



## Port Colborne Public Library Board Meeting Addendum

**Date:** Wednesday, May 6, 2026  
**Time:** 6:00 pm  
**Location:** Library Auditorium, Port Colborne Public Library  
310 King St, Port Colborne

**Pages**

### 8. Discussion Items

8.1 2025 Library Financial Report (A. Pigeau)

\*b. Appendix B - Port Colborne Public Library 2025 - DRAFT

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Financial Statements

Port Colborne Public Library

December 31, 2025

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**Port Colborne Public Library**  
**Statement of Financial Position**

As at December 31, 2025

	<u>2025</u>	<u>2024</u>
<b>Financial assets</b>		
Cash	\$ 37,687	\$ 38,528
Receivables	5,930	21,064
Due from City of Port Colborne (Notes 5 and 7)	<u>692,704</u>	<u>588,183</u>
	<u>736,321</u>	<u>647,775</u>
<b>Liabilities</b>		
Payables and accruals	72,808	45,742
Deferred revenue	9,600	-
Employee benefit obligations (Note 3)	<u>129,400</u>	<u>133,200</u>
	<u>211,808</u>	<u>178,942</u>
<b>Net financial assets</b>	524,513	468,833
<b>Non-financial assets</b>		
Tangible capital assets (Pages 17 and 18)	<u>724,404</u>	<u>765,569</u>
<b>Accumulated surplus (Note 4)</b>	<u>\$ 1,248,917</u>	<u>\$ 1,234,402</u>

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Approved by

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See accompanying notes to the financial statements

## Port Colborne Public Library Statement of Operations

For the Year Ended December 31, 2025

	Budget <u>2025</u> (Note 13)	Actual <u>2025</u>	Actual <u>2024</u>
<b>Revenues</b>			
Municipal contribution	\$ 1,100,706	\$ 1,206,251	\$ 1,179,677
Government transfers (Note 8)	38,300	48,270	49,771
Other (Note 9)	<u>9,650</u>	<u>20,887</u>	<u>22,948</u>
	<u>1,148,656</u>	<u>1,275,408</u>	<u>1,252,396</u>
<b>Expenses</b>			
Salaries, wages and benefits (Notes 10 and 11)	871,508	875,420	702,991
Amortization	100,493	100,493	97,147
Repairs and maintenance	150,173	205,540	82,000
Administration	22,375	31,651	82,565
Utilities	17,100	10,642	16,553
Electronic resources, periodicals and newspapers	30,750	34,563	46,169
Programming	<u>3,500</u>	<u>2,584</u>	<u>3,618</u>
	<u>1,195,899</u>	<u>1,260,893</u>	<u>1,031,043</u>
<b>Annual surplus (deficit)</b>	(47,243)	14,515	221,353
<b>Accumulated surplus (Note 4)</b>			
Beginning of year	<u>1,234,402</u>	<u>1,234,402</u>	<u>1,013,049</u>
End of year	<u>\$ 1,187,159</u>	<u>\$ 1,248,917</u>	<u>\$ 1,234,402</u>

See accompanying notes to the financial statements.

**Port Colborne Public Library**  
**Statement of Changes in Net Financial Assets**

For the Year Ended December 31, 2025

	Budget 2025 (Note 13)	Actual 2025	Actual 2024
Annual surplus (deficit)	\$ (47,243)	\$ 14,515	\$ 221,353
Amortization of tangible capital assets	100,493	100,493	97,147
Acquisition of tangible capital assets	(53,250)	(60,279)	(221,401)
Loss on disposal of tangible capital assets	-	951	-
<b>Increase in net financial assets</b>	-	<b>55,680</b>	97,099
<b>Net financial assets</b>			
Beginning of year	<u>468,833</u>	<u>468,833</u>	<u>371,734</u>
End of year	<u>\$ 468,833</u>	<u>\$ 524,513</u>	<u>\$ 468,833</u>

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See accompanying notes to the financial statements.

