
Financial statements of Barrie Public Library Board

December 31, 2024

Independent Auditor's Report	1-2
Statement of operations and accumulated surplus	3
Statement of change in net financial assets	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7-14

Independent Auditor's Report

To the Board of Trustees of the
Barrie Public Library Board

Qualified Opinion

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

In our opinion, except for the possible effects of the matter described on the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Barrie Public Library Board as at December 31, 2024 and the result of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Qualified Opinion

In common with similar organizations, the Barrie Public Library Board derives revenue from fundraising revenue, donations, café and boutique sales, 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 Barrie Public Library Board and we were not able to determine whether any adjustments might be necessary to fines and penalties and fundraising revenue, donations, café and boutique sales, annual surplus and cash flows from operations for the years ended December 31, 2024 and 2023, net financial assets and accumulated surplus as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly, because of the possible effects of this scope limitation.

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 Barrie Public 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 qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Barrie Public 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 Barrie Public Library Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Barrie Public 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 Barrie Public 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 Barrie Public 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 Barrie Public 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
April 24, 2025

Barrie Public Library Board

Statement of operations and accumulated surplus

Year ended December 31, 2024

	Notes	Budget \$	2024 \$	2023 \$
		(Note 8)		
Revenue				
Municipal contribution	2	9,812,646	9,812,646	9,373,110
Provincial grant and pay equity		271,808	271,808	271,808
Miscellaneous grants		133,387	231,332	2,480
Contract receipt - Township of Oro-Medonte		212,341	212,341	206,156
Programs and fees		30,600	62,315	54,164
Fundraising revenue, donations, café and boutique sales	7	—	116,203	85,250
Interest		—	164,295	129,425
		10,460,782	10,870,940	10,122,393
Expenses				
Amortization		872,055	872,055	928,193
Fundraising, café and boutique expenses		—	75,700	74,136
Maintenance		479,750	425,898	454,384
Materials and supplies		331,876	998,670	850,426
Salaries and benefits	3 and 6	6,671,753	6,425,724	6,180,498
Processing, professional and other services		405,526	303,729	276,541
Facility expenses	2	1,451,924	1,431,084	1,433,532
Other (recovery)		—	(165,253)	165,280
		10,212,884	10,367,607	10,362,990
Annual surplus (deficit)		247,898	503,333	(240,597)
Accumulated surplus, beginning of year		7,143,022	7,143,022	7,383,619
Accumulated surplus, end of year		7,390,920	7,646,355	7,143,022

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

Barrie Public Library Board**Statement of change in net financial assets**

Year ended December 31, 2024

	Budget	2024	2023
	\$	\$	\$
	(Note 8)		
Annual surplus (deficit)	247,898	503,333	(240,597)
Acquisition of tangible capital assets	(1,151,053)	(596,212)	(712,795)
Amortization of tangible capital assets	872,055	872,055	928,193
Loss on disposal of tangible capital assets	—	11,593	13,785
	(31,100)	790,769	(11,414)
Net decrease (increase) in prepaid expenses	—	20,670	(128,628)
Net change in net financial assets	(31,100)	811,439	(140,042)
Net financial assets, beginning of year	3,087,249	3,087,249	3,227,291
Net financial assets, end of year	3,056,149	3,898,688	3,087,249

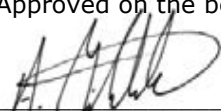
The accompanying notes are an integral part of the financial statements.

Barrie Public Library Board
Statement of financial position
As at December 31, 2024

	Notes	2024 \$	2023 \$
Financial assets			
Cash		100,851	272,981
Accounts receivable		626,687	240,723
Due from The Corporation of the City of Barrie	2	4,876,401	4,112,465
		5,603,939	4,626,169
Liabilities			
Accounts payable and accrued liabilities		784,400	649,138
Employee future benefits liabilities	3	920,500	889,400
Deferred revenue		351	382
		1,705,251	1,538,920
Net financial assets		3,898,688	3,087,249
Non-financial assets			
Tangible capital assets	4	3,516,179	3,803,615
Prepaid expenses		231,488	252,158
		3,747,667	4,055,773
Accumulated surplus	5	7,646,355	7,143,022

