

# 2024 Audited Mississauga Public Library Board Financial Statements

For the year ended December 31, 2024

Prepared by: Finance Division  
City of Mississauga

# Management's Responsibility for Financial Reporting

**For the year ended December 31, 2024**

The accompanying financial statements of the Mississauga Public Library Board (the "Board") are the responsibility of management at the City of Mississauga (the "City") and have been prepared in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The City's Finance Division is responsible for the preparation of the Board's financial statements and accompanying notes. The statements and notes include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure that the Board's financial statements are presented fairly in all material respects.

There are four required financial statements: the Statement of Financial Position, the Statement of Operations, the Statement of Change in Net Financial Assets, and the Statement of Cash Flows. These financial statements provide information on the cost of the Board's activities, how they were financed, investing activities, assets, and liabilities. The financial statements are reviewed and approved by the Chief Financial Officer and Treasurer.

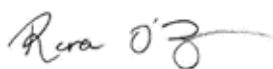
The City, on behalf of the Board, maintains systems of internal and financial controls designed to ensure that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by City management.

The Board's financial statements have been audited by KPMG LLP, independent external auditors appointed by the City's Audit Committee. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

The City's Audit Committee meets with management and the external auditors to review the Board's financial statements and discuss any significant financial reporting or internal control matters.



Marisa Chiu  
Chief Financial Officer and Treasurer



Rona O'Banion  
Director, Library

Mississauga, Ontario  
April 4, 2025



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## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the City of Mississauga

### **Opinion**

We have audited the financial statements of The Corporation of the City of Mississauga - Mississauga Public Library Board (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



### ***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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 Entity'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 Entity'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 Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 4, 2025

# Mississauga Public Library Board

## Statement of Financial Position

as at December 31, 2024 with comparatives for 2023

(All dollar amounts are in \$000s)

*The accompanying notes are an integral part of these financial statements.*

|  | 2024          | 2023          |
|--|---------------|---------------|
| <b>Financial Assets</b>                          |               |               |
| Cash and cash equivalents                        | 4             | 10            |
| Accounts receivable                              | 19            | 769           |
| Due from the City of Mississauga (Note 3)        | 6,431         | 6,093         |
| <b>Total Financial Assets</b>                    | <b>6,454</b>  | <b>6,872</b>  |
| <b>Financial Liabilities</b>                     |               |               |
| Accounts payable and accrued liabilities         | 1,004         | 937           |
| Employee benefits and other liabilities (Note 5) | 4,915         | 4,225         |
| Asset retirement obligation (Note 8)             | 476           | 463           |
| <b>Total Financial Liabilities</b>               | <b>6,395</b>  | <b>5,625</b>  |
| <b>Net Financial Assets/(Liabilities)</b>        | <b>59</b>     | <b>1,247</b>  |
| <b>Non-Financial Assets</b>                      |               |               |
| Tangible capital assets (Note 7)                 | 93,115        | 86,558        |
| Prepaid expenses                                 | 151           | 71            |
| <b>Total Non-Financial Assets</b>                | <b>93,266</b> | <b>86,629</b> |
| <b>Accumulated Surplus</b>                       | <b>93,325</b> | <b>87,876</b> |

Contractual rights (Note 9)

Commitments (Note 10)

# Mississauga Public Library Board

## Statement of Operations

for the year ended December 31, 2024 with comparatives for 2023

(All dollar amounts are in \$000s)

