



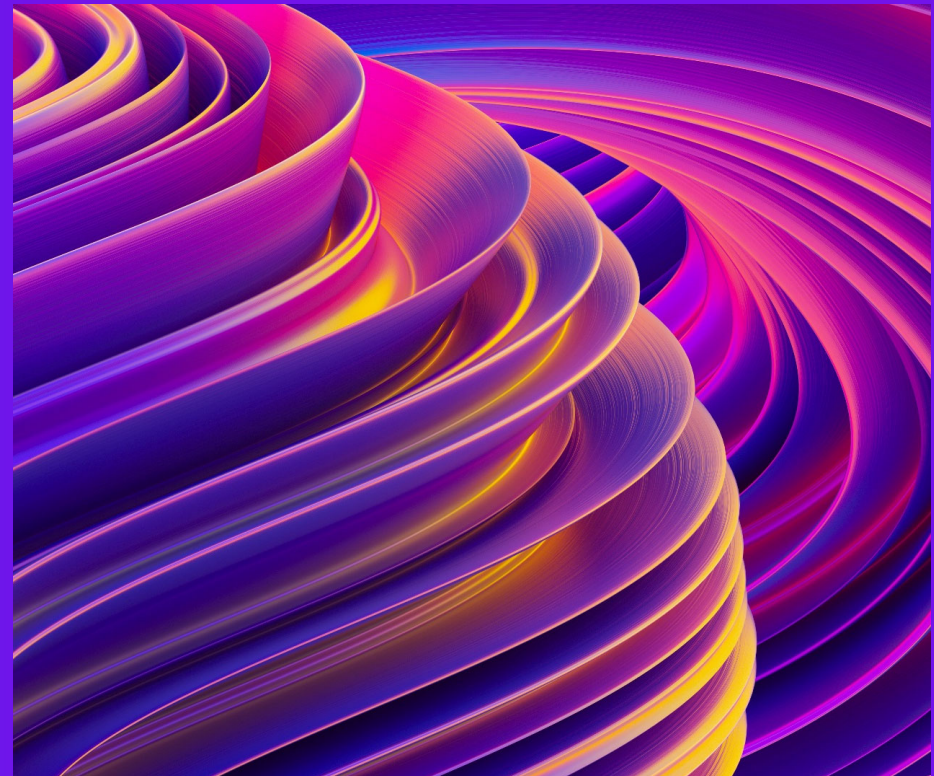
# The Corporation of the City of Windsor – Public Library Board

Audit Findings Report  
for the year ended  
December 31, 2023

*KPMG LLP*

Prepared as of June 10, 2024 for presentation to the Board of  
Directors on June 18, 2024

[kpmg.ca/audit](https://kpmg.ca/audit)



# KPMG contacts

Key contacts in connection with this engagement



**Cynthia Swift, CPA, CA**  
Lead Audit Engagement Partner  
519-251-3520  
[caswift@kpmg.ca](mailto:caswift@kpmg.ca)



**Kevin Macchio, CPA, CA**  
Senior Manager  
519-251-5247  
[kmacchio@kpmg.ca](mailto:kmacchio@kpmg.ca)



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## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

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The purpose of this report is to assist you, as a member of the Board of Directors, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Audit highlights



No matters to report



Matters to report – see link for details

## Status

We have completed the audit of the consolidated financial statements of the Corporation of the City of Windsor – Public Library Board (WPLB), with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.

## Materiality

Materiality has been established by considering various metrics that are relevant to the users of the financial statements, including total revenue (excluding investment income). We have determined materiality to be \$260,000.

## Risks and results

Significant risks

- Fraud risk from revenue recognition
- Fraud risk from management override of controls
- Asset retirement obligations

Other risks of material misstatement

- Employee future benefit liability

Going concern matters

## Policies and practices & Specific topics

Significant unusual transactions

Accounting policies and practices

Other financial reporting matters

## Uncorrected and corrected misstatements

Uncorrected misstatements

Corrected misstatements

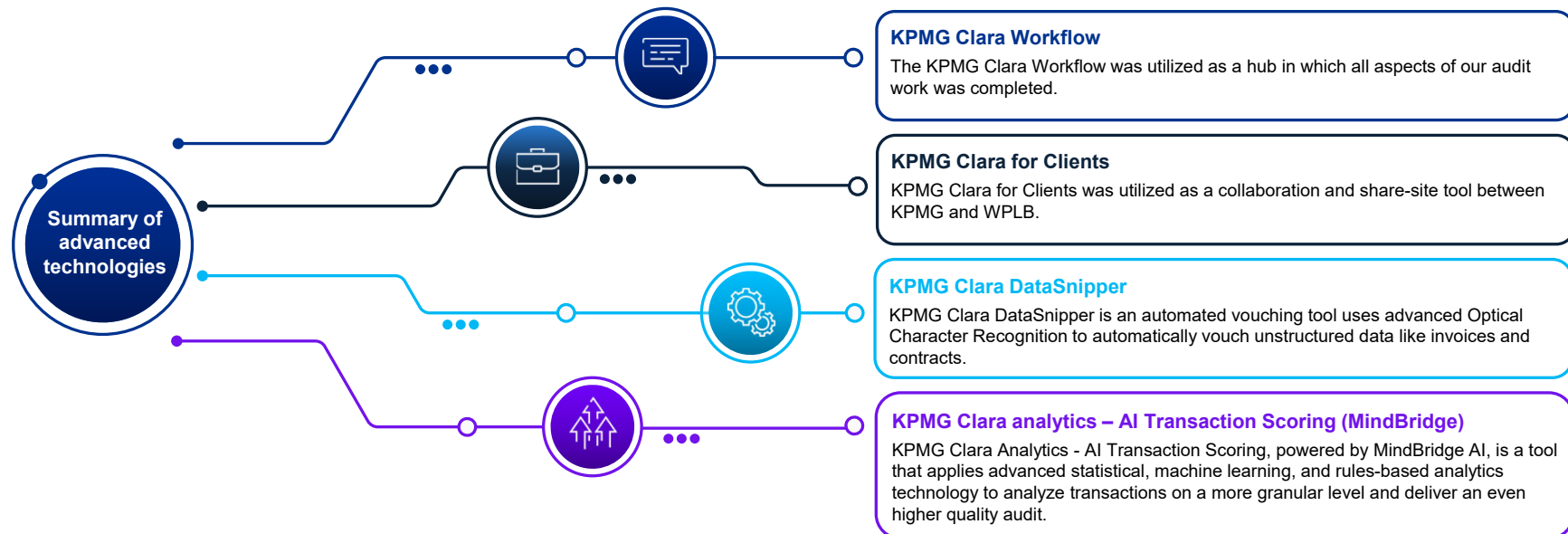
## Control deficiencies

Significant deficiencies



# Technology highlights

We plan to utilize technology to enhance the quality and effectiveness of the audit.





