

Financial Statements of

**KINGSTON FRONTENAC  
PUBLIC LIBRARY BOARD**

Year ended December 31, 2024

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

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Year ended December 31, 2024

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**KPMG LLP**

863 Princess Street, Suite 400  
Kingston, ON K7L 5N4  
Canada  
Telephone 613 549 1550  
Fax 613 549 6349

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Kingston Frontenac Public Library Board

### ***Opinion***

We have audited the financial statements of the Kingston Frontenac Public Library Board (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and municipal equity for the year then ended
- the statement of changes in net financial liabilities 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 Entity as at December 31, 2024, and its results of operations, its changes in net financial liabilities, 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity's internal control.



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- 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 Entity'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 Entity 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 25, 2025

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

## Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash on hand	\$ 1,000	\$ 1,000
Investments (note 3)	2,021	9,374
Accounts receivable	36,344	5,092
Due from the Corporation of the City of Kingston (note 5)	217,833	603,113
Due from County of Frontenac	–	41,076
	257,198	659,655
Financial liabilities:		
Accrued liabilities	15,455	61,608
Accrued vacation pay	41,986	45,756
Accrued payroll	15,062	19,624
Deferred revenue	23,626	26,457
Due to County of Frontenac	2,805	–
Employee future benefit obligations (note 9)	908,800	876,700
	1,007,734	1,030,145
Net financial liabilities	(750,536)	(370,490)
Non-financial assets:		
Tangible capital assets (note 8)	3,596,301	3,348,196
Prepaid expenses	172,225	42,878
	3,768,526	3,391,074
Commitments (note 12)		
Municipal equity (note 10)	\$ 3,017,990	\$ 3,020,584

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

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

## Statement of Operations and Municipal Equity

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

	Budget 2024 (note 7)	Actual 2024	Actual 2023
Revenue:			
Municipal operating contributions -			
City of Kingston	\$ 7,506,702	\$ 7,506,702	\$ 7,296,880
Municipal surplus recovered	–	(549,008)	(360,813)
Municipal operating contributions -			
County of Frontenac	977,501	977,501	946,275
Municipal Operating Contribution - County			
of Frontenac surplus recovered	–	(40,833)	(50,247)
Province of Ontario grant	297,138	297,138	297,137
Sundry	50,000	73,339	49,034
Rentals, fines and damages recovered	68,800	64,323	54,179
Donations	11,000	20,231	10,462
Project grant funding	30,000	15,344	500
Non-resident fees	9,000	11,027	9,086
Investment income	–	201	510
	8,950,141	8,375,965	8,253,003
Expenses:			
Operating:			
Salaries and wages	4,941,933	4,723,101	4,516,999
Fringe benefits	1,728,947	1,630,917	1,478,039
Books and reference materials	933,149	946,286	955,410
Amounts recognized as tangible			
capital assets	–	(938,732)	(955,011)
Amortization expense	–	913,476	831,381
Repairs and replacements	625,293	589,379	506,222
Utilities, telephone, fax and internet	326,301	335,069	308,181
Sundry	150,186	174,664	129,442
Equipment rental and other supplies	177,232	163,834	185,022
Rent	–	85,665	–
Education and training	40,600	40,423	38,986
Professional fees	26,500	22,995	31,772
	8,950,141	8,687,077	8,026,443
Excess of revenue over expenses (expenses over			
revenue) before the undernoted items	–	(311,112)	226,560
Municipal capital contributions - City of Kingston	–	279,547	85,746
Municipal capital contributions - County of Frontenac	–	28,971	12,243
Annual surplus (deficit)	–	(2,594)	324,549
Municipal equity, beginning of year	3,020,584	3,020,584	2,696,035
Municipal equity, end of year	\$ 3,020,584	\$ 3,017,990	\$ 3,020,584

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

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

## Statement of Changes in Net Financial Liabilities

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

	2024	2023
Annual surplus	\$ (2,594)	\$ 324,549
Amortization of tangible capital assets	913,476	831,381
Acquisition of tangible capital assets	(1,161,581)	(1,016,267)
Acquisition of prepaid expenses	(129,347)	69,617
Change in net financial assets	(380,046)	209,280
Net financial liabilities, beginning of year	(370,490)	(579,770)
Net financial liabilities, end of year	\$ (750,536)	\$ (370,490)