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

Approved on the behalf of the Board of Trustees


_____, Trustee

_____, Trustee

Barrie Public Library Board**Statement of cash flows**

Year ended December 31, 2024

	2024	2023
	\$	\$
Operating activities		
Annual surplus (deficit)	503,333	(240,597)
Items not involving cash		
Loss on disposal of tangible capital assets	11,593	13,785
Amortization of tangible capital assets	872,055	928,193
	1,386,981	701,381
Changes in non-cash operating balances		
Accounts receivable	(385,964)	233,435
Due from The Corporation of the City of Barrie	(763,936)	953,547
Prepaid expenses	20,670	(128,628)
Accounts payable and accrued liabilities	135,262	(812,987)
Deferred revenue	(31)	—
Employee future benefits liabilities	31,100	37,828
	424,082	984,576
Capital activity		
Acquisition of tangible capital assets	(596,212)	(712,795)
Net change in cash	(172,130)	271,781
Cash, beginning of year	272,981	1,200
Cash, end of year	100,851	272,981

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

1. Summary of significant accounting policies

Management's responsibility for the financial statements

Barrie Public Library Board's (the "Board") primary role is to provide library services to the general public. The Board is a registered Canadian charity and as such, is exempt from income tax under the Canadian Income Tax Act, and may issue charitable tax receipts to donors. The financial statements of the Board are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards.

First time adoption of 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, as no revenue recognition changes were identified.

Financial instruments

The Board initially measures its financial assets and liabilities at fair value and subsequently measures its financial instruments at amortized cost as follows:

Cash	Amortized cost
Accounts receivable	Amortized cost
Due from the Corporation of the City of Barrie	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the statement of operations.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including, but not limited to transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at their fair value at the time of their donation, with a corresponding amount recorded as revenue.

Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year following that in which the tangible capital asset is available for productive use as follows:

Collections	7 years
Computer equipment	3 to 5 years
Furniture and fixtures	5 to 10 years
Facility improvements	8 to 15 years
Fleet	10 years

Tangible capital assets under construction

Tangible capital assets under construction are recorded at cost. When construction is completed, the tangible capital assets under construction will be transferred to their relevant tangible capital asset category and amortized based on their classification.

1. Summary of significant accounting policies (continued)

Asset retirement obligations

An asset retirement obligation liability is recognized when at the financial reporting date there is a statutory, contractual, or 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 benefits will be given up, and a reasonable estimate of the amount can be made. Asset retirement obligations are initially measured at management's best estimate of the future cash flows required to settle the retirement obligation. If there is certainty on the timing of the cash flows to settle the retirement obligations, the future cash flows will be present valued using discounted cash flows.

When a liability for an asset retirement obligation is initially recognized, a corresponding amount is added to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset.

At each reporting date, the Board reviews the carrying amount of the liability. Where present value techniques are used, an accretion expense is recorded in the period to record the change in the liability due to the passage of time. Changes to the liability arising from revisions to the amount of the original estimate of undiscounted cash flows, the discount rate, and/or the timing of when an obligation will be settled will be recognized in the period as a change to the liability and carrying amount of the related tangible capital asset.

The Board recognizes the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability in the period they are incurred.

Revenue recognition

Revenues are recognized as follows:

- (a) Revenue from the contract receipt – Township of Oro-Medonte is recognized as services are rendered;
- (b) Government transfers include funding received from the Corporation of the City of Barrie (the "City of Barrie"), miscellaneous grants, and provincial grants. The City of Barrie provides funding to the Board for both operating and capital expenditures such as refurbishment, replacement and major repairs and maintenance to the Library buildings.

Government transfers are recognized as revenue in the year in which the government transfer is authorized and the events giving rise to the transfer occur, performance criteria are met, and a reasonable estimate of the amount can be made. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenditures are incurred or services performed. If funding is received for which the related expenditures have not yet been incurred or services performed, these amounts are recorded as a liability at year end.

- (c) Fundraising revenue, donations, café and boutique sales revenue are recognized when collected;
- (d) Programs and fees revenue is recognized over the period of service or when the related expenditures occur; and
- (e) Interest income is recognized as it is earned.

1. Summary of significant accounting policies (continued)

Pension plan

The Board provides a pension plan to its full-time employees through the Ontario Municipal Employees Retirement System ("the OMERS plan"). The OMERS plan is a multi-employer defined benefit plan which provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The OMERS plan is financed by equal contributions from participating employers and employees, and by the investment earnings of the fund. It is not practicable to determine the present value of the Board's obligation or the related current service cost under the OMERS plan as OMERS computes its obligations in accordance with an actuarial valuation in which all the benefit plans are co-mingled and therefore information for individual plans cannot be determined. As a result, the Board accounts for the OMERS plan as a defined contribution plan where contributions to the OMERS plan are recognized as an employee benefit expense in the periods during which services are rendered by employees.