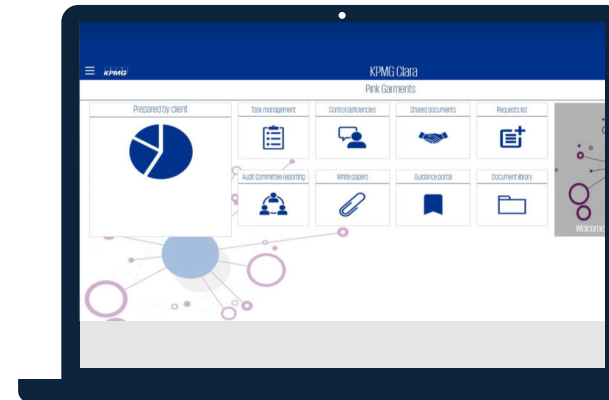
# Status

As of June 10, 2024, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Obtaining signed management representation letter
- Receipt of confirmation from the Corporation's legal counsel
- Completing our discussions with the Board of Directors
- Obtaining evidence of the Board of Director's approval of the financial statements

We will update the Board of Directors, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

## KPMG Clara for Clients (KCfc)



### Real-time collaboration and transparency

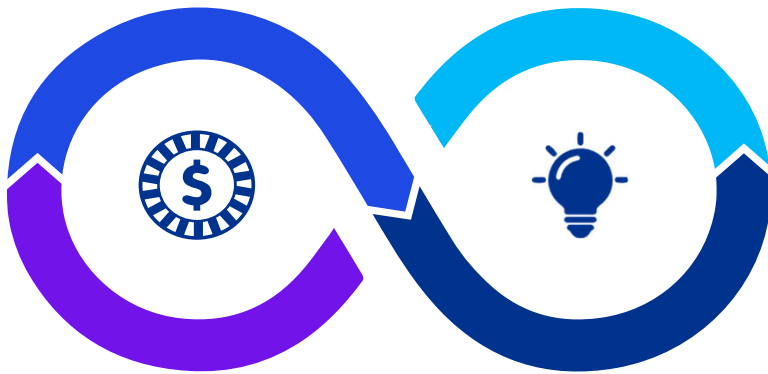
We leveraged **KCfc** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCfc to coordinate requests from management.





# Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

## Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

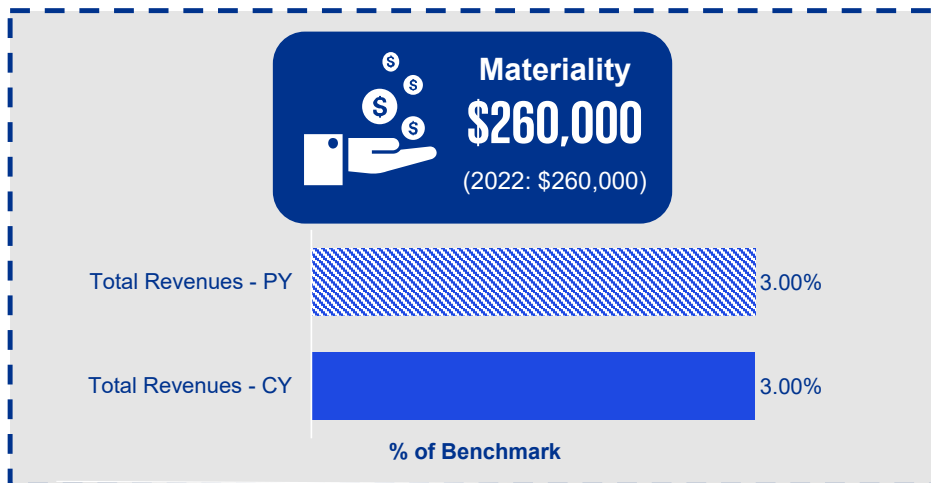
## Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.



# Initial materiality



**Total Revenues**  
 (excluding investment income)  
**\$8,997,269**  
 (2022: \$8,885,836)





# Significant risks



## Risk of Fraud Within the Financial Statements

### Why is it significant?

Presumption of the risk of fraud resulting from management override of controls

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

### Our response

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- testing of journal entries and other adjustments,
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.
- No issues were noted.

### Why is it significant?

Presumption of the risk of fraud resulting from fraudulent revenue recognition

This is a presumed risk. There are generally pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition when performance is measured in terms of year-over-year revenue growth or profit.

### Our response

We have rebutted the fraud risk over revenue recognition since there are limited perceived opportunities to commit fraud since revenue transactions do not involve elements of significant judgment. We have also not identified any indicators that management possesses the attitude, character or ethical values that would result in intentional dishonesty. The entity is not a high public profile entity and there are no significant third-party expectations in relation to revenue. As a result, there is no risk of material misstatement of revenue due to fraudulent financial reporting by management.

## Advanced technologies

Our KPMG Clara Journal Entry Analysis Tool assists in the performance of detailed journal entry testing based on engagement-specific risk identification and circumstances. Our tool provides auto-generated journal entry population statistics and focusses our audit effort on journal entries that are riskier in nature.



[Click to learn more](#)



# Significant risks and results



## Asset Retirement Obligations

### Significant risk and our response

- The board adopted Public Accounting Standard PS 3280 – Asset Retirement Obligations (ARO). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings owned by the Board. ARO's are an estimate which are derived from available information and required the Board to make judgements and assumptions leveraging available data.
- Management performed an assessment of the impact of the new accounting standard on the Board's financial statements, including potential liabilities related to asbestos abatement and future removal of equipment. To generate their assessment, Management worked with external experts to determine asbestos quantities present and perform a calculation of asbestos abatement costs. As at December 31, 2023, a \$200,366 asset retirement obligation has been recognized on the statement of financial position.

We performed the following audit procedures to assess the reasonability of Management's estimate:

- We obtained an understanding of the activities performed by Management to identify the Board's legal obligations associated with the retirement of capital assets, and ensured that all of the recognition criteria have been met to recognize an ARO in the financial statements.
- We obtained Management's most up-to-date calculation of the asset retirement obligation and verified that the estimated ARO costs were reasonable by agreeing each category's costs to a quote received from an external expert.
- The Board has chosen not to discount or use the present value technique for measurement of the ARO liability, as the timeline for the retirement activities is not well defined and discounting would add an additional layer of substantial uncertainty. KPMG notes that while PS 3280 does not require the present value technique for measurement, it does suggest that it is often the best available technique. We do understand the Board's position for not discounting the obligation as there is uncertainty as to the timing of remediation.

