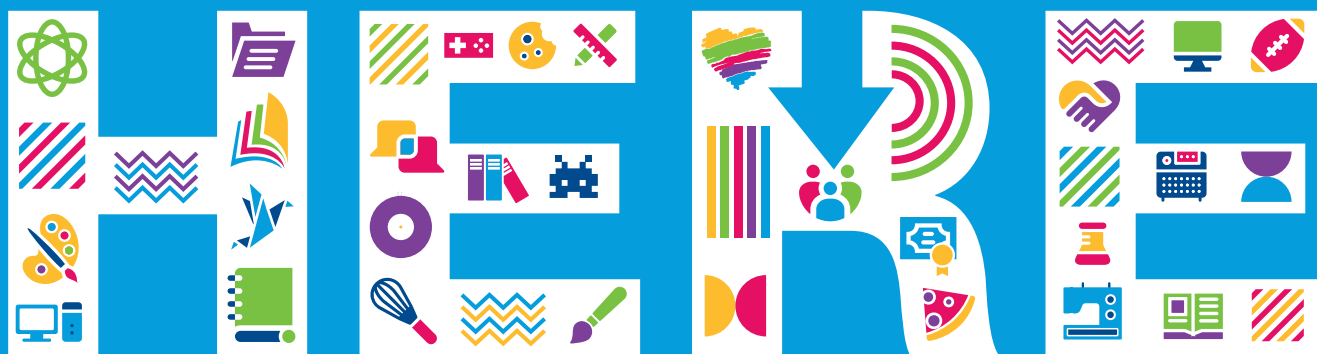


Learning Starts



EDMONTON PUBLIC LIBRARY FINANCIAL REPORT 2025

The City of Edmonton Library Board

Edmonton, Alberta, Canada
For the year ended December 31, 2025





The City of Edmonton Library Board

Prepared by:
Financial Services and Marketing and Communications Divisions
For the fiscal year ending December 31, 2025

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Edmonton, Alberta T5J 2V4
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Fax: 780-496-1885

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INTRODUCTION

Message from the BOARD CHAIR and CHIEF EXECUTIVE OFFICER

In 2025, the Edmonton Public Library (EPL) continued to demonstrate its value as a critical public institution, providing Edmontonians with access to knowledge, opportunity, and community across all 21 branches. More than five million people visited EPL locations during the year, and nearly 65,000 people signed up for a library card, reflecting the continued trust Edmontonians place in EPL.

EPL reaffirmed its commitment to intellectual freedom and freedom of expression, values that remain fundamental to public library service and to a healthy democracy.

These achievements were made possible by the dedication of EPL staff, whose care and professionalism continue to shape the customer experience across the system. In the 2025 customer satisfaction survey, 98% of respondents agreed that EPL staff provide exceptional service.

Our work this year was also guided by a strong commitment to financial responsibility. Through careful oversight and prudent decision-making, EPL maintained a healthy financial position, ending the year with an accumulated surplus of \$50.6 million and net financial assets of \$15.8 million, while continuing to invest in collections, spaces, technology, and services that create long-term value for the community.

We are grateful for the continued support of the donors, partners, the Province of Alberta and the City of Edmonton. Together, we are helping ensure that EPL remains a trusted, resilient, and forward-looking institution for the people of Edmonton.

Throughout the year, EPL advanced key priorities that strengthened service to the community. A major milestone was the expansion of the Heritage Valley Branch, positioning the Library to better serve one of Edmonton's fastest-growing areas. EPL also continued to invest in early literacy, lifelong learning, and equitable access through programs and services that supported children and families, newcomers, job seekers, and customers developing digital and life skills. In 2025, the Library delivered 1,449 life skills classes reaching 18,946 participants, while the Ready. Set. READ! program helped 4,917 children begin building their home libraries.

EPL also played an important civic role in 2025. During the municipal election, the Library provided trusted information and welcoming spaces that supported informed participation.



Shawna Vogel
Chair, EPL Board of Trustees



Pilar Martinez
Chief Executive Officer, EPL



Governance STRUCTURE

2025 Board of Trustees

EPL is governed by a 10-member Board of Trustees consisting of nine citizens and one member of Edmonton City Council. Trustees are appointed by City Council and have the opportunity to serve on the Board for a maximum of six years.

The Board is responsible for the overall governance of EPL and carries out their fiduciary responsibilities by ensuring the strategic plan is implemented, board policies are in place to guide Library operations, and that risks are identified and managed to acceptable levels. In addition, the Board is responsible for reviewing and approving the EPL operating and capital budgets and assessing financial performance throughout the year through review of administration financial reports.



Shawna Vogel
Chair



Rosalie Russnak
Vice-Chair



Mansur Bitar



Rebecca Bock-Freeman



Dr. Joseph Doucet



Tina Faiz



Mark Hoosein



Councillor Erin Rutherford



Xueming Zhao



Chad Shulz



Governance STRUCTURE

Executive Team

The Edmonton Public Library's **Executive Team** is comprised of five members. Pilar Martinez serves as the Chief Executive Officer, and the team is responsible for overseeing the organization's strategic direction, operational management, and organizational performance. For a detailed look at the team structure, please refer to the diagram below.



Pilar Martinez
Chief Executive Officer



Cody Tomanek
Chief Financial Officer



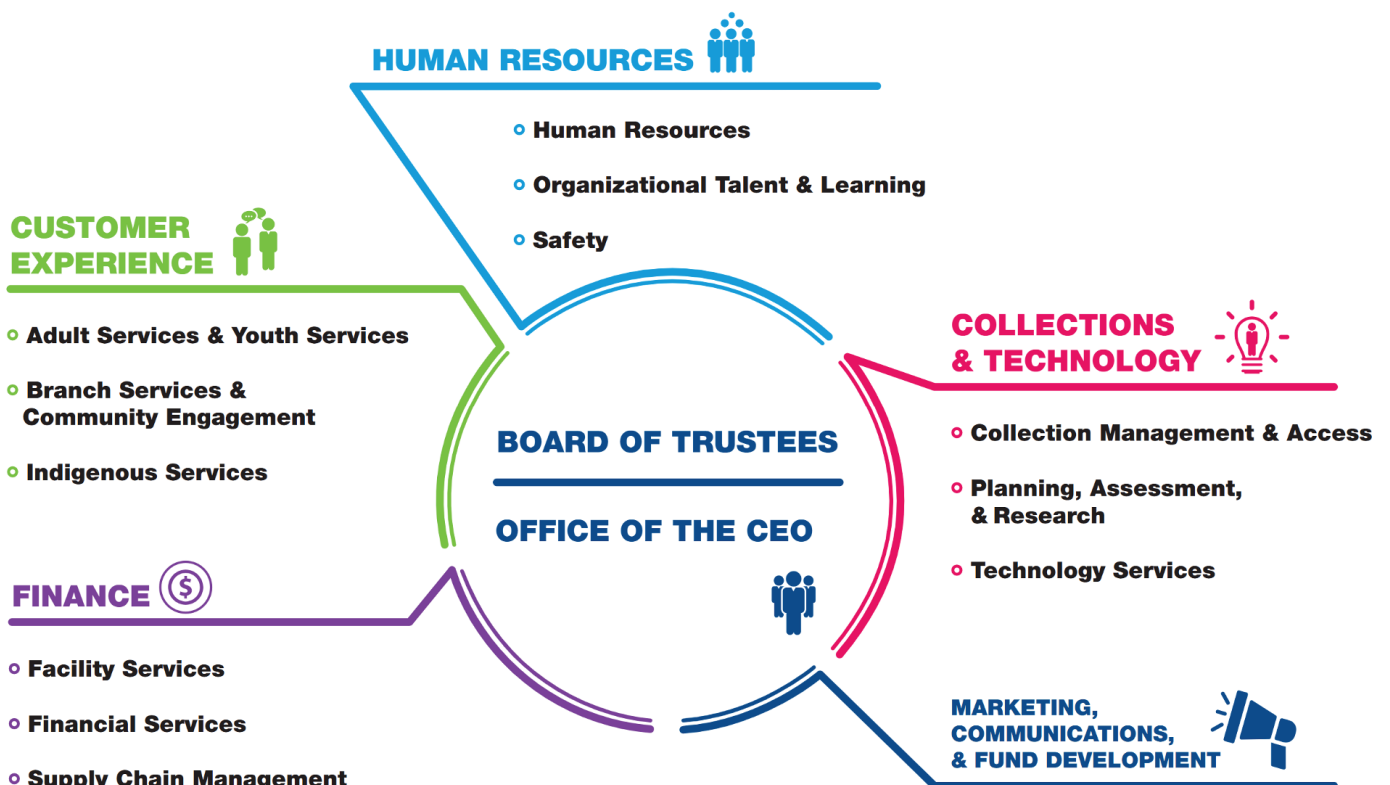
Sharon Day
Executive Director,
Customer Experience



