

**STRATHCONA COUNTY LIBRARY BOARD
FINANCIAL STATEMENTS**

Year ended December 31, 2025

STRATHCONA COUNTY LIBRARY BOARD
Financial Statements
Year ended December 31, 2025

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Management Report


The accompanying financial statements of Strathcona County Library Board are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The preparation of the financial statements necessarily includes some amounts that are based on the best estimates and judgments of management.

The Library maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, and that the Library's assets are properly accounted for and adequately safeguarded.

The financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of Strathcona County Library Board. Their report to the Board, stating the scope of their examination and opinion on the financial statements, follows.



Sharon Siga
Chief Executive Officer
March 16, 2026



Candace Tomlinson
Accountant
March 16, 2026

Independent auditor's report

To the Members of the
Strathcona County Library Board

Opinion

We have audited the financial statements of the **Strathcona County Library Board** [the "Library"], which comprise the statement of financial position as at December 31, 2025, and the statement of operations and accumulated surplus, statement of change in net debt, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2025, and its results of operations 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 report. We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian 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 these 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 Library's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Canada
March 16, 2026

Ernst & Young LLP

Chartered Professional Accountants



STRATHCONA COUNTY LIBRARY BOARD
Statement of Financial Position
As at December 31, 2025, with comparative information for 2024

	2025	2024
FINANCIAL ASSETS		
Cash floats	\$ 966	\$ 749
Due from Strathcona County (Note 3, Note 11)	9,044,163	8,165,339
Trade and other receivables	48,195	54,538
	9,093,324	8,220,626
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	958,606	928,255
Long-term debt (Note 4, Note 11)	12,702,404	13,770,733
	13,661,010	14,698,988
NET DEBT	(4,567,686)	(6,478,362)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	20,514,842	21,159,679
Prepaid expenses	173,284	153,602
	20,688,126	21,313,281
ACCUMULATED SURPLUS (Note 6)	\$ 16,120,440	\$ 14,834,919

Commitments (Note 10)

See accompanying notes to the financial statements.

Strathcona County Library Board
March 16, 2026

Strathcona County Library Board
March 16, 2026

STRATHCONA COUNTY LIBRARY BOARD
Statement of Operations and Accumulated Surplus
Year ended December 31, 2025, with comparative information for 2024

	2025 Actuals	2025 Budget	2024 Actuals
REVENUE			
Government transfers (Note 7, Note 11)	\$ 12,001,827	\$ 12,001,827	\$ 11,633,213
Investment revenue (Note 3, Note 11)	554,137	494,337	566,180
Other revenues	167,301	163,910	166,226
Penalties and fines	13,803	15,200	15,113
Service fees and charges	10,707	9,400	9,927
Contributed tangible capital assets (Note 5)	8,192	-	3,888
TOTAL REVENUE	12,755,967	12,684,674	12,394,547
EXPENSES			
Salaries, wages, benefits and employee expenses	7,574,658	7,764,456	7,436,761
Amortization and gain or loss on disposal of tangible capital assets (Note 5)	1,204,181	1,202,849	1,217,601
Administrative charges (Note 8, Note 10, Note 11)	996,135	1,004,702	872,492
Supplies and materials	645,927	649,053	606,210
Interest on debentures (Note 4, Note 11)	597,192	597,192	643,976
Business expenses	228,865	243,663	216,203
Purchased services	218,962	210,886	215,546
Other expenses	4,526	4,920	4,687
TOTAL EXPENSES	11,470,446	11,677,721	11,213,476
ANNUAL SURPLUS	1,285,521	1,006,953	1,181,071
ACCUMULATED SURPLUS, BEGINNING OF YEAR	14,834,919	14,834,919	13,653,848
ACCUMULATED SURPLUS, END OF YEAR	\$ 16,120,440	\$ 15,841,872	\$ 14,834,919

See accompanying notes to the financial statements.