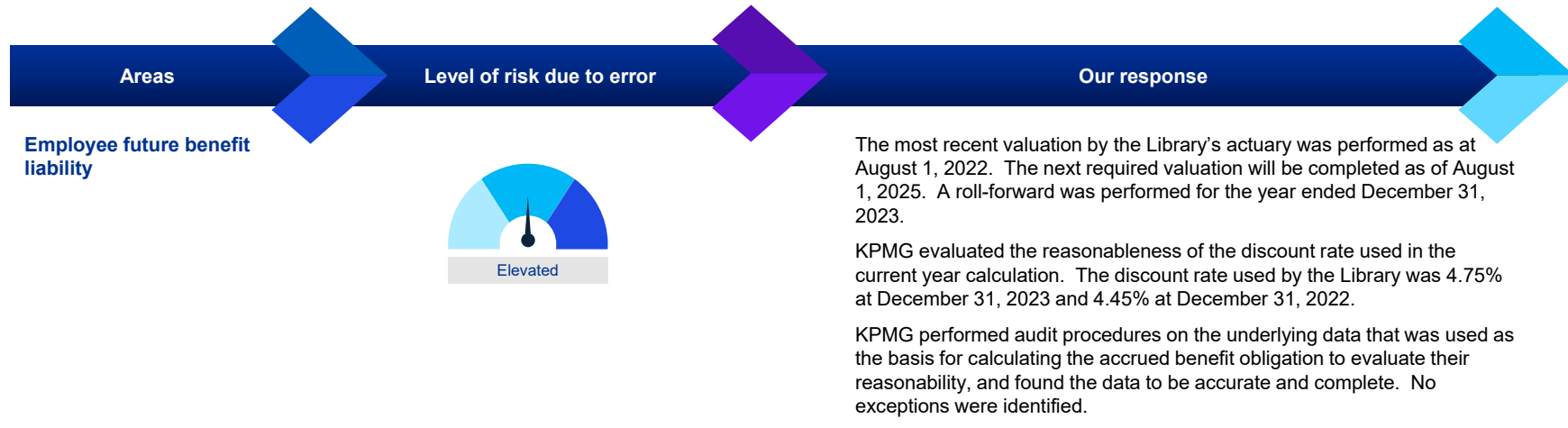
### Results

- No issues noted with any of the above procedures.
- Appropriate disclosures have been made in the financial statements for the adoption of the new accounting policy.





# Other risks of material misstatement





# Control deficiencies

## Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

## A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

## Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.



# Control deficiencies – Significant deficiencies

## Significant deficiencies in internal control over financial reporting

Description	Status	Potential effects
1	No significant deficiencies in internal control to report.	



# Accounting policies and practices



## Initial selection

PS 3280 Asset Retirement Obligation Standards was effective for fiscal years beginning on or after April 1, 2022. The adoption of this standard was reflected in the December 31, 2023 financial statements.

Note disclosure has been included in the financial statements for the transition to the new accounting standard. Please see note 2 for additional information relating to the transitional adjustments.



## Revised

The new accounting standard, PS 3280, addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings owned by the Board and the remediation of other fuel contamination from underground tanks on property owned by the Board. The standard was adopted on the modified retrospective basis at the date of adoption such that the assumptions used to estimate the Board's asset retirement obligations were applied as of the date of adoption of the standard.



## Significant qualitative aspects

The adoption of the Asset Retirement Obligations Standard required management to calculate the value of the obligation as of the date of transition. For application of the Standard, the Board used internal knowledge of the obligations, which was supplemented with professional third party advisors.



# Other financial reporting matters

We also highlight the following:



**Financial statement presentation - form, arrangement, and content**



No matters to report.



**Concerns regarding application of new accounting pronouncements**



- The Board's estimate of its asset retirement obligations has been audited by KPMG in accordance with Canadian Auditing Standards. Based on the results of our procedures, no concerns have been identified.
- The financial statements include note disclosure relating to the application of the new accounting standard for asset retirement obligations.
- An emphasis of matter and other matter paragraphs have been added to the audit opinion to bring the readers attention to the change in comparative information as a result of the accounting change.



**Significant qualitative aspects of financial statement presentation and disclosure**



No matters to report.



# Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter	Finding
<b>Illegal acts, including noncompliance with laws and regulations, or fraud</b>	No matters to report.
<b>Other information in documents containing the audited financial statements</b>	No matters to report.
<b>Significant difficulties encountered during the audit</b>	No matters to report.
<b>Difficult or contentious matters for which the auditor consulted</b>	No matters to report.
<b>Management's consultation with other accountants</b>	No matters to report.
<b>Disagreements with management</b>	No matters to report.
<b>Related parties</b>	No matters to report.
<b>Significant issues in connection with our appointment or retention</b>	No matters to report.
<b>Other matters that are relevant matters of governance interest</b>	No matters to report.





# Services initiated under Board of Directors pre-approval policies and procedures

We were engaged by the Corporation of the City of Windsor to perform the services listed below. The services were pre-approved by the City Council pursuant to its Policies and Procedures and ratified on August 8, 2022.

## Engagement description

## Fee CDN (estimated)

Audit of the financial statements of the Corporation of the City of Windsor – Public Library Board

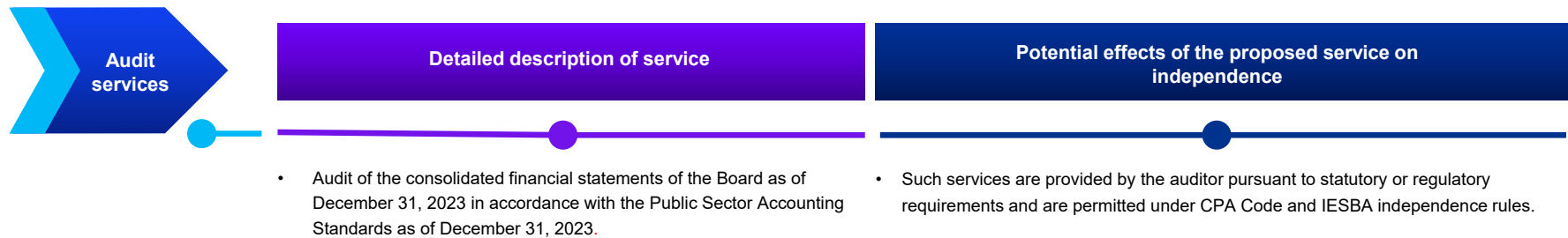
\$17,200



**Note:** The Board of Directors were previously provided with a written description of the nature and scope of each service and details of the proposed fee arrangement.