**Port Colborne Public Library**  
**Statement of Cash Flows**

For the Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
<b>Increase (decrease) in cash and cash equivalents</b>		
<b>Operating activities</b>		
Annual surplus	\$ 14,515	\$ 221,353
Non-cash items:		
Amortization of tangible capital assets	100,493	97,147
Loss on disposal of tangible capital assets	951	-
Changes in:		
Receivables	15,134	(9,568)
Due from City of Port Colborne	(104,521)	(24,677)
Payables and accruals	27,066	(22,426)
Deferred revenue	9,600	-
Employee benefit obligations	(3,800)	(2,100)
	<u>59,438</u>	<u>259,729</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	<u>(60,279)</u>	<u>(221,401)</u>
<b>Net (decrease) increase in cash</b>	<b>(841)</b>	<b>38,328</b>
<b>Cash</b>		
Beginning of year	<u>38,528</u>	<u>200</u>
End of year	<u>\$ 37,687</u>	<u>\$ 38,528</u>

See accompanying notes to the financial statements.

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# Port Colborne Public Library

## Notes to the Financial Statements

For the Year Ended December 31, 2025

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### 1. Purpose of the Library

The Port Colborne Public Library ("the Library") provides library services to residents of the City of Port Colborne and residents of other municipalities who have contracted with the Library for services.

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### 2. Significant accounting policies

#### Management responsibility

The financial statements of the Library are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The significant accounting policies used are as follows.

#### (a) Reporting entity

The financial statements reflect the financial assets, liabilities, non-financial assets, revenues, expenses and changes in accumulated surplus of the Library.

#### (b) Basis of accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting records revenues in the period they are earned and measurable and expenses in the period the goods and services are acquired and a liability is incurred.

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## Port Colborne Public Library Notes to the Financial Statements

For the Year Ended December 31, 2025

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### 2. Significant accounting policies (continued)

#### (c) Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses in the acquisition, construction, development and/or betterment of the asset required to install the asset at the location and in the condition necessary for its intended use. Contributed tangible capital assets are capitalized at their estimated fair value upon acquisition. The Library does not capitalize interest as part of the costs of its capital assets.

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits incidental to ownership are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its estimated useful life for all classes except land. Land is considered to have an infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the Statement of Operations.

Amortization is based on the following classifications and useful lives:

<u>Classification</u>	<u>Useful Life</u>
Computers and office equipment	5-10 years
Library collection	7 years
Furniture and fixtures	7 years
Building improvements	20-50 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal amortization is taken up to the month of disposal. Assets under construction are not amortized until the asset is available for productive use.

#### (d) Deferred revenue

Resources restricted by agreement with an external party are recognized as revenue in the Library's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified.

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# Port Colborne Public Library

## Notes to the Financial Statements

For the Year Ended December 31, 2025

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### 2. Significant accounting policies (continued)

#### (e) Employee future benefits

The Library pays certain benefits on behalf of its retired employees. These retirement costs are recognized in the period in which the employees rendered their services to the Library. The actuarial determination of the accrued benefit obligations for pension benefits earned by employees uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors).

#### (f) Revenue recognition

##### i) Municipal contributions

Municipal contributions received are recognized in the financial statements as revenue when the contributions are authorized.

##### ii) Government transfers

Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

##### iii) Other

User charges are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

Other revenue is recorded when it is earned, any performance obligations have been satisfied and collection is reasonably assured.

#### (g) Reserves for future expenses

Certain amounts, as approved by the Library, are set aside in reserves for future operating and capital expenses.

#### (h) Financial instruments

The Library initially measures its financial assets and financial liabilities at fair value. The Library subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents, receivables and due from City of Port Colborne. Financial liabilities measured at amortized cost include payables and accruals.

