

Financial Statements: Unaudited

Ottawa Public Library Board

December 31, 2023

OTTAWA PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION [UNAUDITED]

As at December 31

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	8,970	9,835
Accounts receivable	(104,230)	4,010,988
Long Term accounts receivable	10,000,000	10,000,000
Due from City of Ottawa <i>[note 2]</i>	45,940,350	31,279,187
Total financial assets	55,845,090	45,300,010
LIABILITIES		
Accounts payable	2,083,409	1,885,565
	696,445	
Accrued liabilities		574,771
Deferred donations/grants	711,347	803,312
Deferred revenue - development charges	36,181,017	33,757,213
Employee future benefits <i>[note 3]</i>	8,690,000	8,367,000
Net long-term debt	1,479,673	1,911,144
Accrued interest on debt	25,307	32,679
Total liabilities	49,867,198	47,331,684
Net financial assets (debt)	5,977,892	(2,031,674)
Non-financial assets		
Tangible capital assets <i>[note 4]</i>	36,002,976	37,885,877
Total non-financial assets	36,002,976	37,885,877
Accumulated surplus <i>[note 5]</i>	41,980,868	35,854,203

See accompanying notes

**OTTAWA PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED
SURPLUS [UNAUDITED]**

For the year ended December 31

	2023 \$	2022 \$
REVENUE		
City of Ottawa	61,723,125	58,280,408
Province of Ontario – Ministry of tourism, sport and culture	1,380,000	1,380,000
Development charges	(6,920)	123,320
Other	1,240,878	812,753
Total revenue	64,337,083	60,596,481
EXPENSES		
Salaries, wages and benefits	42,927,115	39,518,820
Library materials	6,799,941	6,073,676
Purchased services	3,964,772	3,363,218
Materials and supplies	3,375,854	3,334,496
	57,067,682	52,290,210
Operating expenses in capital	(1,142,842)	1,623,029
Amortization	1,958,160	1,562,708
Employee future benefits	334,790	179,493
Accrued interest	(7,372)	(6,707)
Total expenses	58,210,418	55,648,733
Annual surplus	6,126,665	4,947,748
Accumulated surplus, beginning of year	35,854,203	30,906,455
Accumulated surplus, end of year	41,980,868	35,854,203

See accompanying notes

**OTTAWA PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS [UNAUDITED]
DECEMBER 31, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Ottawa Public Library Board [the “Board”] are the representation of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board [“PSAB”] of the Chartered Professional Accountants of Canada [“CPA Canada”]

Revenues and expenses

These financial statements reflect the assets, liabilities, revenues, and expenses for the Board. All inter-fund revenues and expenses have been eliminated.

The assets, liabilities and results of operations of trust funds administered by the Board are not included in the accompanying financial statements [note 7].

Basis of accounting

Revenue 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 receipt of goods or services.

Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions on such areas as employee future benefits. These estimates and assumptions are based on the Board’s best information and judgement, and actual results may differ significantly from these estimates.

Fines and user charges

Given the uncertainty of collection regarding fines and user charges, the Board recognizes revenue generated from these activities on a cash basis.

**OTTAWA PUBLIC LIBRARY BOARD
 NOTES TO THE FINANCIAL STATEMENTS [UNAUDITED]
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Employee benefit plans

The Board has adopted the following policies with respect to employee benefit plans:

[a] The costs of post-employment benefits are recognized as a liability when the event that obligates the Board occurs. The costs are actuarially determined using projected future income payments, health care continuation costs, and fees paid to independent administrators of these plans, calculated on a present value basis.

[b] The costs of post-retirement benefits are recognized as a liability when the event that obligates the Board occurs. The costs are actuarially determined using the projected benefits method prorated on service and management’s best estimate of retirement ages of employees, salary escalation, expected health care costs, and plan investment performance.

[c] Past service costs for plan amendments related to prior-period employee services are accounted for in the period of the plan amendment. The effects of gain or loss from settlements or curtailments are expensed in the period during which they occur. Net actuarial gains and losses related to employee benefits are amortized over the estimated average remaining service life of the related employee group. Employee future benefits are discounted using current interest rates on long-term bonds.

[d] The costs of workplace safety and insurance obligations are recognized as a liability when the event that obligate the Board occurs. The costs are actuarially determined and expensed in the period they occur.

[e] The costs of termination benefits and compensated absences are recognized when the event that obligates the Board occurs; costs include projected future income payments, health care continuation costs, and fees paid to independent administrators of these plans, calculated on a present value basis.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development, or betterment of an asset. The costs, 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 type	Minimum years	Maximum years
Buildings and Leasehold Improvements	20	100
Land Improvements	50	200
Machinery, Plant and Equipment	5	50
Vehicles	5	15

Reserve fund

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Reserve fund is comprised of funds set aside for specific purposes by the Board and Council to accumulate monies for future capital projects [note 5].

2. DUE FROM CITY OF OTTAWA

The City holds the cash balances and administers the cash disbursements and accounting functions on behalf of the Ottawa Public Library Board. In 2023, the library reserve fund earned interest at a rate of 2.10% per annum on cash held by the City.

3. EMPLOYEE FUTURE BENEFITS

The Board provides certain benefits including retirement and other employment benefits to most of its employees.

