Financial Statements of

NIAGARA FALLS PUBLIC LIBRARY BOARD

And Independent Auditor's Report thereon

Year ended December 31, 2023

NIAGARA FALLS PUBLIC LIBRARY BOARD

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Year ended December 31, 2023

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REPORT ON MANAGEMENT RESPONSIBILITY

The accompanying financial statements of the Niagara Falls Public Library Board are the responsibility of the Board's management and have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian public sector accounting standards and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board members meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

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

Chair
Anne Andres-Jones
June 25, 2025

Chief Librarian
Alicia Subnaik Kilgour
June 25, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of the Niagara Falls Public Library Board, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Niagara Falls, Ontario

Qualified Opinion

We have audited the accompanying financial statements of Niagara Falls Public Library Board (the Board), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financials, including a summary of significant accounting policies and other explanatory information.

(hereinafter referred to as the "financial statements")

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditor's report the accompanying financial statements present fairly, in all material respects, the financial position of Niagara Falls Public Library Board as at December 31, 2023, and the results of its operations, its changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many charitable organizations, the Board derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to:

- The current assets report in the statement of financial position as at December 31, 2023
- The revenue and annual surplus reported on the statement of operations for the year ended December 31, 2023
- The net financial assets at the beginning and end of the year, reported in the statement of changes in net financial assets for the year ended December 31, 2023
- The annual surplus reported in the statement of cashflows for the year ended December 31, 2023

Our audit opinion on the financial statements for the year ended December 31, 2023 is qualified accordingly because of the possible effects of this limitation in scope.

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.

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 report.

We are independent of the 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.

Emphasis of Matter – Comparative Information

We draw attention to Note 2 of the financial statements which explains that certain comparative information presented for the year ended December 31, 2022 has been restated as a result of the modified retroactive adoption of the assets retirement obligation standard. Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect to this matter.

Other Matter – Comparative Information

The financial statements as at and for the year ended December 31, 2022 were audited by another auditor who expressed a qualified opinion on those financial statements on June 29, 2023 due to the matter described in the "***Basis for Qualified Opinion***" section.

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022 as a result of a change in accounting policy. In our opinion, such adjustments are appropriate and have been properly applied.

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 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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the 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.
- 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

Hamilton, Canada

June 25, 2025

NIAGARA FALLS PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 2)
Financial assets		
Current assets:		
Cash (note 3)	$ 2,338,146	$ 2,329,472
Accounts receivable	38,371	10,171
Due from the City of Niagara Falls, Ontario	244,819	950,606
	2,621,336	3,290,249
Financial liabilities and Net Assets		
Accounts payable and accrued liabilities	$ 301,594	$ 95,221
Deferred revenue (note 4)	344,872	1,026,077
Deferred lease inducements	48,280	39,143
Post-employment benefits (note 5)	234,394	317,249
Long-term liabilities (note 6)	466,992	577,714
Asset retirement obligation (note 9)	22,883	22,883
	1,419,015	2,078,287
Net financial assets	1,202,321	1,211,962
Non-financial assets		
Tangible capital assets (schedule 1)	5,763,843	3,965,238
Inventories	22,813	24,170
Prepaid expenses	67,692	50,003
	5,854,348	4,039,411
Commitments (note 8)		
Accumulated surplus (note 7)	$ 7,056,669	$ 5,251,373

