
Financial statements of City of Pickering Public Library Board

December 31, 2024

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Independent Auditor's Report

To the Board of Directors of
The City of Pickering Public Library Board,
and Members of Council of the Corporation of the City of Pickering

Opinion

We have audited the financial statements of City of Pickering Public Library Board (the "Library Board"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library Board as at December 31, 2024, and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
November 14, 2025

City of Pickering Public Library Board**Statement of financial position**

As at December 31, 2024

	Notes	2024 \$	2023 \$
Financial assets			
Cash		1,675	1,675
Accounts receivable		10,652	6,617
Due from the Government of Canada		10,417	13,044
Due from City of Pickering		250,112	352,796
		272,856	374,132
Liabilities			
Accounts payable and accrued liabilities		317,209	297,194
Deferred revenue		—	97,000
Post-employment benefits liability	2	515,873	512,174
		833,082	906,368
Net debt		(560,226)	(532,236)
Non-financial assets			
Tangible capital assets	4	1,194,025	1,100,675
Prepaid expense		44,353	20,062
		1,238,378	1,120,737
Accumulated surplus	5	678,152	588,501

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

Approved on behalf of the board

_____, Director

_____, Director

City of Pickering Public Library Board

Statement of operations

Year ended December 31, 2024

	Budget \$	2024 \$	2023 \$
	(Note 6)		
Revenue			
City of Pickering grants	7,170,812	6,775,245	6,478,573
Federal grants	142,195	127,879	21,188
Province of Ontario grants	136,425	137,234	157,689
Fines and other receipts	101,500	77,909	70,697
	7,550,932	7,118,267	6,728,147
Expenses			
Operating			
Salaries			
Salaries and wages	3,954,670	3,820,843	3,670,148
Fringe benefits	1,130,348	1,034,087	984,474
	5,085,018	4,854,930	4,654,622
Material, supplies and utilities			
Books	301,000	300,710	312,961
Utilities	202,200	180,900	191,408
Other supplies	73,000	87,353	92,047
	576,200	568,963	596,416
Services			
Repairs and maintenance	596,025	400,495	386,512
Insurance	36,925	34,625	28,730
Travel	5,000	7,184	6,263
Consulting and professional	59,175	238,537	333,047
Advertising	27,000	25,029	24,508
Conference	11,000	9,805	13,937
Postage	1,500	4,203	3,959
Telephone	75,525	71,475	72,295
Seminars and education	26,000	20,093	22,949
Software/hardware maintenance	320,990	315,352	215,140
Vehicle repairs and maintenance	5,773	4,135	5,374
Minor capital purchases	26,250	101,820	49,830
Miscellaneous	34,250	33,327	29,326
	1,225,413	1,266,080	1,191,870
Amortization of tangible capital assets	365,894	338,643	342,634
Loss on disposal of tangible capital assets	—	—	2,108
	7,252,525	7,028,616	6,787,650
Annual surplus (deficit)	298,407	89,651	(59,503)
Accumulated surplus, beginning of year	588,501	588,501	648,004
Accumulated surplus, end of year	886,908	678,152	588,501

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

City of Pickering Public Library Board**Statement of change in net debt**

Year ended December 31, 2024

	Budget	2024	2023
	\$	\$	\$
	(Note 6)		
Annual surplus (deficit)	298,407	89,651	(59,503)
Acquisition of tangible capital assets	(668,000)	(431,993)	(294,455)
Amortization of tangible capital assets	365,894	338,643	342,634
Loss on disposal of tangible capital assets	—	—	2,108
Proceeds on disposal of tangible capital assets	—	—	130
	(302,106)	(93,350)	50,417
Acquisition of prepaid expenses	—	(44,353)	(20,062)
Usage of prepaid expenses	—	20,062	4,610
Change in prepaid expense	—	(24,291)	(15,452)
Change in net debt	(3,699)	(27,990)	(24,538)
Net debt, beginning of year	(532,236)	(532,236)	(507,698)
Net debt, end of year	(535,935)	(560,226)	(532,236)

