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Financial Statements of

NIAGARA FALLS PUBLIC LIBRARY BOARD

And Independent Auditor's Report thereon

Year ended December 31, 2025

Docusign Envelope ID: CAC2BC8B-7BC4-851D-8112-DD68957207C8

NIAGARA FALLS PUBLIC LIBRARY BOARD

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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.

Signed by:
Anne Andres-Jones
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Chair
Anne Andres-Jones

Signed by:
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Chief Librarian
Alicia Subnaik Kilgour

August 17, 2026

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KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton, ON L8P 4W7
Canada
Telephone 905 523 8200
Fax 905 523 2222

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, 2025
- 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, 2025, 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 reported in the statement of financial position as at December 31, 2025 and December 31, 2024
- The revenue and annual surplus reported on the statement of operations for the year ended December 31, 2025 and December 31, 2024
- 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, 2025 and December 31, 2024

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.

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- The annual surplus reported in the statement of cashflows for the year ended December 31, 2025 and December 31, 2024

Our audit opinion on the financial statements for the year ended December 31, 2025 is qualified accordingly because of the possible effects of this limitation in scope.

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.

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.

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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

August 17, 2026

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NIAGARA FALLS PUBLIC LIBRARY BOARD

Statement of Financial Position
December 31, 2025, with comparative information for 2024

	2025	2024
Financial Assets		
Current assets:		
Cash (note 2)	$ 6,043,600	$ 4,680,205
Accounts receivable	6,130	5,618
	6,049,730	4,685,823
Financial liabilities and Net Assets		
Due to the City of Niagara Falls, Ontario	2,701,156	2,371,496
Accounts payable and accrued liabilities	412,982	197,038
Deferred revenue (note 3)	188,597	31,270
Deferred lease inducements	56,284	50,542
Post-employment benefits (note 4)	168,640	196,551
Long-term liabilities (note 5)	238,703	354,062
Asset retirement obligation (note 8)	13,944	22,883
	3,780,306	3,223,842
Net financial assets	2,269,424	1,461,981
Non-financial Assets		
Tangible capital assets (schedule 1)	5,945,194	6,071,234
Inventories	16,327	18,090
Prepaid expenses	55,267	61,934
	6,016,788	6,151,258
Commitments (note 7)		
Economic dependence (note 10)		
Accumulated surplus (note 6)	$ 8,286,212	$ 7,613,239

See accompanying notes to financial statements.

On behalf of the Board:

Signed by:
Anne Andres-Jones
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Director

DocuSigned by:
John Austruther
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Director

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NIAGARA FALLS PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus
Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 11)	2025 Actual	2024 Actual
Revenue (note 10):			
City of Niagara Falls, Ontario:			
Operating grant	$ 5,911,835	$ 5,910,586	$ 5,679,025
Contributions from obligatory reserve funds	–	192,527	178,717
Grants and allowances:			
Niagara Region	–	131,429	–
Province of Ontario	157,058	157,058	157,058
Federal	12,758	19,156	145,487
Other	–	78,267	10,747
Investment income	84,000	147,150	214,006
Donations	45,000	15,284	326,477
Library receipts	74,456	78,214	101,809
Gain on sale of assets	–	645,967	–
	6,285,107	7,375,638	6,813,326
Expenses:			
Amortization	–	798,794	826,111
Contracted services (note 13)	215,234	275,886	252,250
Digital subscriptions	135,390	144,384	134,636
Heat, light, water and telephone	203,719	168,255	163,734
Information software	113,000	107,882	64,912
Insurance	109,403	104,700	100,492
Interest (note 5)	8,326	7,077	9,586
Other materials	186,894	258,499	173,217
Rent	184,132	206,722	169,148
Salaries and benefits (note 9)	4,639,730	4,603,951	4,342,729
Training and professional development	31,000	26,515	19,941
	5,826,828	6,702,665	6,256,756
Annual surplus	458,279	672,973	556,570
Accumulated surplus, beginning of year	7,613,239	7,613,239	7,056,669
Accumulated surplus, end of year	$ 8,071,518	$ 8,286,212	$ 7,613,239

See accompanying notes to financial statements.

