
Financial statements of Oshawa Public Library Board

December 31, 2025

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Independent Auditor's Report

To the Board Members, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Oshawa

Opinion

We have audited the financial statements of Oshawa Public Library Board (the "Library"), which comprise statement of financial position as at December 31, 2025, and the statements of operations, change in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2025, and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Library 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 Library's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Those charged with governance are responsible for overseeing the Library'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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Library'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 Library'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 Library 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.

We 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 18, 2026

Oshawa Public Library Board
Statement of financial position

As at December 31, 2025

	Notes	2025 \$	2024 \$
Financial assets			
Cash		2,240,347	2,119,148
Due from City of Oshawa		3,877,812	3,783,862
Accounts receivable		177,284	98,730
		6,295,443	6,001,740
Liabilities			
Accounts payable and accrued liabilities		633,983	498,246
Employee future benefits	4	4,136,700	4,112,688
Deferred revenue	5		
Grants		4,500	3,500
Development charges		3,780,139	3,689,012
Jess Hann Branch		163,587	303,804
		8,718,909	8,607,250
Net debt		(2,423,466)	(2,605,510)
Non-financial assets			
Tangible capital assets	6	2,221,783	2,181,741
Prepaid expenses			
General		78,062	42,638
Jess Hann Branch		163,587	303,804
		2,463,432	2,528,183
Accumulated surplus (deficit)	7	39,966	(77,327)

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

Approved by the Board


 _____, Director


 _____, Director

Oshawa Public Library Board

Statement of operations

Year ended December 31, 2025

Notes	Budget	2025	2024
	\$	Actual	Actual
	\$	\$	\$
	(Note 8)		
Revenue			
Operating			
Municipal contribution	9,549,761	9,549,800	9,549,800
Provincial operating grants	215,441	215,441	215,441
Other government grants	14,000	10,168	115,075
Donations	157,000	191,231	232,514
Development charges earned	161,778	161,337	462,746
Interest	90,000	91,173	147,745
Fines	58,500	60,393	56,053
Service charges	57,000	76,462	63,158
	10,303,480	10,356,005	10,842,532
Expenses			
Salaries	6,111,477	6,030,884	6,001,813
Employee benefits	1,663,923	1,582,836	1,638,016
Library materials and digital media	404,720	451,789	429,428
Utilities	227,000	227,380	229,587
Other supplies	89,500	99,770	115,783
Rents	195,000	191,605	192,955
Maintenance	325,700	394,237	526,968
General	585,110	606,356	597,563
Contribution to library renovations and expansion	71,000	70,559	328,446
Amortization	579,000	578,122	577,911
	10,252,430	10,233,538	10,638,470
Annual surplus	51,050	122,467	204,062
Accumulated (deficit) beginning of year	(77,327)	(77,327)	(281,389)
Reserve funds transferred to City	—	(5,174)	—
Accumulated surplus (deficit), end of year	(26,277)	39,966	(77,327)

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

Oshawa Public Library Board
Statement of change in net debt
Year ended December 31, 2025

	Budget	2025	2024
	\$	Actual	Actual
	\$	\$	\$
	(Note 8)		
Annual surplus	51,050	122,467	204,062
Reserve funds transferred to City	—	(5,174)	—
Acquisition of tangible capital assets	(574,050)	(618,164)	(734,680)
Amortization	579,000	578,122	577,911
	56,000	77,251	47,293
Decrease in prepaid expenses	—	104,793	135,194
Change in net debt	56,000	182,044	182,487
Net debt, beginning of year	(2,605,510)	(2,605,510)	(2,787,997)
Net debt, end of year	(2,549,510)	(2,423,466)	(2,605,510)

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

Oshawa Public Library Board**Statement of cash flows**

Year ended December 31, 2025

	2025	2024
	\$	\$
Operating activities		
Annual surplus	122,467	204,062
Reserve funds transferred to City	(5,174)	—
Item not involving cash		
Amortization	578,122	577,911
Changes in non-cash assets and liabilities		
Due from City of Oshawa	(93,950)	15,464
Accounts receivable	(78,554)	7,894
Accounts payable and accrued liabilities	135,737	(55,115)
Employee future benefits	24,012	20,000
Deferred revenue	(48,090)	(349,852)
Prepaid expense	104,793	135,194
	739,363	555,558
Capital activity		
Acquisition of tangible capital assets	(618,164)	(734,680)
Increase (decrease) in cash	121,199	(179,122)
Cash, beginning of year	2,119,148	2,298,270
Cash, end of year	2,240,347	2,119,148

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

1. Significant accounting policies

The financial statements of the Oshawa Public Library Board ("Library Board") are the representations of management prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The significant accounting policies adopted by the Library Board are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the year in which transactions or events occur that give rise to the revenue. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(a) Tangible capital assets

Tangible capital assets are recorded at cost. The cost, less residual value of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Collections	7 years
Furniture	10 years
Computer equipment	5 years
Vehicles	10 years

(b) Leases

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

(c) Prepaid expenses – Jess Hann Branch

The Library entered into an agreement with the lessor of the Jess Hann library branch. Under this agreement rent was prepaid for the term of the lease and an equivalent donation made to the Library Board. The prepaid rent is being expensed over the term of the lease. The donation was deferred and is being amortized to income over the term of the lease.

