Financial Statements of

THE LONDON PUBLIC LIBRARY BOARD

And Independent Auditor's Report thereon

Year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The London Public Library Board

Opinion

We have audited the financial statements of The London Public Library Board (the Board), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated suplus for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

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

Basis for Opinion

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 auditor's 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.

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 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 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

London, Canada

May 22, 2025

THE LONDON PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	$ 1,198,975	$ 3,127,732
Accounts receivable:		
The Corporation of the City of London	937,314	400,080
London Public Library Board Trust Funds (note 4)	772,529	901,492
Other	251,313	158,924
	3,160,131	4,588,228
Financial Liabilities		
Accounts payable and accrued liabilities	1,662,610	2,259,373
Deferred revenue	168,506	175,726
Payable to The Corporation of the City of London	21,838	–
Employee future benefits and other liabilities (note 3)	2,120,238	2,192,589
Asset retirement obligation (note 10)	49,540	49,540
	4,022,732	4,677,228
Net debt	(862,601)	(89,000)
Non-Financial Assets		
Tangible capital assets (note 7)	21,186,590	21,379,080
Prepaid expenses	537,166	405,915
	21,723,756	21,784,995
Accumulated surplus (note 8)	**$ 20,861,155**	**$ 21,695,995**

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

THE LONDON PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
	(note 9)		
Revenue:			
The Corporation of the City of London			
Current	$ 23,842,705	$ 23,842,271	$ 22,128,694
Capital	1,280,691	1,280,691	789,813
User charges			
Fee, rental, sundry	609,263	788,799	616,066
Fines	35,036	29,485	35,036
Grants			
Ontario	598,829	598,829	598,829
Federal	–	34,710	43,609
Other	–	20,719	1,739
Contribution from Trust Funds (note 4)	–	380,042	441,382
Investment income	150,000	137,162	183,472
	26,516,524	27,112,708	24,838,640
Expenses:			
Personnel	17,400,000	17,630,951	16,171,403
Amortization of tangible capital assets	–	2,801,700	2,716,171
Facility services	2,723,958	2,681,342	2,638,118
Collections and lending services	2,491,000	1,315,881	1,318,805
Utilities	1,065,627	1,007,439	970,892
Purchased services	1,184,507	948,726	924,453
Major repairs and maintenance (capital)	1,280,691	436,712	35,846
Trust fund expenditures (note 4)	–	380,042	441,382
Technology	841,872	280,463	177,234
Administrative	187,000	202,684	197,705
Program services	125,000	133,906	107,926
Contribution to self-insurance reserve	107,968	94,837	94,037
Equipment	68,311	32,865	59,985
	27,475,934	27,947,548	25,853,957
Annual deficit	(959,410)	(834,840)	(1,015,317)
Accumulated surplus, beginning of year	21,695,995	21,695,995	22,711,312
Accumulated surplus, end of year	**$ 20,736,585**	**$ 20,861,155**	**$ 21,695,995**

See accompanying notes to financial statements.

THE LONDON PUBLIC LIBRARY BOARD

Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 9)	2024 Actual	2023 Actual
Annual deficit	$ (959,410)	$ (834,840)	$ (1,015,317)
Acquisition of tangible capital assets	(695,000)	(2,609,210)	(2,499,962)
Amortization of tangible capital assets	–	2,801,700	2,716,171
	(1,654,410)	(642,350)	(799,108)
Use of prepaid expenses	–	(131,251)	(74,901)
Change in net debt	(1,654,410)	(773,601)	(874,009)
Net financial assets (debt), beginning of year	(89,000)	(89,000)	785,009
Net debt, end of year	**$ (1,743,410)**	**$ (862,601)**	**$ (89,000)**

See accompanying notes to financial statements.

THE LONDON PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual deficit	$ (834,840)	$(1,015,317)
Items not involving cash:		
Amortization of tangible capital assets	2,801,700	2,716,171
Change in employee future benefits and other liabilities	(72,351)	(14,891)
Changes in non-cash assets and liabilities:		
Receivable from The Corporation of the City of London	(537,234)	(205,763)
Receivable from London Public Library Board Trust Funds	128,963	(435,586)
Other accounts receivable	(92,389)	2,101
Accounts payable and accrued liabilities	(596,763)	1,142,521
Payable to The Corporation of the City of London	21,838	(19,783)
Deferred revenue	(7,220)	(22,031)
Prepaid expenses	(131,251)	(74,900)
	680,453	2,072,522
Capital activities:		
Cash used to acquire tangible capital assets	(2,609,210)	(2,499,962)
Decrease in cash	(1,928,757)	(427,440)
Cash, beginning of year	3,127,732	3,555,172
Cash, end of year	**$ 1,198,975**	**$ 3,127,732**

See accompanying notes to financial statements.