STRATHCONA COUNTY LIBRARY BOARD

Statement of Change in Net Debt

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

	<u>2025 Actuals</u>	<u>2025 Budget</u>	<u>2024 Actuals</u>
ANNUAL SURPLUS	\$ 1,285,521	\$ 1,006,953	\$ 1,181,071
Acquisition of tangible capital assets	(583,759)	(607,182)	(608,699)
Amortization of tangible capital assets	1,204,181	1,202,849	1,215,299
Contributed tangible capital assets	(8,192)	-	(3,888)
Adjustment of asset retirement obligation	32,607	-	(9,381)
Loss on disposal of tangible capital assets	-	-	2,302
	<u>644,837</u>	<u>595,667</u>	<u>595,633</u>
Acquisition of prepaid expenses	(157,188)	-	(151,861)
Use of prepaid expenses	137,506	-	130,252
	<u>(19,682)</u>	<u>-</u>	<u>(21,609)</u>
DECREASE IN NET DEBT	1,910,676	1,602,620	1,755,095
NET DEBT, BEGINNING OF YEAR	(6,478,362)	(6,478,362)	(8,233,457)
NET DEBT, END OF YEAR	<u>\$ (4,567,686)</u>	<u>\$ (4,875,742)</u>	<u>\$ (6,478,362)</u>

See accompanying notes to the financial statements.

STRATHCONA COUNTY LIBRARY BOARD

Statement of Cash Flows

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

	<u>2025</u>	<u>2024</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	\$ 1,285,521	\$ 1,181,071
Items not involving cash:		
Amortization of tangible capital assets (Note 5)	1,204,181	1,215,299
Loss on disposal of tangible capital assets (Note 5)	-	2,302
Contributed tangible capital assets (Note 5)	(8,192)	(3,888)
Changes to non-cash assets and liabilities:		
Trade and other receivables	6,343	(11,785)
Accounts payable and accrued liabilities	62,958	(151,175)
Prepaid expenses	(19,682)	(21,609)
Cash provided by operating activities	<u>2,531,129</u>	<u>2,210,215</u>
CAPITAL		
Acquisition of tangible capital assets (Note 5)	<u>(583,759)</u>	<u>(608,699)</u>
Cash applied to capital activities	<u>(583,759)</u>	<u>(608,699)</u>
INVESTING		
Change in due from Strathcona County (Note 3, Note 11)	(878,824)	(579,597)
Change in cash floats	(217)	-
Cash applied to investing activities	<u>(879,041)</u>	<u>(579,597)</u>
FINANCING		
Long-term debt repaid (Note 4, Note 11)	<u>(1,068,329)</u>	<u>(1,021,919)</u>
Cash applied to financing activities	<u>(1,068,329)</u>	<u>(1,021,919)</u>
CHANGE IN CASH DURING THE YEAR	-	-
CASH, BEGINNING OF YEAR	-	-
CASH, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest on long-term debt	\$ 605,842	\$ 652,251
Cash received from interest	554,137	566,180

See accompanying notes to the financial statements.

STRATHCONA COUNTY LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2025

Strathcona County Library Board (the Library) operates a library under the authority of the *Libraries Act* (Alberta). The Library is a not-for-profit organization and a registered charity under the *Income Tax Act* (Canada), and is not subject to any federal or provincial income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of the legal obligation to pay.

b) Government Transfers

Government transfers are recognized in the financial statements as revenues in the period the events giving rise to the transfer have occurred, provided that the transfer is authorized, eligibility criteria have been met, and reasonable estimates of the amount can be made. Stipulations are terms imposed by a transferring government regarding the use of transferred resources or the actions that must be performed in order to keep a transfer. Any unfulfilled stipulations related to a government transfer would preclude recognition of revenue until such time that all stipulations have been met.

c) Revenue Recognition

Funds that are restricted by a third party are recorded as deferred revenue until the fiscal year the service is performed or the related expenditure is incurred.

Unrestricted contributions are recognized as revenue in the year they are received or receivable. The Library may then choose to restrict these funds internally by putting these funds into a reserve. Reserves are part of the accumulated surplus.

d) Gifts in Kind

Contributed materials and supplies are recorded at fair value when they would have otherwise been purchased and when a fair value can be reasonably estimated. Contributed services of volunteers are not recognized in these financial statements as their fair value cannot be reasonably determined.

e) Pension Plans

The Library is a member of the Local Authorities Pension Plan (LAPP) and the APEX Supplementary Pension Plan (APEX). Both LAPP and APEX are multi-employer defined benefit pension plans. Contributions to the plans for current and past service are recorded as expenses in the year in which they become due.