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

NIAGARA FALLS PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023 (note 12)	Actual 2023	Actual 2022 (Restated - note 2)
Revenue (note 11):			
City of Niagara Falls, Ontario:			
Operating grant	$ 5,492,354	$ 5,491,262	$ 5,068,532
Other grants	–	760,000	–
Contributions from obligatory reserve funds	–	175,129	77,378
Grants and allowances:			
Province of Ontario	157,058	157,133	167,558
Federal	15,863	622,064	82,137
Investment income	–	114,128	38,041
Donations	55,000	51,297	13,914
Library receipts	54,500	55,138	100,356
	5,774,775	7,426,151	5,547,916
Expenses:			
Amortization	–	535,421	594,058
Contracted services	204,423	159,451	156,211
Digital subscriptions	210,000	100,428	86,046
Heat, light, water and telephone	171,500	142,199	136,315
Information software	66,000	44,609	53,484
Insurance	77,205	81,162	70,691
Interest	13,024	11,932	14,095
Other materials	108,955	110,086	124,836
Rent	149,365	152,956	156,113
Repairs, maintenance and rentals	59,875	42,957	39,547
Salaries and benefits (note 10)	4,364,121	4,219,100	3,744,713
Loss on disposal of assets	–	939	–
Training and professional development	20,000	19,615	18,281
	5,444,468	5,620,855	5,194,390
Annual surplus	330,307	1,805,296	353,526
Transitional adjustment for asset retirement obligation (note 2)	–	–	(16,585)
Accumulated surplus, beginning of year	5,268,284	5,251,373	4,914,432
Accumulated surplus, end of year	$ 5,598,591	$ 7,056,669	$ 5,251,373

See accompanying notes to financial statements.

NIAGARA FALLS PUBLIC LIBRARY BOARD

Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 2)
Annual surplus	$ 1,805,296	$ 353,526
Acquisition of tangible capital assets	(2,334,965)	(755,141)
Amortization of tangible capital assets	535,421	594,058
Loss on disposal of tangible capital assets	939	–
Change in inventories	1,357	1,908
Change in prepaid expenses	(17,689)	(1,297)
Increase (decrease) in net financial assets	(9,641)	193,054
Transitional adjustment for asset retirement obligation (note 2)	–	(22,883)
Net financial assets, beginning of year	1,211,962	1,041,791
Net financial assets, end of year	$ 1,202,321	$ 1,211,962

See accompanying notes to financial statements.

NIAGARA FALLS PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 2
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 1,805,296	$ 353,526
Items not involving cash:		
Amortization	535,421	594,058
Loss on disposal of assets	939	–
Changes in non-cash working capital:		
Accounts receivable	(28,200)	(10,171)
Due from City of Niagara Falls, Ontario	705,787	638,461
Inventory	1,357	1,908
Prepaid expenses	(17,689)	(1,297)
Accounts payable and accrued liabilities	206,373	(87,557)
Post employment benefits	(82,855)	(23,971)
Deferred lease inducements	9,137	10,512
Deferred revenue	(681,205)	221,846
Net increase in cash from operations	2,454,361	1,697,315
Capital activities:		
Acquisition of tangible capital assets	(2,334,965)	(755,141)
Financing activities:		
Long-term debt repaid	(110,722)	(108,662)
Proceeds from investments	–	68,506
	(110,722)	(40,156)
Net change in cash	8,674	902,018
Cash, beginning of year	2,329,472	1,427,454
Cash, end of year	$ 2,338,146	$ 2,329,472

See accompanying notes to financial statements.

The Niagara Falls Public Library Board (the "Board") was established in 1895 pursuant to the Ontario Ministry of Culture's Public Libraries Act and operates four branches within Niagara Falls, Ontario. The branches are known as Victoria Avenue, Stamford Centre, Chippawa, and the Niagara Falls Community Centre.

1. Significant accounting policies:

The financial statements of the Board are the representations of management prepared in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the Board are as follows:

(a) Basis of accounting:

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

(b) Government transfers:

Government transfers including operating grants, contributions and allowances received are from the Province of Ontario, the Federal government and the Corporation of the City of Niagara Falls, Ontario. Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(c) Donations:

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Other income:

Revenue from user charges and other related services are recognized at the point of sale or when services have been provided and collection is reasonably assured. Investment income earned is reported as revenue in the year earned.

(e) 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.