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

City of Pickering Public Library Board

Statement of cash flows

Year ended December 31, 2024

	2024 \$	2023 \$
Operating transactions		
Annual surplus (deficit)	89,651	(59,503)
Non-cash items		
Amortization of tangible capital assets	338,643	342,634
Loss on disposal of tangible capital assets	—	2,108
	428,294	285,239
Change in non-cash operating items		
(Decrease) increase in accounts receivable	(4,035)	354
Increase (decrease) in due from Government of Canada	2,627	(20)
Decrease in due from City of Pickering	102,684	81,440
Increase (decrease) in accounts payable and accrued liabilities	20,015	(163,322)
(Decrease) increase in deferred revenue	(97,000)	97,000
Increase in post-employment benefits liability	3,699	9,086
Increase in prepaid expense	(24,291)	(15,452)
	3,699	9,086
	431,993	294,325
Capital transactions		
Acquisition of tangible capital assets	(431,993)	(294,455)
Proceeds on disposal of tangible capital assets	—	130
	(431,993)	(294,325)
Net change in cash	—	—
Cash, beginning of year	1,675	1,675
Cash, end of year	1,675	1,675

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

1. Significant accounting policies

The financial statements of the City of Pickering Public Library Board (the "Library Board") are the representations of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants of Canada.

Significant accounting policies adopted by the Library Board are as follows:

Basis of accounting

(a) Accrual basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized, as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(b) Non-financial assets

(i) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts that are directly attributable to acquisition, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight-line basis over the estimated useful life as follows:

Machinery and equipment	2 to 25 years
Information technology hardware	4 to 8 years
Library collection materials	4 to 7 years
Furniture and fixtures	10 to 50 years

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

Other major assets including the Library buildings are owned by the City and are not reflected in these financial statements.

(ii) Contribution/donation of tangible capital assets

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

(iii) Intangible assets

Intangible assets are not recognized as assets in the financial statements.

(c) Post-employment benefits

The present value of the cost of providing employees with future benefits programs is recognized as employees earn these entitlements through service. Any actuarial gains or losses are amortized on a straight-line basis over the average remaining service period (ARSP) of employees. The actuary estimated the ARSP to be 13 years for retirement and 12 years for sick leave benefits.

(d) Government transfers

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

1. Significant accounting policies (continued)

Basis of accounting (continued)

(e) 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 amount of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Balances which require significant estimates include amortization expense of tangible capital assets, which are based on estimated useful lives, and post-employment benefits.

(f) PS 3160 Public Private Partnerships

Effective January 1, 2024, the Board adopted PS 3160 Public Private Partnerships prospectively. The adoption of the new standard had no impact on the financial statements of the Board, as no Public Private Partnerships were identified.

(g) PSG-8 Purchased Intangibles

Effective January 1, 2024, the Board adopted the guideline PSG-8 Purchased Intangibles prospectively. The adoption of the new standard had no impact on the financial statements of the Board, as no Purchased Intangibles were identified.

(h) PS 3400 Revenue

Effective January 1, 2024, the Board adopted PS 3400 Revenue prospectively. The adoption of the new standard had no impact on the financial statements of the Board.

2. Post-employment benefits liability

The Library Board makes available to qualifying employees who retire before the age of 65 the opportunity to continue their coverage for benefits such as post-employment extended healthcare benefits. Coverage ceases at the age of 65. The Library Board also provides full-time and permanent part-time employees a sick time entitlement, with any unused entitlement accumulated year to year. This accumulated entitlement is not vested and therefore is forfeited at the time of retirement or termination. The post-employment benefits obligation at December 31, 2024 and the changes in the accrued benefit obligation for the 2024 fiscal year was determined by actuarial valuation prepared as at December 31, 2023, with projection to December 31, 2024.

Plan Amendment

In the current year, a benefit plan amendment was made to reduce the previously provided benefit to of paid-up life insurance of \$2,000 in retirement to a Regular Full Time and Part-Time Union Library members. Previously, the benefit reflected this being provided to all employees, the benefit only includes the Library Union employees and the impact of the reduction is recognized immediately as a plan amendment cost and shown in the table below

2. Post-employment benefits liability (continued)

Information about the Library Board's post-employment benefits liability is as follows:

	2024	2023
	\$	\$
Post-employment benefits liability, beginning of year	512,174	503,088
Current service costs	33,472	34,748
Amortization of actuarial (gains) losses	(9,407)	(7,914)
Decrease due to plan amendment	(1,668)	—
Interest expense	15,909	10,909
Benefits paid during the year	(34,607)	(28,657)
Post-employment benefits liability	515,873	512,174

	2024	2023
	\$	\$
Accrued post-employment benefits obligation	367,190	377,565
Unamortized actuarial gains	148,683	134,609
Post-employment benefits liability	515,873	512,174

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

(a) *Discount rate*

The present value as at December 31, 2024 of the future benefits was determined using a discount rate of 4.50% (3.00% in 2023).