Other employee future benefit plans

The Board provides other future benefits to specified employee groups. These benefits are unfunded and include life insurance, health care benefits, sick days and worker's compensation benefits. The Board has adopted the following policies with respect to accounting for these employee future benefits:

- (a) The costs of self-insured sick days and other employee future benefit plans are actuarially determined using management's best estimates of salary escalation, retirement ages of employees, accumulated sick days at retirement, insurance and health care cost trends, disability recovery rates, long-term inflation rates and discount rates.
- (b) For self-insured other employee benefits that vest or accumulate over the periods of service provided by employees such as insurance, dental and medical benefits for retirees, or certain sick leave entitlements, the cost is actuarially determined using the projected benefit method prorated on services. 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.
- (c) For self-insured benefit obligations that arise from specific events that occur from time to time, such as long-term disability, the cost is recognized in the year in which it occurs.
- (d) Vacation and lieu time entitlements are accrued for as entitlements are earned.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates in the preparation of the financial statements are the employee future benefits liabilities, accounts payable and accrued liabilities, and the estimated useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

Barrie Public Library Board
Notes to the financial statements
December 31, 2024

2. Due from The Corporation of the City of Barrie

The following table summarizes the transactions and balances with The Corporation of the City of Barrie for the year:

	2024	2023
	\$	\$
Revenue		
Municipal operating grant	9,812,646	9,373,110
Expenses		
Facility expenses	1,414,792	1,415,897

The balance due from The Corporation of the City of Barrie in the amount of \$4,876,401 (\$4,112,465 in 2023) is non-interest bearing, unsecured, with no fixed terms of repayment and has arisen from the transactions listed above and amounts received or paid on behalf of the Board. The transactions are measured at the exchange amount.

3. Employee future benefits liabilities

	2024	2023
	\$	\$
Retirement gratuity benefits - accrued benefit obligation	419,000	398,600
Post-retirement benefits - accrued benefit obligation	179,100	166,700
Sick leave benefits - accrued benefit obligation	78,500	69,900
Unamortized net actuarial gains	243,900	254,200
Employee future benefits liabilities	920,500	889,400

Information about post-retirement benefits expense is as follows:

	2024	2023
	\$	\$
Current year benefit cost	12,100	20,700
Interest on accrued benefit obligation	7,900	13,500
Amortization of actuarial gains, net	(23,500)	(12,200)
Employee post-retirement benefits (recovery) expense	(3,500)	22,000

Information about compensated absences expense is as follows:

	2024	2023
	\$	\$
Current year benefit cost	39,300	34,700
Interest on accrued benefit obligation	21,000	17,900
Amortization of actuarial gains, net	(2,800)	(3,900)
Employee sick leave benefits expense	57,500	48,700

The Board has established reserves to mitigate the future impact of the sick leave benefits obligation as detailed on the schedule of reserve in Note 5. The balance of the sick leave reserve is \$179,483 (\$179,483 in 2023).

The amount of benefits paid during the year was \$8,000 (\$18,800 in 2023) for compensated absence benefits and \$14,900 (\$14,100 in 2023) for post-retirement benefits.

3. Employee future benefits liabilities (continued)

Compensated absences

Retirement gratuity benefits

Certain groups of employees who retire under the provisions of OMERS are entitled to retirement gratuities. The amount of the gratuities paid at retirement is based on their salary, accumulated sick days, and years of service at retirement. The benefit costs and liabilities recorded are based on an actuarial valuation prepared by an independent firm.

Sick leave benefits

The Board provides paid sick leave that can be carried forward up to a maximum defined by the employee group. The benefit costs and liabilities recorded are based on an actuarial valuation prepared by an independent firm.

The accrued benefit obligations for the Board's employee future benefit plans as at December 31, 2024 are based on actuarial valuations for accounting purposes as at December 31, 2023, extrapolated to December 31, 2024. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2024 %	2023 %
Expected wage and salary increases	3.6	3.6
Discount on accrued benefit obligations	4.5	4.5
Health care costs escalation	4.0 to 5.3	4.0 to 5.3
Dental costs escalation	4.0 to 5.3	4.0 to 5.3

Health care and dental costs are assumed to increase at 4.2% annually from 2024 to 2028, increase at 5.3% annually from 2029 to 2033, increase at 5.0% annually from 2034 to 2038, increase at 4.4% annually from 2039 to 2041, and increase at 4.0% annually in 2042 and thereafter.

