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Financial statements of  
Regional Municipality of  
Wood Buffalo Library Board

December 31, 2025

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## Independent Auditor's Report

To the Board of Directors of  
the Regional Municipality of Wood Buffalo Library Board

### Opinion

We have audited the financial statements of the Regional Municipality of Wood Buffalo Library Board (the "Library"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Library's ability to continue as a going concern . If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Deloitte LLP*

Chartered Professional Accountants  
March 25, 2026

## Regional Municipality of Wood Buffalo Library Board

### Statement of financial position

As at December 31, 2025

	Notes	2025 \$	2024 \$
<b>Assets</b>			
Cash and cash equivalents	3	2,877,877	3,002,039
Accounts receivable	4	49,781	36,218
Net financial assets		2,927,658	3,038,257
<b>Liabilities</b>			
Accounts payable and accrued liabilities	11	40,749	71,882
Due to Regional Municipality of Wood Buffalo	5	538,557	404,734
Deferred revenue	6	537,253	543,569
		1,116,559	1,020,185
Net financial assets		1,811,099	2,018,072
Non-financial assets			
Tangible capital assets	7	941,381	933,832
Prepaid expenses		128,134	130,600
		1,069,515	1,064,432
<b>Accumulated surplus</b>	8	2,880,614	3,082,504

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

Approved by the Board

 \_\_\_\_\_, Director

 \_\_\_\_\_, Director

**Regional Municipality of Wood Buffalo Library Board**  
**Statement of operations and accumulated surplus**

Year ended December 31, 2025

	Notes	Budget \$	2025 \$	2024 \$
		<b>(Note 16)</b>		
<b>Revenue</b>				
Government transfers	10	5,227,483	5,240,800	5,094,540
Interest income		65,000	149,818	211,894
Donations and fundraising	12	141,500	110,398	116,637
Fines, memberships, and fees		27,050	32,349	34,453
Gain on disposal of tangible capital assets		—	—	21,417
		<b>5,461,033</b>	<b>5,533,365</b>	5,478,941
<b>Expenses</b>				
Wages and benefits		3,755,995	3,849,133	3,435,898
Rent (janitorial, utilities, and internet)	12	756,840	755,250	742,000
Amortization of tangible capital assets		345,000	308,359	300,863
Electronic databases and periodicals		200,000	201,648	199,737
Marketing and promotions	12	175,504	178,656	174,196
Programs and events	12	101,500	92,707	103,421
Professional fees		42,000	86,428	73,198
Office and administration	12	69,728	67,902	69,581
Computer maintenance and supplies		67,616	55,779	49,000
Travel, seminars, and training		70,963	54,348	29,977
Supplies for programs		47,500	42,478	56,054
Loss on disposal of tangible capital assets		—	18,160	—
Alberta library dues		7,050	7,405	7,189
Access and auxiliary services		6,500	7,078	6,939
Book processing		6,500	5,927	11,660
Board and committees		2,664	2,072	1,529
Interest and bank charges		3,674	1,925	6,140
Freight, duties, and foreign exchange		—	—	143
		<b>5,659,034</b>	<b>5,735,255</b>	5,267,525
<b>Annual (deficit) surplus</b>		<b>(198,001)</b>	<b>(201,890)</b>	211,416
Accumulated surplus, beginning of year		3,082,504	3,082,504	2,871,088
<b>Accumulated surplus, end of year</b>		<b>2,884,503</b>	<b>2,880,614</b>	3,082,504

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

**Regional Municipality of Wood Buffalo Library Board**

**Statement of changes in net financial assets**

Year ended December 31, 2025

	Notes	Budget \$	2025 \$	2024 \$
		<b>(Note 16)</b>		
<b>Annual (Deficit) Surplus</b>		<b>(198,001)</b>	<b>(201,890)</b>	211,416
Acquisition of tangible capital assets	7	<b>(209,000)</b>	<b>(344,570)</b>	(291,961)
Amortization of tangible capital assets	7	<b>345,000</b>	<b>308,359</b>	300,863
Proceeds from sale of tangible capital assets		—	<b>10,502</b>	—
Loss (gain) on sale of tangible capital assets		—	<b>18,160</b>	(21,417)
Transfer Reserves		<b>62,001</b>	—	—
		—	<b>(209,439)</b>	198,901
Use (acquisition) of prepaid expenses		—	<b>2,466</b>	(1,887)
Change in net financial assets		—	<b>(206,973)</b>	197,014
Net financial assets, beginning of year		<b>2,018,072</b>	<b>2,018,072</b>	1,821,058
<b>Net financial assets, end of year</b>		<b>2,018,072</b>	<b>1,811,099</b>	2,018,072