# Pre-approval of services – Additional detail



# Appendices

1

Required communications

2

Audit quality

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New accounting standards

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New auditing standards

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Insights

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Environmental, social and governance (ESG)

7

Technology





# Appendix 1: Other required communications



## Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to the Board of Directors.



## CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2021 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Interim Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)



# Appendix 1: Management representation letter

KPMG LLP  
618 Greenwood Centre  
3200 Deziel Drive  
Windsor, Ontario N8W 5K8  
Canada

June 18, 2024

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as "financial statements") of **The Corporation of the City of Windsor Public Library Board** ("the Entity") as at and for the period ended December 31, 2023.

**GENERAL:**

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**RESPONSIBILITIES:**

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated December 7, 2022, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.

- d) providing you with complete responses to all enquiries made by you during the engagement.
- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

**FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:**

- 3) We have disclosed to you:

- a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- b) all information in relation to fraud or suspected fraud that we are aware of that involves:
  - management;
  - employees who have significant roles in internal control over financial reporting; or
  - others

where such fraud or suspected fraud could have a material effect on the financial statements.

- c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
- d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
- e) all known actual or possible litigation and claims whose effects should be considered

when preparing the financial statements.

**SUBSEQUENT EVENTS:**

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

**RELATED PARTIES:**

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

**ESTIMATES:**

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

**GOING CONCERN:**

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern

**NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:**

- 11) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 12) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

**ASSET RETIREMENT OBLIGATIONS:**

- 13) Our assessment of asset retirement obligations included all relevant assets that required remediation under the applicable laws and regulations.
- 14) The inputs used to develop our estimate of the asset retirement obligations were determined to the best of our knowledge.



Page 4

Yours very truly,

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By: Ms. Rachel Chesterfield, Manager, Financial Accounting

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By: Mr. Dan Seguin, Treasurer

DRAFT

## **Attachment I – Definitions**

### **MATERIALITY**

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

### **FRAUD & ERROR**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

DRAFT



# Appendix 2: Audit quality - How do we deliver audit quality?

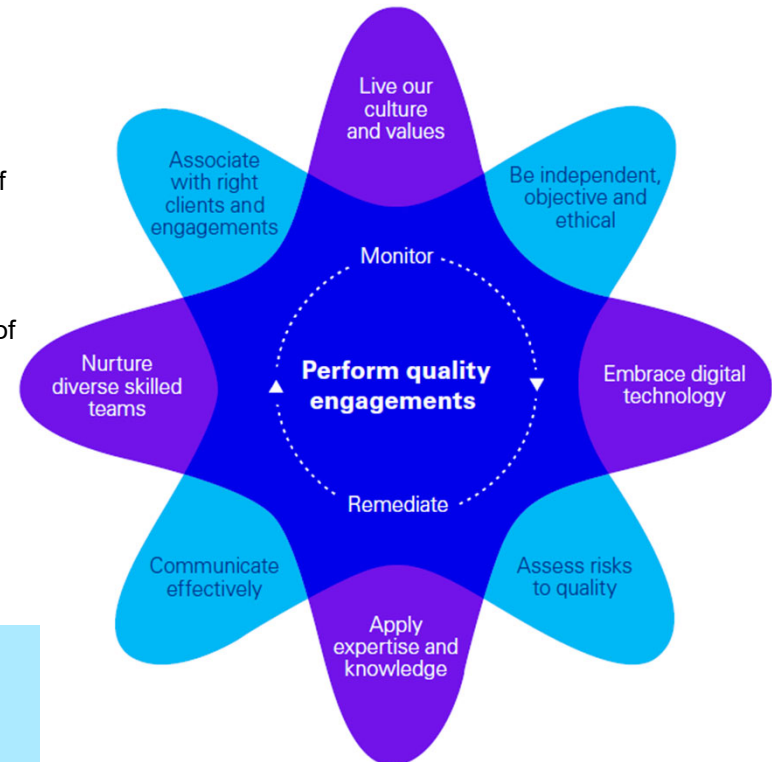
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



**Doing the right thing. Always.**



# Appendix 3: New accounting standards

## Matter

## Summary and implications

### Revenue

- The new standard is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19.
- The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.
- The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.

### Employee Future Benefit Obligations

- PSAB has initiated a review of sections PS3250 Retirement Benefits and PS3255 Post-Employment Benefits, Compensated Absences and Termination Benefits. In July 2020, PSAB approved a revised project plan.
- PSAB intends to use principles from International Public Sector Accounting Standard 39 Employee Benefits as a starting point to develop the Canadian standard.
- Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, PSAB will implement a multi-release strategy for the new standards. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.



# Appendix 3: New accounting standards

## Matter

## Summary and implications

### Concepts Underlying Financial Performance

- PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards.
- PSAB is proposing a revised, ten chapter conceptual framework intended to replace PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced.
- In addition, PSAB is proposing:
  - Relocation of the net debt indicator to its own statement and the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.
  - Separating liabilities into financial liabilities and non-financial liabilities.
  - Restructuring the statement of financial position to present non-financial assets before liabilities.
  - Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).

### Purchased Intangibles

- In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. Practitioners are expected to use the definition of an asset, the general recognition criteria and the GAAP hierarchy to account for purchased intangibles.
- PSAB has approved Public Sector Guideline 8 which allows recognition of intangibles purchased through an exchange transaction. Narrow-scope amendments were made to Section PS 1000 Financial statement concepts to remove prohibition on recognition of intangibles purchased through exchange transactions and PS 1201 Financial statement presentation to remove the requirement to disclose that purchased intangibles are not recognized.
- The effective date is April 1, 2023 with early adoption permitted. Application may be retroactive or prospective.



# Appendix 4: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards – see Current Developments 

## Effective for periods beginning on or after December 15, 2022

**ISA/CAS 220**  
.....  
(Revised) Quality management for an audit of financial statements

**ISQM1/CSQM1**  
.....  
Quality management for firms that perform audits or reviews of financial statements or other assurance or related services engagements

**ISQM2/CSQM2**  
.....  
Engagement quality reviews

## Effective for periods beginning on or after December 15, 2023

**ISA 600/CAS 600**  
.....  
Revised special considerations – Audits of group financial statements



# Appendix 5: Insights to enhance your business

We have the unique opportunity as your auditors to perform a deeper dive to better understand your business processes that are relevant to financial reporting.

## Lean in Audit

Lean in Audit™ is KPMG's award-winning methodology that offers a new way of looking at processes and engaging people within your finance function and organization through the audit.

By incorporating Lean process analysis techniques into our audit procedures, we can enhance our understanding of your business processes that are relevant to financial reporting and provide you with new and pragmatic insights to improve your processes and controls.