4. Tangible capital assets

	Collections \$	Computer equipment \$	Furniture and fixtures \$	Facility improvements \$	Fleet \$	2024 Total \$
Cost, beginning of year	3,839,399	386,080	1,938,205	82,323	50,737	6,296,744
Additions	448,496	84,723	54,635	8,358	-	596,212
Less: disposals	676,967	100,592	88,816	-	-	866,375
Cost, end of year	3,610,928	370,211	1,904,024	90,681	50,737	6,026,581
Accumulated amortization, beginning of year	1,680,265	139,933	666,009	6,922	-	2,493,129
Amortization	540,747	125,899	193,080	6,692	5,637	872,055
Less: disposals	668,909	97,797	88,076	-	-	854,782
Accumulated amortization, end of year	1,552,103	168,035	771,013	13,614	5,637	2,510,402
Net book value, end of year	2,058,825	202,176	1,133,011	77,067	45,100	3,516,179

Barrie Public Library Board
Notes to the financial statements
December 31, 2024

4. Tangible capital assets (continued)

	Collections	Computer equipment	Furniture and fixtures	Facility improvements	Fleet	2023 Total
	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,019,512	458,743	2,092,595	60,945	—	6,631,795
Additions	474,919	66,874	98,887	21,378	50,737	712,795
Less: disposals	655,032	139,537	253,277	—	—	1,047,846
Cost, end of year	3,839,399	386,080	1,938,205	82,323	50,737	6,296,744
Accumulated amortization, beginning of year	1,760,760	126,556	710,026	1,655	—	2,598,997
Amortization	566,739	149,038	207,149	5,267	—	928,193
Less: disposals	647,234	135,661	251,166	—	—	1,034,061
Accumulated amortization, end of year	1,680,265	139,933	666,009	6,922	—	2,493,129
Net book value, end of year	2,159,134	246,147	1,272,196	75,401	50,737	3,803,615

5. Accumulated surplus

The Board segregates its accumulated surplus into the following categories:

	2024	2023
	\$	\$
Invested in tangible capital assets	3,516,179	3,803,615
Unallocated accumulated surplus	991,900	392,316
Reserves		
Vested sick leave benefits reserve	179,483	179,483
Future capital expenditures reserve	2,857,267	2,671,729
Future collection acquisitions reserve	101,526	95,879
	7,646,355	7,143,022

The invested in tangible capital assets represents amounts already spent and invested in tangible capital assets.

Reserves represent funds set aside by resolution of the Board of Trustees for specific purposes.

The Corporation of the City of Barrie determines investment income on the reserves based on actual investment income earned. This investment income is credited to the reserves on an annual basis.

6. Pension agreement

OMERS provides pension services to more than 600,000 active and retired members and approximately 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 \$142,489 million (includes \$1,723 million of Additional Voluntary Contribution (AVC) component) in respect of benefits accrued for service with actuarial net assets at that date of \$139,576 million (includes \$1,723 million of AVC component) indicating an actuarial funding 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 employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the Board to OMERS for 2024 were \$465,589 (\$443,810 in 2023).

7. Endowment funds

The Barrie Community Foundation received endowment contributions to benefit the Board. The principal of the endowment funds at the Foundation as of March 31, 2024 was \$38,885 (\$35,662 as of September 30, 2023). These financial statements do not reflect the amounts held by The Barrie Community Foundation or the interest earned. During the year, the Board received nil (\$400 in 2023) from the Barrie Community Foundation which has been included in Fundraising revenue.

8. Budget

The budget adopted by the Board of Trustees on February 22, 2024 was not prepared on a basis consistent with that used to report actual results (Canadian Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Canadian Public Sector Accounting Standards requires a full accrual basis. The budget expensed all tangible capital expenditures on acquisition rather than annually including amortization expense. In addition, the budget did not include employee future benefit expenses on a full accrual basis. As a result, the budget adopted by the Board for 2024 is reconciled to the statement of operations and accumulated surplus with adjustments as follows:

	2024	2023
	\$	\$
Budget surplus for the year, as approved	—	—
Capital expenditures	1,151,053	1,254,000
Contribution from reserves	—	(334,219)
Transfer to technology reserve	—	80,000
Actual amortization of tangible capital assets	(872,055)	(928,193)
Employee future benefits liabilities adjusted to a full accrual basis	(31,100)	(37,827)
Budget surplus per statement of operations and accumulated surplus	247,898	33,761

The budgeted capital expenditures of \$1,151,053 are reflected on the statement of change in net financial assets.

9. Financial instruments and risk management

The Board is exposed to a variety of financial risks including, credit risk and liquidity risk.

Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Board. The Board is exposed to credit risk with respect to its cash, accounts receivable and balance due from the Corporation of the City of Barrie. Cash is held in highly rated Canadian chartered banks. Credit risk is mitigated by the financial solvency of the organizations with balances due to the Board.

Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting its obligations associated with financial liabilities as they come due. The Board is exposed to liquidity risk with respect to its accounts payable and accrued liabilities. To manage liquidity risk, the Board monitors its operations and cash flows to ensure sufficient resources exist to meet obligations as they come due.