Vicky Varga
Executive Director,
Collections & Technology



Corrina Chetley-Irwin
Executive Director,
Employee Experience

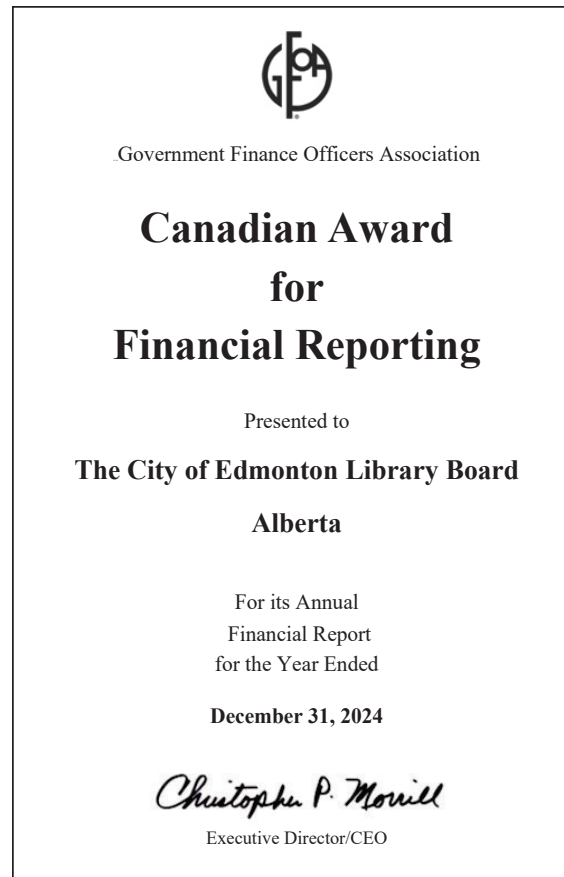


Canadian Award for FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to The City of Edmonton Library Board (EPL) for its annual financial report for the fiscal year ended December 31, 2024.

The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high-quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs.



A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



2025 Financial Statement DISCUSSION AND ANALYSIS

UNDERSTANDING THE FINANCIAL HIGHLIGHTS

For a comprehensive understanding of EPL's finances, we encourage you to read the 2025 Financial Highlights alongside the audited financial statements and accompanying notes. The EPL Financial Services Division takes full responsibility for preparing both the financial statements and highlights.

This report also includes a multi-year statistical and financial section for those seeking additional information.

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The 2025 Annual Report and Financial Statements provides Edmontonians with transparency into the Edmonton Public Library's (EPL) financial management. It details how the EPL Board of Trustees allocates and utilizes resources entrusted to them for delivering public library services throughout the city.

The report offers an overview of:

2025 Financial Results: includes a summary of EPL's financial performance in 2025.

Financial Controls and Accountability: includes the framework in place to ensure responsible financial management.

Risk Management: describes the strategies employed by EPL to mitigate potential risks.

Future Outlook: addresses EPL's plans for financial sustainability and growth.

FINANCIAL STATEMENTS AND AUDIT

The 2025 Annual Report includes EPL's audited financial statements, prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). KPMG LLP, an independent auditor, reviewed these statements and issued an Independent Auditor's Report. This process fulfills the legislative reporting requirements as set out by the Alberta Libraries Act and City of Edmonton Bylaw 12540.

The financial statements encompass the following key components:

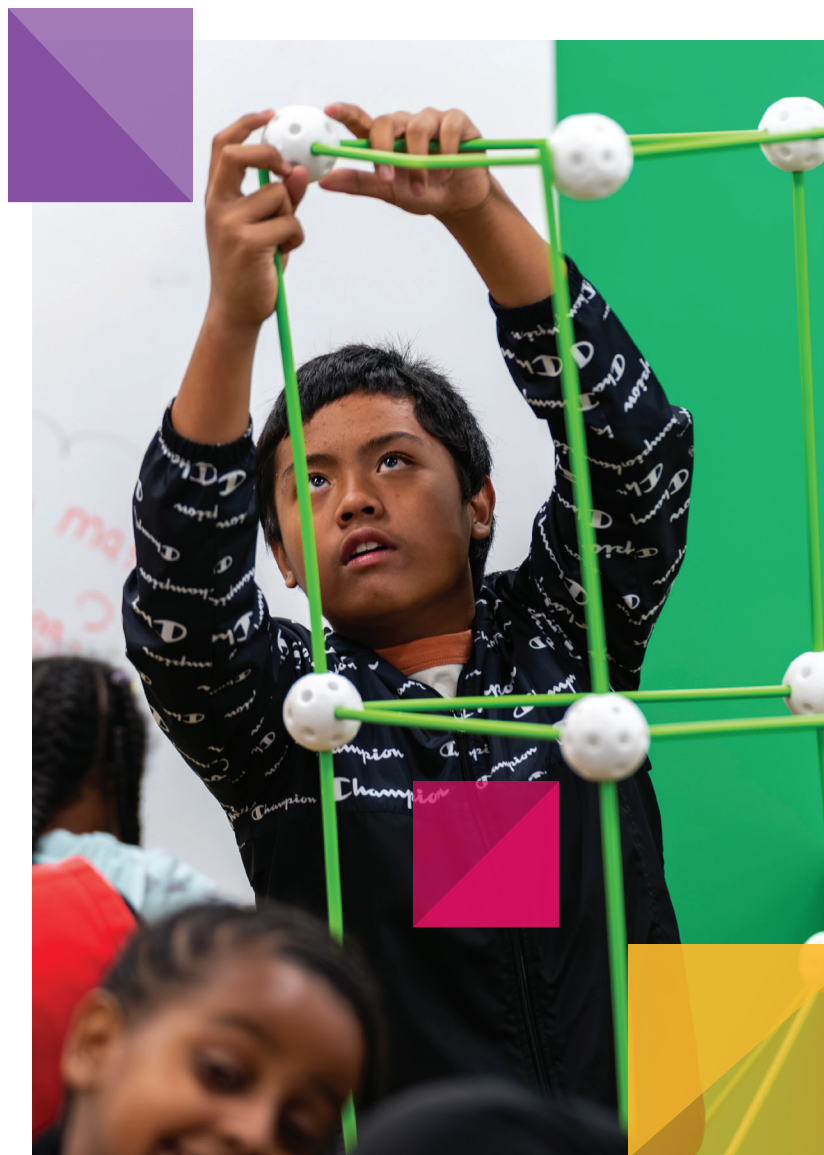
- Statement of Financial Position (Balance Sheet)
- Statement of Operations and Accumulated Surplus (Income Statement)
- Statement of Changes in Net Financial Assets
- Statement of Cash Flows
- Schedule of Tangible Capital Assets
- Notes to the Financial Statements



Cody Tomanek
Chief Financial Officer

A handwritten signature in black ink, appearing to read 'Cody Tomanek', written over a white background.

March 24, 2026



2025 FINANCIAL HIGHLIGHTS

The year 2025 marked a period of collective growth at EPL. As key pillars within our communities, we continue to play an integral role in the lives of Edmontonians, adapting continuously to meet their evolving needs and embracing the latest technologies and innovations shaping their world.

EPL operates within the City of Edmonton's multi-year budgeting process, with operating and capital budgets approved for four years at a time. The EPL Board of Trustees approves the budget based on City Council's approval of EPL's funding requests. City Council provides an opportunity for budget adjustments twice a year to ensure alignment with evolving needs.

FINANCIAL PERFORMANCE IN 2025

In the third year of the 2023-2026 budget cycle, EPL ended the year with a \$1.8 million operating deficit after recognizing amortization and capital-related expenses (2.4 per cent of budget

expenses). The deficit is primarily the result of higher than budgeted expenses for salaries, wages and benefits, building operations and maintenance, and books and library materials. These expenses were offset by lower expenses for utilities and services, material goods and supplies and higher than anticipated donations and interest income.

HEALTHY FINANCIAL POSITION

EPL maintains a healthy financial position with an accumulated surplus of \$50.6 million at year end. This surplus, along with net financial assets of \$15.8 million, ensures EPL's capacity to meet current and future obligations. Additionally, EPL's tangible capital assets, including buildings, technology, furniture and equipment, vehicles, and library collections were valued at \$33.2 million. Key capital projects in 2025 focused on upgrading IT infrastructure, expanding the Heritage Valley library branch, refreshing library collections, leasehold, furniture and equipment improvements.



Financial POSITION

The Statement of Financial Position provides an overview of EPL's financial assets, liabilities, non-financial assets, and accumulated surplus (equity). Information in this statement provides a snapshot of EPL's ability to finance its operational activities, capital activities and fund its liabilities and future commitments.



Statement of Financial Position

(millions of \$)

	2025	2024	2023	2022 (Restated*)	2021
Financial Assets	\$ 26.7	\$ 28.4	\$ 26.9	\$ 28.6	\$ 24.9
Liabilities	\$ 10.9	\$ 7.8	\$ 7.5	\$ 12.4	\$ 9.1
Net Financial Assets	\$ 15.8	\$ 20.6	\$ 19.4	\$ 16.2	\$ 15.8
Non-Financial Assets	\$ 34.8	\$ 31.8	\$ 33.8	\$ 37.0	\$ 37.2
Accumulated Surplus	\$ 50.6	\$ 52.4	\$ 53.2	\$ 53.2	\$ 53.0

*Effective January 1, 2023, EPL adopted the new accounting standard PS3280, Asset Retirement Obligations, using the modified retroactive approach with restatement of 2022 prior year comparatives. Amounts before 2021 are not restated.