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

**Regional Municipality of Wood Buffalo Library Board**

**Statement of cash flows**

Year ended December 31, 2025

	Notes	<b>2025</b>	2024
		<b>\$</b>	<b>\$</b>
<b>Operating activities</b>			
Annual (deficit) surplus		<b>(201,890)</b>	211,416
Items not affecting cash			
Amortization of tangible capital assets	7	<b>308,359</b>	300,863
Loss (gain) on sale of tangible capital assets		<b>18,160</b>	(21,417)
Changes in non-cash operating working capital items			
Accounts receivable	4	<b>(13,563)</b>	(3,032)
Accounts payable and accrued liabilities		<b>(31,133)</b>	9,882
Due to Regional Municipality of Wood Buffalo	5	<b>133,823</b>	2,227
Deferred revenue	6	<b>(6,316)</b>	(12,500)
Prepaid expenses		<b>2,466</b>	(1,887)
Cash provided by operating transactions		<b>209,906</b>	485,552
<b>Capital activities</b>			
Proceeds from sale of tangible capital assets		<b>10,502</b>	—
Acquisition of tangible capital assets	7	<b>(344,570)</b>	(291,961)
Cash used in capital transactions		<b>(334,068)</b>	(291,961)
(Decrease) increase in cash and cash equivalents		<b>(124,162)</b>	193,591
Cash and cash equivalents, beginning of year		<b>3,002,039</b>	2,808,448
<b>Cash and cash equivalents, end of year</b>		<b>2,877,877</b>	3,002,039

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

# Regional Municipality of Wood Buffalo Library Board

## Notes to the financial statements

December 31, 2025

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### 1. Nature of the organization

The Regional Municipality of Wood Buffalo Library Board (the "Library") operates a library under the Province of Alberta Libraries Act. The Library is a not-for-profit organization and a registered charitable organization under the Income Tax Act of Canada and is not subject to any federal or provincial income taxes.

### 2. Significant accounting policies

The Library's financial statements are prepared by management in accordance with the Canadian public sector accounting standards ("Canadian PSAS").

Significant accounting policies are as follows:

#### *Basis of presentation*

The Library follows the accrual basis of accounting for revenues and expenses. Revenues are normally recognized in the year in which the transactions or events occurred that gave rise to the revenues. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

#### *Government transfers*

Government transfers are the transfers of assets from senior level government that are not the result of an exchange transaction, not expected to be repaid in the future or the result of a direct financial return.

Government transfers are recognized as deferred revenue if the terms for use, or the terms along with the Library's actions and communications as to the use, create a liability. These government transfers are recognized as revenue when the terms are met.

Government transfers without terms for the use of the grant are recognized as revenue when the Library is eligible to receive the funds. Unrestricted government transfers are recognized as revenue in the year received or in the year the funds are committed to the Library if the amount can be reasonably estimated, and collection is assured.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less and are recorded at cost.

#### *Deferred revenue*

Deferred revenue represents amounts received for which the related activities have yet to be performed. These amounts will be recognized as revenues in the period the activities are performed.

#### *Interest income*

Interest income is recognized as revenue in the period earned. When required by the funding government or related act, interest income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2025

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## 2. Significant accounting policies (continued)

### *Non-financial asset*

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.

### *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 costs less residual value of the tangible capital assets are amortized on a straight-line basis over the estimated useful life as follows:

Asset	Rate
Vehicles	5 years
Books	7 years
CDs, DVDs, and audio books	3 years
Radio frequency indicator	5 years
Furniture and equipment	5–10 years
Computer hardware	4–5 years
Computer software	5 years
Building improvements	5 years

Annual amortization is charged at 50% in the year of acquisition and 50% in the year of disposal. Tangible capital assets under work-in-progress are not amortized until the asset is available for productive use.

### *Contributions of tangible capital assets*

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Library's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations and accumulated surplus.

### *Works of art and cultural and historical capital assets*

Works of art and cultural and historical assets are not recorded as tangible capital assets in these financial statements.

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2025

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## 2. Significant accounting policies (continued)

### *Internally restricted reserves*

#### *Operating reserves*

The operating reserve provides for unusual one-time expenditures that are operating in nature and provide stabilization to the budget resulting from sudden economic downturns. The operating reserve has a ceiling limit of 10% of annual operating budget.