*The accompanying notes are an integral part of these financial statements.*

|   | 2024<br>Budget<br>(Note 6) | 2024<br>Actual | 2023<br>Actual |
|---|----------------------------|----------------|----------------|
| <b>Revenue</b>  |                            |                |                |
| Funding transfer from the City of Mississauga             | 33,994                     | 31,844         | 28,767         |
| Contributed assets from the City of Mississauga           | -                          | 10,516         | 43,469         |
| User charges and rents                                    | 714                        | 840            | 767            |
| Funding transfers from other governments                  | 715                        | 715            | 783            |
| Donations   | -                          | 121            | 32             |
| Recoveries from third parties                             | 40                         | 41             | 93             |
| Investment income   | -                          | 1              | -              |
| <b>Total Revenue</b>                                      | <b>35,463</b>              | <b>44,078</b>  | <b>73,911</b>  |
| <b>Expenses</b>   |                            |                |                |
| Salaries, wages and employee benefits                     | 24,723                     | 26,887         | 22,905         |
| Amortization of tangible capital assets (Note 7)          | 6,714                      | 7,056          | 6,706          |
| Materials and supplies                                    | 1,803                      | 2,005          | 1,714          |
| Occupancy   | 1,788                      | 1,505          | 1,415          |
| Equipment   | 1,041                      | 467            | 133            |
| Contractors and professional services                     | 194                        | 263            | 100            |
| Staff development   | 184                        | 139            | 135            |
| Communication   | 58                         | 77             | 85             |
| Advertising and promotion                                 | 67                         | 69             | 80             |
| Collection fees   | 25                         | 52             | 53             |
| Transportation  | 45                         | 40             | 65             |
| Administrative support charged by the City of Mississauga | 53                         | 35             | 516            |
| Bank charges  | 27                         | 20             | 16             |
| Accretion of asset retirement obligation (Note 8)         | -                          | 13             | 13             |
| Other   | 10                         | 1              | 5              |
| Loss on disposal of tangible capital assets               | -                          | -              | 13,243         |
| <b>Total Expenses</b>                                     | <b>36,732</b>              | <b>38,629</b>  | <b>47,184</b>  |
| <b>Annual Surplus/(Deficit)</b>                           | <b>(1,269)</b>             | <b>5,449</b>   | <b>26,727</b>  |
| Accumulated surplus, beginning of year                    | 87,876                     | 87,876         | 61,149         |
| <b>Accumulated Surplus, end of year</b>                   | <b>86,607</b>              | <b>93,325</b>  | <b>87,876</b>  |

**Mississauga Public Library Board**
**Statement of Change in Net Financial Assets**

for the year ended December 31, 2024 with comparatives for 2023

(All dollar amounts are in \$000s)

*The accompanying notes are an integral part of these financial statements.*

|  | <b>2024<br/>Budget<br/>(Note 6)</b> | <b>2024<br/>Actual</b> | <b>2023<br/>Actual</b> |
|--|-------------------------------------|------------------------|------------------------|
| Annual surplus/(deficit)                               | (1,927)                             | 5,449                  | 26,727                 |
| Acquisition of tangible capital assets (Note 7)        | -                                   | (13,613)               | (46,772)               |
| Amortization of tangible capital assets (Note 7)       | 6,714                               | 7,056                  | 6,706                  |
| Loss on disposal of tangible capital assets            | -                                   | -                      | 13,243                 |
| Acquisition of prepaid expenses                        | -                                   | (151)                  | (71)                   |
| Use of prepaid expenses                                | -                                   | 71                     | 228                    |
| <b>Change in Net Financial Assets</b>                  | <b>4,787</b>                        | <b>(1,188)</b>         | <b>61</b>              |
| Net financial assets, beginning of year                | 1,247                               | 1,247                  | 1,186                  |
| <b>Net Financial Assets/(Liabilities), end of year</b> | <b>6,034</b>                        | <b>59</b>              | <b>1,247</b>           |

# Mississauga Public Library Board

## Statement of Cash Flows

for the year ended December 31, 2024 with comparatives for 2023

(All dollar amounts are in \$000s)