[a] Employee future benefits

Employee future benefit liabilities of the Board as at December 31 are as follows:

Employee future benefit liabilities	2023	2022
	\$	\$
Post-retirement benefits	2,581,000	2,438,000
Post-employment benefits	5,703,000	5,528,000
WSIB	406,000	401,000
Total	8,690,000	8,367,000

The defined benefit plans relating to post-retirement, post-employment and WSIB provide a variety of benefits to retirees, active and long-term disabled employees, including income, medical, dental, life insurance, and workers' compensation and sick leave benefits.

**OTTAWA PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS [UNAUDITED]
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The continuity for post-retirement, post-employment, and WSIB benefits for 2023 is as follows:

Employee future benefit liabilities	Post-retirement \$	Post-employment \$	WSIB \$	Total \$
Balance, beginning of year	2,438,000	5,528,000	401,000	8,367,000
Current service costs/cost of new claims	126,000	828,000	7,200	961,200
Interest cost	91,000	191,000	2,000	284,000
Amortization of actuarial (gain) / loss	11,000	(142,000)	6,000	(125,000)
Benefits paid	(85,000)	(702,000)	(10,200)	(797,200)
Balance, end of year	2,581,000	5,703,000	406,000	8,690,000

Due to the complexities in valuing the plans, actuarial valuations are conducted on a periodic basis. The liabilities for post-retirement and post-employment benefits reported in these financial statements are based on a valuation as of September 30, 2023, with an extrapolation to December 31, 2023. The significant actuarial assumptions adopted in measuring the Board's accrued benefit obligations for post-retirement and post-employment benefits for 2023 are as follows:

Discount rate - 3.80%

Inflation rate - 4.40%

Health care inflation rate - 4.75% initially, grading down to 4.00% in 2040

[b] Pension agreements

Ontario Municipal Employees Retirement Fund

The Board makes contributions to the Ontario Municipal Employees Retirement System ["OMERS"], which is a multi-employer pension plan, on behalf of most of its employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. The Library's contribution to the OMERS plan for 2023 was \$2,720,415 (2022 - \$2,599,267) for current services and is included as an expense on the statement of operations and accumulated surplus.

**OTTAWA PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS [UNAUDITED]
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4. TANGIBLE CAPITAL ASSETS

Cost	Buildings and Leasehold Improvements	Land	Land Improvements	Machinery Plant and Equipment	Vehicles
	\$	\$	\$	\$	\$
Balance, beginning of year	46,681,906	2,681,362	220,492	8,236,802	1,857,367
Additions	0	0	0	0	50,658
Disposals	0	0	0	(196,775)	0
Balance, end of year	46,681,906	2,681,362	220,492	8,040,027	1,908,025
Accumulated Amortization	Buildings and Leasehold Improvements	Land	Land Improvements	Machinery Plant and Equipment	Vehicles
	\$	\$	\$	\$	\$
Balance, beginning of year	15,305,360	0	14,332	5,962,922	549,196
Disposals	0	0	0	(164,798)	0
Amortization expense	1,144,150	0	4,410	700,660	108,940
Balance, end of year	16,449,510	0	18,742	6,498,784	658,136
Net book value, end of year	30,232,396	2,681,362	201,750	1,541,243	1,249,889

**OTTAWA PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS [UNAUDITED]
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Cost	Assets Under Constructio	Total 2023	Total 2022
	n		
	\$	\$	\$
Balance, beginning of year	39,758	59,717,687	59,614,327
Additions	62,637	113,295	565,408
Disposals	(6,060)	(202,835)	(462,048)
Balance, end of year	96,336	59,628,148	59,717,687

Accumulate d Amortization	Assets Under Constructio	Total 2023	Total 2022
	n		
	\$	\$	\$
5. Balance, beginning of year	0	21,831,810	20,414,814
Disposals	0	(164,798)	(145,712)
Amortization expense	0	1,958,160	1,562,708
Balance, end of year	0	23,625,172	21,831,810
Net book value, end of year	96,336	36,002,976	37,885,877

ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surpluses and reserve fund.

	2023	2022
	\$	\$
Accumulated Surplus		
Invested in tangible capital assets	34,497,996	35,942,053
Capital fund - Unexpended capital financing	9,759,517	(2,518,614)
Unfunded – Employee future benefits	(8,690,000)	(8,367,000)
Unfunded Vacation	(140,473)	(128,683)
Total surplus	35,427,040	24,927,756
Reserve fund	6,553,828	10,926,447
Accumulated Surplus	41,980,868	35,854,203

6. COMMITMENTS

**OTTAWA PUBLIC LIBRARY BOARD
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[a] The Board has total capital commitments on behalf of the Library as at December 31, 2023 in the amount of \$1,139,607 (2022 - \$918,545).

[b] The Board has operating lease commitments on behalf of the Library over the next 5 years as follows:

	\$
2024	438,968
2025	434,512
2026	340,714
2027	205,400
2028	48,275

7. ACCOUNTING FOR TRUST FUNDS

Trust funds administered by the Board amounting to \$1,653,655 [2022 - \$1,103,840] have not been included in the statement of financial position nor have its operations been included in the statement of operations and accumulated surplus.