STRATHCONA COUNTY LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) **Non-financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. Non-financial assets 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 asset. The tangible asset cost is amortized on a straight-line basis over the estimated useful life as follows:

<u>Asset</u>	<u>Useful Life – Years</u>
Buildings	50
Hardware & software	4 – 10
Library materials	10
Machinery & equipment	5 - 10
Vehicles	20

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii. **Contributions of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

iii. **Leases**

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

iv. **Cultural and Historical Assets**

Works of art for public display are not recorded as tangible capital assets and are not amortized.

g) **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 disclosure of contingent assets and liabilities at the date of the financial statements, and the amounts of revenue and expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality.

Estimates have been used to determine accrued liabilities, asset retirement obligation (ARO) and tangible capital asset amortization periods.

Actual results could differ from those estimates.

STRATHCONA COUNTY LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Asset Retirement Obligation

An ARO is a legal obligation associated with the retirement of a tangible capital asset. An ARO is initially measured at the later of the date of the acquisition or legislative obligation. When a liability for an ARO is recognized, asset retirement costs related to the recognized tangible capital asset in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset.

This liability, included in accounts payable and accrued liabilities, reflects the Library's best estimate, as of December 31, 2025, of the amount required to retire tangible capital assets. Estimates are made by management using professional judgment, similar contractor costs, and third-party quotes, and are subsequently remeasured considering any new information and the appropriateness of assumptions used.

i) Future Changes in Accounting Standards

The Library will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- Effective January 1, 2027, *The Conceptual Framework for Financial Reporting in the Public Sector*. The Conceptual Framework is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000, *Financial Statement Concepts*, and Section PS 1100, *Financial Statement Objectives*. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.
- Effective January 1, 2027, PS 1202, *Financial Statement Presentation*. Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

The Library is currently assessing the impact of the new conceptual framework and standard, and the extent of the impact of their adoption on the financial statements has not yet been determined.

2. FINANCIAL RISK MANAGEMENT

The Library is exposed to the following risks:

Credit Risk

Credit risk is the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The Library is exposed to credit risk in connection with amounts due from Strathcona County and trade and other receivables.

Liquidity Risk

Liquidity risk is the risk that the Library will encounter difficulty in meeting obligations associated with financial liabilities. The Library is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and long-term debt.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Library is subject to fair value risk to the extent its long-term debt is based on fixed rates of interest.

STRATHCONA COUNTY LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2025

3. DUE FROM STRATHCONA COUNTY

The Library does not maintain its own operating bank account and has funds on deposit with Strathcona County, which are available for operations when needed. The funds earn interest at a rate equivalent to that which Strathcona County earns on its investments, cash and cash equivalents. Strathcona County holds term deposits and notes, savings accounts, government guaranteed bonds, principal protected notes, and corporate bonds that have effective interest rates of 1.41% to 6.50% (2024 – 1.41% to 6.50%) with maturity dates from February 2026 to November 2035 (2024 – April 2025 to September 2034).

4. LONG-TERM DEBT

Strathcona County holds debentures repayable to the Government of Alberta, Treasury Board and Finance for the acquisition of tangible capital assets related to the Library. These debentures bear interest at rates ranging from 4.04% to 4.74% (2024 – 4.04% to 4.74%), and mature in periods 2034 through 2036 (2024 – 2034 through 2036). Debenture debt is issued on the credit and security of Strathcona County at large. The Library has an agreement with Strathcona County to repay principal and interest equivalent to what is paid by Strathcona County to the Government of Alberta, Treasury Board and Finance.

