
Cost					
Balance, beginning of year	530,378	236,311	28,056	794,745	783,854
Additions	64,623	—	—	64,623	90,915
Disposals	(87,922)	—	—	(87,922)	(80,024)
Balance, end of year	507,079	236,311	28,056	771,446	794,745
Accumulated amortization					
Balance, beginning of year	277,300	143,382	12,729	433,411	423,521
Amortization expense	74,104	10,284	2,215	86,603	89,914
Disposals	(87,922)	—	—	(87,922)	(80,024)
Balance, end of year	263,482	153,666	14,944	432,092	433,411
Net book value, end of year	243,597	82,645	13,112	339,354	361,334

During the year \$5,431 (\$4,657 in 2020) worth of books were donated to the Library Board for circulation.

The Corporation of the Township of Uxbridge Library Board

Notes to the financial statements

December 31, 2021

6. Accumulated surplus

Accumulated surplus consists of the following:

	Balance January 1, 2021 \$	Change during the year \$	Balance December 31, 2021 \$	Balance December 31, 2020 \$
Invested in tangible capital assets	361,334	(21,980)	339,354	361,334
Operating	268,152	46,025	314,177	268,152
Reserve Fund	45,419	—	45,419	45,419
	674,905	24,045	698,950	674,905

7. Budget figures

The approved budget for 2021 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis of accounting.

Budget figures have been reclassified for purposes of these financial statements to comply with PSAS reporting requirements.

8. Commitments

The Library Board is committed to make future payments to the Township of Uxbridge in respect of renovations to the Uxbridge Library which were completed in 2013 and 2014. The amount of \$25,547 was paid in 2021, and future annual payments in the amount of \$18,069 will be made for the years 2022 through to 2024. These future commitments are non-interest bearing.

9. Significant event

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Library Board in future periods.