*The accompanying notes are an integral part of these financial statements.*

|   | 2024         | 2023         |
|---|--------------|--------------|
| <b>Cash provided by (used in):</b>                  |              |              |
| <b>Operating activities:</b>                        |              |              |
| Annual surplus/(deficit)                            | 5,449        | 26,727       |
| <b>Items not involving cash:</b>                    |              |              |
| Amortization of tangible capital assets             | 7,056        | 6,706        |
| Contributed assets from the City of Mississauga     | (10,516)     | (43,469)     |
| Loss on disposal of tangible capital assets         | -            | 13,243       |
| Accretion of asset retirement obligation            | 13           | 13           |
| Change in employee benefits and other liabilities   | 690          | 273          |
| <b>Change in non-cash working capital:</b>          |              |              |
| Accounts receivable                                 | 750          | (714)        |
| Due from the City of Mississauga                    | (338)        | 73           |
| Accounts payable and accrued liabilities            | 67           | 306          |
| Asset retirement obligation                         | -            | (10)         |
| Deferred revenue                                    | -            | -            |
| Prepaid expenses                                    | (80)         | 157          |
| <b>Net change in cash from operating activities</b> | <b>3,091</b> | <b>3,305</b> |
| <b>Capital Activities:</b>                          |              |              |
| Tangible capital asset additions                    | (3,097)      | (3,303)      |
| <b>Net Change in Cash and Cash Equivalents</b>      | <b>(6)</b>   | <b>2</b>     |
| Cash and cash equivalents, beginning of year        | 10           | 8            |
| <b>Cash and Cash Equivalents, end of year</b>       | <b>4</b>     | <b>10</b>    |

**Mississauga Public Library Board**  
**Notes to the Financial Statements**  
 for the year ended December 31, 2024  
 (All dollar amounts are in \$000s)

The Mississauga Public Library Board (the “Board”) operates in accordance with the *Public Libraries Act*. Board members are appointed by the City Council (“Council”) of the City of Mississauga (the “City”), concurrent with the four-year term of Council. The purpose of the Board is to govern the affairs of the public library in service to the community. This includes developing and expressing the Board’s philosophy and values, contributing to the development of a mission and vision statement, upholding service priorities and furthering the Library’s long-term strategy.

The Board’s financial statements are prepared by the City’s management in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Accounting standards specify how transactions and other events are to be recognized, measured, presented and disclosed in a public sector entity’s financial statements. These standards are numbered and are referenced throughout these notes beginning with the letters “PS”.

The Board is economically dependent on the City for financial support.

## **1. Significant Accounting Policies**

### **a) Basis of accounting**

The Board follows the accrual method of accounting for revenue and expenses. Revenue is normally recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

### **b) Pensions and employee benefits**

The Board accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer, public sector pension fund, as a defined contribution plan.

Vacation entitlements are accrued as earned by the employee. Other post-employment benefits and compensated absences are accrued in accordance with the projected benefit method prorated on service and management’s best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference-to-market interest rates at the measurement date on high-quality debt instruments (with cash flows that match the timing and amount of expected benefit payments). Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

Unamortized gains/losses for event-triggered liabilities, such as those determined as claims related to the Workplace Safety and Insurance Board (WSIB), are amortized over the average expected period during which the benefits will be paid.

Costs related to prior-period employee service arising out of related benefit plan amendments are recognized in the period in which the plan is amended. For the purposes of these financial statements, the plans are considered unfunded.

c) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost. This category includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset, and estimated costs for asset retirement obligations. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives in accordance with Board policy as follows:

| <b><u>Tangible Capital Asset</u></b> | <b><u>Useful Life (Years)</u></b> |
|--------------------------------------|-----------------------------------|
| Land                                 | Unlimited                         |
| Land improvements                    | 15 - 20                           |
| Buildings                            | 5 - 45                            |
| Equipment, books and other           | 4 - 40                            |
| Vehicles                             | 5 - 15                            |

A full year of amortization is charged in the year of acquisition. Amortization is not charged in the year of disposition. Assets under construction are not amortized until the asset is available for productive use. Amortization expense is not recorded on land because it has an unlimited useful life.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair market value on the date of receipt. The contributions are recorded as contributed assets from the City of Mississauga in the Statement of Operations.