Post-employment benefits

The present value of providing employees with post-employment benefits is recognized as employees earn these entitlements through service.

1. Significant accounting policies (continued)

Deferred revenue

Certain grants contain conditions specifying the use of the funds received. Any unspent portion of conditional grants is reported as deferred revenue.

The City receives development charge contributions on behalf of the Library Board under authority of provincial legislation and a by-law of the City of Oshawa. These funds by their nature are restricted in their use and until applied to applicable capital works are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal year the funds are expended.

Reserve and reserve funds

Certain amounts, as approved by the Board, are set aside in reserves for future operating purposes. Transfers to/from reserves and reserve funds are recorded when approved.

Government transfers

Government transfers are recognized as revenues by the Library in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions or programs to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

Investment income

Investment income earned (other than development charge funds) are reported as revenue in the year earned. Investment income earned on unspent development charge funds is added to the deferred revenue balance.

Budget figures

The budget figures included in the statements of operations and change in net debt were derived from the original budget as approved by the Board with adjustments to present the information on a basis consistent with Public Sector Accounting Standards.

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 revenues and expenses during the year. Actual results could differ from those estimates. Accounts subject to estimates include employee future benefits, certain accrued liabilities and net book value of tangible capital assets.

2. Contribution to Library renovations and expansion

During the year, the Library incurred costs of \$70,559 (\$328,466 in 2024) in respect of renovations and expansion to library branches. As the renovations and expansion pertain to buildings owned by the City and are not recorded as tangible capital assets in the Library's financial statements, the amount paid has been expensed in the Library's financial statements. The total of contributions to Library renovations and expansion were funded as follows:

	2025	2024
	\$	\$
Contributions funded from City held development charge Reserve funds		
Parks Recreation Library and Cultural study	—	3,431
Design of library in new recreation centre	70,559	322,915
Other	—	2,100
	70,559	328,446

3. Pension agreement

The Library makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of eligible staff members. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employee based on the length of service and rates of pay. Contributions paid by the Library in 2025 were \$552,695 (\$554,219 in 2024).

As at December 31, 2025, the OMERS plan had a funding deficit of approximately \$2.9 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the library does not recognize any share of the OMERS pension surplus or deficit.

4. Employee future benefits

Employee future benefits are comprised as follows:

	2025	2024
	\$	\$
Accumulated sick leave benefit plan entitlements	933,500	927,888
Post-employment benefits	3,203,200	3,184,800
	4,136,700	4,112,688

(a) Accumulated sick leave benefit plan entitlements

Under the sick leave benefit plan, applicable only to employees hired prior to January 1, 1992, unused sick leave can accumulate, and employees may become entitled to a cash payment when they leave the Library's employment.

4. Employee future benefits (continued)

(b) Post-employment benefits

The Library makes available to qualifying employees certain non-pension post-employment benefits for extended health care and life insurance.

The significant actuarial assumptions adopted in estimating the Library's employee future benefits are as follows:

Discount rate	5.0% (Post-employment benefits) (sick leave benefits)	4.6%
Future inflation rates	3.0% for salary, 2.0% general inflation	
Medical benefit cost escalation	6.0% (reducing yearly to 4.0% after 15 years)	

The Library has established a reserve to mitigate the future impact of these obligations as detailed on the Schedule of reserves and reserve funds. The balance of the sick leave reserve is \$97,673 (\$94,852 in 2024).

The date of the most recent actuarial valuation for accounting purposes was December 31, 2025.

Information about the Library's employee future benefits is as follows:

Continuity of accrued benefit liability

	2025	2024
	\$	\$
Accrued benefit liability, beginning of year	4,112,688	4,092,688
Expenses for the year	156,200	148,600
Benefits paid	(132,188)	(128,600)
Accrued benefit liability, end of year	4,136,700	4,112,688

Reconciliation of accrued benefit obligation

	2025	2024
	\$	\$
Accrued benefit obligation at December 31	2,522,300	2,883,388
Unamortized actuarial gain	1,614,400	1,229,300
	4,136,700	4,112,688

Expense

	2025	2024
	\$	\$
Current service cost	117,500	113,300
Amortization of actuarial (gain) loss	(95,500)	(93,300)
Interest on accrued benefit obligations	134,200	128,600
	156,200	148,600