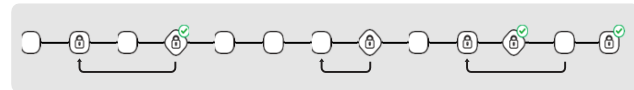
Clients like you have seen immediate benefits such as improved quality, reduced rework, shorter processing times and increased employee engagement.

We look forward to working with you to incorporate this approach in your audit.

## How it works

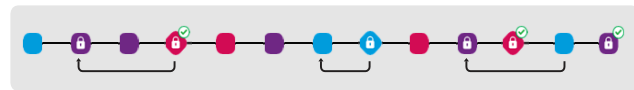
### Standard Audit

Typical process and how it's audited



### Lean in Audit™

Applying a Lean lens to perform walkthroughs and improve Audit quality while identifying opportunities to minimize risks and redundant steps



### How Lean in Audit helps improve businesses processes

Make the process more streamlined and efficient for all



**Value:** what customers want (maximize)

**Necessary:** required activities (minimize)

**Redundant:** non-essential activities (remove)

Process controls

Key controls tested



# Appendix 5: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

## [KPMG Audit & Assurance Insights](#)

Curated research and insights for audit committees and boards.

## [Board Leadership Centre](#)

Leading insights to help board members maximize boardroom opportunities

## [Current Developments](#)

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

## [Audit Committee Guide – Canadian Edition](#)

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

## [Accelerate 2023](#)

The key issues driving the audit committee agenda in 2023.

## [Momentum](#)

A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

## [KPMG Climate Change Financial Reporting Resource Centre](#)

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

## [IFRS Breaking News](#)

A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.





# Appendix 6: ESG - Global regulatory reporting standards

	EU	US	ISSB	CAN
Recent Activity <sup>1-6</sup>	<ul style="list-style-type: none"> <li>The European Financial Reporting Advisory Group (EFRAG) was mandated to develop European Sustainability Reporting Standards (ESRSs) setting out the detailed disclosure requirements under the Corporate Sustainability Reporting Directive (CSRD)</li> <li>On July 31, 2023, the European Commission published the final text of its first set of twelve ESRSs as delegated acts</li> <li>The ESRSs will become effective as early as 2024 reporting periods for some companies</li> <li><b>There are potentially considerable ESG reporting implications for Canadian entities</b> – as most EU-listed companies and large subsidiaries of Canadian companies with significant operations in the EU are in scope. Non-EU parent entities with substantial activity in the EU may also be in scope, with separate standards to be developed for these entities, with an effective date of 2028 reporting periods</li> </ul>	<ul style="list-style-type: none"> <li>SEC's climate rule proposal published in March 2022 would require investor-focused climate disclosures</li> <li>The SEC's latest regulatory agenda, published in December 2023, included three items of note:               <ul style="list-style-type: none"> <li><b>the climate rule, scheduled to be finalized in April 2024;</b></li> <li>a proposal for human capital management disclosures, scheduled for April 2024; and</li> <li>a proposal for corporate board diversity, scheduled for October 2024</li> </ul> </li> <li>On October 7, 2023, the <b>California</b> Governor signed <b>two climate disclosure laws</b> that will shape climate disclosure practices beyond the state's borders. The laws will apply to US businesses (<b>including US subsidiaries of non-US companies</b>) that meet specified revenue thresholds and do business in California</li> <li>Under the climate disclosure laws, certain businesses will be required to disclose <b>scope 1, 2 and 3 GHG emissions</b>, with <b>limited assurance requirements</b> from 2026 (on FY25 data)</li> </ul>	<ul style="list-style-type: none"> <li>In June 2023, the International Sustainability Standards Board (ISSB) issued its first two IFRS Sustainability Disclosure Standards – IFRS S1 (general requirements standard) and IFRS S2 (climate standard)</li> <li>The standards are effective for annual periods beginning on or after January 1, 2024 – subject to local jurisdiction adoption</li> <li>Companies will be required to report material sustainability-related financial disclosures for the same period and at the same time as their annual financial statements, subject to temporary transition relief options</li> <li><b>The Canadian Sustainability Standards Board (CSSB)</b> has been established with the mandate to develop and support the adoption of the ISSB standards in Canada. <b>The CSSB expects to release draft requirements in March 2024</b> for public consultation</li> </ul> <ol style="list-style-type: none"> <li>Refer to our <a href="#">US Quarterly Outlook</a> publication for regulatory updates on the proposed SEC climate rules</li> <li>Refer to our <a href="#">ESRS resource centre</a> for resources on implementing the ESRSs</li> <li>Refer to our <a href="#">ISSB resource centre</a> for resources on implementing the IFRS Sustainability Disclosure Standards</li> <li>Refer to our <a href="#">guide</a> which compares the sustainability proposals issued by the ISSB, SEC and EFRAG</li> <li>Refer to our <a href="#">publication</a> on California's introduction of climate disclosures and assurance requirements</li> <li>Refer to our <a href="#">publication</a> on the impact of EU ESG reporting on non-EU companies</li> </ol>	<ul style="list-style-type: none"> <li>The CSA proposal published in October 2021 would require investor-focused climate disclosures</li> <li>Subsequent to the release of the IFRS Sustainability Disclosure Standards, <b>the CSA announced</b> that they intend to conduct further consultations to adopt disclosure standards based on the IFRS Sustainability Disclosure Standards, with <b>modifications considered necessary and appropriate in the Canadian context</b></li> <li>Bill S-211, <b>Canada's new Act on fighting against forced labor and child labour</b> will take effect on January 1, 2024. Canadian and foreign businesses impacted by the Act will be required to file a report on their efforts to prevent and reduce the risk of forced labour and child labour in their supply chain, by May 31<sup>st</sup> of each year</li> </ul>