(iii) Leased assets

Leases are classified as either operating or capital leases. Lease agreements which substantially transfer all the risks and rewards of ownership to the Board are accounted for as a capital lease. All other leases are considered operating leases and the related payments are expensed as incurred.

(iv) Works of art and historical treasures

The Board does not own any notable works of art nor historical treasures.

Typically, these assets are deemed worthy of preservation because of the social (rather than financial) benefits they provide to the community. The historic cost of art and treasures is not determinable or relevant to their significance: hence a valuation is not assigned to such assets, nor would they be disclosed of in the financial statements.

d) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant estimates and assumptions include estimated useful life of tangible capital assets, estimated costs and applicability of the asset retirement obligation, and provisions for accrued liabilities and obligations related to employee benefits. Actual amounts could differ from these estimates.

e) Asset retirement obligation

The Board has legal obligations associated with the retirement from service of buildings and lease agreements. The Board recognizes obligations to retiring tangible capital assets from service in the period in which the obligation arises, which is typically upon acquisition or development of the asset, or when a reasonable estimate of the obligation can be made.

Asset retirement obligations are measured based on the best estimate of directly attributable expenditures required to settle the obligation. The amount of the obligation is added to the carrying amount of the associated asset and amortized on a straight-line basis over the estimated remaining useful life of the asset. If an obligation exists and does not have a corresponding asset, the amount of the obligation is recognized as a liability and an expense in the year of acquisition. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised annually.

Asset retirement obligations are reviewed at each financial reporting date and adjusted based on the facts and circumstances available at that time. Changes to the estimated timing or amount of future asset retirement obligation costs are recognized in the Statement of Financial Position. Once the related tangible capital asset is no longer in productive use or remediated, the estimate of the liability for asset retirement obligations is removed from the Statement of Financial Position and any additional cost that arises in respect of the asset's disposal or remediation is recognized as an expense.

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset
- (ii) The past transaction or event giving rise to the liability has occurred
- (iii) It is expected that future economic benefits will be given up
- (iv) A reasonable estimate of the amount can be made

Asset retirement obligation liabilities are recognized in the Board's financial statements for the following:

- (i) Removal of asbestos in buildings owned by the Board
- (ii) Remediation and/or restoration of leased real property and facility space

The liability is discounted using a present value calculation and adjusted annually for accretion expense. The recognition of a liability results in a corresponding increase to the respective tangible capital asset. The increase to the tangible capital asset is amortized in accordance with the depreciation accounting policies outlined in (c).

#### f) Revenue

Funding transfers from the City of Mississauga and funding transfers from other governments (e.g., transfers from the Province of Ontario) are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. The City's contribution consists of the current year's net levy as adopted. Government transfers consist of a provincial funding transfer.

Contributed assets from the City of Mississauga are tangible capital assets received as contributions and are recorded at their fair market value on the date of receipt. The contributions are recognized as contributed assets from the City of Mississauga in the Statement of Operations.

User charges and rents are paid by anyone using fee-based programs and services offered by the Board. User charges and rents are generally charged when services offered by the Board benefit specific individuals. User charges and rents are recognized when earned and measurable.

Recoveries from third parties are recognized in the financial statements when the Board expects to recover costs it has incurred from an external party. Recoveries from third parties are recognized when earned and measurable.

Other revenue that is restricted is recognized when the corresponding expenses are incurred. Other revenue that is not restricted is recognized into revenue upon receipt.

#### g) Measurement of financial instruments

The Board's financial instruments (assets and liabilities) are measured as follows:

- (i) Cash at amortized cost
- (ii) Accounts receivable and due from the City of Mississauga at amortized cost
- (iii) Accounts payable and accrued liabilities at amortized cost
- (iv) Deferred revenue at amortized cost

At the end of 2024, there are no financial instruments recognized at fair value.