(b) *Dental cost*

The dental cost trend rate was 4.00% (3.75% in 2023) per annum.

(c) *Health costs*

Health costs were assumed to increase at 4.75 % (5.09% in 2023) and escalate to 5.666% for 2025 and decrease by 0.33% increments per year to an ultimate rate of 4.00% per year in 2030 and thereafter.

3. Pension agreement

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

OMERS provide pension services to almost 640,000 active, deferred and retired members with over 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension ("the Plan") by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to-date. The most recent actuarial valuation of the Plan was conducted as at December 31, 2024. The results of this valuation disclosed total actuarial liabilities as at that date of \$140,766 million in respect of benefits accrued for service with actuarial assets at that date of \$137,853 million indicating an actuarial deficit of \$ 2,913 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employers. As a result, the Library Board does not recognize any share of the OMERS pension surplus or deficit.

Contributions in the amount of \$332,290 (\$335,733 in 2023) were paid to OMERS on behalf of its members during the year.

4. Tangible capital assets (TCA)

	Machinery and equipment	Information technology hardware	Library collection materials	Furniture and fixtures	2024
	\$	\$	\$	\$	\$
Cost					
Balance, beginning of year	23,681	342,570	1,803,228	400,430	2,569,909
Additions during the year	—	—	313,591	118,402	431,993
Disposals/transfers to TCA during the year	—	—	277,023	—	277,023
Balance, end of year	23,681	342,570	1,839,796	518,832	2,724,879
Accumulated amortization					
Balance, beginning of year	20,259	303,543	893,812	251,620	1,469,234
Amortization	1,369	20,552	293,640	23,082	338,643
Accumulated amortization on disposals	—	—	277,023	—	277,023
Balance, end of year	21,628	324,095	910,429	274,702	1,530,854
Net book value	2,053	18,475	929,367	244,130	1,194,025

	Machinery and equipment	Information technology hardware	Library collection materials	Furniture and fixtures	2023
	\$	\$	\$	\$	\$
Cost					
Balance, beginning of year	23,681	342,570	1,876,689	407,014	2,649,954
Additions during the year	—	—	294,455	—	294,455
Disposals/transfers to TCA during the year	—	—	367,916	6,584	374,500
Balance, end of year	23,681	342,570	1,803,228	400,430	2,569,909
Accumulated amortization					
Balance, beginning of year	18,890	281,365	963,099	235,508	1,498,862
Amortization	1,369	22,178	298,629	20,458	342,634
Accumulated amortization on disposals	—	—	367,916	4,346	372,262
Balance, end of year	20,259	303,543	893,812	251,620	1,469,234
Net book value	3,422	39,027	909,416	148,810	1,100,675

5. Accumulated surplus

Accumulated surplus consists of the following:

	2024	2023
	\$	\$
Invested in tangible capital assets	1,194,025	1,100,675
Post-employment benefits liability	(517,591)	(512,174)
	676,434	588,501

City of Pickering Public Library Board**Notes to the financial statements**

December 31, 2024

6. Budget figures

The 2024 budget was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis of accounting. The budget figures treated all tangible capital asset (TCA) acquisitions as expenditures and did not include amortization expense on tangible capital assets or post-employment benefits expenses on a full accrual basis. The following provides a reconciliation from the approved budget to the budget numbers presented in the financial statements.

	2024 Council approved budget \$	Post-employment benefits/ Amortization/ City Assets \$	2024 budget presented in statements \$
Revenue			
City of Pickering	7,170,812	—	7,170,812
Federal grants	142,195	—	142,195
Province of Ontario grants	136,425	—	136,425
Fines and other receipts	101,500	—	101,500
	7,550,932	—	7,550,932
Expenditures			
Salaries and benefits	5,081,319	3,699	5,085,018
Material, supplies and utilities	576,200	—	576,200
Services	1,225,413	—	1,225,413
Amortization	—	365,894	365,894
	6,882,932	369,593	7,252,525
Annual surplus (deficit)	668,000	(369,593)	298,407
Capital expenditures/ additions	5,620,000	(4,952,000)	668,000