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



# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

## Statement of Cash Flows

Year ended December 31, 2024, with comparative information 2023

	2024	2023
Operating activities:		
Annual surplus (deficit)	\$ (2,594)	\$ 324,549
Items not involving cash:		
Amortization of tangible capital assets	913,476	831,381
Accrued vacation pay	(3,770)	(1,563)
Employee future benefit obligations	32,100	44,100
Net change in non-cash working capital items:		
Accounts receivable	(31,252)	(4,107)
Prepaid expenses	(129,347)	69,617
Due to County of Frontenac	43,881	39,550
Due from the Corporation of the City of Kingston	385,280	(350,331)
Accrued liabilities	(46,153)	39,987
Accrued payroll	(4,562)	(11,555)
Deferred revenue	(2,831)	25,211
	1,154,228	1,006,839
Capital activities:		
Acquisition of tangible capital assets	(1,161,581)	(1,016,267)
Decrease in cash and investments	(7,353)	(9,428)
Cash and investments, beginning of year	10,374	19,802
Cash and investments, end of year	\$ 3,021	\$ 10,374
Represented by:		
Cash on hand	\$ 1,000	\$ 1,000
Investments	2,021	9,374
	\$ 3,021	\$ 10,374

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

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2024

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### 1. Significant accounting policies:

The financial statements of the Kingston Frontenac Public Library Board (the "Library Board") are the representation of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Library Board are as follows:

(a) Reporting entity:

These statements reflect the assets, liabilities, revenue and expenses of the Library Board.

(b) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which transactions or events occurred that gave rise to the revenues; expenses are recognized in the period the goods and services are acquired and/or there is a legal obligation to pay.

(c) Investments:

Investments are comprised of cash and term deposits and are recorded at cost plus accrued interest. If the market value of investments becomes lower than cost and this decline is considered to be other than temporary, the investments are written down to market value.

(d) Deferred revenue:

Deferred revenue represents certain grants and donations which have been collected but for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

(e) Employee future benefit obligations:

The Library Board accrues for 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 these benefits earned by employees are actuarially determined using management's best estimate of salary escalation, retirement ages of employees, expected health care costs, and long-term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses, which can arise from changes in actuarial assumptions, are amortized over the expected average remaining service life of the employee group.

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (e) Employee future benefit obligations (continued):

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are amortized over a period linked to the specific benefit plan.

### (f) Tangible capital assets:

- i. Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, development or betterment of the asset. The Library Board does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.
- ii. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt or transfer with an offsetting amount recorded as revenue.
- iii. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over estimated useful lives as follows:

Asset	Useful Life - Years
Vehicles	5 to 20
Equipment	5 to 20
Computer equipment	5 to 10
Books and materials	7
Furniture and fixtures	20 to 40

Assets under construction or development are classified as capital works in progress and are not amortized until the asset is available for productive use.

- iv. When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the Statement of Operations and Municipal Equity in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (f) Tangible capital assets (continued):

- v. When conditions indicate that the tangible capital asset no longer contributes to the Library Board's ability to provide services or the value or the future economic benefits associated with the tangible capital asset are less than its book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Statement of Operations and Municipal Equity.
- vi. The Library Board has a capitalization threshold of \$10,000. Individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

### (g) Government transfers:

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

### (h) Revenue recognition:

Contributions and grants are recognized as revenue when the transfer is authorized, any eligible criteria has been met and the amount can be reasonably estimated. Fundraising, other and unrestricted donations, are recognized when the goods are sold or the services are provided, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. Other restricted contributions received in advance of the related expenditure are deferred until related expenditure is incurred.

### (i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and reported on the Statement of Financial Position.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations and Municipal Equity.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and Municipality Equity and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses. On sale, the statement of remeasurement gains and losses associated with that instrument are reversed and recognized in the Statement of Operations and Municipal Equity.