All financial assets are tested annually for impairment. The Board's investment policies and practices reduce the risk of asset impairment. If financial assets are impaired, these losses are recorded in the Statement of Operations. Financial instruments are measured using amortized cost, with the effective interest rate method used to determine expenses. Transaction costs incurred on the acquisition of financial instruments are amortized using the straight-line method over the life of the instrument.

The purchase and sale of cash equivalents and investments are accounted for using trade-date accounting. The Board does not use foreign currency contracts or any other type of derivative financial instruments for trading or speculative purposes.

#### h) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2024 and have therefore not been applied to these financial statements.

Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

- (i) PS 1202 – Financial Statement Presentation was approved in March 2023. This standard supersedes PS 1201 – Financial Statement Presentation and covers a new conceptual framework and reporting model. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026 (the first effective year for the Board being the year ending December 31, 2027).
- (ii) PS 3251 – Employee Benefits will replace PS 3250 – Retirement Benefits and PS 3255 – Post-employment Benefits, Compensated Absences and Termination Benefits. The proposed standard is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

## **2. Change in Accounting Policies**

### **a) PS 3160**

On January 1, 2024, the Board adopted 3160 – Public Private Partnerships (“P3”). This new accounting standard identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the P3 term. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. The Board adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3.

### **b) PS 3400**

On January 1, 2024, the Board adopted 3400 – Revenue. This new accounting standard establishes how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and those that do not. Adoption of this standard has resulted in changes in the timing of revenue recognition for certain revenue streams such as licences and permits. The Board will recognize revenue from these exchange transactions when it satisfies its performance obligations. The Board adopted the standard prospectively. There is no impact on the presentation, measurement, or recognition of revenue in the current or prior periods of these financial statements.

### **c) Public Sector Guideline 8**

On January 1, 2024, the Board adopted Public Sector Guideline 8 – Purchased Intangibles. This new guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The Board adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchased intangibles.

## **3. Due from the City of Mississauga**

This category represents the accumulated surplus and the current year, non-cash, working capital changes due from the City. There are no specific terms of repayment, and the amounts do not bear any interest due from the City.

## **4. Pension Agreements**

The Board makes contributions to OMERS, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The plan is accounted for as a defined contribution plan. During the year, the Board contributed \$1,759 (2023 \$1,504) on behalf of these eligible employees and the employees contributed \$1,759 (2023 \$1,515).

## 5. Employee Benefits and Other Liabilities

Employee benefits and other liabilities, reported on the Statement of Financial Position, are made up of the following:

|  | 2024         | 2023         |
|--|--------------|--------------|
| Workplace Safety and Insurance Board (WSIB)      | 911          | 886          |
| Accumulated sick leave benefit plan entitlements | -            | 17           |
| Early retirement benefits                        | 997          | 951          |
| Post-employment benefits                         | 1,341        | 1,362        |
| Long-term disability                             | 605          | -            |
| Vacation liability                               | 1,061        | 1,009        |
| <b>Total</b>                                     | <b>4,915</b> | <b>4,225</b> |