EPL ended 2025 in a healthy financial position. A substantial portion of its \$26.7 million in financial assets is held in cash and GIC investments. The Statement of Cash Flows offers a more detailed picture of how cash was generated and used throughout the year. It breaks down EPL's cash flow into operating, capital, investing and financing activities.

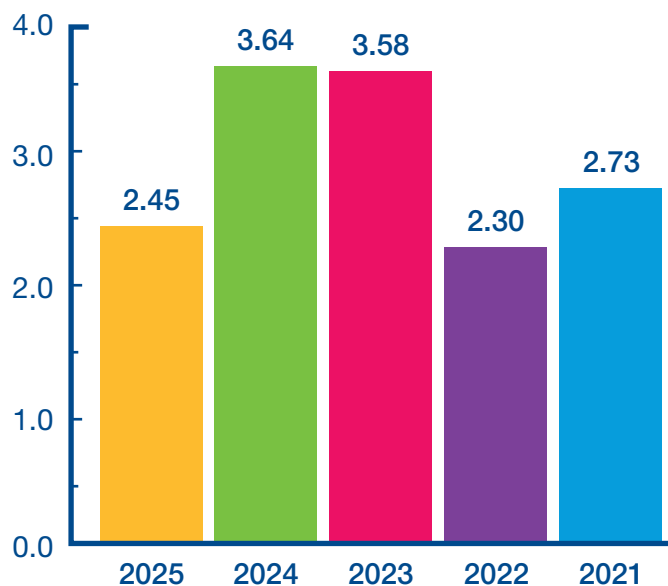
EPL also concluded 2025 with \$10.9 million in liabilities, an increase of \$3.1 million from the previous year. This was primarily related to the increase in amounts due to the City of Edmonton and an increase of trade payables and accrued liabilities.

The Library monitors its financial health through a metric called the financial assets-to-liabilities ratio. This ratio indicates EPL's ability to meet financial obligations.

Ratio below one: A ratio less than one indicates EPL may need future revenues to cover past expenses.

Ratio above one: A ratio greater than one indicates EPL has enough financial resources to currently handle its liabilities.

Ratio of Financial Assets to Liabilities



NON-FINANCIAL ASSETS AT YEAR-END 2025

EPL closed 2025 with \$34.8 million in non-financial assets. This category encompasses tangible capital assets like buildings and equipment, along with inventories and prepaid expenses.

TANGIBLE CAPITAL ASSETS

EPL's net book value of tangible capital assets, which reflects accumulated depreciation, increased by \$3.2 million to \$33.2 million in 2025. This increase is primarily attributed to leasehold improvements to four library branches, library materials, IT infrastructure and equipment, and furniture purchases.

Below is a breakdown of EPL's net book value of tangible capital assets for 2025.

EPL maintained a stable accumulated surplus of \$50.6 million throughout 2025. Below is a breakdown of this surplus:

Equity in Tangible Capital Assets (\$33.1 million):

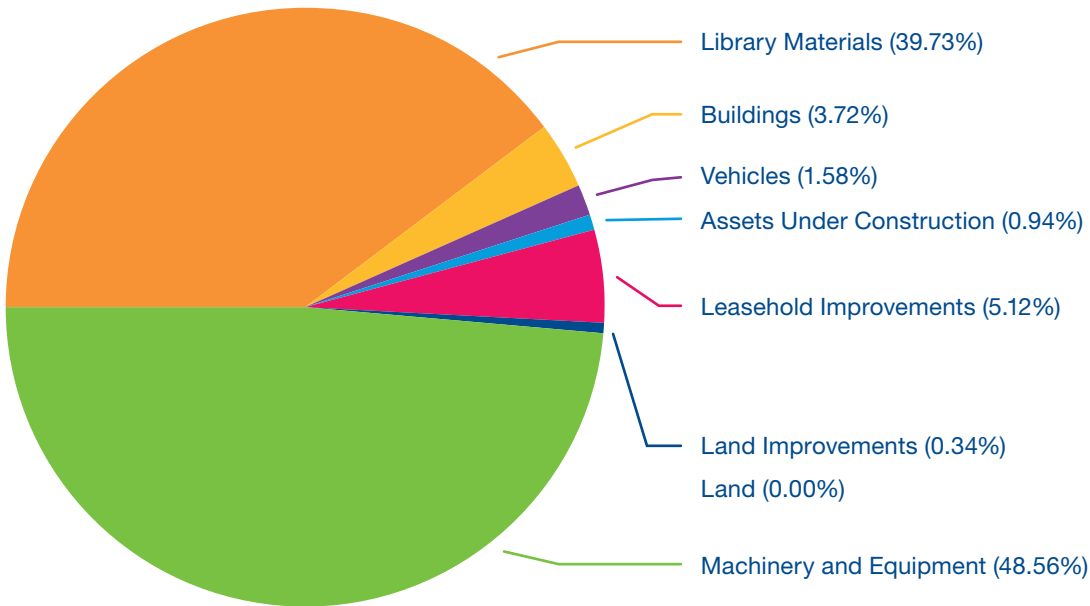
This reflects the net value of EPL's buildings, equipment, and other long-lasting physical assets after accounting for depreciation.

Restricted Reserves (\$11.3 million): These are designated funds set aside for specific future one-time operating or capital expenses.

Unrestricted Surplus (\$6.2 million): These are readily available funds that can be used for unplanned short-term needs or to manage financial risks.

EPL's healthy accumulated surplus demonstrates its strong financial position and ability to adapt to unforeseen circumstances.

Net Book Value of Tangible Capital Assets



Financial OPERATIONS

The Statement of Operations identifies EPL's revenues, expenses, and changes to our accumulated surplus.

Statement of Operations

(millions of \$)

	2025	2024	2023	2022 (Restated)	2021
Operating Revenues	\$ 66.5	\$ 64.3	\$ 63.2	\$ 55.3	\$ 53.4
Capital Revenues	\$ 5.8	\$ 7.3	\$ 7.0	\$ 10.6	\$ 8.2
Operating Expenses	\$ 74.1	\$ 72.4	\$ 70.2	\$ 65.6	\$ 58.2
(Deficit) / Surplus	\$ (1.8)	\$ (0.8)	\$ 0.0	\$ 0.3	\$ 3.4

Expenses exceed revenues for the year by \$1.8 million, after accounting for amortization and capital revenues.

Operating revenues increased by 3.4 per cent or \$2.2 million from the prior year. The increase in revenues was primarily due to increases in funding from the City of Edmonton.

Capital revenues include revenue received for the investment in tangible capital assets and may vary annually. The decrease of

20.5 per cent or \$1.5 million from the prior year was the result of an increase of capital assets which were transferred to the City of Edmonton during the year.

Expenses increased by 2.5 per cent or \$1.7 million from the prior year, primarily due to increased salaries, wages and benefits, books and library materials, utilities and building operations and maintenance.

COMPARISON TO BUDGET

Operating Revenues

(millions of \$)

	2025 Budget	2025 Actual	Variance
Government transfers for operating	\$ 61.4	\$ 63.2	\$ 1.8
Other	\$ 1.1	\$ 1.1	\$ -
Interest	\$ 0.8	\$ 1.0	\$ 0.2
Donations	\$ 0.9	\$ 0.9	\$ -
Gain on disposal of tangible capital assets	\$ 0.1	\$ 0.2	\$ 0.1
Fines and charges	\$ 0.2	\$ 0.1	\$ (0.1)
Operating Revenues	\$ 64.5	\$ 66.5	\$ 2.0

EPL exceeded its operating revenue by \$2.0 million in 2025, representing a favourable variance of 3.1 per cent. This strong performance can be attributed to an increase in funding from the City of Edmonton and higher than anticipated interest revenue on investments.

Capital Revenues

(millions of \$)

	2025 Budget	2025 Actual	Variance
Donations for capital	\$ -	\$ 0.4	\$ 0.4
Government transfers for capital	\$ 8.1	\$ 7.0	\$ (1.1)
Transfers to the City of Edmonton for capital	\$ -	\$ (1.6)	\$ (1.6)
Capital Revenues	\$ 8.1	\$ 5.8	\$ (2.3)

EPL spent \$2.3 million less than budgeted on capital acquisitions in 2025 or 28.4 per cent. This is primarily due to lower than anticipated spending on the acquisition of physical library materials and higher than anticipated transfer of capital assets to the City of Edmonton.

Operating Expenses

(millions of \$)

	2025 Budget	2025 Actual	Variance
Salaries, wages and benefits	\$ 45.5	\$ 46.2	\$ (0.7)
Amortization of tangible capital assets	\$ 9.7	\$ 8.5	\$ 1.2
Building operations	\$ 5.1	\$ 5.4	\$ (0.3)
Utilities and other	\$ 4.6	\$ 4.4	\$ 0.2
Books and library materials	\$ 3.8	\$ 4.1	\$ (0.3)
Services	\$ 3.2	\$ 2.8	\$ 0.4
Material goods and supplies	\$ 3.0	\$ 2.7	\$ 0.3
Operating Expenses	\$ 74.9	\$ 74.1	\$ 0.8

In 2025, operating expenses were less than budget by \$0.8 million or 1.0 per cent. This favourable variance is a result of savings in utilities, stationery, computer hardware maintenance, and vehicle expenses. These favourable variances were offset by higher salaries, wages and benefits due to increased benefit premiums for employees and higher than anticipated expenses for building operations for snow removal and unplanned maintenance expenses.