1. Significant accounting policies (continued):

(f) Post-employment benefits:

The Board provides certain employee benefits which will require funding in future periods. The cost of self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement health and dental benefits for retirees, is actuarially determined using the projected benefit method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

The Board makes contributions to the Ontario Municipal Employees Retirements System (OMERS) Pension, which is a multi-employer defined contribution pension plan, on behalf of its members. These contributions are recognized in the period in which the contributions are earned.

(g) Inventories:

Inventories are valued at lower of cost and market value.

(h) Deferred lease inducements:

Deferred lease inducements are a rent-free period advanced on an operating lease by the property owner. Inducements are amortized on a straight-line basis over the lease term.

(i) Tangible capital assets:

Tangible capital assets are recorded at historical cost. Cost includes all directly attributable expenditures in the acquisition, construction, development and/or betterment of the asset required to install the asset at the location.

Amortization is recorded to reflect the cost, net of anticipated residual value, associated with the use of the asset in providing services on a straight-line basis over the estimated useful life of the asset. Additions during the year are amortized from the month the asset is available for productive use. Disposals are amortized until the month of disposition. Gains and/or losses on the disposal of an asset are recorded on the statement of operations and accumulated surplus as gain/loss on disposal of assets.

Tangible assets received as contributions are recorded at their fair market value at the date of receipt and are also recorded as revenue.

The historical cost of works of art or historical treasures has not been assigned to these assets nor disclosed in the financial statements.

1. Significant accounting policies (continued):

(i) Tangible capital assets (continued):

Tangible capital assets are amortized as follows:

Asset	Life
Buildings	15 to 70 years
Vehicle	8 years
Furniture and equipment	10 to 20 years
Collection	2 to 8 years
Leasehold improvements	50 years
Information hardware	5 years
Information software	5 years
Parking lot	20 years
Fence	20 years

(j) Deferred revenue:

Deferred revenue represents funds collected for which related expenses have yet to be incurred. These amounts will be recognized as revenue in the fiscal year in which the related expenses are incurred.

(k) Asset retirement obligations:

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

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

The liability for the removal of asbestos in the buildings owned by the Board has been recognized based on estimated future expenses on closure of the site and post-closure care. Under the modified retroactive method, the discount rate and assumption used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The obligation is determined based on the estimated cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

The buildings tangible capital assets affected by asbestos liability are being amortized with the building following the amortization accounting policies outlined in note 1(i).

1. Significant accounting policies (continued):

(l) 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 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 reporting period. Actual results could differ from those estimates.

2. Change in accounting policies:

On January 1, 2022, the Board adopted Canadian Public Sector Accounting Standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings owned by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method of adoption, the assumptions used to estimate the Board's asset retirement obligations are applied as of the date of adoption of the standard.

The Board recognized an asset retirement obligation relating to the buildings owned by the Board that contain asbestos. The liability was measured as of the date of purchase or construction of the buildings, when the liability was assumed. The buildings has an expected useful life of 15 to 70 years, and the estimate has not been changed since purchase or construction.

In accordance with the provision of this new standard, the Board reflected the following adjustments at January 1, 2022:

- An increase of $22,883 to the buildings tangible capital asset account, representing the original estimate of the obligation as of the date of purchase or construction, and accompanying increase of $16,912 to accumulated amortization.
- An asset retirement obligation in the amount of $22,883, representing the estimated cost of remediation as at that date; and
- A decrease to opening accumulated surplus of $22,883 as a result of the recognition of the liability and accompanying increase in amortization expense and accretion expense since purchase or construction.

3. Cash:

	2023	2022
Cash – operations	$ 1,639,355	$ 1,872,355
Cash – restricted (note 7)	698,791	457,117
	$ 2,338,146	$ 2,329,472

4. Deferred revenue:

Deferred revenue represents unspent resources externally restricted for various purposes and restricted funding received in the current year to be spent at some point in the future.

