

Financial Statements of

**TOWN OF NEWMARKET
PUBLIC LIBRARY BOARD**

And Independent Auditor's Report thereon

Year ended December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Town of Newmarket

Opinion

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

- the statement of financial position as at December 31, 2025
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations, 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 20, 2026

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2025, with comparative information for 2024

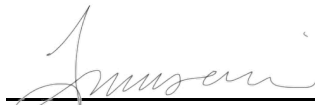
	2025	2024
Financial Assets		
Cash and cash equivalents	\$ 76,177	\$ 74,095
Accounts receivable	46,810	14,657
Due from Town of Newmarket (note 2)	461,403	465,297
	<u>584,390</u>	<u>554,049</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 4)	150,354	173,601
Deferred revenue (note 3)	23,074	10,722
	<u>173,428</u>	<u>184,323</u>
Net financial assets	410,962	369,726
Non-Financial Assets		
Prepaid expenses	81,466	158,884
Tangible capital assets, net (note 11)	900,378	742,288
	<u>981,844</u>	<u>901,172</u>
Accumulated surplus	<u>\$ 1,392,806</u>	<u>\$ 1,270,898</u>

See accompanying notes to financial statements.

On behalf of the Board:



Board Chair: Darryl Gray



Board Secretary/Treasurer: Tracy Munusami, CEO

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	Budget 2025 (note 10)	Actual 2025	Actual 2024
Revenue:			
Municipal operating grant	\$ 3,953,368	\$ 3,953,368	\$ 3,781,775
Municipal contributions towards tangible capital assets and building repair and maintenance (note 5)	–	17,947	110,038
Provincial grants	73,716	75,280	74,494
Other grants	–	1,200	5,000
Federal grants	–	590	2,240
Program fees	14,594	8,966	1,683
Development charges flowed from Town of Newmarket (note 6)	–	–	18,164
Other fees and miscellaneous	74,350	47,991	37,481
	<u>4,116,028</u>	<u>4,105,342</u>	<u>4,030,875</u>
Expenses:			
Library materials:			
Magazines, newspapers and periodicals	10,900	12,060	13,534
Electronic materials and subscriptions	207,966	263,183	223,299
Book binding and processing	33,703	19,373	16,282
Amortization	–	222,441	232,877
	<u>252,569</u>	<u>517,057</u>	<u>485,992</u>
Operations:			
Programs and projects	29,576	45,267	36,052
Other supplies	19,500	22,663	30,465
Building and property maintenance	96,775	154,208	168,096
Utilities	88,565	58,958	59,652
Equipment repairs and maintenance	117,323	131,075	131,423
	<u>351,739</u>	<u>412,171</u>	<u>425,688</u>
Administration:			
Employee salaries and benefits	2,954,254	2,813,949	2,606,069
Education, conferences, consulting and travel	37,805	44,331	85,186
Other sundry	57,880	66,878	52,860
Telephone and internet	8,010	6,500	3,658
	<u>3,057,949</u>	<u>2,931,658</u>	<u>2,747,773</u>
	<u>3,662,257</u>	<u>3,860,886</u>	<u>3,659,453</u>
Excess of revenue over expense before the following	453,771	244,456	371,422
Transfers and other:			
Other contributions from Town of Newmarket (notes 7 and 8)	–	138,359	–
Fund for future capital replacements (note 5)	(256,143)	(256,143)	(223,550)
Transfer to Long-term Disability Town of Newmarket Reserve	(21,264)	(21,614)	(21,240)
Contribution to Strategic Implementation Reserve (note 7)	–	(8,832)	–
Transfer from Town of Newmarket (note 8)	–	61,865	–
Transfer to Library Capital Needs Reserve Fund (note 8)	–	(36,183)	(171,022)
	<u>(277,407)</u>	<u>(122,548)</u>	<u>(415,812)</u>
Annual surplus (deficit)	176,364	121,908	(44,390)
Accumulated surplus, beginning of year	1,270,898	1,270,898	1,315,288
Accumulated surplus, end of year	\$ 1,447,262	\$ 1,392,806	\$ 1,270,898

See accompanying notes to financial statements.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Statement of Changes in Net Financial Assets

Year ended December 31, 2025, with comparative information for 2024

	Budget 2025	Actual 2025	Actual 2024
Annual surplus (deficit)	\$ 176,364	\$ 121,908	\$ (44,390)
Acquisition of tangible capital assets	(176,364)	(380,531)	(230,899)
Amortization of tangible capital assets	222,441	222,441	232,877
Change in prepaid expenses	–	77,418	(47,813)
Change in net financial assets	222,441	41,236	(90,225)
Net financial assets, beginning of year	369,726	369,726	459,951
Net financial assets, end of year	\$ 592,167	\$ 410,962	\$ 369,726