Financial CONTROL AND ACCOUNTABILITY

EPL maintains the following processes to ensure that appropriate financial control and accountability are maintained, and a proactive approach is taken to identify and address financial challenges.



FINANCIAL GOVERNANCE

The Alberta Libraries Act and Libraries Regulation empower the EPL Board of Trustees with full control of the municipal library. This means the Board is responsible for:

Leading the Way: The Board ensures that comprehensive and efficient library services for the municipality are organized, promoted, and maintained.

Financial Oversight: The Board reviews and approves all financial matters, including short- and long-term plans, the proposed operating and capital budgets, financial statements, and quarterly financial performance reports.

Risk Management: The Board regularly reviews potential risks and ensures mitigation strategies are in place.

Sound Decision-Making: The Board's Finance and Audit Committee meets regularly to review financial matters and make recommendations to the Board.

BUILDING A BUDGET FOR THE FUTURE

EPL takes a strategic approach to budgeting, ensuring alignment with long-term goals, which considers the following:

Shared Vision: EPL's strategic goals are developed in collaboration with the Board of Trustees and the Senior Leadership Team, creating a unified vision for the Library system.

Planning and Performance: This vision is translated into strategic and business plans that guide budget development.

Two Budgets, One Focus: EPL creates separate operating and capital budgets. The operating budget outlines annual spending for day-to-day operations, while the capital budget focuses on funding larger projects over a four-year horizon. Both budgets are informed by the 10-Year Capital Priorities Plan, ensuring long-term needs are considered.

Approval Process: The EPL Board of Trustees approves the operating and capital budget, reflecting their governance role of oversight. City Council is responsible for approving EPL's funding request for operations and funding requisitions for each capital project.

Funding Sources: EPL's capital budget can be funded from various sources including grants, donations, and City Council allocations. The current approved capital budget is for the period 2023 to 2026.

ENSURING FINANCIAL ACCURACY AND SECURITY

EPL prioritizes financial accuracy and responsible resource management. This is achieved through the following:

Centralized Expertise: EPL's Financial Services Division acts as a central financial hub, overseeing accounting, reporting, treasury functions, and more. This centralized structure ensures consistent practices across all library locations.

Streamlined Operations: EPL leverages a shared accounting, reporting, and payroll system with the City of Edmonton. This collaboration simplifies processes for both entities.

Robust Controls: EPL maintains a comprehensive system of internal controls, including policies and procedures. These controls safeguard library assets and ensure the accuracy of financial information.

Continuous Monitoring: The EPL Senior Leadership Team regularly reviews and updates internal controls, adapting to evolving needs. The EPL Board of Trustees receives annual updates on these controls and any associated risks.

Risk Management, FUTURE OUTLOOK

DEMONSTRATING ACCOUNTABILITY: ANNUAL AUDITS

EPL undergoes a rigorous annual audit process to ensure transparency and accountability. Here is a breakdown of the process:

Independent Review: As mandated by City Bylaw 12540, EPL's financial statements are audited annually by an independent firm. Currently, KPMG LLP, Chartered Professional Accountants, fulfills this role.

Comprehensive Analysis: The auditors conduct a thorough review of EPL's financial health, working closely with the Executive Team.

Reporting Findings: Following the audit, a detailed report outlining the auditors' findings is presented to the Finance and Audit Committee, along with the financial statements.

Board Approval: After careful review by the Finance and Audit Committee, the Board of Trustees formally approves the financial statements.

2025 Success: In 2025, EPL received a clean audit opinion with no formal recommendations for improvement. This signifies the strong financial management practices in place.

SAFEGUARDING THE FUTURE: PROACTIVE RISK MANAGEMENT

EPL recognizes the importance of proactive risk management for long-term success. Here is the approach:

Strong Relationships: EPL cultivates positive relationships with funders, Edmonton City Council, the Government of Alberta, as well as our sponsors, donors, and customers. This collaborative approach strengthens EPL's sustainability.

Enterprise-Wide Focus: We use an enterprise risk management strategy working closely with the Board's Finance and Audit Committee. This ensures a comprehensive view of potential risks across the organization.

Building on a Foundation: EPL leverages existing risk management practices while continuously refining them. A key focus is establishing consistent methods for assessing the likelihood and impact of potential risks, allowing for better decision-making.

Identifying Key Areas: EPL prioritizes specific risk areas, including technology and data security, long-term funding, and intellectual freedom.

Adapting to Change: EPL acknowledges the need for agility in meeting future customer needs. The Enterprise Risk Management process is always continually evolving to ensure EPL remains prepared for any challenges that may arise.

BUILDING A BRIGHTER FUTURE: STABILITY AND INNOVATION

Throughout 2025, EPL consistently focused on financial health, allowing us to deliver innovative and valuable services to our customers. This commitment, along with our strong reputation for being the city's best place to learn, explore, and experience has solidified EPL's position as a leader in the Edmonton community.

EPL's strong reputation and the ongoing support of the Board, City Council, Provincial Government, and other Library stakeholders enabled the Library to continuously improve and achieve our strategic goals. Thanks to this support, EPL customers from all walks of life can access the wide range of resources, programs and services the Library offers.





A CLEAR VISION FOR THE FUTURE

EPL's 2024-2026 Strategic Plan serves as a roadmap for continued success. The plan outlines three key goals:

EPL is the best place to learn. EPL is Edmonton's hub for growing life skills, developing early and digital literacy skills and accessing diverse technologies.

EPL is the best place to explore. Edmontonians choose EPL to read, watch and listen for learning, entertainment and exploring diverse ideas.

EPL is the best place to experience. EPL creates and is recognized for exceptional experiences where everyone belongs.

ADAPTING TO CHANGE

While these goals provide a foundation for moving forward, EPL recognizes the need for agility in a changing environment. Moving forward, EPL will need to monitor and assess:

Sustainable Funding: EPL acknowledges the risks associated with municipal and provincial funding with the economic challenges of increasing inflation and rising interest rates. We will continue to monitor the situation and explore mitigation strategies.

Optimizing Resources: As past efforts have yielded efficiencies, finding additional savings may become more difficult. We will continue to focus on maximizing the value of existing resources to deliver high-quality services.

Alternative Service Delivery: We recognize that future growth may necessitate innovative service delivery models. EPL will continue to explore new approaches to engage EPL users, expand memberships and stay relevant.

A PROACTIVE APPROACH

The EPL Board's ongoing review of enterprise risks allows EPL to be more proactive in addressing potential challenges. With a strong foundation of financial resources, expertise, and a clear vision, EPL is well-positioned to continue delivering essential and well-used services to the Edmonton community, embracing both stability and innovation in the years to come.



Audited **FINANCIAL** **STATEMENTS**

Management's Report

The financial statements of the City of Edmonton Library Board (the "Library") are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards, as disclosed in the notes to the financial statements. The financial statements include amounts that are based on the best estimates and judgments of management. Management has determined these estimates on a reasonable basis to ensure that the financial statements are presented fairly, in all material respects.

Management maintains systems of accounting, budget, and other internal controls to provide reasonable assurance that the transactions are appropriately authorized and accurately recorded, and that assets are properly accounted for and safeguarded. The existence of these systems and controls help to ensure that the financial statements realistically report the Library's operating and financial results.

The financial statements have been audited by the independent audit firm KPMG LLP, Chartered Professional Accountants. Their report to the Trustees of the City of Edmonton Library Board, stating the scope of their examination and their opinion on the financial statements follows.

A handwritten signature in blue ink, appearing to read 'Pilar Martinez', is written over a horizontal line.

Pilar Martinez
Chief Executive Officer

March 24, 2026

A handwritten signature in black ink, appearing to read 'Cody Tomanek', is written over a horizontal line.

Cody Tomanek
Chief Financial Officer

March 24, 2026



KPMG LLP
2200, 10175 – 101 Street
Edmonton, AB T5J 0H3
Canada
Tel 780 429 7300
Fax 780 429 7379

INDEPENDENT AUDITOR'S REPORT

To the Trustees of City of Edmonton Library Board

Opinion

We have audited the financial statements of the City of Edmonton 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Edmonton, Canada

March 24, 2026

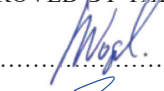
THE CITY OF EDMONTON LIBRARY BOARD
Statement of Financial Position
As at December 31, 2025


	<u>2025</u>	<u>2024</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 5,861,526	\$ 27,982,399
Accounts receivable (Note 3)	240,045	390,882
Investments (Note 4)	20,585,240	-
	<u>26,686,811</u>	<u>28,373,281</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	3,303,540	1,873,063
Due to the City of Edmonton (Note 6)	3,026,493	1,382,586
Deferred revenue (Note 7)	842,790	966,052
Employee benefit obligations (Note 8)	3,733,480	3,611,703
	<u>10,906,303</u>	<u>7,833,404</u>
NET FINANCIAL ASSETS	<u>15,780,508</u>	<u>20,539,877</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	33,213,466	30,046,780
Inventory for consumption	239,531	291,513
Prepaid expenses (Note 10)	1,392,938	1,492,398
	<u>34,845,935</u>	<u>31,830,691</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 50,626,443</u>	<u>\$ 52,370,568</u>