# Appendix 7: Continuous evolution

## Our investment: \$5B

We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

## Responsive delivery model

Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

## Result: A better experience

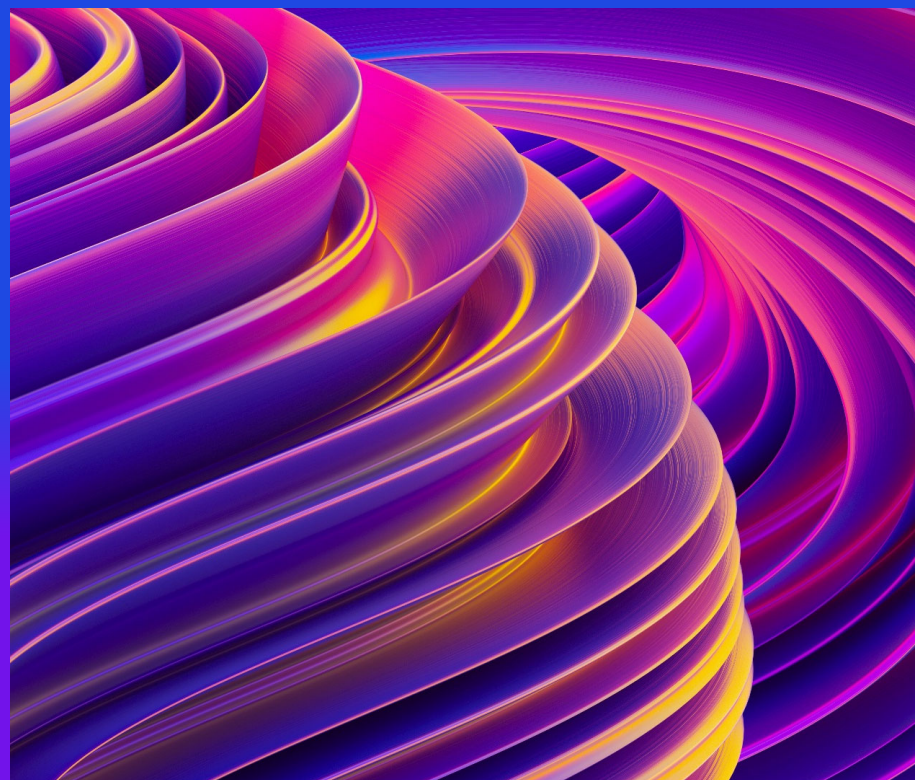
Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.





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Consolidated Financial Statements of

**THE CORPORATION OF THE  
CITY OF WINDSOR  
PUBLIC LIBRARY BOARD**

And Independent Auditor's Report thereon

Year ended December 31, 2023

## INDEPENDENT AUDITOR'S REPORT

To the members of the Corporation of the City of Windsor Public Library Board, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Windsor

### ***Opinion***

We have audited the accompanying consolidated financial statements of The Corporation of the City of Windsor Public Library Board (the Corporation), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated 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 Corporation as at December 31, 2023, and its results of operations and its changes in net financial assets 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 Corporation 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.

### ***Emphasis of Matter – Comparative Information***

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.



### ***Other Matter – Comparative Information***

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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

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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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.



Page 3

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 Corporation'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 Corporation'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 Corporation's to cease to continue as a going concern.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

Approval Date

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022 (restated)
<b>Financial assets</b>		
Cash	\$ 3,677,543	\$ 4,141,174
Accounts receivable	423,422	251,047
Due from the City of Windsor - operations (note 4)	16,457	14,812
	<u>4,117,422</u>	<u>4,407,033</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	333,650	325,414
Deferred revenue	219,959	419,589
Due to City of Windsor - operations (note 4)	22,200	182,900
Employee future benefit liability (note 5)	926,278	986,098
Asset retirement obligations (note 6)	200,366	200,366
	<u>1,702,453</u>	<u>2,114,367</u>
Net financial assets	2,414,969	2,292,666
<b>Non-financial assets</b>		
Tangible capital assets (note 3)	11,201,336	11,833,355
Intangible assets	101,760	-
Prepaid expenses	341,973	395,588
	<u>11,645,069</u>	<u>12,228,943</u>
Commitments and contingencies (note 8)	-	
Accumulated surplus (note 7)	<u>\$ 14,060,038</u>	<u>\$ 14,521,609</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director



# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (restated)
<b>Revenue:</b>		
Municipal contribution (note 4)	\$ 8,249,186	\$ 8,319,985
Municipal contribution - other (note 4)	137,763	49,771
Province of Ontario grant	394,622	361,881
Special grants	130,200	78,051
Fees revenue and other	61,046	64,236
Investment income, net	182,721	82,800
Donations and bequests	24,452	11,912
<b>Total revenue</b>	<b>9,179,990</b>	<b>8,968,636</b>
<b>Operating expenses:</b>		
Amortization of tangible capital assets	1,143,421	1,189,772
Audio visual materials and periodicals	738,206	675,970
Automation	146,571	247,209
Conferences and education	24,578	20,544
Fringe benefits	1,093,636	1,051,095
Operating supplies	157,509	170,230
Postage and freight	1,488	10,486
Professional fees	68,101	145,502
Programs and projects	50,768	49,038
Rental expenses	160,477	110,840
Repairs and maintenance	441,113	399,024
Salaries and wages	5,055,893	4,794,614
Taxes, security and insurance	191,985	136,249
Transfer to City of Windsor (note 4)	-	212,900
Utilities	251,225	236,401
	<b>9,524,971</b>	<b>9,449,874</b>
<b>Grant program expenses:</b>		
Literacy & Basic Skills	111,677	70,351
Other	4,913	6,022
	<b>116,590</b>	<b>76,373</b>
<b>Total expenses</b>	<b>9,641,561</b>	<b>9,526,247</b>
<b>Annual deficit</b>	<b>(461,571)</b>	<b>(557,611)</b>
Accumulated surplus, beginning of the year	14,521,609	15,079,220
<b>Accumulated surplus, end of the year</b>	<b>\$ 14,060,038</b>	<b>\$ 14,521,609</b>

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (restated)
Annual deficit	\$ (461,571)	\$ (557,611)
Acquisition of tangible capital assets	(511,402)	(524,505)
Acquisition of intangible capital assets	(101,760)	-
Amortization of tangible capital assets	1,143,421	1,189,772
	68,688	107,656
Acquisition of prepaid expenses	(341,973)	(395,588)
Use of prepaid expenses	395,588	305,192
Change in net financial assets	122,303	17,260
Net financial assets, beginning of year	2,292,666	2,275,406
Net financial assets, end of year	\$ 2,414,969	\$ 2,292,666

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

## Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (restated)
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (461,571)	\$ (557,611)
Items not involving cash:		
Amortization of tangible capital assets	1,143,421	1,189,772
Decrease in employee future benefit obligations	(59,820)	(57,173)
Changes in non-cash assets and liabilities:		
Increase in accounts receivable	(172,375)	(164,733)
Decrease (increase) in due from City of Windsor	(1,645)	6,332
Increase (decrease) in accounts payable	8,236	(310,242)
Increase (decrease) in due to City of Windsor	(160,700)	182,900
Increase (decrease) in deferred revenue	(199,630)	208,306
Decrease (increase) in prepaid expenses	53,615	(90,396)
	149,531	407,155
Capital activities:		
Purchase of tangible capital assets	(511,402)	(524,505)
Purchase of intangible assets	(101,760)	-
	(613,162)	(524,505)
Financing activities:		
Repayments of long-term debt	-	(115,533)
Decrease in cash and cash equivalents	(463,631)	(232,883)
Cash and cash equivalents, beginning of year	4,141,174	4,374,057
Cash and cash equivalents, end of year	\$ 3,677,543	\$ 4,141,174

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements

Year ended December 31, 2023

---

## 1. Significant accounting policies:

The consolidated financial statements of The Corporation of the City of Windsor Public Library Board (the "Board") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants ("PSAB").