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## Port Colborne Public Library

### Notes to the Financial Statements

For the Year Ended December 31, 2025

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#### 2. Significant accounting policies (continued)

##### (i) Use of estimates

The preparation of the 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 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. Areas in which management make estimates are with regards to an allowance for doubtful accounts, accrued liabilities, employee benefit obligations and useful lives of tangible capital assets.

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#### 3. Employee benefit obligations

	<u>2025</u>	<u>2024</u>
Post-employment benefits	<u>\$ 129,400</u>	<u>\$ 133,200</u>

The Library pays certain benefits on behalf of its retired employees. These retirement costs are recognized in the period in which the employees rendered their services to the Library. The plan is substantially unfunded and requires no contributions from employees.

The accrued benefit obligation at December 31, 2025 of \$ 129,400 (2024 - \$ 133,200) was determined by actuarial valuation using a discount rate of 4.60% (2024 - 4.60%). The Library's obligation will be funded out of current revenue. During the year, benefit payments of \$ 3,800 (2024 - \$ 8,900) were paid to retirees.

Actuarial valuations for accounting purposes are performed every three years using the projected benefit method, pro-rated on service. Under this method, the projected post-employment benefits are deemed to be earned on a pro-rata basis over the employee's years of service.

The most recent actuarial valuation was prepared at December 31, 2025. The main actuarial assumptions employed for the valuation are as follows:

Interest (discount) rate - the obligations as at December 31, 2025 of the present value of future liabilities were determined using a discount rate of 4.60%.

Dental costs - dental costs were assumed to be 4.50% (2024 - 4.50%) per annum.

Health care costs - extended health care costs were assumed to be 4.50% (2024 - 4.50%) per annum.

Drug costs - drug costs were assumed to be 9.225% for 2025 (2024 - 7.81%) grading down 0.236% per year until 2046 when the rate will be 4.50% and continue thereafter.

**Port Colborne Public Library**  
**Notes to the Financial Statements**

For the Year Ended December 31, 2025

<b>3. Employee benefit obligations (continued)</b>	<u><b>2025</b></u>	<u><b>2024</b></u>
Accrued benefit obligation		
Beginning of year	\$ 133,200	\$ 135,300
Current service cost	5,100	7,900
Interest cost	4,700	6,000
Benefits paid	(3,800)	(8,900)
Amortization of actuarial gain	<u>(9,800)</u>	<u>(7,100)</u>

	<u>\$ 129,400</u>	<u>\$ 133,200</u>
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Funded status		
Deficit	\$ 104,300	\$ 131,200
Unamortized actuarial gain	<u>25,100</u>	<u>2,000</u>

	<u>\$ 129,400</u>	<u>\$ 133,200</u>
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The net benefit expense for the employee benefit plan is as follows:

Current service cost	\$ 5,100	\$ 7,900
Interest cost	4,700	6,000
Amortization of actuarial gain	<u>(9,800)</u>	<u>(7,100)</u>

	<u>\$ -</u>	<u>\$ 6,800</u>
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<b>4. Accumulated surplus</b>	<u><b>2025</b></u>	<u><b>2024</b></u>
Operating surplus	\$ 10,923	\$ -
Investment in tangible capital assets	724,404	765,569
Reserves and reserve funds (Note 5)	642,990	602,033
Unfunded liabilities (Note 6)	<u>(129,400)</u>	<u>(133,200)</u>
	<u>\$ 1,248,917</u>	<u>\$ 1,234,402</u>

# Port Colborne Public Library

## Notes to the Financial Statements

For the Year Ended December 31, 2025

<b>5. Reserves and reserve funds</b>	<u>2025</u>	<u>2024</u>
Reserves and reserve funds set aside by the Library for specific purposes:		
Future liabilities	\$ 117,821	\$ 111,793
Capital	275,886	275,886
Bequests	4,188	4,188
Stabilization	<u>162,064</u>	<u>108,307</u>
	559,959	500,174
Allocated capital and related projects	<u>83,031</u>	<u>101,859</u>
Total reserves and reserve funds	<u>\$ 642,990</u>	<u>\$ 602,033</u>

The reserves and reserve funds are held by the City of Port Colborne and included in the Due from City of Port Colborne balance.