COMMITMENTS (Note 12)

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

APPROVED BY THE BOARD

.....
 Director

 Director

THE CITY OF EDMONTON LIBRARY BOARD
Statement of Operations and Accumulated Surplus
For the Year ended December 31, 2025, with comparative information for 2024

	Budget (Note 13)	2025	2024
REVENUE			
Government transfers for operating (Note 14)			
City of Edmonton	\$ 55,734,927	\$ 57,504,721	\$ 55,004,322
Provincial Government	5,649,874	5,651,803	5,651,803
Other	1,083,131	1,145,723	897,057
Interest	833,932	1,012,500	1,349,138
Donations	861,719	937,043	1,128,485
Gain on disposal of tangible capital assets	125,000	175,421	175,835
Fines and charges	150,000	121,518	114,510
TOTAL REVENUE	64,438,583	66,548,729	64,321,150
EXPENSES			
Salaries, wages, and benefits	45,531,423	46,228,094	44,719,067
Amortization of tangible capital assets	9,680,601	8,539,791	9,080,383
Building operations	5,067,855	5,368,835	4,664,806
Utilities and other	4,635,618	4,489,578	4,139,355
Books and library materials	3,830,650	4,067,111	3,780,045
Services	3,195,323	2,774,292	2,979,152
Material goods and supplies	3,007,597	2,663,821	3,021,860
TOTAL EXPENSES	74,949,067	74,131,522	72,384,668
ANNUAL DEFICIT BEFORE OTHER	(10,510,484)	(7,582,793)	(8,063,518)
OTHER			
Donations for capital (Note 9)	-	421,545	155,000
Government transfers for capital (Note 14)	8,090,743	7,008,143	7,477,109
Transfers to City of Edmonton for capital (Note 14)	-	(1,591,020)	(352,731)
TOTAL OTHER	8,090,743	5,838,668	7,279,378
ANNUAL DEFICIT	(2,419,741)	(1,744,125)	(784,140)
ACCUMULATED SURPLUS, OPENING	52,370,568	52,370,568	53,154,708
ACCUMULATED SURPLUS, CLOSING	\$ 49,950,827	\$ 50,626,443	\$ 52,370,568

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

THE CITY OF EDMONTON LIBRARY BOARD

Statement of Change in Net Financial Assets

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

	Budget (Note 13)	2025	2024
ANNUAL DEFICIT	\$ (2,419,741)	\$ (1,744,125)	\$ (784,140)
Acquisition of tangible capital assets	(8,090,743)	(11,706,477)	(7,107,443)
Proceeds from disposal of tangible capital assets	125,000	175,421	175,835
Amortization of tangible capital assets	9,680,601	8,539,791	9,080,383
Gain on disposal of tangible capital assets	(125,000)	(175,421)	(175,835)
	1,589,858	(3,166,686)	1,972,940
Net use of inventory for consumption	-	51,982	2,955
Net use (acquisition) of prepaid expenses	-	99,460	(44,290)
	-	151,442	(41,335)
CHANGE IN NET FINANCIAL ASSETS	(829,883)	(4,759,369)	1,147,465
NET FINANCIAL ASSETS, OPENING	20,539,877	20,539,877	19,392,412
NET FINANCIAL ASSETS, CLOSING	\$ 19,709,994	\$ 15,780,508	\$ 20,539,877

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

THE CITY OF EDMONTON LIBRARY BOARD

Statement of Cash Flows

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

	2025	2024
NET INFLOW (OUTFLOW) OF CASH AND CASH EQUIVALENTS		
OPERATING ACTIVITIES		
Annual deficit	\$ (1,744,125)	\$ (784,140)
Items not affecting cash and cash equivalents:		
Amortization of tangible capital assets	8,539,791	9,080,383
Gain on disposal of tangible capital assets	(175,421)	(175,835)
Change in non-cash operating working capital items:		
Accounts receivable	150,837	(148,265)
Accounts payable and accrued liabilities	1,430,477	(882,310)
Deferred revenue	(123,262)	98,572
Employee benefit obligations	121,777	(284,819)
Inventory for consumption	51,982	2,955
Prepaid expenses	99,460	(44,290)
	8,351,516	6,862,251
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(11,706,477)	(7,107,443)
Proceeds from disposal of tangible capital assets	175,421	175,835
	(11,531,056)	(6,931,608)
INVESTING AND FINANCING ACTIVITIES		
Increase in Due to the City of Edmonton	1,643,907	2,347,331
Purchase of investments including reinvested interest	(20,585,240)	-
	(18,941,333)	2,347,331
CHANGE IN CASH AND CASH EQUIVALENTS	(22,120,873)	2,277,974
CASH AND CASH EQUIVALENTS, OPENING	27,982,399	25,704,425
CASH AND CASH EQUIVALENTS, CLOSING	\$ 5,861,526	\$ 27,982,399

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

THE CITY OF EDMONTON LIBRARY BOARD

Schedule of Tangible Capital Assets

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

	Land	Land Improvements	Buildings	Leasehold Improvements	Library Materials	Machinery and Equipment	Vehicles	Assets Under Construction	Capital Work In Progress	2025	2024
COST											
Balance, beginning of year	\$ 1	\$ 504,862	\$ 5,073,483	\$ 2,243,653	\$ 31,424,596	\$ 31,507,970	\$ 1,077,774	\$ 528,015	\$ (499,506)	\$ 71,860,848	\$ 65,404,571
Acquisition of tangible capital assets	-	-	-	1,482,108	5,617,161	4,163,112	158,855	391,898	(106,657)	11,706,477	7,107,443
Write-off of fully amortized tangible capital assets	-	-	-	(332,524)	(10,776,165)	(9,142,117)	-	-	-	(20,250,806)	(651,166)
Balance, end of year	1	504,862	5,073,483	3,393,237	26,265,592	26,528,965	1,236,629	919,913	(606,163)	63,316,519	71,860,848
ACCUMULATED AMORTIZATION											
Balance, beginning of year	-	373,332	3,646,991	1,916,465	18,684,799	16,545,498	646,983	-	-	41,814,068	33,384,851
Annual amortization	-	20,196	190,543	107,229	5,160,934	2,997,077	63,812	-	-	8,539,791	9,080,383
Write-off of fully amortized tangible capital assets	-	-	-	(332,524)	(10,776,165)	(9,142,117)	-	-	-	(20,250,806)	(651,166)
Balance, end of year	-	393,528	3,837,534	1,691,170	13,069,568	10,400,458	710,795	-	-	30,103,053	41,814,068
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1	\$ 111,334	\$ 1,235,949	\$ 1,702,067	\$ 13,196,024	\$ 16,128,507	\$ 525,834	\$ 919,913	\$ (606,163)	\$ 33,213,466	\$ 30,046,780

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

NATURE OF THE ORGANIZATION

The City of Edmonton Library Board (the “Library”) operates under the authority of the Libraries Act of Alberta and is administered by an independent board which reports to Council of the City of Edmonton. The Library operates 21 public libraries and derives revenues for library operations through grants from the City of Edmonton and the Province of Alberta. The Library is a registered charity and is not subject to income tax.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Library are prepared in accordance with Canadian public sector accounting standards. Significant aspects of accounting policies adopted by the Library are as follows:

a) *Basis of accounting*

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

b) *Use of estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management’s estimates include the collectible amounts of accounts receivable, amortization periods for tangible capital assets, asset retirement obligations and the amount of accrued liabilities. The income replacement plan and post-employment benefit liabilities are subject to actuarial assumptions and estimates.

Actual results could differ from these estimates.

c) *Foreign currency translation*

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies are translated into Canadian dollars at the exchange

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

rate prevailing at the financial statement date. Foreign exchange gains and losses are recognized in the Statement of Operations.

d) *Financial Instruments and Fair Values*

The Library's financial assets and liabilities are measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost and amortized cost
Accounts receivable	Amortized cost
Investments	Amortized cost
Accounts payable and accrued liabilities	Cost
Due to the City of Edmonton	Cost

As all financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses. Therefore, the Statement of Remeasurement Gains (Losses) has been excluded.

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

All financial assets are tested annually for impairment. When financial assets are impaired, the impairment losses are recorded in the Statement of Operations.

Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. Transaction costs are added to the carrying value of the instruments when they are initially recognized.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the Library's normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities.

Canadian public sector accounting standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and short-term, highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment purposes.

f) Investments

Investments are recorded at amortized cost less any amount for permanent impairment. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investment. Investment earnings are recorded as revenue in the period earned.

g) Government transfers

Government transfers are the transfer of monetary or tangible capital assets from other orders of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

Unallocated costs, comprising of materials and services contributed by related parties in support of the Library's operations are not recognized in these financial statements.

h) Non-government transfer revenue

Non-government transfer revenue including the sales of services and products including room rental, leases, photocopying and printing and other general sales are considered exchange transactions and are recognized as revenue when or as the Library fulfills its performance obligations and transfers control of the promised goods or sales to the payor. If a performance obligation is outstanding at the end of the fiscal year, the remaining revenue is deferred.

Non-government transfer revenue without a performance obligation including fines and penalties, are non-exchange transactions and are recognized when the Library has the authority to claim or retain the revenue.

i) Employee benefit obligations

The cost of post-employment benefits, compensated absences and termination benefits are recorded as an expense when the event that gives rise to the obligation occurs.