Changes in the deferred revenue balance are as follows:

	2023	2022
Balance, beginning of year	$ 1,026,077	$ 804,231
Add restricted amounts received in the year	90,000	221,846
Less: revenue recognized to offset expenses incurred during the year	(771,205)	–
Balance, end of year	$ 344,872	$ 1,026,077

	2023	2022
City of Niagara Falls, Ontario	$ –	$ 760,000
Donations	5,009	5,658
McCall MacBain Foundation	290,000	200,000
Federal - Enabling accessibility grant	46,988	57,544
United Way	2,875	2,875
	$ 344,872	$ 1,026,077

5. Post-employment benefits:

The Board recognizes post-employment benefits in the period in which the employees render the services.

	2023	2022
Accrued vacation pay	$ 16,753	$ 17,041
Post-employment benefits	217,641	300,208
	$ 234,394	$ 317,249

Accrued vacation pay:

As at December 31, 2023, employees of the Board have accumulated vacation pay credits in the amount of $16,753 (2022 - $17,041). Any unused credits may be carried forward to future years.

Post-employment benefits:

The Board pays certain medical and life insurance benefits on behalf of its retired employees.

The accrued benefit obligation for post-employment benefits was determined by actuarial valuation using a discount rate of 4% (2022 - 3.5%).

As a result of an actuarial valuation conducted in 2022 for the year ending December 31, 2023, it was determined that an actuarial loss of $62,835 existed. The unamortized value is $61,138. This loss is being amortized over an expected average remaining service life of 13 years of the related employee group. The actual obligation as at December 31, 2023 is $177,892 (2022 - $ 263,962).

Post-employment benefit plan and accrued vacation pay information:

	2023	2022
Employee benefit plan liabilities	$ 177,892	$ 263,962
Employee benefit plan deficit	177,892	263,962
Unamortized actuarial loss	56,502	53,287
Accrued benefit obligation, end of year	$ 234,394	$ 317,249

5. Post-employment benefits (continued):

Post-employment benefits (continued):

	2023	2022
Accrued benefit obligation, beginning of year	$ 317,249	$ 341,220
Expense for the year	9,438	18,592
Amortization of actuarial loss	(8,071)	(7,861)
Remeasurement of employee benefits	(43,029)	–
Benefits paid during the year	(41,193)	(34,702)
Accrued benefit obligation, end of year	$ 234,394	$ 317,249

The main actuarial assumptions employed for the valuation are as follows:

General Inflation - Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 1.75% in 2023 (2022 - 1.75%).

Salary Levels - Future general salary and wage levels were assumed to escalate at 2.75% per annum (2023- 2.75%).

Dental Costs - Dental costs were assumed to escalate at 3.75% per annum (2023 - 3.75%).

Health Care Costs - Health care costs were assumed to escalate at 5.75% between 2023 and 2022, reducing by 0.3333% per annum to reach 3.75% per year starting in 2029 and thereafter (2022 - 6.75%).

Travel Costs - Travel costs were assumed to escalate at the same rate as health care costs.

6. Long-term liabilities:

(a) The balance of net long-term liabilities which is comprised of serial debentures issued to the City on behalf of the Board by the Region of Niagara are reported on the Statement of Financial Position are as follows:

	2023	2022
Long-term liabilities incurred bearing interest at annual rates ranging from 1.75% to 2.45%	$ 466,992	$ 577,714

6. Long-term liabilities (continued):

(b) Principal payments due in the next five years are due as follows:

2024	$ 112,930
2025	115,359
2026	117,935
2027	120,768
	$ 466,992

(c) Interest expense on long-term liabilities amounted to $11,945 (2022 - $14,095).

7. Accumulated surplus:

	2023	2022
Invested in tangible capital assets	$ 5,763,843	$ 3,965,238
Capital fund	(448,854)	(97,165)
Operating fund	175,036	290,794
Reserve funds:		
Internally restricted:		
Automation	69,768	61,821
Property	1,455,490	1,274,869
Externally restricted:		
Special purpose	742,772	667,690
	2,268,030	2,004,380
Amounts to be recovered:		
Post-employment benefits	(234,394)	(317,249)
Long-term liabilities	(466,992)	(577,714)
	(701,386)	(894,963)
	$ 7,056,669	$ 5,268,284

Automation reserve fund:

Transfers to this fund have been designated by the Board to fund the future improvement of technology and information systems at all library branches. These funds, along with accumulated interest, are maintained in a separate bank account at Scotiabank. See note 2.