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (j) Statement of remeasurement gains and losses:

A statement of remeasurement gains and losses has not been provided as there are no significant unrealized gains or losses at December 31, 2024 or 2023.

### (k) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported 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. Actual results could differ from those estimates. Significant estimates include assumptions used in performing actuarial valuations of employee benefits payable.

## 2. Change in accounting policy - adoption of new accounting standards:

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

### (a) 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.

### (b) 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.

### (c) 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.

There was no impact on the financial statements as a result of adopting the new accounting standards.

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## **3. Investments:**

Investments are term deposits have a market value of \$2,021 at December 31, 2024 (2023 - \$9,374).

## **4. Provincial grants:**

Certain provincial grants are subject to annual final reviews and approvals by the Ontario Ministry of Tourism, Culture and Sport. Any adjustments resulting from the review will be reflected in the year of Ontario Ministry of Tourism, Culture and Sport's approval as an adjustment to provincial grant revenue on the Statement of Operations and Municipal Equity.

## **5. Due from/to the Corporation of the City of Kingston:**

The Library Board is provided with financial, payroll and legal services from the Corporation of the City of Kingston. As at December 31, 2024, the Library Board has an amount due from the Corporation of the City of Kingston of \$217,833 (2023 - \$603,113) representing the net balance of cash receipts, year-end payroll accruals, disbursements processed on behalf of the Library Board, and accruals for other year-end reimbursements.

## **6. Pension agreements:**

The Library Board makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS") which is a multi-employer plan, on behalf of 95 (2023 - 95) members of its staff.

The plan is a contributory defined benefit plan which specifies the amount of the 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 was \$386,382 (2023 - \$365,978) for current service and is included as an expense on the Statement of Operations and Municipal Equity.

As a result, the Library Board does not recognize any share of the OMERS pension surplus or deficit. The last available report was at December 31, 2024. At that time, the plan reported a \$2.9 million actuarial deficit (2023 - \$4.2 million actuarial deficit).

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 7. Budget figures:

Budget figures reflected on the Statement of Operations and Municipal Equity are based on the 2024 operating budget as approved by the Board of Directors on November 3, 2023.

Capital budgets are established for capital investment in tangible capital assets as well as for non-tangible capital expenditures that are included as expenses on the Statement of Operations and Municipal Equity.

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Amortization was not contemplated on development of the budget and, as such, has not been included in the budget figures reflected on the financial statements.

The chart below reconciles the approved operating budget to the budget figures reported in these financial statements:

	Budget Amount
Approved operating budget revenue	\$ 8,950,141
Approved operating budget expenses	8,950,141
Net operating budget expenses	\$ —

The chart below reconciles the approved capital budget to the budget figures reported in these financial statements:

	Budget Amount
Approved capital budget revenue	\$ 158,000
Approved capital budget expenses	158,000
Net capital budget expenses	\$ —

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 8. Tangible capital assets:

	GENERAL ASSETS					TOTALS	
	Vehicles	Equipment	Computer Equipment	Books and Materials	Furniture and Fixtures	2024	2023
<b>Cost</b>							
Balance, beginning of year	\$ 78,577	\$ 452,204	\$ 744,621	\$ 5,939,698	\$ 1,489,381	\$ 8,704,481	\$ 8,443,090
Add: Additions	-	-	193,175	938,732	29,674	1,161,581	1,016,267
Less: Disposals	-	-	(34,787)	(1,335,151)	-	(1,369,938)	(754,876)
Balance, end of year	\$ 78,577	\$ 452,204	\$ 903,009	\$ 5,543,279	\$ 1,519,055	\$ 8,496,124	\$ 8,704,481
<b>Accumulated Amortization</b>							
Balance, beginning of year	\$ 48,386	\$ 363,633	\$ 632,560	\$ 3,291,652	\$ 1,020,054	\$ 5,356,285	\$ 5,279,780
Add: Amortization	6,201	21,750	64,596	769,033	51,896	913,476	831,381
Less: Accumulated amortization on disposals	-	-	(34,787)	(1,335,151)	-	(1,369,938)	(754,876)
Balance, end of year	\$ 54,587	\$ 385,383	\$ 662,369	\$ 2,725,534	\$ 1,071,950	\$ 4,899,823	\$ 5,356,285
Net Book Value of Tangible Capital Assets	\$ 23,990	\$ 66,821	\$ 240,640	\$ 2,817,745	\$ 447,105	\$ 3,596,301	\$ 3,348,196

The above table provides additional information on the tangible capital assets and accumulated amortization of the Library Board by major asset class. The following information relates to other valuation and reporting aspects of the Library Board's tangible capital assets.