The Library employees participate in the Local Authorities Pension Plan that is a multi-employer defined benefit pension plan administered by a third party. Contributions to the plan for current and past service are recorded as expenses in the period in which they become due.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

j) 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.

A liability for the removal of asbestos in a building owned by the Library has been recognized based on estimated future expenses on closure of the site and post-closure care. Assumptions used in the calculations are revised annually.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense, which is recorded within utilities and other expenses. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The buildings capital assets affected by the asbestos liability are being amortized with the building following the depreciation accounting policies outlined in Note 1k(i).

k) 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 normal course of operations.

i. 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 the tangible capital asset. Where an estimate of fair value cannot be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned. The Library does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over the estimated useful life of the tangible capital assets as follows:

Land improvements	25 years
Buildings	10-60 years
Leasehold improvements	lease term
Library materials	5 years
Machinery and equipment	4-40 years
Vehicles	5 years

Assets under construction and capital work in progress are not amortized until the asset is available for productive use.

Tangible capital assets acquired as contributions are recorded at their fair value on the date received and corresponding revenues are recorded as contributed tangible capital assets on the Statement of Operations and Accumulated Surplus.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

ii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially the entire 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 lease payments are charged to expenses on a straight-line basis over the term of the lease. Contributions from landlords for lease and contract incentives are amortized on a straight-line basis over the term of the lease.

iii. Inventory of material and supplies

Inventory of material and supplies are recorded at the lower of cost and replacement cost.

iv. Cultural, historical tangible capital assets and works of art

Works of art for display are not recorded as tangible capital assets and are not amortized. Costs for public art are expensed in the period they are incurred.

l) Reserves for future expenditures

Certain amounts, as approved by the Board of Trustees, are designated within accumulated surplus as reserves for future operating and capital expenditures.

m) Future Accounting Standard Pronouncements

The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework for Financial Reporting in the Public Sector (the Conceptual Framework) replaces the conceptual aspects of Section PS 1000, *Financial Statement Concepts*, and Section PS 1100, *Financial Statement Objectives*. Adoption is required for fiscal periods beginning on or after April 1, 2026. The Library will continue to assess the impact and prepare for the adoption of this standard.

Financial Statement Presentation

PS 1202, *Financial Statement Presentation* sets out general and specific requirements for the presentation of information in general purpose financial statements (“financial statements”). The financial statement presentation principles are based on the concepts in the Conceptual Framework, and particularly respond to the financial statement objectives set out in Chapter 6 of the Conceptual Framework. Adoption is required for fiscal periods beginning on or after April 1, 2026. The Library will continue to assess the impact and prepare for the adoption of this standard.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

2. CASH AND CASH EQUIVALENTS

	2025	2024
Cash	\$ 5,861,526	\$ 27,982,399

The Library's Cash balance consists of a chequing account and Premier Investment Account (PIA). The PIA is recorded as the cash balance as at December 31, 2025.

3. ACCOUNTS RECEIVABLE

	2025	2024
Accrued Interest	\$ 12,350	\$ 89,825
Trade and other	12,722	46,018
Contributions & Grants	69,146	35,786
Good and services tax receivable	145,827	219,253
	\$ 240,045	\$ 390,882

4. INVESTMENTS

Investments consist of two guaranteed investment certificates (GIC). One GIC is a fixed term and redeemable after 365 days with an interest rate of 3.75% and a maturity date of March 8, 2027. The second GIC is a fixed term and redeemable after 365 days with an interest rate of 3.95% and a maturity date of May 15, 2030. The GIC's are recorded at cost plus any accrued interest earned to the end of December 31, 2025. Previously, all investment were held in a Premier Investment Account.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade and other	\$ 3,186,125	\$ 1,770,309
Asset retirement obligations	117,415	102,754
	\$ 3,303,540	\$ 1,873,063

Asset Retirement Obligations

The Library recognized an obligation relating to the removal and post-removal care of the asbestos in this building. Abatement activities are expected to occur at the end of the useful life of the building, which is in 47 years (2024 – 48 years). Estimated costs have been discounted using the Library's estimated long-term cost of borrowing rate of 4.03% (2024 – 4.73%). During the year, the Library recorded an increase in asset retirement obligations of \$12,261 (2024 – increase of \$1,785) resulting from a change in the discount rate. The estimated undiscounted cash flow required to settle asset retirement obligations is \$304,094.

Changes to the asset retirement obligation in the year are as follows:

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

	2025		2024	
Balance, beginning of year	\$	102,754	\$	98,628
Accretion expense	\$	2,400	\$	2,341
Revisions in estimates		12,261		1,785
Balance, end of year	\$	117,415	\$	102,754

6. DUE TO THE CITY OF EDMONTON

The amount due to or from the City of Edmonton are unsecured, have no fixed term of payment and bears interest at the City's short-term weighted average interest rate of 3.013% (2024 – 4.722%).

7. DEFERRED REVENUE

Deferred Revenue represents unspent resources externally restricted for program & service expenses in future years. Changes in the deferred revenue balances are as follows:

	2024		Amounts Received		Revenue Recognized		2025	
Lease and Contract Incentives	\$	120,903	\$	-	\$	(38,731)	\$	82,172
Milner Library Renewal		218,990		21,000		(145,465)		94,525
Library Materials		120,989		170,000		(104,382)		186,607
Programs & Services		138,641		251,679		(176,878)		213,442
Other		366,529		156,259		(256,744)		266,044
	\$	966,052	\$	598,938	\$	(722,200)	\$	842,790

8. EMPLOYEE BENEFIT OBLIGATIONS

	2025		2024	
Accrued vacation	\$	2,235,210	\$	2,167,874
Post-employment benefits		1,434,412		1,374,479
Health care spending		60,977		67,493
Banked overtime		2,881		1,857
	\$	3,733,480	\$	3,611,703

The Library participates in major medical, dental and other employee benefit plans sponsored by the City of Edmonton which are funded through employee and/or employer contributions. Premium contributions, interest earnings, payments for benefit entitlements and administrative costs are applied to each of the respective plans.

Post-employment benefits represent the Library's obligation for the continuation of benefits for employees on long-term disability, the Library's share of pensioners' eligible medical and dental costs in excess of contributions made to the plan and a Supplementary Management Retirement Plan for designated management employees of the Library.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

In order to measure the post-employment obligation, an actuarial valuation as at December 31, 2025, was completed by Eckler Ltd. regarding the continuation of benefit coverage while eligible employees are on long-term disability. The discount rate used in the valuation is 3.00% (2024 – 3.00%). The accrued benefit obligation as at December 31, 2025 is \$1,122,200 (2024 - \$1,108,700).

Eligible post-employment medical and dental obligations are estimated based on five-year average pensioners' claim costs in excess of contributions until the pensioners' reach age 65. Eligible medical obligations for 2025 were \$26,872 (2024 - \$33,633), eligible dental obligations for 2025 were \$29,200 (2024 - \$34,386) and eligible Workers' Compensation Board (WCB) obligations for 2025 were \$10,140 (2024 - \$1,760).

The Supplementary Management Retirement Plan has an unamortized net loss of \$3,000 (2024 – gain of \$2,000) which will be amortized over the three (2024 – four) year average remaining service period of active plan participants.

The Library participates in a Group Life Insurance Plan, funded equally by employer and employees. The Plan is administered by Great West Life.

9. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2025	2024
Land	\$ 1	\$ 1
Land Improvements	111,334	131,530
Buildings	1,235,949	1,426,492
Leasehold improvements	1,702,067	327,188
Library Materials	13,196,024	12,739,797
Machinery and equipment	16,128,507	14,962,472
Vehicles	525,834	430,791
	\$ 32,899,716	\$ 30,018,271
Assets under construction	313,750	28,509
	\$ 33,213,466	\$ 30,046,780

In 2025, the Library received \$421,545 (2024 – \$155,000) in donations used to acquire tangible capital assets.

The Library owns original artworks that are on permanent display or in storage at various library locations. The artworks were donated to the Library and have significant cultural and historical value in perpetuity.

The Schedule of Tangible Capital Assets provides costs and accumulated amortization information for each of the asset classifications.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

10. PREPAID EXPENSES

	2025	2024
Computer software and hardware maintenance	\$ 765,161	\$ 820,410
Library material subscriptions	451,688	494,211
Other	176,089	177,777
	\$ 1,392,938	\$ 1,492,398

11. ACCUMULATED SURPLUS

Accumulated surplus consists of unrestricted amounts, reserves for future expenditures and equity in tangible capital assets as follows:

	2025	2024
Unrestricted surplus	\$ 6,244,763	\$ 5,924,560
Reserves for future expenditures		
Branch Expansion and Renovation	3,055,226	7,026,294
Riverbend Branch Relocation	2,500,000	2,500,000
IT Infrastructure Renewal	2,151,721	3,908,225
Fundraising Initiatives	2,125,036	1,722,888
Budget Carryforward	685,389	694,295
Unallocated	768,257	650,280
	11,285,629	16,501,982
Equity in tangible capital assets	33,096,051	29,944,026
	\$ 50,626,443	\$ 52,370,568

The unrestricted surplus has been increased as per the Financial Reserve Policy, which aligns to one months operating expenditures.