<b>6. Unfunded liabilities</b>	<u>2025</u>	<u>2024</u>
Employee benefit obligation	<u>\$ 129,400</u>	<u>\$ 133,200</u>

### 7. Development charges

Development charges are fees collected by the City of Port Colborne from developers at the time a building permit is issued to help pay for municipal services, including Library services, required to meet the needs of community growth. Development charges allocated for Library purposes are collected, administered, and held by the City of Port Colborne are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 9,572	\$ 5,532
Add: contributions during the year	7,583	3,580
Add: interest income	<u>741</u>	<u>460</u>
Balance, end of year	<u>\$ 17,896</u>	<u>\$ 9,572</u>

The development charges are held by the City of Port Colborne and included in the Due from City of Port Colborne balance.

## Port Colborne Public Library Notes to the Financial Statements

For the Year Ended December 31, 2025

8. Government transfers	Budget <u>2025</u>	Actual <u>2025</u>	Actual <u>2024</u>
<b>Operating</b>			
Province of Ontario			
Unconditional	\$ 38,300	\$ 48,270	\$ 38,328
SOLS - Capacity Building grant	-	-	10,068
	<u>38,300</u>	<u>48,270</u>	<u>48,396</u>
Government of Canada			
Community Volunteer Income Tax Program (CVITP)	-	-	1,375
	<u>\$ 38,300</u>	<u>\$ 48,270</u>	<u>\$ 49,771</u>
<b>9. Other revenues</b>			
	Budget <u>2025</u>	Actual <u>2025</u>	Actual <u>2024</u>
<b>Operating</b>			
Donations	\$ 5,000	\$ 4,566	\$ 5,599
Fines and fees	-	263	2,104
Interest	-	6,238	6,610
Miscellaneous	500	2,032	152
Photocopier	-	-	1,494
Printing	3,000	5,401	2,948
Programming	500	11	106
Room rentals	550	894	750
Sale of books	-	2,117	3,006
Sign rentals	100	316	179
	<u>9,650</u>	<u>21,838</u>	<u>22,948</u>
<b>Capital</b>			
Loss on disposal of tangible capital assets	-	(951)	-
	<u>\$ 9,650</u>	<u>\$ 20,887</u>	<u>\$ 22,948</u>

## Port Colborne Public Library Notes to the Financial Statements

For the Year Ended December 31, 2025

10. Salaries, wages and benefits	Budget <u>2025</u>	Actual <u>2025</u>	Actual <u>2024</u>
Salaries and wages	\$ 699,508	\$ 722,615	\$ 572,920
Benefits	<u>172,000</u>	<u>152,805</u>	<u>130,071</u>
	<u>\$ 871,508</u>	<u>\$ 875,420</u>	<u>\$ 702,991</u>

### 11. Pension agreements

The Library makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of the 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. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, the Library does not recognize any share of the pension plan deficit of \$ 6.1 billion (2024 - \$ 4.3 billion deficit) based on the fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2025 calendar year at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Statement of Operations. Employer contributions to OMERS for 2025 current and past service was \$ 54,122 (2024 - \$ 42,212) and were matched by employee contributions in a similar amount.

### 12. Budget

The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. As a result, the budget figures presented in the Statement of Operations and Statement of Changes in Net Financial Assets represent the budget adopted by the Library with the following adjustments:

Budgeted annual surplus	\$ -
Add:	
Acquisition of tangible capital assets	53,250
Less:	
Amortization of tangible capital assets	<u>(100,493)</u>
Budgeted deficit per Statement of Operations	<u>\$ (47,243)</u>

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## Port Colborne Public Library Notes to the Financial Statements

For the Year Ended December 31, 2025

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### 13. Financial instruments

The Library is exposed to various risks through its financial instruments. The following analysis provides a measure of the Library's risk exposures as at December 31, 2025:

#### Credit risk

Credit risk is the risk of financial loss to the Library if a debtor fails to pay the amounts owing to the Library. The Library is exposed to this risk arising from its receivables and due from City of Port Colborne.