Carry-forward project reserves are restricted unspent project funds to ensure funds are available to complete future projects.

#### *General capital reserve*

The general capital reserve provides funding to ensure that a prudent level of resources are available to provide for capital asset repairs, replacement upgrading or new construction, funding for replacement and upgrading of the Library's information and communication technology while balancing the need with long-term debt financing.

Transfers to the reserves are determined through the annual operating and capital budget process and at the Library Board's discretion.

Reserve amounts are expended as approved by the Library Board through the annual operating and capital budget process as required.

#### *Carry-Forward Reserve*

The Carry-Forward Reserve is established to provide funding for operating or capital initiatives approved in the municipal budget but not completed before year-end. The reserve ensures the continuity of multi-year projects and prevents the lapse of previously approved appropriations.

#### *Special Projects Reserve*

The Special Projects Reserve provides funding for one-time municipal initiatives that support Council's strategic priorities but fall outside the scope of regular operations. The reserve ensures financial capacity for feasibility studies, service reviews, innovation pilots, and strategic planning activities.

### *Use of estimates*

The preparation of financial statements in conformity with Canadian PSAS 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 revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, estimates of historical cost of certain tangible capital assets, non-monetary transaction, revenue recognized in the year, certain deferred revenues, and useful life of tangible capital assets. Actual results could differ from those estimates.

### *Financial instruments*

The Library's financial instruments consist of cash and cash equivalents, accounts receivable, amounts due to the Municipality and accounts payable and accrued liabilities. All of these instruments are initially recorded at fair value and subsequently measured at cost or amortized cost. The Library has properly classified all financial instruments in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3450, Financial Instruments ("Section PS 3450").

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2025

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## 2. Significant accounting policies (continued)

### *Financial instruments (continued)*

With respect to financial assets measured at cost or amortized cost, the Library recognizes in the statement of operations and accumulated surplus an impairment loss, if any, when there are indicators of impairment, and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

## 3. Cash and cash equivalents

Included in cash and cash equivalents is an amount of \$1,713,977 (\$1,504,694 in 2024) which has been designated by the Library's Board for approved future capital expenditure projects and operating reserves (see Note 9).

## 4. Accounts receivable

	2025 \$	2024 \$
Goods and Services Tax receivable	41,336	35,450
Other	8,445	768
	<b>49,781</b>	<b>36,218</b>

## 5. Due to Regional Municipality of Wood Buffalo

The amounts due to the Regional Municipality of Wood Buffalo ("RMWB") relate to payroll services provided by RMWB to the Library, which are non-interest bearing, are unsecured, and have no fixed term of payment (see Note 12).

## 6. Deferred revenue

Deferred revenue is comprised of operations, sponsorship and program contributions that relate to future years as follows:

	2025 \$	2024 \$
Operations	400,000	400,000
Program and other	137,253	127,000
Provincial Grant	—	13,316
Sponsorship	—	3,253
	<b>537,253</b>	<b>543,569</b>

**Regional Municipality of Wood Buffalo Library Board**  
**Notes to the financial statements**  
December 31, 2025

**7. Tangible capital assets**

	Vehicles	Books	CDs, DVDs, and audio books	Radio frequency indicator	Furniture and equipment	Computer hardware	Computer software	Building improvements	Work in Progress	2025
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
Balance, beginning of year	107,479	2,627,589	1,041,506	195,418	1,686,056	539,398	6,772	462,886	42,000	6,709,104
Acquisition of tangible capital assets	55,951	112,634	88,370	—	1,899	48,944	—	—	36,772	344,570
Disposal of tangible capital assets	(49,388)	(131,604)	(61,382)	—	—	—	—	—	—	(242,374)
Balance, end of year	114,042	2,608,619	1,068,494	195,418	1,687,955	588,342	6,772	462,886	78,772	6,811,300
Accumulated amortization										
Balance, beginning of year	55,197	2,124,700	930,184	195,418	1,583,842	435,367	3,386	447,178	—	5,775,272
Annual amortization - net	17,213	128,580	81,775	—	18,337	55,470	1,357	5,627	—	308,359
Disposal - Accumulated amortization	(49,388)	(117,673)	(46,651)	—	—	—	—	—	—	(213,712)
Balance, end of year	23,022	2,135,607	965,308	195,418	1,602,179	490,837	4,743	452,805	—	5,869,919
2025 Net book value	91,020	473,012	103,186	—	85,776	97,505	2,029	10,081	78,772	941,381
2024 Net book value	52,282	502,889	111,322	—	102,214	104,031	3,386	15,708	42,000	933,832

During the year, the Library purchased a new vehicle recorded at cost of \$55,951. The Library traded in one fully depreciated vehicles for the new vehicle resulting in a gain of \$10,502. This loss is included in the loss on disposal of tangible capital assets, in the amount of \$18,160 (\$21,417 gain in 2024) in the statement of operations and accumulated surplus.