Oshawa Public Library Board
Notes to the financial statements
December 31, 2025

5. Deferred revenue

Deferred revenue represents development charges, donations, charges and municipal contributions which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the related services are performed. The following is the current status of the deferred revenue:

	2025	2024
	\$	\$
Obligation reserve fund - development charges	3,780,139	3,689,012
Deferred revenue		
Jess Hann Branch	163,587	303,804
Grants	4,500	3,500
	3,948,226	3,996,316

Continuity of deferred revenue is as follows:

	Development charges	Jess Hann Branch	Other	2025 Total	2024 Total
	\$	\$	\$	\$	\$
Balance, beginning of year	3,689,012	303,804	3,500	3,996,316	4,346,168
Developer contributions collected	176,290	—	—	176,290	235,198
Interest earned	76,174	—	—	76,174	114,413
Grants	—	—	1,000	1,000	3,500
	252,464	—	1,000	253,464	353,111
Revenue recognized	(161,337)	(140,217)	—	(301,554)	(702,963)
Balance, end of year	3,780,139	163,587	4,500	3,948,226	3,996,316

6. Tangible capital assets

	Collections	Furniture	Computer equipment	Vehicles	2025 Total	2024 Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance, beginning of year	4,446,590	865,517	291,206	73,778	5,677,091	5,686,651
Additions	581,395	24,053	12,716	—	618,164	734,680
Write-offs	(609,896)	—	—	—	(609,896)	(744,240)
	4,418,089	889,570	303,922	73,778	5,685,359	5,677,091
Accumulated amortization						
Balance, beginning of year	2,531,412	773,533	164,583	25,822	3,495,350	3,661,679
Amortization expense	523,057	17,583	30,104	7,378	578,122	577,911
Write-offs	(609,896)	—	—	—	(609,896)	(744,240)
Balance, end of year	2,444,573	791,116	194,687	33,200	3,463,576	3,495,350
Net book value, end of year	1,973,516	98,454	109,235	40,578	2,221,783	2,181,741

Oshawa Public Library Board
Notes to the financial statements
December 31, 2025

7. Accumulated deficit

Accumulated deficit consists of the following:

	2025	2024
	\$	\$
Operating fund deficit	(44,590)	(61,758)
Unfunded employee future benefits	(4,136,700)	(4,112,688)
Reserves and reserve funds (Schedule)	1,999,474	1,915,378
Invested in capital assets	2,221,783	2,181,741
	39,967	(77,327)

8. Budget

The budget adopted by the Library Board was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. The budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net debt represent the budget adopted by Council November 1, 2024, with adjustments as follows:

	2025					Budget
	Approved	Reserve	Development	Capital asset	Employee	presented
	budget	Interest	charges earned	amortization	benefits	
	\$	\$	\$	\$	\$	\$
Revenue						
Municipal contribution	9,549,761	—	—	—	—	9,549,761
Other government grants	229,441	—	—	—	—	229,441
Donations	157,000	—	—	—	—	157,000
Development charges earned	90,778	—	71,000	—	—	161,778
Interest	30,000	60,000	—	—	—	90,000
Fines and services charges	115,500	—	—	—	—	115,500
	10,172,480	60,000	71,000	—	—	10,303,480
Expenses						
Staffing costs	7,751,400	—	—	—	24,000	7,775,400
Library materials and digital media	978,770	—	—	(574,050)	—	404,720
Occupancy costs	767,700	—	—	(20,000)	—	747,700
Other general costs	674,610	—	—	—	—	674,610
Contribution to library renovations and expansion	—	—	71,000	—	—	71,000
Amortization	—	—	—	579,000	—	579,000
	10,172,480	—	71,000	(15,050)	24,000	10,252,430
Annual surplus	—	60,000	—	15,050	(24,000)	51,050

Oshawa Public Library Board
Schedule – Schedule of reserves and reserve funds
Year ended December 31, 2025

	Balance, beginning of year	Interest earned	Donations	Appropriations to (from)	2025 Balance, end of year	2024 Balance, end of year
	\$	\$	\$	\$	\$	\$
Reserves						
Capital	5,174	—	—	(5,174)	—	5,174
Operating						
Equipment	526,190	17,644	—	—	543,834	526,190
Growth and program development	665,845	19,275	—	(300,000)	385,120	665,845
Major maintenance and repairs	145,223	6,797	—	300,000	452,020	145,223
Program materials	221,949	7,442	—	—	229,391	221,949
Friends of the library	59,658	2,012	27,025	(16,845)	71,850	59,658
South Oshawa library	117,845	3,952	—	6,125	127,922	117,845
	1,741,884	57,122	27,025	(15,894)	1,810,137	1,741,884
Bequest reserve funds	78,642	2,770	10,250	—	91,662	78,642
Sick leave						
Reserve – held by City of Oshawa	94,852	2,823	—	—	97,675	94,852
	1,915,378	62,715	37,275	(15,894)	1,999,474	1,915,378