Long-term debt principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,116,857	\$ 557,314	\$ 1,674,171
2027	1,167,594	506,577	1,674,171
2028	1,220,641	453,530	1,674,171
2029	1,276,104	398,067	1,674,171
2030	1,334,091	340,080	1,674,171
Thereafter	6,587,117	742,778	7,329,895
Total Long-Term Debt	<u>\$ 12,702,404</u>	<u>\$ 2,998,346</u>	<u>\$ 15,700,750</u>

STRATHCONA COUNTY LIBRARY BOARD
Notes to the Financial Statements
Year ended December 31, 2025

5. TANGIBLE CAPITAL ASSETS

Cost	Balance at December 31, 2024	Additions	Disposals	Balance at December 31, 2025
Buildings	\$ 25,040,687	\$ (29,598)	\$ -	\$ 25,011,089
Hardware & software	472,145	61,803	(43,758)	490,190
Library materials	5,653,492	527,139	(617,774)	5,562,857
Machinery & equipment	2,398,668	-	-	2,398,668
Vehicles	499,697	-	-	499,697
	\$ 34,064,689	\$ 559,344	\$ (661,532)	\$ 33,962,501

Accumulated Amortization	Balance at December 31, 2024	Disposals	Amortization Expense	Balance at December 31, 2025
Buildings	\$ 7,251,944	\$ -	\$ 498,108	\$ 7,750,052
Hardware & software	199,196	(43,758)	81,205	236,643
Library materials	2,935,325	(617,774)	560,817	2,878,368
Machinery & equipment	2,156,264	-	39,066	2,195,330
Vehicles	362,281	-	24,985	387,266
	\$ 12,905,010	\$ (661,532)	\$ 1,204,181	\$ 13,447,659

Net Book Value	Net Book Value December 31, 2024	Net Book Value December 31, 2025
Buildings	\$ 17,788,743	\$ 17,261,037
Hardware & software	272,949	253,547
Library materials	2,718,167	2,684,489
Machinery & equipment	242,404	203,338
Vehicles	137,416	112,431
	\$ 21,159,679	\$ 20,514,842

a) Contributed Tangible Capital Assets

Contributed tangible capital assets are recognized at fair market value at the date of contribution. Contributed tangible capital assets received during the year totalled \$8,192 (2024 – \$3,888) and comprised library materials.

b) Write-down of Tangible Capital Assets

The Library did not write down any tangible capital assets in 2025 or 2024.

STRATHCONA COUNTY LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2025

6. ACCUMULATED SURPLUS

Accumulated surplus is composed of equity in tangible capital assets and reserves as follows:

	2025	2024
Equity in tangible capital assets:		
Tangible capital assets (Note 5)	\$ 20,514,842	\$ 21,159,679
Asset retirement obligation	(11,166)	(43,773)
Long-term debt (Note 4)	(12,702,404)	(13,770,733)
	<u>7,801,272</u>	<u>7,345,173</u>
Reserves:		
Deficit Contingency Reserve	177,342	175,166
Carry Forward Reserve	8,811	3,695
New Library Service Point Reserve	3,181,122	2,469,991
Infrastructure, Lifecycle, Maintenance and Replacement Reserve	4,951,893	4,840,894
	<u>8,319,168</u>	<u>7,489,746</u>
	<u>\$ 16,120,440</u>	<u>\$ 14,834,919</u>

7. GOVERNMENT TRANSFERS

The following government transfers have been included in revenues:

	2025 Actuals	2025 Budget	2024 Actuals
Municipal government			
Strathcona County	\$ 11,441,893	\$ 11,441,893	\$ 11,073,279
Provincial government			
Alberta Municipal Affairs - Unconditional Per Capita Grant	559,934	559,934	559,934
Total government transfers	<u>\$ 12,001,827</u>	<u>\$ 12,001,827</u>	<u>\$ 11,633,213</u>

8. ADMINISTRATIVE CHARGES

Operating expenditures include administrative charges from Strathcona County as follows:

	2025 Actuals	2025 Budget	2024 Actuals
Facility Maintenance	\$ 537,415	\$ 589,835	\$ 425,635
Human Resources Services	245,689	245,689	231,589
Business Innovation Services	60,861	60,861	59,001
Enforcement Services	52,465	-	61,993
Information Technology Services	32,019	32,019	25,278
Insurance	29,913	35,642	27,798
Financial and Strategic Services	22,192	22,192	27,000
Fleet Services	15,581	18,464	14,198
	<u>\$ 996,135</u>	<u>\$ 1,004,702</u>	<u>\$ 872,492</u>

STRATHCONA COUNTY LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2025

9. PENSION PLANS

Local Authorities Pension Plan

Library employees participate in the LAPP, a defined benefit pension plan established in 1962 for the employees of local authorities in Alberta. LAPP is administered under the *Public Sector Pension Plans Act* (Alberta).