(a) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$Nil (2023 - \$Nil).

(b) Works of art and historical treasures:

The definition of tangible capital assets specifically excludes gallery collections and other works of art. The Library Board owns a number of paintings, other pieces of artwork artifacts that are displayed in the central building. These assets are not recorded as tangible capital assets and are not amortized.



# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 9. Employee future benefits:

Extended health care, dental and life insurance:

The Library Board pays certain life insurance benefits on behalf of retired employees as well as extended health and dental benefits for early retirees to age 65. The Library Board recognizes these post-employment and post-retirement costs in the period in which the employees rendered the services. An independent actuarial study of the post-retirement and post-employment benefits was undertaken at December 31, 2022 in order to determine the estimated accrued benefit liability to be reported in these financial statements.

Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups, which is estimated to be 8 years (2023 - 9 years).

At December 31, 2024, the Library Board's accrued benefit liability relating to post-retirement and post-employment benefit plans is \$908,800 (2023 - \$876,700).

The significant actuarial assumptions adopted in estimating the Library Board's accrued benefit obligation for extended health, dental and life insurance are as follows:

Discount rate	4.6% per annum
Inflation rate	2.5% per annum
Salary escalation	3.0% per annum
Dental benefits escalation	6.30% in 2024 decreasing by 0.13% per annum to ultimate rate of 4.50 by 2033
Health benefits escalation	6.87% in 2024 decreasing by 0.22% per annum to ultimate rate of 4.50% by 2043

Information with respect to the Library Board's post-retirement and post-employment obligations is as follows:

	2024	2023
Accrued benefit liability, January 1	\$ 876,700	\$ 832,600
Expense recognized for the period	74,900	72,300
Benefits paid for the period	(66,400)	(51,800)
Amortization of actuarial losses	23,600	23,600
Accrued benefit liability, December 31	\$ 908,800	\$ 876,700

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 9. Employee future benefits (continued):

The accrued benefit liability at December 31, 2024 includes the following components:

	2024	2023
Accrued benefit obligation	\$ 707,100	\$ 698,600
Unamortized actuarial gain	201,700	178,100
Accrued benefit liability	\$ 908,800	\$ 876,700

## 10. Municipal equity:

	2024	2023
Operating surplus	\$ 329,441	\$ 549,018
Reserve and reserve funds:		
Reserves	41,013	36,452
Reserve funds	2,021	9,374
	43,034	45,826
Investment in tangible capital assets:		
Tangible capital assets	3,596,301	3,348,196
Unfunded liabilities:		
Employee future benefit obligations plus accrued vacation pay	(950,786)	(922,456)
Municipal equity	\$ 3,017,990	\$ 3,020,584

# KINGSTON FRONTENAC PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 11. Financial risks:

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

The Library Board assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Library Board as at December 31, 2024 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations and Municipal Equity. Subsequent recoveries of impairment losses related to accounts receivable are credited to the Statement of Operations and Municipal Equity. The balance of the allowance for doubtful accounts is \$Nil (2023 - \$Nil).

### (b) Liquidity risk:

Liquidity risk is the risk that the Library Board will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Library Board manages its liquidity risk by monitoring its operating requirements. The Library Board prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There have been no changes to the risk exposures from 2023.

## 12. Commitments

The Library Board entered in an operating lease which expires January 31, 2026. Rental rates are reviewed annually. Rent amounted to \$85,665 for the year ended December 31, 2024 (2023 - \$Nil).

The minimum annual lease payments over the term of the lease are as follows:

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2025	\$ 202,429
2026	16,869

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