See accompanying notes to financial statements.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 121,908	\$ (44,390)
Amortization of tangible capital assets	222,441	232,877
Change in non-cash operating items:		
Accounts receivable	(32,153)	3,922
Due from Town of Newmarket	3,894	229,499
Accounts payable and accrued liabilities	(23,247)	(150,812)
Deferred revenue	12,352	9,610
Prepaid expenses	77,418	(47,813)
	382,613	232,893
Capital activities:		
Acquisition of tangible capital assets	(380,531)	(230,899)
Increase in cash and cash equivalents	2,082	1,994
Cash and cash equivalents, beginning of year	74,095	72,101
Cash and cash equivalents, end of year	\$ 76,177	\$ 74,095

See accompanying notes to financial statements.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2025

The Town of Newmarket Public Library Board (the "Library Board") is a local board of The Corporation of the Town of Newmarket (the "Town") deemed to be a public library established under the Public Libraries Act. The Library Board is not subject to income taxes under Section 149(1) of the Income Tax Act (Canada). The Library Board is economically dependent on the Town for ongoing financial support.

1. Significant accounting policies:

The financial statements of the Library Board are the representation of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Significant accounting policies adopted by the Library Board are as follows:

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenue as they become available and measurable.

Expenses are recognized, as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(b) Tangible capital assets:

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

Library collection	7 years
Furniture	15 years
Equipment	8 - 10 years
Shelving	15 - 25 years
Computer hardware	3 - 4 years

Tangible capital assets are amortized in the month following the purchase or in-service date. One half of the annual amortization is charged in the year of acquisition for pooled assets. The tangible capital asset threshold amount for capitalization is pooled at \$10,000, except for library collections which are capitalized upon acquisition.

(c) 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.

(d) Revenue recognition:

Government transfers are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recorded as deferred revenue when transfer stipulations give rise to a liability. Revenue is recognized in the statement of operations and accumulated surplus as stipulations related to the transfers are settled.

Fees for programs and services are recognized over the period of service or when related expenses occur.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(e) Deferred revenue:

Deferred revenue represents amounts which have been collected but, for which the related services has yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. The principle estimates used in the preparation of these financial statements include the useful life and valuation of tangible capital assets. Actual results could differ from these estimates.

(g) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with the bank, net of overdrafts and cash equivalents such as short-term deposits with maturities of three months or less on acquisition.

(h) Pension plan:

The Library Board makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer, defined benefit pension plan on behalf of eligible members of its staff. The OMERS Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Library Board has adopted defined contribution plan accounting principles for OMERS because insufficient information is available to apply defined benefit plan accounting principles. The Library Board records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to OMERS for past employee service.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Due from Town of Newmarket:

Due from Town of Newmarket is non-interest bearing and has no set terms of repayment.

3. Deferred revenue:

Deferred revenue consists of the following:

	2025	2024
Program fees, printing and room rental fees	\$ 11,845	\$ 10,722
Grants	11,229	–
	<u>\$ 23,074</u>	<u>\$ 10,722</u>

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is \$8,141 (2024 - \$11,574) of vacation pay benefits liability to current employees.

5. Reserve fund for future capital replacements:

The reserve fund, held by the Town on behalf of the Library Board, is designated for future Library Board capital expenses and is included in the consolidated financial statements of the Town.

Changes during the year were as follows:

	2025	2024
Balance, beginning of year	\$ 2,033,589	\$ 1,779,730
Interest earned	158,564	140,347
Transfer from the Library Operating Fund	256,143	223,550
Capital expenditures - Library purposes	(17,947)	(110,038)
Balance, end of year	<u>\$ 2,430,349</u>	<u>\$ 2,033,589</u>

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2025

6. Other reserve funds:

The following funds, held by the Town on behalf of the Library Board, have been designated by the Town Council for future Library Board expenses and are included in the consolidated financial statements of the Town:

	2025	2024
Development charges		
Balance, beginning of year	\$ 4,627,751	\$ 4,292,084
Interest earned	338,632	319,143
Developer contributions	202,676	9,312
Other contributions	6,657	25,376
Transfer to capital	-	(18,164)
Balance, end of year	\$ 5,175,716	\$ 4,627,751
Library Minor Capital Fund		
Balance, beginning of year	\$ 63,352	\$ 58,974
Interest earned	4,460	4,378
Balance, end of year	\$ 67,812	\$ 63,352
Library Capital Needs Reserve Fund		
Balance, beginning of year	\$ 617,609	\$ 415,701
Expenditures - Library purposes	46,923	30,886
Transfer from General Reserve (note 8)	36,183	171,022
Balance, end of year	\$ 700,715	\$ 617,609

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2025

7. Other reserves:

The following funds, held by the Town on behalf of the Library Board, have been designated by the Town Council for future Library Board expenses and are included in the consolidated financial statements of the Town:

	2025	2024
Library Fundraising		
Balance, beginning of year	\$ 40,880	\$ 35,143
Other contributions	9,879	5,737
Balance, end of year	\$ 50,759	\$ 40,880
Insurance Reserve		
Balance, beginning and end of year	\$ 10,000	\$ 10,000
Strategic Plan Implementation Reserve		
Balance, beginning of year	\$ 180,555	\$ 180,555
Financing	(45,933)	-
Transfer from Operating Fund	8,832	-
Balance, end of year	\$ 143,454	\$ 180,555