- a) The Board has elected to be a Schedule 2 employer under the provisions of the WSIB, and as such, remits payments to the WSIB only as required to fund disability payments. A full actuarial study of this obligation was completed in December 2023, in accordance with the financial reporting guidelines established by PSAB.
- b) Accumulated sick leave benefits accrue to certain employees of the Board and are paid out either on approved retirement, or upon termination or death. The accrued benefit obligation and the net-periodic benefit cost were determined by a full actuarial valuation completed in December 2023, in accordance with the financial reporting guidelines established by PSAB.
- c) Early retirement benefits are representative of the Board's share of the cost to provide certain employees with extended benefits upon early retirement. The accrued benefit obligation and the net-periodic benefit cost were determined by a full actuarial valuation completed in December 2023, in accordance with the financial reporting guidelines established by PSAB.
- d) Post-employment benefits such as health, dental and life insurance benefits are paid on behalf of any employee on long-term disability. The accrued benefit obligation and the net-periodic cost were determined by a full actuarial valuation completed in December 2023, in accordance with the financial reporting guidelines established by PSAB.
- e) In January 2023, the Board adopted a self-insured arrangement for its long-term disability (LTD) benefit program. Under this arrangement, the Board funds its own claims through a segregated reserve fund and contracts with an insurance carrier to adjudicate and administer all claims on an administrative services-only basis. An independent actuarial valuation, dated December 2023, estimates the liability for claims incurred to be \$nil (2023 \$nil) as at December 31, 2024 which is reported on the Statement of Financial Position.
- f) Vacation entitlements are accrued as earned by the employee. Values are derived by the employee's current wage rate and vacation entitlement, unless specified otherwise in employment contracts or union agreements.

Information about the Board's defined benefit plans is as follows:

|  | WSIB       | Sick<br>Leave | Early<br>Retirement | Post-<br>Employment | LTD        | 2024<br>Total | 2023<br>Total |
|--|------------|---------------|---------------------|---------------------|------------|---------------|---------------|
| <b>Accrued benefit obligation, beginning of year</b> | <b>886</b> | <b>17</b>     | <b>951</b>          | <b>1,362</b>        | <b>-</b>   | <b>3,216</b>  | <b>2,937</b>  |
| Service cost   | 75         | -             | 34                  | 171                 | -          | 280           | 428           |
| Interest cost  | 21         | -             | 51                  | 34                  | -          | 106           | 124           |
| Amortization of actuarial (gain)/loss                | (6)        | (17)          | 12                  | (135)               | -          | (146)         | 18            |
| Benefit payments                                     | (65)       | -             | (51)                | (91)                | -          | (207)         | (294)         |
| Increase due to plan amendment/survivor claims       | -          | -             | -                   | -                   | 605        | 605           | 3             |
| <b>Accrued benefit obligation, end of year</b>       | <b>911</b> | <b>-</b>      | <b>997</b>          | <b>1,341</b>        | <b>605</b> | <b>3,854</b>  | <b>3,216</b>  |
| Unamortized actuarial (gain)/loss                    | (435)      | -             | 122                 | (553)               | -          | (866)         | (17)          |
| <b>Actuarial valuation update, end of year</b>       | <b>476</b> | <b>-</b>      | <b>1,119</b>        | <b>788</b>          | <b>605</b> | <b>2,988</b>  | <b>3,199</b>  |
| Expected average remaining service life              | 11 years   | 3 years       | 13 years            | 8 years             | 8 years    |               |               |

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimates. The following represents the more significant assumptions made:

|                                    | WSIB  | Sick Leave | Early<br>Retirement | Post-<br>Employment | LTD   |
|------------------------------------|-------|------------|---------------------|---------------------|-------|
| Expected inflation rate            | 2.00% | 2.00%      | 2.00%               | 2.00%               | 2.00% |
| Expected level of salary increases | N/A   | 3.00%      | 3.00%               | 3.00%               | 3.00% |
| Interest discount rate             | 4.75% | 4.75%      | 4.75%               | 4.75%               | 5.00% |
| Expected health care increases     | 4.00% | N/A        | 5.67%               | 6.00%               | N/A   |

## 6. Budget

Budget data presented in these financial statements is based on the 2024 operating and capital budgets as adopted as part of the City's 2024 Budget on December 18, 2023 and adopted by the Board at its April 17, 2024 meeting. The table below reconciles the adopted budget, which is developed using a modified accrual basis of accounting, and the budget figures presented in these financial statements, which are produced using the accrual basis of accounting.