1. Significant accounting policies:

The financial statements of The London Public Library Board (the "Board"), a registered charity and a local board of the Corporation of the City of London (the "City"), are prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada. 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 normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Municipal funding:

The City 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 transfer payments from the City are recognized in the financial statements in the year in which the payment 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 expenses are incurred or services performed. If funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as a liability at year end.

(c) Deferred revenue:

Deferred revenues represent grants and other designated funding which has been received but for which the service has yet to be performed. These amounts will be recognized as revenues in the fiscal year in which the services are performed.

(d) Financial instruments:

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument.

Financial instrument	Measurement Method
Cash	Cost
Accounts receivable	Cost
Accounts payable and accrued liabilities	Cost

Amortized cost is measured using the effective interest rate method, as opposed to the straight-line method.

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Fair value category – The Board has not elected to reflect any financial instruments at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. A Statement of Remeasurement Gains and Losses has not been included as there are no matters to report therein.

Amortized cost – Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category.

Cost category – Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

(e) Employee future benefits:

The Board provides certain employee benefits which will require funding in future periods. These benefits include life insurance, extended health and dental benefits for early retirees.

The costs of life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, insurance and health care cost trends, long term inflation rates and discount rates.

(f) Pension contributions:

The Board has a pension agreement with the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined contribution benefit plan. The Board's costs are the contributions due to the plan in the period.

1. Significant accounting policies (continued):

(g) 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.

i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	**Useful Life - Years**
Buildings	15 - 60
Leasehold improvements	40
Collections	7
Shelving	40
Computers	3
Furniture and equipment	7

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

An asset retirement obligation is recognized when, 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 benefits will be given up; and

– a reasonable estimate of the amount can be made.

A liability for the removal of asbestos and other hazardous materials in the buildings owned by the Board has been recognized based on estimated future expenses.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in this note. In addition, the Board's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

ii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

iii) Leased tangible capital assets:

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(h) Budget data:

Budget information has been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by PSAB, certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

(i) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and in preparing actuarial valuations for employee future benefits.

In addition, the Board's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from those estimates.

(j) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

1. Significant accounting policies (continued):

(k) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

Applicable for fiscal years beginning on or after April 1, 2026 (in effect for the Board for the year ending December 31, 2027). Standards must be implemented at the same time:

i) New Public Sector Accounting Standards (PSAS) Conceptual Framework:

This new model is a comprehensive set of concepts that underlie and support financial reporting. It is the foundation that assists:

- Preparers to account for items, transactions and other events not yet covered by the standards;
- Auditors to form opinions regarding compliance with accounting standards;
- Users in interpreting information in financial statements; and
- Public Sector Accounting Board (PSAB) to develop standards grounded in the public sector environment.

The main changes are:

- Additional guidance to improve understanding and clarity
- Non-substantive changes to terminology/definitions
- Financial statement objectives foreshadow changes in the Reporting Model
- Relocation of recognition exclusions to the Reporting Model
- Consequential amendments throughout the Public Sector Accounting Handbook

The framework is expected to be implemented prospectively.

ii) Reporting Model PS 1202 Financial Statement Preparation:

This reporting model provides guidance on how information should be presented in the financial statements and will replace PS 1201 Financial Statement Presentation. The model is expected to be implemented retroactively with restatement of prior year amounts.

1. Significant accounting policies (continued):

(k) Future accounting pronouncements (continued):

ii) Reporting Model PS 1202 Financial Statement Preparation (continued):

The main changes are:

- Restructured Statement of Financial Position
- Introduction of financial and non-financial liabilities
- Amended non-financial asset definition
- New components of net assets – accumulated other and issued share capital
- Relocated net debt to its own statement
- Renamed the net debt indicator
- Revised the net debt calculation
- Removed the Statement of Changes in Net Financial Assets (Debt)
- New Statement of Net Financial Assets/Liabilities
- New Statement of Changes in Net Assets/Liabilities
- Isolated financing transactions in the Statement of Cash Flows

2. Change in accounting policy – adoption of new accounting standards:

The Board adopted the following standards concurrently beginning January 1, 2024:

(a) PS 3400 – Revenue

PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred. For 2024, the year of transition, based on an evaluation of the Board's revenue transactions, no adjusting entries occurred.