8. General Reserve:

The Library Board set a target level of \$400,000 for the General Reserve for the Library Board held by the Town and once achieved any surplus is to be returned to the Town after Library Board approval of audited financial statements, per Library Board motion 15.11.69. In 2025, the prior year operating surplus of \$36,183 (2024 - \$171,022) was transferred to the Library Capital Needs Reserve Fund for capital needs per Town Council motion 9.4.17.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2025

8. General Reserve (continued):

	2025	2024
General Reserve		
Balance, beginning of year	\$ 528,609	\$ 571,022
Transfer from Operating Fund	(36,183)	128,609
Transfer to Library Capital Needs Reserve Fund (note 7)	(92,426)	(171,022)
Balance, end of year	\$ 400,000	\$ 528,609

9. Pension agreements:

The Library Board makes contributions to OMERS, which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. OMERS is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of credited service and average earnings. During the year, \$192,227 (2024 - \$200,603) was recorded as an operating expense of the Library Board.

10. Budget reconciliation:

The budget for 2025 adopted by the Library Board on December 9, 2024 is different from the budget presented on the statement of operations and accumulated surplus in the financial statements. The budget has been adjusted to account for material changes due to PSAB reporting requirements.

	Revenue	Expenses
Library Board approved budget	\$ 4,116,028	\$ 4,116,028
Less transfers from/to other funds	-	(277,407)
Less capitalized tangible capital assets	-	(176,364)
Budget as presented on the consolidated statement of operations and accumulated surplus	\$ 4,116,028	\$ 3,662,257

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2025

11. Tangible capital assets:

2025	Library collection	Furniture	Equipment	Shelving	Computer hardware	Total
Cost						
Balance, beginning of year	\$ 1,340,767	\$ 109,649	\$ 331,869	\$ 169,502	\$ 190,133	\$ 2,141,920
Add additions during the year	171,680	48,973	–	98,013	61,865	380,531
Less disposals during the year	(193,809)	(12,379)	(723)	(1,253)	(40,511)	(248,675)
Balance, end of year	\$ 1,318,638	\$ 146,243	\$ 331,146	\$ 266,262	\$ 211,487	\$ 2,273,776
Accumulated amortization						
Balance, beginning of year	\$ 784,719	\$ 90,590	\$ 246,303	\$ 135,600	\$ 142,420	\$ 1,399,632
Add amortization during the year	162,792	6,670	16,898	4,784	31,297	222,441
Less amortization on disposals	(193,809)	(12,379)	(723)	(1,253)	(40,511)	(248,675)
Balance, end of year	\$ 753,702	\$ 84,881	\$ 262,478	\$ 139,131	\$ 133,206	\$ 1,373,398
Net book value of tangible capital assets	\$ 564,936	\$ 61,362	\$ 68,668	\$ 127,131	\$ 78,281	\$ 900,378

2024	Library collection	Furniture	Equipment	Shelving	Computer hardware	Total
Cost						
Balance, beginning of year	\$ 1,376,880	\$ 124,490	\$ 297,055	\$ 144,481	\$ 190,591	\$ 2,133,497
Add additions during the year	165,058	–	36,248	29,593	–	230,899
Less disposals during the year	(201,171)	(14,841)	(1,434)	(4,572)	(458)	(222,476)
Balance, end of year	\$ 1,340,767	\$ 109,649	\$ 331,869	\$ 169,502	\$ 190,133	\$ 2,141,920
Accumulated amortization						
Balance, beginning of year	\$ 819,984	\$ 98,516	\$ 227,550	\$ 137,669	\$ 105,512	\$ 1,389,231
Add amortization during the year	165,906	6,915	20,187	2,503	37,366	232,877
Less amortization on disposals	(201,171)	(14,841)	(1,434)	(4,572)	(458)	(222,476)
Balance, end of year	\$ 784,719	\$ 90,590	\$ 246,303	\$ 135,600	\$ 142,420	\$ 1,399,632
Net book value of tangible capital assets	\$ 556,048	\$ 19,059	\$ 85,566	\$ 33,902	\$ 47,713	\$ 742,288

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2025

12. Financial risk management:

It is management's opinion that the Library Board is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. There has been no change to the risk exposure since 2024.

13. Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2025, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of these standards on the future financial statements.

- (a) PS 1202, Financial Statement Presentation, will replace the current section PS 1201. This guideline is effective for fiscal years beginning on or after April 1, 2026 (the Library Board's December 31, 2027 year end).
- (b) PS 3251, Employee Benefits, will replace the current sections PS 3250 and PS 3255. These amendments are effective for fiscal years beginning on or after April 1, 2029 (the Library Board's December 31, 2030 year end).
- (c) PS 3155, Intangible Assets, will replace the current section PSG 8, Purchased Intangibles. The proposed section is currently pending final approval and an effective date for the proposed standard is currently not known.

14. Comparative information:

Certain 2024 comparative amounts have been regrouped from the financial statements previously presented, to conform with the presentation adopted in 2025.