|  | 2024<br>Adopted<br>Budget |
|--|---------------------------|
| <b>Revenue</b>                                       |                           |
| <b>Adopted Operating Budget</b>                      | <b>2,474</b>              |
| <b>Adjustments:</b>                                  |                           |
| City contribution (net of allocations)               | 31,523                    |
| Budget adjustments                                   | 2,470                     |
| Transfers from reserve funds                         | (1,004)                   |
| <b>Adjusted Operating Budget</b>                     | <b>35,463</b>             |
| <b>Adopted Capital Budget</b>                        | <b>5,862</b>              |
| <b>Adjustments:</b>                                  |                           |
| Adjustments for transfers from reserve funds         | (5,862)                   |
| <b>Adjusted Capital Budget</b>                       | <b>-</b>                  |
| <b>Total Revenue</b>                                 | <b>35,463</b>             |
| <b>Expenses</b>                                      |                           |
| <b>Adopted Operating Budget</b>                      | <b>33,997</b>             |
| <b>Adjustments:</b>                                  |                           |
| Budget adjustments                                   | 2,470                     |
| Library books transferred to tangible capital assets | (3,316)                   |
| Transfers to reserve funds                           | -                         |
| Amortization of tangible capital assets              | 6,714                     |
| Debt principal repayments                            | (2,476)                   |
| Debt interest payments                               | (657)                     |
| <b>Adjusted Operating Budget</b>                     | <b>36,732</b>             |
| <b>Adopted Capital Budget</b>                        | <b>5,862</b>              |
| <b>Adjustments:</b>                                  |                           |
| Eliminate capital expense budget                     | (5,862)                   |
| <b>Adjusted Capital Budget</b>                       | <b>-</b>                  |
| <b>Total Expenses</b>                                | <b>36,732</b>             |
| <b>Annual Deficit</b>                                | <b>(1,269)</b>            |

## 7. Tangible Capital Assets

Tangible capital assets are non-financial assets that are generally not available to the Board for use in discharging its existing liabilities and are held for use in the provision of services. These assets are significant economic resources that are not intended for sale in the ordinary course of business and have an estimated useful life that extends beyond the current year. Tangible capital assets include buildings, books, furniture and land.

| Cost                       | Dec. 31,<br>2023 | Additions     | Disposals  | Dec. 31,<br>2024 |
|----------------------------|------------------|---------------|------------|------------------|
| Land                       | 1,247            | -             | -          | 1,247            |
| Land improvements          | 762              | 185           | (9)        | 938              |
| Buildings                  | 97,867           | 9,372         | -          | 107,239          |
| Equipment, books and other | 34,203           | 3,962         | -          | 38,165           |
| Vehicles                   | 116              | 94            | -          | 210              |
| <b>Total</b>               | <b>134,195</b>   | <b>13,613</b> | <b>(9)</b> | <b>147,799</b>   |

| Accumulated Amortization   | Dec. 31,<br>2023 | Amortization<br>Expense | Disposals  | Dec. 31,<br>2024 |
|----------------------------|------------------|-------------------------|------------|------------------|
| Land                       | -                | -                       | -          | -                |
| Land improvements          | 426              | 30                      | (9)        | 447              |
| Buildings                  | 29,306           | 3,053                   | -          | 32,359           |
| Equipment, books and other | 17,842           | 3,952                   | -          | 21,794           |
| Vehicles                   | 63               | 21                      | -          | 84               |
| <b>Total</b>               | <b>47,637</b>    | <b>7,056</b>            | <b>(9)</b> | <b>54,684</b>    |

| Net Book Value             | Dec. 31,<br>2023 | Dec. 31,<br>2024 |
|----------------------------|------------------|------------------|
| Land                       | 1,247            | 1,247            |
| Land improvements          | 336              | 491              |
| Buildings                  | 68,561           | 74,880           |
| Equipment, books and other | 16,361           | 16,371           |
| Vehicles                   | 53               | 126              |
| <b>Total</b>               | <b>86,558</b>    | <b>93,115</b>    |

## 8. Asset Retirement Obligation

The Board's asset retirement obligation consists of the following:

### a) Asbestos obligation

The Board owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Board recognized an obligation relating to the removal of the asbestos in these buildings as estimated at January 1, 2022. Estimated costs and discount rates are reviewed annually for significant changes and reflected in the asset retirement obligation.