The following are the Board's significant accounting policies:

### (a) Basis of consolidation:

- i) These consolidated statements reflect the financial assets, liabilities, revenues and expenses of the operating fund, reserve funds and reserves.

All interfund transactions have been eliminated.

- ii) Trust funds and their related operations administered by the Board are not consolidated but are disclosed separately on the Schedule of Continuity of Trust Funds appended to these consolidated financial statements.

### (b) 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 and services and/or the creation of a legal obligation to pay.

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (c) Employee future benefits:

The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions with respect to mortality and termination rates, retirement age and expected inflation rates with respect to employee benefit costs. Past service costs from plan amendments, if any, are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the average remaining service period of active employees.

### (d) Asset retirement obligations:

An asset retirement obligation is recognized when, as 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.

The liability for the removal of asbestos in several of the buildings owned by the Entity has been recognized based on estimated future expenses on closure of the site and post-closure care. Under the modified retroactive method, the assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The buildings tangible capital assets affected by the asbestos liability are being amortized with the building following the amortization accounting policies outlined in note 1(e)(i).

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They generally 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. Residual values are assumed to be \$nil. Proceeds from the disposition of tangible capital assets in excess of (or less than) net book value are recorded as a gain (or loss) on the sale of tangible capital assets in the consolidated statement of operations and accumulated surplus.

Amortization is provided on a straight-line basis over the useful life of the asset, as follows:

Asset classification	Useful life (years)
Buildings and building additions	40
Machinery	25
Parking lots	12
Security systems	10
Printed materials	10
Furniture and equipment	7
Automobiles	5
Digital media resources	5
Computer hardware	3
Computer software	2
Electronic games	2

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

### (ii) Contributed tangible capital assets:

Contributed tangible capital assets are recorded at their fair value at the date of contribution.

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

(e) Non-financial assets (continued):

(iii) Intangible assets:

Intangible assets are recorded at cost and are not amortized.

(f) Use of estimates:

The preparation of consolidated 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 dates of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets, the valuation allowance for receivables, asset retirement obligations and obligations related to employee future benefits. Actual results could differ from those estimates.

## 2. Change in Accounting Policy – Adoption of New Accounting Standards:

The Board considered the adoption of the following standards concurrently beginning January 1, 2023: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses. A Statement of Remeasurement Gains and Losses has not been prepared, as there is no activity to present.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and nonmonetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. There were no unrealized gains or losses arising from foreign currency changes.

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 2. Change in Accounting Policy – Adoption of New Accounting Standards (continued):

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 Temporary Investments no longer applies.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. There were no unrealized gains or losses arising from changes in fair value.

PS 3280 Asset Retirement Obligations establishes the accounting and reporting requirements for legal obligations associated with the retirement of TCA controlled by a government or government organization. A liability for a retirement obligation can apply to TCA either in productive use or no longer in productive use. This standard was adopted on January 1, 2023 on a modified retroactive basis with prior period restatement.

On January 1, 2023, the Entity recognized an asset retirement obligation relating to several buildings owned by the Entity that contain asbestos. The buildings were originally constructed between 1982 and 2008, and the liability was measured as of the date of acquisition of the buildings, when the liability was assumed. The buildings had an expected useful life of 40 years, and the estimate has not been changed since acquisition.

In accordance with the provisions of this new standard, the Entity reflected the following adjustments at December 31, 2022:

	2022 as previously reported	Adjustments	2022 as restated
<b>Consolidated Statement of Financial Position</b>			
Asset retirement obligations	\$ -	\$ 200,366	\$ 200,366
Tangible capital assets	11,765,606	67,749	11,833,355
Accumulated surplus	14,654,226	(132,617)	14,521,609
<b>Consolidated Statements of Operations, Change in Net Financial Assets, and Cash Flows</b>			
Amortization of tangible capital assets	1,186,827	2,945	1,189,772
Annual deficit	(554,666)	(2,945)	(557,611)



# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

### 3. Tangible capital assets:

Cost	Balance at December 31, 2022 (restated)	Additions	Disposals	Balance at December 31, 2023
Land	\$ 432,783	\$ -	\$ -	\$ 432,783
Buildings	9,234,270	-	-	9,234,270
Building additions	2,661,314	-	-	2,661,314
Asset retirement obligations	200,366	-	-	200,366
Leasehold improvements	2,039,763	-	-	2,039,763
Machinery	272,887	12,152	-	285,039
Parking lots	238,096	-	-	238,096
Security systems	199,753	-	-	199,753
Printed materials	4,054,857	330,996	(314,477)	4,071,376
Furniture and equipment	1,081,537	1,014	-	1,082,551
Automobiles	16,883	58,660	-	75,543
Digital media resources	647,649	75,169	(143,010)	579,808
Computer hardware	61,569	3,172	(11,611)	53,130
Computer software	55,312	16,637	-	71,949
Electronic games	58,693	13,602	(17,346)	54,949
	\$ 21,255,732	\$ 511,402	\$ (486,444)	\$ 21,280,690

Accumulated Amortization	Balance at December 31, 2022 (restated)	Disposals	Amortization Expense	Balance at December 31, 2023
Buildings	\$ 4,778,030	\$ -	\$ 194,977	\$ 4,973,007
Building additions	166,333	-	66,533	232,866
Asset retirement obligations	132,617	-	2,945	135,562
Leasehold improvements	305,964	-	203,976	509,940
Machinery	86,897	-	11,158	98,055
Parking lots	237,206	-	890	238,096
Security systems	136,756	-	19,975	156,731
Printed materials	2,358,056	(314,477)	359,651	2,403,230
Furniture and equipment	667,854	-	130,518	798,372
Automobiles	16,883	-	5,866	22,749
Digital media resources	419,783	(143,010)	96,950	373,723
Computer hardware	44,301	(11,611)	12,548	45,238
Computer software	34,010	-	18,363	52,373
Electronic games	37,687	(17,346)	19,071	39,412
	\$ 9,422,377	\$ (486,444)	\$ 1,143,421	\$ 10,079,354

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

### 3. Tangible capital assets (continued):

Net book value	Balance at December 31, 2023	Balance at December 31, 2022 (restated)
Land	\$ 432,783	\$ 432,783
Buildings	4,261,263	4,456,240
Building additions	2,428,448	2,494,981
Asset retirement obligations	64,804	67,749
Leasehold improvements	1,529,823	1,733,799
Machinery	186,984	185,990
Parking lots	-	890
Security systems	43,022	62,997
Printed materials	1,668,146	1,696,801
Furniture and equipment	284,179	413,683
Automobiles	52,794	-
Digital media resources	206,085	227,866
Computer hardware	7,892	17,268
Computer software	19,576	21,302
Electronic games	15,537	21,006
	\$ 11,201,336	\$ 11,833,355