Reserves for future expenditures are comprised of both committed and uncommitted funds. Committed funds of \$10,517,372 (2024 - \$15,851,701) are designated for programs and projects as approved by the Board and the remaining \$768,257 (2024 - \$650,280) of reserves is uncommitted for future allocation to Library operating and capital projects.

Equity in tangible capital assets includes assets acquired by the Library and asset retirement obligations to be funded in future years.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

12. COMMITMENTS

Operating Lease Agreements

The Library has entered into a number of operating lease agreements, mainly focused on facilities and equipment. Future minimum lease payments, excluding operating costs, over the next five years are as follows:

2026	\$ 1,491,003
2027	1,260,382
2028	924,126
2029	789,803
2030	603,647

Other Operating and Capital Commitments

The Library entered into a number of contracts and agreements for the delivery of goods and services during the year. The Library identified \$5,651,300 in future commitments focused on the purchase and payment of library collections, furniture, equipment, building operations and maintenance, software, library programming and library supplies over the next 12 months.

Pledges and Donor Commitments

The Library has gift/pledge agreements from individual and corporate donors who have committed to donating to the Library in the future years to support library programs and projects. The Library consults with donors (at least annually) to either receive their pledged gifts or reaffirm their intent to fulfill their future commitment. The Library records gifts and pledge donations once there is reasonable assurance that the donor will fulfill their commitment. In 2025, future commitments of \$20,000 for the Milner Library Renewal Project and \$848,320 for the Library School program were not recognized in the financial statements.

13. PRESENTATION OF BUDGET INFORMATION

The Library prepared a multi-year budget for 2023 to 2026, which was presented and approved by City Council in December 2022 and the Board of Trustees in February 2023. For presentation and comparison purposes, the original operating budget reflected in these financial statements is consistent with amounts approved by Council with the passing of Bylaw 21068 - 2025 Property Tax and Supplementary Property Tax on April 30, 2025, which incorporates the operating budget and ratifies the Library's 2025 operating funding. The capital budget reflected in these financial statements is based on the capital budget originally approved by Council in December 2022 and the Board of Trustees in February 2023, as part of the overall 2023-2026 capital budget, plus carry forward of unspent capital budget from previous years.

The budget is reported on an accrual basis, consistent with principles applied in the consolidated financial statements. Included in the table below are presentation and elimination adjustments required to comply with Canadian public sector accounting standards for inclusion in the Consolidated Statement of Operations and Accumulated Surplus.

Some of the approved Library budget information has been adjusted to include budget authorizations included in the City of Edmonton operating budget but available to the Library in funding its acquisition of tangible capital assets. The following identifies those items that have been adjusted for financial statement presentation purposes:

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

	Operating Revenue	Operating Expense	Capital Revenue
Budget approved by Board, February 18, 2025	71,788,998	71,788,998	1,720,149
Amortization		9,680,601	
Transfers to reserves	(979,821)	(490,260)	
Transfers to capital		(6,030,272)	
Capital project financing approved in 2025			
operating budget	(6,370,594)		6,370,594
	\$ 64,438,583	\$ 74,949,067	\$ 8,090,743

14. GOVERNMENT TRANSFERS

The following government transfers have been included in revenues:

	2025	2024
TRANSFERS FOR OPERATING		
City of Edmonton	\$ 57,504,721	\$ 55,004,322
Provincial		
Alberta Municipal Affairs - Per Capita Grant	5,453,449	5,453,449
Alberta Municipal Affairs - Metro Federation Grant	126,000	126,000
Alberta Municipal Affairs - Voices of the Land	62,000	62,000
Alberta Municipal Affairs - Indigenous Services	10,354	10,354
	5,651,803	5,651,803
	63,156,524	60,656,125
TRANSFERS FOR CAPITAL		
City of Edmonton	7,008,143	7,477,109
	7,008,143	7,477,109
TRANSFERS TO CITY OF EDMONTON	(1,591,020)	(352,731)
NET GOVERNMENT TRANSFERS	\$ 68,573,647	\$ 67,780,503

Alberta Municipal Affairs – Per Capita Grant

The Library received an unconditional per capita operating grant from Alberta Municipal Affairs in support of the operations of the Library.

Alberta Municipal Affairs – Metro Federation Grant

Alberta Municipal Affairs provides a grant in support of costs incurred for delivery van costs for an interlibrary regional delivery service.

Alberta Municipal Affairs – Voices of the Land

The Alberta government is providing grant funding for the sharing of Indigenous Stories on an open technology platform. The grant is used by the Library to engage with local Indigenous

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

communities to gather and record Indigenous culture through storytelling and sharing the stories on a digital public space.

Alberta Municipal Affairs – Indigenous Services

The Alberta government is providing grant funding to expand service to on-reserve and on-settlement populations. The grant is used by the Library to continue to build and nurture relationships with Indigenous organizations, and complete the online reporting tool, which will provide statistics on number of on-reserve and on-settlement library card holders.

Transfers to City of Edmonton

In 2025, \$1,591,020 (2024 - \$352,731) in funding held by the Library was transferred to the City of Edmonton for building improvement of the Stanley A. Milner, Woodcroft, and Sprucewood library branches (2024 – Stanley A. Milner library branch).

15. TRANSACTIONS WITH RELATED PARTIES

Related parties to the Library include the Library Board of Trustees, key management personnel and the City of Edmonton. Key management personnel is defined by the Library to include the Executive and Senior Leadership Teams.

Related party transactions with the Library Board of Trustees and key management personnel are considered to be undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.

Certain administrative services provided to the Library by the City of Edmonton at no cost and are not reflected in these financial statements. These include accounts payable, payroll payments, as well as risk management services.

In addition, the City of Edmonton owns eleven (11) libraries that are leased to the Library for a nominal amount of \$1 dollar. Four lease agreements exist with a minimum lease term of 5 years plus options to extend the lease up to a maximum of two additional 5-year terms. The Library is responsible for the operation, maintenance and rehabilitation and renewal of these facilities.

Interest expenses of \$81,571 (2024 – \$47,545) were paid to the City of Edmonton on funds loaned to the Library during the year.

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

16. LOCAL AUTHORITIES PENSION PLAN

All employees of the Library are members of the Local Authorities Pension Plan (“LAPP”), which is one of the multi-employer plans subject to the Public Sector Pension Plans Act. The Library is required to make current service contributions to the LAPP of 8.45% (2024 – 8.45%) of pensionable payroll up to the yearly maximum pensionable earnings (“YMPE”) and 11.65% (2024 – 11.65%) thereafter. Employees of the Library are required to make current service contributions of 7.45% (2024 – 7.45%) of pensionable salary up to YMPE and 10.65% (2024 – 10.65%) thereafter. Contributions for current service are recorded as expenditures in the year in which they become due. Total current service contributions by the Library to the LAPP in 2025 were \$3,051,747 (2024 – \$2,917,475). Total current service contributions by the employees of the Library to the LAPP in 2025 were \$2,710,026 (2024 – \$2,591,917).

The LAPP reported a surplus for the overall plan as at December 31, 2024 of \$19,557 million. (2023 \$15,057 million).

17. FINANCIAL RISK MANAGEMENT

The Library is exposed to a variety of financial risks associated with its financial instruments. These financial risks include credit risk, interest rate risk, foreign currency risk, and liquidity risk. There have been no significant changes to risk exposures, objectives and policies compared to 2024.

Credit risk

Credit risk is the risk of financial loss occurring as a result of default or insolvency of counter-party on its obligation to the Library. The Library’s accounts receivable are exposed to credit risk as there is a risk of counterparty default. The Library believes it has low exposure to credit risk as the majority of balances are due from government agencies and financial institutions.

Interest rate risk

Interest rate risk is the risk that future cash flows or fair values will fluctuate due to the volatility of market interest rates. This risk is managed by the Library’s treasury management policy which limits investments to financial institution savings accounts, guaranteed investment certificates (GICs) or treasury bills.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Library is exposed to foreign currency risk between the Canadian dollar and foreign currency primarily because of its purchases in U.S. dollars. Financial instruments subject to foreign currency risk include cash and cash equivalents, and accounts payable.

The Library believes the exposure to currency risk is low given the low magnitude and volume of foreign currency transactions.

Liquidity risk

THE CITY OF EDMONTON LIBRARY BOARD

Notes to the Financial Statements

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

Liquidity risk is the risk that the Library will encounter difficulty in meeting its financial obligations when they become due. The Library is primarily funded by the City of Edmonton, based on budgeted expenditures, and by the Province of Alberta, based on a per capita operating grant. There is an expectation of continued support of these government transfers. The Library maintains a line of credit with the City of Edmonton to ensure availability of funds to meet current and forecasted financial requirements.

The Library believes it has low exposure to liquidity risk, based on its assessment of future cash flows, as it will have access to sufficient capital through internally generated cash flows, external sources and the line of credit to meet current spending forecasts.

18. CHARITABLE FUNDRAISING

As required under section 7(2) of the Charitable Fundraising Regulation in Alberta, the following amounts are disclosed:

	2025	2024
Donations and contributions	\$ 1,223,789	\$ 1,212,931
Library fundraising events and sponsorship	396,990	259,703
	1,620,779	1,472,634
Remuneration paid to employees for fundraising	272,544	273,162
Expenses incurred for the purpose of fundraising	178,862	180,640
	451,406	453,802

Fundraising proceeds are utilized by the Library for one-time, strategic, or capital initiatives that fall outside of ongoing government-funded operations.