7. Accumulated surplus (continued):

Property reserve fund:

Transfers to this fund have been designated by the Board to fund repairs and capital improvements required that are above and beyond what is normally funded by provincial and municipal funds. These funds, along with accumulated interest, are maintained in a separate bank account at Scotiabank with other City of Niagara Falls reserve funds.

Special purpose reserve fund:

This fund represents donations and endowments that have been restricted by the donor for various purposes. These funds, along with accumulated interest, are maintained in a separate bank account at Scotiabank. See note 2.

8. Commitments:

On July 21, 2020, the Board entered into a ten-year and four-month lease agreement for the Stamford Library location. According to the August 24, 2021 amended lease agreement, the lease commenced on July 1, 2021 with a four-month rent free period. The agreement requires total lease payments of $858,000 payable in monthly basic rent payments of $5,844 in years one to two, $6,351 in years three to five, $7,219 in years six to seven, and $7,906 thereafter. The agreement also requires monthly additional rent payments as defined in the agreement as an estimate of $7.18 per square foot and one-time deposit of $14,512 to be applied to last month's rent. Finally, the Board shall have the right to extend the term for four further and separate extension terms of five years each.

The MacBain Community Centre Branch is leased from the Corporation of the City of Niagara Falls, Ontario, for a nominal amount, with no set date of expiry.

Under equipment operating lease agreements, the Board is committed to make the following minimum future payments over the next three years:

2024	$	6,460
2025		6,460
2026		5,490

8. Commitments (continued):

Under services purchase agreements, the Board is committed to make the following minimum future payments over the next three years:

2024	$ 27,242
2025	2,580
2026	2,580

The estimated future capital expenditures based on projects in progress at December 31, 2023 is approximately $927,134 (2022 - $1,585,090). This amount includes 2023 capital expenditures that were incurred but not yet funded from reserves at the end of the year. These projects will be financed by deferred revenue, property reserves and automation reserves in future years.

9. Asset retirement obligation:

Following the adoption of PS 3280 *Asset Retirement Obligations*, the Board has recognized an obligation related to the legal requirement for the removal or remediation of asbestos-containing materials in certain buildings as estimated at January 1, 2022. The obligation is determined based on the estimated cash flows that will be required in the future to remove or remediate the asbestos-containing materials in accordance with current legislation.

The transition and recognition of asset retirement obligations involved an accompanying increase to the building's tangible capital assets and the restatement of prior year balances (see schedule 1).

The change in the estimated obligation for the year consists of the following:

	2023	2022
Balance, beginning of year	$ 22,883	$ –
Adjustment on adoption of PS 3280 A*sset Retirement Obligation* standard (note 2)	–	22,883
Opening balance, as restated	22,883	22,883
Balance, end of year	$ 22,883	$ 22,883

10. Pension agreements:

On July 21, 2020, The Board makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of its staff. The 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.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ("the Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2023, the estimated accrued pension obligation for all members of the Plan was $134,574 million (2022 - $128,789 million). The Plan had an actuarial value of net assets at that date of $130,372 million (2022 - $122,111 million) indicating an actuarial deficit of $4,202 million (2022 - $6,678 million). The Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS for 2023 was $299,266 (2022 - $261,501) for current services and is included as an expense on the Statement of operations and accumulated surplus.

On January 1, 2023, the yearly maximum pension earnings increased to $66,600 from $64,900 in 2022. The contributions are calculated at a rate of 9% (2022 - 9%) for amounts up to the yearly maximum pension earnings stated above and at a rate of 14.6% (2022 - 14.6%) for amounts above the yearly maximum pension earnings.