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NIAGARA FALLS PUBLIC LIBRARY BOARD

Statement of Changes in Net Financial Assets
Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Annual surplus	$ 672,973	$ 556,570
Acquisition of tangible capital assets	(672,754)	(1,133,502)
Amortization of tangible capital assets	798,794	826,111
Change in inventories	1,763	4,723
Change in prepaid expenses	6,667	5,758
Increase in net financial assets	807,443	259,660
Net financial assets, beginning of year	1,461,981	1,202,321
Net financial assets, end of year	$ 2,269,424	$ 1,461,981

See accompanying notes to financial statements.

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NIAGARA FALLS PUBLIC LIBRARY BOARD

Statement of Cash Flows
Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 672,973	$ 556,570
Items not involving cash:		
Amortization	798,794	826,111
Gain on disposal of assets	(645,967)	–
Changes in non-cash working capital:		
Accounts receivable	(512)	32,753
Inventory	1,763	4,723
Prepaid expenses	6,667	5,758
Due to City of Niagara Falls, Ontario	329,660	2,616,315
Accounts payable and accrued liabilities	215,944	(104,556)
Post employment benefits	(27,911)	(37,843)
Deferred lease inducements	5,742	2,262
Deferred revenue	157,327	(313,602)
Net increase in cash from operations	1,514,480	3,588,491
Capital activities:		
Acquisition of tangible capital assets	(720,726)	(1,133,502)
Proceeds from disposal of assets	685,000	–
Net decrease in cash for capital activities	(35,726)	(1,133,502)
Financing activities:		
Long-term debt repaid	(115,359)	(112,930)
Net change in cash	1,363,395	2,342,059
Cash, beginning of year	4,680,205	2,338,146
Cash, end of year	$ 6,043,600	$ 4,680,205

See accompanying notes to financial statements.

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NIAGARA FALLS PUBLIC LIBRARY BOARD

Notes to Financial Statements
Year ended December 31, 2025

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, and Regional Municipality of Niagara. 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.

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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.

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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	4 to 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).

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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. Cash:

	2025	2024
Cash – operations	$ 4,206,241	$ 3,806,874
Cash – restricted (note 6)	1,837,359	873,331
	$ 6,043,600	$ 4,680,205

3. Deferred revenue:

Deferred revenue represents externally restricted amounts received that relate to future periods and are recognized as revenue as the related expenses are incurred.

Effective August 1, 2025, the Board became an EarlyON Child and Family Centre service provider. EarlyON programs are funded by the Province of Ontario through the Regional Municipality of Niagara and provide programs, services and resources for children from birth to six years of age and their parents and caregivers.

During the year, the Board recognized $131,429 (2024 – $nil) in EarlyON funding revenue, which is included in Other Municipal Grants on the Statement of Operations. Expenses incurred in delivering these programs totalled $131,429 and are included in the respective expense categories on the Statement of Operations.

At December 31, 2025, unspent funding of $136,918 (2024 – $nil) has been recorded as deferred revenue.

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3. Deferred revenue (continued):

Changes in the deferred revenue balance are as follows:

	2025	2024
Balance, beginning of year	$ 31,270	$ 344,872
Add restricted amounts received in the year	367,023	42,955
Less: revenue recognized to offset expenses incurred during the year	(209,696)	(356,557)
Balance, end of year	$ 188,597	$ 31,270

	2025	2024
Donations	$ 14,931	$ 5,860
McCall MacBain Foundation	19,769	21,035
David S. Howes Fund Grant	16,979	–
United Way	–	2,875
United Way	–	1,500
Other Municipal Grants - EarlyON	136,918	–
	$ 188,597	$ 31,270

4. Post-employment benefits:

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

	2025	2024
Accrued vacation pay	$ 18,577	$ 17,593
Post-employment benefits	150,063	178,958
	$ 168,640	$ 196,551

Accrued vacation pay:

As at December 31, 2025, employees of the Board have accumulated vacation pay credits in the amount of $18,577 (2024 - $17,593). 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% (2024 - 4%).