(b) PS 3160 – Public Private Partnerships

Section PS 3160 – Public Private Partnerships (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. As a result of applying the Public Private Partnership accounting standard it was identified that this accounting standard did not affect the Board and therefore no adjusting entries occurred.

2. Change in accounting policy – adoption of new accounting standards (continued):

(c) PSG-8 – Purchased Intangibles

PSG-8 Purchased Intangibles provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act. No such transactions were identified by the Board.

3. Employee future benefits and other liabilities:

Employee future benefits and other liabilities are comprised of the following:

		2024		2023
Liability for vested sick leave benefits (a)	$	14,053	$	14,053
Vacation pay liability		167,185		188,536
Employee future benefits obligation (b)		1,939,000		1,990,000
	$	2,120,238	$	2,192,589

(a) Liability for vested sick leave benefits

Under the sick leave benefit plan, employees hired prior to May 1, 1985 can accumulate unused sick leave and may become entitled to a cash payment when they leave the employment of the Board.

The liability of these accumulated days, to the extent that they have vested and could be taken in cash by an employee upon ceasing employment with the Board as at December 31, 2024, amounts to $14,053 (2023 - $14,053). This amount is fully funded by a reserve held by the City in the amount of $31,114 (2023 - $29,841).

(b) Retiree benefits

The Board provides certain post-employment and post-retirement employee benefits which will require funding in future periods.

The Board pays certain life insurance benefits on behalf of the retired employees as well as extended health and dental benefits for early retirees to age sixty-five. The Board recognizes these post-retirement costs in the period in which the employees rendered the services. The most recent actuarial valuation was performed as at December 31, 2024.

3. Employee future benefits and other liabilities (continued):

(c) Retiree benefits (continued)

Detailed information about retiree benefits is as follows:

		2024		2023
Accrued employee future benefit obligation:				
Balance, beginning of year	$	1,921,000	$	2,005,000
Current year benefit cost		78,000		82,000
Interest cost		66,000		59,000
Benefits paid		(137,000)		(131,000)
Actuarial loss		(321,000)		(94,000)
Balance at the end of the year		1,607,000		1,921,000
Unamortized actuarial gain		332,000		69,000
Employee future benefits obligation	$	1,939,000	$	1,990,000

Post-employment and post-retirement benefit expenses included in total expenditure consist of the following:

		2024		2023
Current year benefit cost	$	78,000	$	82,000
Interest on accrued benefit obligation		66,000		59,000
Amortization of net actuarial gain		(58,000)		(14,000)
Total expenses	$	86,000	$	127,000

Significant assumptions used in the actuarial valuation are as follows:

Discount rate	3.00%
Rate of compensation increase	2.00%
Healthcare cost increases	4.00%

The actuarial gain is amortized over the expected average remaining service life of the related employee group of fourteen years.

4. Trust funds:

Trust funds administered by the Board amounting to $5,536,658 (2023 - $4,576,829) have not been included in the Statement of Operations and Accumulated Surplus nor have their operations been included in the Statement of Operations and Accumulated Surplus. They are reported separately on The London Public Library Board Trust Funds ("Trust Funds") Financial Statements.

During the year, the Trust Funds transferred $380,042 (2023 - $441,382) to the Board for capital and operating expenses. This amount and the related expenditure have been included in the Statement of Operations and Accumulated Surplus.

5. Commitments:

The Board is committed to operating leases for the rental of premises and equipment. The minimum annual payments under these leases are as follows:

2025	$	950,275
2026		908,408
2027		873,419
2028		576,319
2029 and beyond		1,325,102
	$	4,633,523

6. Pension agreement:

The Board has a pension agreement with OMERS, which is a multi-employer plan, on behalf of its full and part-time staff. The plan is a contributory defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2024 is $1,272,746 (2023 - $1,129,326) for current service and is included as an expenditure in the Statement of Operations and Accumulated Surplus.