11. Economic dependence:

The Board receives a significant portion of its revenues for operations from the following sources:

- City of Niagara Falls, Ontario - $5,367,529 (2022 - $5,145,910)
- Province of Ontario - $157,133 (2022 - $167,558)

12. Budget figures:

The operating budget for the year ended 2023 includes the budgets approved by the Board. These numbers have not been audited but are presented for information purposes only. The budgets established for capital funds, reserves and reserve funds are on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and have not been reflected. Budget figures have been reclassified to comply with PSAB reporting requirements.

13. Tangible capital assets:

Tangible capital assets disclosed at nominal values.

Where an estimate of fair market value could not be made for a capital asset, the asset has been recognized at a nominal value. Nominal values totaling $1 have been assigned to parking lot.

14. Comparative figures:

Certain comparative figures presented in the financial statements relating to liabilities and expenses have been reclassified to conform with the current year's presentation. There was no impact on the annual surplus in the Statement of Operations and Accumulated Surplus as a result of these changes.

NIAGARA FALLS PUBLIC LIBRARY BOARD

Schedule 1 – Schedule of Tangible Capital Assets

Year ended December 31, 2023

2023	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance beginning of year	Amortization	Disposals	Balance, end of year	Net book value
	(Restated - Note 2)								
Land	$ 3	$ –	$ –	$ 3	$ –	$ –	$ –	$ –	$ 3
Buildings	4,299,627	13,143	–	4,312,770	2,429,218	131,035	–	2,560,253	1,752,517
Vehicle	64,895	84,276	–	149,171	27,983	13,379	–	41,362	107,809
Furniture and fixtures	493,682	21,453	–	515,135	204,822	31,068	–	235,890	279,245
Collection	2,563,868	380,659	454,926	2,489,601	1,341,939	309,876	454,573	1,197,242	1,292,359
Leasehold improvements	70,749	–	–	70,749	24,516	1,415	–	25,931	44,818
Information hardware	218,326	27,513	6,111	239,728	100,830	43,298	5,525	138,603	101,125
Information software	14,435	4,056	–	18,491	13,165	611	–	13,776	4,715
Parking lot	72,838	–	–	72,838	40,839	3,642	–	44,481	28,357
Fence	21,945	–	–	21,945	3,176	1,097	–	4,273	17,672
Construction in progress	331,358	1,803,865	–	2,135,223	–	–	–	–	2,135,223
December 31, 2023	$ 8,151,726	$ 2,334,965	$ 461,037	$ 10,025,654	$ 4,186,488	$ 535,421	$ 460,098	$ 4,261,811	$ 5,763,843

2022	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance beginning of year	Amortization	Disposals	Balance, end of year	Net book value
	(Restated - Note 2)								
Land	$ 3	$ –	$ –	$ 3	$ –	$ –	$ –	$ –	$ 3
Buildings	4,326,910	304,075	–	4,630,985	2,298,573	130,645	–	2,429,218	2,201,767
Vehicle	64,895	–	–	64,895	19,996	7,987	–	27,983	36,912
Furniture and fixtures	447,352	46,330	–	493,682	170,986	33,836	–	204,822	288,860
Collection	2,722,245	344,133	502,510	2,563,868	1,473,309	371,140	502,510	1,341,939	1,221,929
Leasehold improvements	70,749	–	–	70,749	23,101	1,415	–	24,516	46,233
Information hardware	295,116	50,174	126,964	218,326	184,109	43,685	126,964	100,830	117,496
Information software	14,435	–	–	14,435	12,554	611	–	13,165	1,270
Parking lot	72,838	–	–	72,838	37,197	3,642	–	40,839	31,999
Fence	11,516	10,429	–	21,945	2,079	1,097	–	3,176	18,769
December 31, 2022	$ 8,026,059	$ 755,141	$ 629,474	$ 8,151,726	$ 4,221,904	$ 594,058	$ 629,474	$ 4,186,488	$ 3,965,238