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4. Post-employment benefits (continued):

As a result of an actuarial valuation conducted in 2022 for the year ending December 31, 2025, it was determined that an actuarial loss of $62,835 existed. The unamortized value is $40,360. This loss is being amortized over an expected average remaining service life of 12 years of the related employee group. The actual obligation as at December 31, 2025 is $128,280 (2024 - $148,120).

Post-employment benefit plan and accrued vacation pay information:

	2025	2024
Employee benefit plan liabilities	$ 128,280	$ 148,120
Employee benefit plan deficit	128,280	148,120
Unamortized actuarial loss	40,360	48,431
Accrued benefit obligation, end of year	$ 168,640	$ 196,551

	2025	2024
Accrued benefit obligation, beginning of year	$ 196,551	$ 234,394
Expense for the year	7,488	8,344
Amortization of actuarial loss	(8,071)	(8,071)
Benefits paid during the year	(27,328)	(38,116)
Accrued benefit obligation, end of year	$ 168,640	$ 196,551

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 2025 (2024 - 1.75%).

Salary Levels - Future general salary and wage levels were assumed to escalate at 2.75% per annum (2024 - 2.75%).

Dental Costs - Dental costs were assumed to escalate at 3.75% per annum (2025 - 3.75%).

Health Care Costs - Health care costs were assumed to escalate at 5.75% between 2024 and 2025, reducing by 0.3333% per annum to reach 3.75% per year starting in 2029 and thereafter (2024 - 3.75%).

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

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5. 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 reported on the Statement of Financial Position are as follows:

	2025	2024
Long-term liabilities incurred bearing interest at annual rates ranging from 1.75% to 2.45%	$ 238,703	$ 354,062

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

2026	$ 117,935
2027	120,768
	$ 238,703

(c) Interest expense on long-term liabilities amounted to $7,077 (2024 - $9,586).

6. Accumulated surplus:

	2025	2024
Invested in tangible capital assets	$ 5,945,194	$ 6,071,234
Capital fund	6,537	–
Operating fund	160,000	198,033
	6,111,731	6,269,267
Reserve funds:		
Internally restricted:		
Automation	443,582	317,183
Property	1,611,935	867,586
Externally restricted:		
Special purpose	540,251	732,699
	2,595,768	1,917,468
Amounts to be recovered:		
Post-employment benefits	(168,640)	(196,551)
Long-term liabilities	(238,703)	(354,062)
Asset retirement obligations	(13,944)	(22,883)
	(421,287)	(573,496)
	$ 8,286,212	$ 7,613,239

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6. Accumulated surplus (continued):

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.

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.

7. 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.

On March 1, 2025 the Board entered into a four-year lease agreement for the Chippawa Library location. According to the agreement, the lease commenced on March 1, 2025 with a one-month rent free period. The agreement requires total lease payments of $124,700 payable in monthly basic rent payments of $2,500 plus HST in year one, $2,600 plus HST in year two, $2,700 plus HST in year three, and $2,800 plus HST in year four. The agreement also requires additional rent payments as defined in the agreement as an estimate of $1.20 per square foot.

The MacBain Community Centre Branch is leased from the Corporation of the City of Niagara Falls, Ontario, for nominal consideration, with an expiry date of August 31, 2035.

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7. Commitments (continued):

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

2026	$	5,251

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

2026	$	124,957
2027		125,594
2028		164,794
2029		132,203
2030		70,382

At December 31, 2025, the Library had approved commitments totalling approximately $478,500 (2024 - $201,380), comprising:

- Operating expenditure commitments of $226,296; and

- Capital project commitments of $252,204.

These commitments relate to contractual or Board-approved obligations to be funded from reserves in future years.

8. 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:

		2025		2024
Balance, beginning of year	$	22,883	$	22,883
Reduction due to disposal of related asset		(8,939)		–
Balance, end of year	$	13,944	$	22,883

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9. Pension agreements:

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, 2025, the estimated accrued pension obligation for all members of the Plan was $149,575 million (2024 - $140,766 million). The Plan had an actuarial value of net assets at that date of $148,253 million (2024 - $137,853 million) indicating an actuarial deficit of $1,322 million (2024 - $2,913 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 2025 was $334,859 (2024 - $282,293) for current services and is included as an expense on the Statement of operations and accumulated surplus.