The last available report for the OMERS plan was on December 31, 2024. At that time, the plan reported a $2.9 billion actuarial deficit (2023 - $4.2 billion), based on actuarial liabilities for $142.4 billion (2023 - $136.1 billion) and actuarial value of net assets for $139.5 billion (2023 - $131.9 billion). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

7. Tangible capital assets:

Cost	Balance at December 31, 2023	2024 Additions	2024 Disposals	Balance at December 31, 2024
Land	$ 3,904,165	$ –	$ –	$ 3,904,165
Buildings	39,412,208	557,729	–	39,969,937
Leasehold improvements	4,981,852	–	–	4,981,852
Collections	8,692,654	1,236,935	1,275,970	8,653,619
Shelving	1,094,982	–	–	1,094,982
Computers	1,653,793	528,296	168,216	2,013,873
Furniture and equipment	1,333,466	140,553	388,878	1,085,141
Assets under construction	–	145,697	–	145,697
Total	**$ 61,073,120**	**$ 2,609,210**	**$ 1,833,064**	**61,849,266**

Accumulated amortization	Balance at December 31, 2023	2024 Additions	2024 Disposals	Balance at December 31, 2024
Land	$ –	$ –	$ –	$ –
Buildings	32,106,423	735,544	–	32,841,967
Leasehold improvements	1,009,605	122,754	–	1,132,359
Collections	4,615,370	1,134,325	1,275,970	4,473,725
Shelving	661,210	25,042	–	686,252
Computers	494,332	611,277	168,216	937,393
Furniture and equipment	807,100	172,758	388,878	590,980
Assets under construction	–	–	–	–
Total	**$ 39,694,040**	**2,801,700**	**1,833,064**	**$ 40,662,676**

	Net book value December 31, 2023	Net book value December 31, 2024
Land	$ 3,904,165	$ 3,904,165
Buildings	7,305,785	7,127,970
Leasehold improvements	3,972,247	3,849,493
Collections	4,077,284	4,179,894
Shelving	433,772	408,730
Computers	1,159,461	1,076,480
Furniture and equipment	526,366	494,161
Assets under construction	–	145,697
Total	$ **21,379,080**	$ **21,186,590**

8. Accumulated surplus:

Accumulated surplus consists of surplus and reserve funds as follows:

	2024	2023
Surplus		
Invested in tangible capital assets	$ 21,186,590	$ 21,379,080
Unfunded		
Employee benefits, accrued sick and vacation	(181,238)	(202,591)
Employee benefits, future benefit liability	(1,939,000)	(1,990,000)
Total surplus	19,066,352	19,186,489
Reserves set aside by the Board		
Stabilization fund	1,763,689	2,419,665
Collections encumbrance fund	–	60,000
Total reserves	1,763,689	2,479,665
Reserve held by the City on behalf of the Board		
Sick leave reserve	31,114	29,841
	$ 20,861,155	$ 21,695,995

9. Budget data:

Budget information has been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by PSAB, certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

	Budget amount
Revenues	
Operating budget	$ 26,195,244
Expenses	
Operating budget	26,195,244
Annual surplus, as per approved budget	$ –

9. Budget data (continued):

		Budget amount
Capital funding from the City	$	1,280,691
Major repairs and maintenance		(1,280,691)
Drawdown from Stabilization fund		(959,410)
Annual surplus (deficit), revised	$	(959,410)

10. Asset retirement obligation:

The Board has recorded an asset retirement obligation of $49,540 as of January 1, 2023. As at December 31, 2024, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

11. Financial risks and concentration of risk:

The Board is exposed to a variety of financial risks, including credit risks and liquidity risk. The Board's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Board's financial performance.

(a) Credit risk:

The Board's principal financial assets that are subject to credit risk are accounts receivable. The carrying amounts of financial assets on the Statement of Financial Position represent the Board's maximum credit exposure as at the Statement of Financial Position date.

(b) Liquidity risk:

The Board mitigates liquidity risk by monitoring cash activities and expected outflows through extensive budgeting. There have been no significant changes from the previous year in the Board's exposure to liquidity risk or policies, procedures and methods used to measure the risk. All accounts payable and accrued liabilities will be paid within six months.

The Board's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. It is the Board's opinion that they are not exposed to significant interest rate or currency risks arising from these financial instruments.