### b) Lease obligation

The Board leases real property and facility space with requirements to return the property to the original condition, which represents a legal obligation to remediate or restore at the end of the lease term. Following the adoption of PS 3280 – Asset Retirement Obligations, the Board recognized an obligation relating to the restoration and remediation of leased space as estimated at January 1, 2022. Estimated costs and discount rates are reviewed annually for significant changes and reflected in the asset retirement obligation.

Changes to the asset retirement obligation are as follows:

| 2024 Asset Retirement Obligation         | Asbestos<br>Obligation | Lease<br>Obligation | 2024<br>Total |
|--|------------------------|---------------------|---------------|
| Opening balance                          | 452                    | 11                  | 463           |
| Obligation incurred in year              | -                      | -                   | -             |
| Obligation settled in year               | -                      | -                   | -             |
| Revisions to obligation in year          | -                      | -                   | -             |
| Accretion of asset retirement obligation | 13                     | -                   | 13            |
| <b>Closing Balance</b>                   | <b>465</b>             | <b>11</b>           | <b>476</b>    |

| 2023 Asset Retirement Obligation         | Asbestos<br>Obligation | Lease<br>Obligation | 2023<br>Total |
|--|------------------------|---------------------|---------------|
| Opening balance                          | 449                    | 11                  | 460           |
| Obligation incurred in year              | -                      | -                   | -             |
| Obligation settled in year               | (10)                   | -                   | (10)          |
| Revisions to obligation in year          | -                      | -                   | -             |
| Accretion of asset retirement obligation | 13                     | -                   | 13            |
| <b>Closing Balance</b>                   | <b>452</b>             | <b>11</b>           | <b>463</b>    |

## 9. Contractual Rights

The Board is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

The Board has revenue from incoming lease agreements for Board-owned properties as follows:

| <b>Contractual Rights</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029</b> | <b>Total</b> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Incoming Lease Payments   | 371         | 379         | 388         | 396         | 405         | 1,939        |

## 10. Commitments

The Board has entered into various operating leases for premises. Anticipated payments under such leases during the next five years are approximately as follows:

| <b>Year</b>         | <b>Lease Commitment</b> |
|---------------------|-------------------------|
| 2025                | 362                     |
| 2026                | 371                     |
| 2027                | 221                     |
| 2028                | 172                     |
| 2029 and thereafter | 174                     |
| <b>Total</b>        | <b>1,300</b>            |

## 11. Financial Instruments

The Board is exposed to some risks through financial instruments (both assets and liabilities), including credit risk, liquidity risk and market risk. The following provides insights into the various risk exposures:

### a) Credit risk

Credit risk is the risk that one party to a financial instrument (asset or liability) will cause a financial loss to the other party through the failure to discharge the obligations under the covenants of the financial instrument.

The Board is exposed to credit risk in the event of non-payment by external parties. The Board's credit risk is primarily attributable to its receivables. The Board does not have any significant past-due accounts that are not provided for.

### b) Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting its financial obligations associated with its financial liabilities. The Board mitigates its exposure to liquidity risk through the monitoring of cash flows relative to operational needs.

The majority of trade accounts payable and accrued liabilities are expected to be settled in the next fiscal year.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and price risk.

(i) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in market interest rates. The Board is not exposed to interest rate risk as it does not hold any investments or debt.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Board is exposed to currency risk through purchases of goods and services using foreign currency. The Board mitigates this risk through cash flow monitoring of operational needs, and purchasing foreign currency only as needed to settle financial liabilities.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Board mitigates price risk through fixed pricing procurement contracts.