STATISTICS

General LIBRARY DATA

For the Years Ended December 31, 2021-2025 (Unaudited)

	2025	2024	2023	2022 ¹	2021 ¹
Total FTE's²	512.8	491.8	490.6	487.0	460.2
Total Free Programs Presented³	16,569	16,276	14,659	9,530	2,768
Classes and Events Attendance³	518,270	477,103	456,865	426,279	320,683
Total In-Person Visits³	5,043,192	5,013,409	4,520,865	3,479,257	1,775,026
Total Public Internet Use Hours³	592,078	624,348	619,732	429,337	181,204
Library Usage³					
Physical Circulation	5,543,061	5,368,987	5,404,334	5,380,308	4,385,229
Electronic Usage	6,763,253	6,280,158	5,793,663	5,507,948	5,511,762
Memberships³					
Active Memberships	298,724	296,251	296,602	262,351	205,343
New Memberships	64,964	67,053	69,871	58,545	34,371
Total Population⁴	1,190,457	1,128,811	1,096,838	1,070,545	1,053,640

Notes

¹COVID-19 affected 2021 and 2022 statistics due to temporary closure of service points and as a result of temporary layoff of personnel.

² Positions are stated in full time equivalents.

³ Figures are per the Edmonton Public Library's Annual Reports.

⁴ Population data are EPL estimates based on Statistics Canada information.

REVENUE, EXPENSE, ANNUAL SURPLUS and ACCUMULATED SURPLUS

For the Years Ended December 31, 2021-2025 (Unaudited)

Revenues by Source	2025	2024	2023	2022 (Restated*)	2021
Government Transfers					
City of Edmonton	\$ 57,504,721	\$ 55,004,322	\$ 53,467,973	\$ 48,048,118	\$ 47,014,916
Provincial Government	\$ 5,651,803	\$ 5,651,803	\$ 5,651,803	\$ 5,251,222	\$ 5,181,513
Other	\$ 1,145,723	\$ 897,057	\$ 1,246,126	\$ 825,673	\$ 564,794
Interest	\$ 1,012,500	\$ 1,349,138	\$ 1,451,625	\$ 604,982	\$ 167,917
Donations	\$ 937,043	\$ 1,128,485	\$ 1,112,490	\$ 340,037	\$ 311,693
Gain on Disposal of Tangible Capital Assets	\$ 175,421	\$ 175,835	\$ 158,359	\$ 140,951	\$ 51,694
Fines and Charges	\$ 121,518	\$ 114,510	\$ 119,793	\$ 110,623	\$ 73,712
Total Revenues By Source	\$ 66,548,729	\$ 64,321,150	\$ 63,208,169	\$ 55,321,606	\$ 53,366,239
Expenses By Function					
Board	\$ 25,488	\$ 19,458	\$ 20,401	\$ 13,057	\$ 20,249
Administration	\$ 8,981,710	\$ 7,719,958	\$ 7,740,624	\$ 6,094,995	\$ 5,627,640
Branch Services	\$ 65,124,324	\$ 64,645,252	\$ 62,448,132	\$ 59,475,360	\$ 52,871,863
Total Expenses By Function	\$ 74,131,522	\$ 72,384,668	\$ 70,209,157	\$ 65,583,412	\$ 58,219,752
(Shortfall) of Revenues over Expenses before Other	\$ (7,582,793)	\$ (8,063,518)	\$ (7,000,988)	\$ (10,261,806)	\$ (4,853,513)
Other					
Contributed Tangible Capital Assets	\$ 421,545	\$ 155,000	-	\$ 58,999	\$ 472,847
Government Transfers for Capital	\$ 7,008,143	\$ 7,477,109	\$ 7,616,333	\$ 10,664,555	\$ 8,433,472
Transfer to the City of Edmonton	\$ (1,591,020)	\$ (352,731)	\$ (633,564)	\$ (104,322)	\$ (672,886)
Total Other	\$ 5,838,668	\$ 7,279,378	\$ 6,982,769	\$ 10,619,232	\$ 8,233,433
(Shortfall) Excess of Revenue over Expenses Accumulated Surplus, Beginning of Year	\$ (1,744,125)	\$ (784,140)	\$ (18,219)	\$ 357,426	\$ 3,379,920
Accumulated Surplus, Beginning of Year	\$ 52,370,568	\$ 53,154,708	\$ 53,172,927	\$ 52,815,501	\$ 49,656,804
Accumulated Surplus, End of Year	\$ 50,626,443	\$ 52,370,568	\$ 53,154,708	\$ 53,172,927	\$ 53,036,724
Expenses by Object					
Salaries, Wages and Benefits	\$ 46,228,094	\$ 44,719,067	\$ 43,046,342	\$ 39,896,440	\$ 33,902,645
Amortization of Tangible Capital Assets	\$ 8,539,791	\$ 9,080,383	\$ 9,531,838	\$ 9,736,175	\$ 9,898,414
Building Operations	\$ 5,368,835	\$ 4,664,806	\$ 4,054,981	\$ 4,367,086	\$ 3,326,993
Utilities and Other	\$ 4,489,578	\$ 4,139,355	\$ 3,901,277	\$ 3,792,360	\$ 3,477,565
Books and Library Materials	\$ 4,067,111	\$ 3,780,045	\$ 3,923,986	\$ 3,971,549	\$ 4,165,817
Material Goods and Supplies	\$ 2,663,821	\$ 3,021,860	\$ 2,519,104	\$ 2,027,573	\$ 2,046,021
Services	\$ 2,774,292	\$ 2,979,152	\$ 3,231,629	\$ 1,792,229	\$ 1,402,297
Total Expenses by Object	\$ 74,131,522	\$ 72,384,668	\$ 70,209,157	\$ 65,583,412	\$ 58,219,752

*Effective January 1, 2023, EPL adopted the new accounting standard PS3280, Asset Retirement Obligations, using the modified retroactive approach with restatement of 2022 prior year comparatives. Amounts before 2021 are not restated.

Key Components of FINANCIAL POSITION

For the Years Ended December 31, 2021-2025 (Unaudited)

	2025	2024	2023	2022 (Restated*)	2021
Financial Assets	\$ 26,686,811	\$ 28,373,281	\$ 26,911,787	\$ 28,625,598	\$ 24,938,906
Liabilities	\$ (10,906,303)	\$ (7,833,404)	\$ (7,519,375)	\$ (12,425,256)	\$ (9,124,652)
Net Financial Assets	\$ 15,780,508	\$ 20,539,877	\$ 19,392,412	\$ 16,200,342	\$ 15,814,254
Non-Financial Assets	\$ 34,845,935	\$ 31,830,691	\$ 33,762,296	\$ 36,972,585	\$ 37,222,470
Accumulated Surplus	\$ 50,626,443	\$ 52,370,568	\$ 53,154,708	\$ 53,172,927	\$ 53,036,724
Acquisitions of Tangible Capital Assets					
Buildings	-	-	\$ 196,515	-	-
Leasehold Improvements	\$ 1,482,108	\$ 299,896	-	\$ 56,886	-
Library Materials	\$ 5,617,161	\$ 5,176,256	\$ 4,909,891	\$ 5,030,137	\$ 5,532,146
Machinery and Equipment	\$ 4,163,112	\$ 1,713,576	\$ 2,302,473	\$ 2,830,651	\$ 2,226,331
Vehicles	\$ 158,855	\$ 155,522	\$ 315,677	-	-
Assets Under Construction	\$ 285,241	\$ (237,807)	\$ (1,287,290)	\$ 1,553,606	-
Total Tangible Capital Asset Acquisitions	\$ 11,706,477	\$ 7,107,443	\$ 6,437,266	\$ 9,471,280	\$ 7,758,477

*Effective January 1, 2023, EPL adopted the new accounting standard PS3280, Asset Retirement Obligations, using the modified retroactive approach with restatement of 2022 prior year comparatives. Amounts before 2021 are not restated.



YEAR at a Glance

In 2025, the Edmonton Public Library (EPL) remained one of the city's most used and loved public institutions, welcoming more than five million visitors across 21 branches. From early literacy and life skills to access and civic engagement, EPL reaffirmed its role as Edmonton's best place to learn, explore, and experience, an impact reflected in strong community trust and satisfaction, with 92% of respondents rating their experience as excellent in EPL's 2025 customer satisfaction survey of 1,560 participants.



92% of **1,560** respondents agree their experience with EPL is excellent

EPL Satisfaction Survey

64,961

New members.

epl.ca

5,043,192

walked through the doors of our branches in 2025



1,449

LIFE SKILLS CLASSES

offered to **18,946** participants

10 Million visits to



12.3 Million

items were borrowed from EPL in 2025



127,997 attendees to EPL's outreach classes & events

More than **1 in 3** Edmonton households



Used their EPL card in 2025



5,040

Sing, Sign, Laugh and Learn classes delivered to **103,470** people

Over **2500** people attended the

FORWARD THINKING SPEAKER SERIES



56,976

Ready. Set. Read! books mailed to **4,917** children