Receivables are primarily due from government, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Library measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up for specific accounts deemed to be possibly uncollectible. In the current and prior year, no impairment allowance was recorded. There were no changes in exposures to credit risk during the period.

#### Liquidity risk

Liquidity risk is the risk that the Library will not be able to meet all cash outflow obligations as they come due. The Library mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining cash and cash equivalents if unexpected cash outflows arise. The following undiscounted cash-flows are required to settle the Library's financial liabilities within one year \$ 72,808 (2024 - \$ 45,742).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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**Port Colborne Public Library**  
**Schedule of Tangible Capital Assets**  
For the Year Ended December 31, 2025

	<u>Computers and Office Equipment</u>	<u>Furniture and Fixtures</u>	<u>Library Collection</u>	<u>Building Improvements</u>	<u>Construction in Process</u>	<u>2025</u>
<b>Cost</b>						
Beginning of year	\$ 114,197	\$ 192,736	\$ 269,307	\$ 779,120	\$ 12,511	\$ 1,367,871
Additions	2,500	-	44,337	25,953	-	72,790
Disposals	(15,593)	-	(36,486)	(48,469)	(12,511)	(113,059)
End of year	<u>101,104</u>	<u>192,736</u>	<u>277,158</u>	<u>756,604</u>	<u>-</u>	<u>1,327,602</u>
<b>Accumulated amortization</b>						
Beginning of year	102,596	91,661	130,817	277,228	-	602,302
Amortization	4,206	15,142	39,033	42,112	-	100,493
Amortization on disposals	(14,642)	-	(36,486)	(48,469)	-	(99,597)
End of year	<u>92,160</u>	<u>106,803</u>	<u>133,364</u>	<u>270,871</u>	<u>-</u>	<u>603,198</u>
<b>Net book value</b>	<b>\$ 8,944</b>	<b>\$ 85,933</b>	<b>\$ 143,794</b>	<b>\$ 485,733</b>	<b>\$ -</b>	<b>\$ 724,404</b>

The land and building where the Library operates are owned by the City of Port Colborne.

**Port Colborne Public Library**  
**Schedule of Tangible Capital Assets**  
For the Year Ended December 31, 2024

	Computers and Office Equipment	Furniture and Fixtures	Library Collection	Building Improvements	Construction in Process	2024
<b>Cost</b>						
Beginning of year	\$ 123,023	\$ 191,869	\$ 272,543	\$ 607,989	\$ 6,508	\$ 1,201,932
Additions	3,763	867	39,637	171,131	7,123	222,521
Disposals	(12,589)	-	(42,873)	-	(1,120)	(56,582)
End of year	<u>114,197</u>	<u>192,736</u>	<u>269,307</u>	<u>779,120</u>	<u>12,511</u>	<u>1,367,871</u>
<b>Accumulated amortization</b>						
Beginning of year	110,336	237,276	134,987	238,690	-	560,617
Amortization	4,849	15,057	38,703	38,538	-	97,147
Amortization on disposals	(12,589)	-	(42,873)	-	-	(55,462)
End of year	<u>102,596</u>	<u>91,661</u>	<u>130,817</u>	<u>277,228</u>	<u>-</u>	<u>602,302</u>
<b>Net book value</b>	<u>\$ 11,601</u>	<u>\$ 101,075</u>	<u>\$ 138,490</u>	<u>\$ 501,892</u>	<u>\$ 12,511</u>	<u>\$ 765,569</u>

The land and building where the Library operates are owned by the City of Port Colborne.