### 4. Related party transactions:

The City of Windsor ("City") is the principal source of funding for the Board. During 2023, the Board received \$8,249,186 (2022 - \$8,319,985) from the City as its contribution to normal Library operations. During 2023, the City invoiced the Board for information technology services, certain insurance and utilities costs, a leased vehicle and certain personnel expenses. These charges totaling \$1,091,208 (2022 - \$798,858) are included in the consolidated statement of operations and accumulated surplus. At year-end the amount due from the City for operations amounted to \$16,457 (2022 - \$14,812) and the amount due to the City for operations amounted to \$22,200 (2022 - \$182,900). Other contributions received during the year from the City amounted to \$137,763 (2022 - \$49,771). Amounts transferred to the City of Windsor amounted to \$nil (2022 - \$212,900).

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 5. Employee future benefit obligations:

### (a) Pension agreements:

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 83 (2022 - 75) members of its staff. The plan is a 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 multi-employer plan is valued on a current market basis for all plan assets and is currently in a deficit position.

The amount contributed to OMERS for 2023 was \$370,031 (2022 - \$289,206) for current service. This amount has been recorded as part of fringe benefits expense in the statement of operations and accumulated surplus. In 2023, the contribution rates were 9.0% for the employees earning below the year's maximum pensionable earnings and 14.6% thereafter (9.0% and 14.6% respectively in 2022).

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 5. Employee future benefit obligations (continued):

### (b) Future benefit obligations:

Future benefit obligations are future liabilities of the Board to its employees and retirees for benefits earned but not taken as at December 31, 2023 and consist of the following:

	2023	2022
Post-retirement benefits (i)	\$ 788,000	\$ 849,000
Accrued sick leave (ii)	66,000	67,000
Accrued vacation pay (iii)	72,278	70,098
	<u>\$ 926,278</u>	<u>\$ 986,098</u>

### (i) Post-retirement benefits:

The post retirement benefits liability represents the Board's best estimate of future benefits to be paid on behalf of existing retirees and current employees. The post retirement benefits liability is based on an extrapolated actuarial valuation performed by the Board's actuaries as at December 31, 2023. The most recent full valuation was performed for August 1, 2022. Information about the Board's future obligations with respect to these costs is as follows:

	2023	2022
Accrued benefit liability, beginning of year	\$ 849,000	\$ 906,000
Annual expense:		
Cost of benefits	14,000	31,000
Interest	51,000	38,000
Recognized net actuarial losses	12,000	31,000
Benefits paid	(138,000)	(157,000)
Accrued benefit liability, end of year	<u>\$ 788,000</u>	<u>\$ 849,000</u>

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 5. Employee future benefit obligations (continued):

(c) Reconciliation of accrued benefit obligation to accrued benefit liability:

	2023	2022
Accrued benefit obligation as at January 1	\$ 1,127,000	\$ 1,438,000
Current service cost	14,000	31,000
Interest cost	51,000	38,000
Benefits paid	(138,000)	(157,000)
Actuarial losses (gains)	21,000	(223,000)
Accrued benefit obligation as at December 31	1,075,000	1,127,000
Unamortized net actuarial gains	287,000	278,000
Accrued benefit liability as at December 31	\$ 788,000	\$ 849,000

The significant actuarial assumptions adopted in estimating the Board's liability are as follows:

- Hospital and drug – 6.5% per annum (2022 - 6.5%)
- Dental and other medical – 4.0% per annum (2022 - 4.0%)
- Discount rate – 4.45% (2022 - 4.75%)
- Estimated remaining service life of employees – 13.7 years (2022 – 13.7 years)

(ii) Accrued sick leave:

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they terminate employment. The liability for these accumulated days, to the extent they have vested and could be taken in cash by an employee on termination, amounted to \$66,000 at December 31, 2023 (2022 - \$67,000). A net amount of \$nil (2022 - \$nil) was paid during the current year relating to this liability.

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 5. Employee future benefit obligations (continued):

(c) Reconciliation of accrued benefit obligation to accrued benefit liability (continued):

(ii) Accrued vacation pay:

Vacation entitlements accruing to salaried personnel can accumulate and employees would become entitled to a cash payment equal to the value of their unused entitlements if they were to terminate employment. The liability for these accumulated unused benefits amounts to \$72,278 at December 31, 2023 (2022 - \$70,098).

## 6. Asset retirement obligations:

The Board owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building. There is a legal obligation to remove the materials prior to demolition. A liability relating to the removal and post-removal care of the asbestos in these buildings has been recognized in respect of these obligations.

There were no changes to the asset retirement obligations during the year.

# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

Notes to the Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 7. Accumulated surplus:

Accumulated surplus consists of individual fund surpluses, reserves and reserve funds and amounts to be recovered in future years as follows:

	2023	2022 (restated)
Surplus:		
General library purposes	\$ 380,425	\$ 616,768
Invested in tangible capital assets	11,201,336	11,833,355
Invested in intangible assets	101,760	-
	<u>11,683,521</u>	<u>12,450,123</u>
Reserves and reserve funds:		
Reserves:		
Operations	3,085,397	2,686,665
Reserve funds:		
Capital Reserve Fund	403,087	557,338
Budimir Fund	14,677	13,947
Total reserve funds	<u>417,764</u>	<u>571,285</u>
<u>Total reserves and reserve funds</u>	<u>3,503,161</u>	<u>3,257,950</u>
Amounts to be recovered in future years:		
Employee future benefit obligations	(926,278)	(986,098)
Asset retirement obligations	(200,366)	(200,366)
	<u>(1,126,644)</u>	<u>(1,186,464)</u>
	<u>\$ 14,060,038</u>	<u>\$ 14,521,609</u>

## 8. Commitments and contingencies:

In the ordinary course of business, the Board may be subject to various possible pending legal actions. Management believes that the outcome of such matters will not have a material adverse effect on the financial position or future operating results of the Board.

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# THE CORPORATION OF THE CITY OF WINDSOR PUBLIC LIBRARY BOARD

## Schedule of Continuity of Trust Funds

Year ended December 31, 2023, with comparative information for 2022

		2023		2022
Balance, beginning of year	\$	4,123	\$	4,027
Receipts:				
Interest earned		199		96
Balance, end of year	\$	4,322	\$	4,123
Represented by cash	\$	4,322	\$	4,123

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