The Library was required to make current service contributions to 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 the YMPE and 10.65% (2024 – 10.65%) thereafter.

Total current service contributions by the Library to LAPP in 2025 were \$498,915 (2024 – \$495,735). Total current service contributions by the employees of the Library to LAPP in 2025 were \$423,245 (2024 – \$435,714).

As stated in their 2024 Annual Report, LAPP serves 316,938 members and 453 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2024 (the last date for which information is available), LAPP reported an actuarial surplus of \$19,557,000,000.

APEX

The APEX supplementary pension plan is an Alberta Municipalities sponsored defined benefit pension plan covered under the provisions of the *Employment Pension Plans Act* (Alberta). It commenced on July 23, 2009 and provides supplementary pension benefits to a prescribed class of employees. The plan supplements the LAPP.

Contributions are made by the prescribed class of employees and the Library. The employees and the Library are required to make current service contributions to APEX of 2.42% (2024 – 2.42%) and 2.96% (2024 – 2.96%), respectively, of pensionable earnings up to \$187,834 (2024 – \$180,500).

Total current service contributions by the Library to APEX in 2025 were \$24,082 (2024 – \$26,987). Total current service contributions by the employees of the Library to APEX in 2025 were \$19,689 (2024 – \$22,065).

The cost of post-retirement benefits for APEX is fully funded.

10. COMMITMENTS

Leases

The Library has ongoing operating leases for office equipment. The future minimum lease payments are as follows:

2026	\$	6,185
2027		6,185
2028		2,062
	\$	<u>14,432</u>

Metro Edmonton Federation of Libraries (MEFL)

The Library is committed to an annual payment for the Writer in Residence program under the MEFL Libraries agreement. The Library's share of central costs in 2026 is \$25,608. The Library may terminate its participation by delivering written notice to the MEFL committee before December 31 of any year to become effective on December 31 of the year immediately following.

STRATHCONA COUNTY LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2025

10. COMMITMENTS (CONTINUED)

Master Services Agreement with Strathcona County

The Library has chosen to contract some services from Strathcona County. These services include Communications and Engagement Services, Insurance, Financial and Strategic Services, Human Resources Services, Information Technology Services, Fleet and Facility Management Services, and RCMP and Enforcement Services. The contract is valid through December 31, 2030; however, either party may terminate the agreement early by giving written notice to the other party no later than June 1 of any year to become effective on April 30 of the year immediately following.

The amount will change on a yearly basis depending on the cost of the services required. The future contracts at this time are as follows:

2026	\$	904,532
2027		904,532
2028		904,532
2029		904,532
2030		904,532
		<u>904,532</u>
	\$	<u>4,522,660</u>

Facility Collaboration Agreement with Strathcona County

The Library is located in the Strathcona County Community Centre. The Library is committed to pay a portion of the ongoing operating costs (i.e., building site maintenance, janitorial services, utilities, and snow removal) to Strathcona County under the Facility Collaboration Agreement. The term of the agreement is November 1, 2010 to October 31, 2060. The facility operating costs of \$433,578 are included in the Master Services Agreement with Strathcona County.

11. RELATED PARTIES

Related parties to the Library include the Library Board, key management personnel and Strathcona County. Key management personnel is defined by the Library as the Chief Executive Officer.

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

Transactions with Strathcona County are included within these financial statements. See Notes 3, 4, 7, 8 and 10. These transactions are in the normal course of operations and are recorded at the exchange amounts as established and agreed to by the related parties.

12. COMPARITIVE FIGURES

Certain comparative information has been reclassified to conform to the current year's presentation.