On January 1, 2025, the yearly maximum pension earnings increased to $71,300 from $68,500 in 2024. The contributions are calculated at a rate of 9% (2024 – 9%) for amounts up to the yearly maximum pension earnings stated above and at a rate of 14.6% (2024 - 14.6%) for amounts above the yearly maximum pension earnings.

10. Economic dependence:

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

- City of Niagara Falls, Ontario - $5,910,586 (2024 - $5,679,025)
- Province of Ontario - $157,058 (2024 - $157,058)

11. Budget information:

The operating budget for the year ended 2025 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.

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12. 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 land.

13. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year. These reclassifications had no impact on the annual surplus or accumulated surplus.

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NIAGARA FALLS PUBLIC LIBRARY BOARD

Schedule 1 – Schedule of Tangible Capital Assets
Year ended December 31, 2025

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals and Transfers	Balance, end of year	Balance beginning of year	Amortization	Disposals and Transfers	Balance, end of year	Net book value
Land	$ 3	$ –	$ 2	$ 1	$ –	$ –	$ –	$ –	$ 1
Buildings	4,470,068	97,320	125,768	4,441,620	2,696,619	146,896	93,312	2,750,203	1,691,417
Vehicle	256,734	65,361	24,931	297,164	65,668	33,368	24,931	74,105	223,059
Furniture and fixtures	936,380	49,710	76,365	909,725	264,760	59,118	76,365	247,513	662,212
Collection	2,405,751	356,522	479,773	2,282,500	1,234,169	393,376	479,773	1,147,772	1,134,728
Leasehold improvements	2,232,525	96,104	–	2,328,629	133,034	125,604		258,638	2,069,991
Information hardware	172,872	54,187	37,357	189,702	79,836	35,502	37,357	77,981	111,721
Information software	18,491	–	14,435	4,056	15,198	862	14,435	1,625	2,431
Parking lot	72,838	–	22,984	49,854	48,123	2,971	7,470	43,624	6,230
Fence	21,945	–	–	21,945	5,370	1,097	–	6,467	15,478
Construction in progress	26,404	27,926	26,404	27,926	–	–	–	–	27,926
December 31, 2025	$ 10,614,011	$ 747,130	$ 808,019	$ 10,553,122	$ 4,542,777	$ 798,794	$ 733,643	$ 4,607,928	$ 5,945,194

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals and Transfers	Balance, end of year	Balance beginning of year	Amortization	Disposals and Transfers	Balance, end of year	Net book value
Land	$ 3	$ –	$ –	$ 3	$ –	$ –	$ –	$ –	$ 3
Buildings	4,312,770	157,298	–	4,470,068	2,560,253	136,366	–	2,696,619	1,773,449
Vehicle	149,171	107,563	–	256,734	41,362	24,306	–	65,668	191,066
Furniture and fixtures	515,135	445,417	24,172	936,380	235,890	53,042	24,172	264,760	671,620
Collection	2,489,601	337,045	420,895	2,405,751	1,197,242	457,822	420,895	1,234,169	1,171,582
Leasehold improvements	70,749	2,161,776	–	2,232,525	25,931	107,103	–	133,034	2,099,491
Information hardware	239,728	33,222	100,078	172,872	138,603	41,311	100,078	79,836	93,036
Information software	18,491	–	–	18,491	13,776	1,422	–	15,198	3,293
Parking lot	72,838	–	–	72,838	44,481	3,642	–	48,123	24,715
Fence	21,945	–	–	21,945	4,273	1,097	–	5,370	16,575
Construction in progress	2,135,223	6,270	2,115,089	26,404	–	–	–	–	26,404
December 31, 2024	$ 10,025,654	$ 3,248,591	$ 2,660,234	$ 10,614,011	$ 4,261,811	$ 826,111	$ 545,145	$ 4,542,777	$ 6,071,234