## Regional Municipality of Wood Buffalo Library Board

### Notes to the financial statements

December 31, 2025

#### 8. Accumulated (deficit) surplus

Accumulated surplus consists of unrestricted amounts, internally restricted reserves, and equity in tangible capital assets as follows:

	2024	Surplus	Transfers	2025
	\$	\$	\$	\$
Operations	643,978	(201,890)	(216,832)	<b>225,256</b>
Internally restricted reserves (Note 10)	1,504,694	—	209,283	<b>1,713,977</b>
Invested in tangible capital assets	933,832	—	7,549	<b>941,381</b>
	<b>3,082,504</b>	<b>(201,890)</b>	<b>—</b>	<b>2,880,614</b>

#### 9. Internally restricted reserves

	2025	2024
	\$	\$
Operating reserves		
General operating reserve	<b>572,585</b>	565,903
Carry-forward project reserve	<b>195,758</b>	250,522
	<b>768,343</b>	816,425
General capital reserve	<b>945,634</b>	688,269
	<b>1,713,977</b>	1,504,694

#### 10. Government transfers

	2025	2024
	\$	\$
Regional Municipality of Wood Buffalo (Note 12)	<b>4,485,544</b>	4,352,600
Province of Alberta	<b>741,940</b>	741,940
Previously deferred government transfers recognized	<b>413,316</b>	413,316
Received government transfers deferred	<b>(400,000)</b>	(413,316)
	<b>5,240,800</b>	5,094,540

The government transfers from the RMWB include \$4,485,544 (\$4,352,600 in 2024) received in the current year. The Province of Alberta transferred \$728,624 and \$13,316 (\$728,624 and \$13,316 in 2024) in the current year which was recognized in the year. A separate \$13,316 that was deferred from 2024 was recognized in 2025. \$400,000 (\$400,000 in 2024) has been approved by the RMWB to be deferred for use for next year.

# Regional Municipality of Wood Buffalo Library Board

## Notes to the financial statements

December 31, 2025

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### 11. Financial instruments

#### *Credit risk*

The Library has credit risk on its cash and cash equivalents and accounts receivable. The cash and cash equivalents represent deposits with Canadian chartered banks. The accounts receivable represents amount due from Library customers in the normal course of its operations. The Library carries out a review of the accounts receivable on a continuing basis and maintains an allowance for the doubtful accounts, if necessary.

#### *Liquidity risk*

The Library has liquidity risk on its accounts payable and accrued liabilities and amounts due to RMWB. The Library monitors its cash balances and cash flows generated from operations to meet its requirements and relies on funding from RMWB for its operations.

Based on management's assessment the Library is not exposed to significant currency, interest, or market risk arising from its financial instruments.

### 12. Related party transactions

The Library and Regional Recreation Corporation of Wood Buffalo ("RRC") are related through common control by RMWB. During the year, the Library had the following transactions with RRC:

	<b>2025</b>	2024
	<b>\$</b>	\$
Rent (including janitorial, utilities, and internet)	<b>755,250</b>	742,000
Office and administration	<b>3,287</b>	9,591
Programs	<b>390</b>	566
Other	<b>—</b>	225
	<b>758,927</b>	752,382

During the year, RMWB provided the Library with postage services (office and administration) in the amount of \$519 (\$668 in 2024) and an operating grant (Note 10) for \$4,485,544 (\$4,352,600 in 2024).

These transactions are measured at the exchange amount, which is the amount established and agreed to by the related parties.

Certain other administrative and managerial activities including the provision of payroll services are performed by the management and staff of RMWB on behalf of the Library at no charge as the amounts are not readily determinable.

### 13. Non-monetary transactions

The Library was provided with advertising, broadcasting, and other services in exchange for sponsorship recognition. In 2025, non-monetary transactions in the statement of operations and accumulated surplus include \$1,597 of marketing and promotions expense and \$1,597 of donations and fundraising revenue (\$4,180 of marketing and promotions and \$4,180 of donations and fundraising revenue in 2024).

## **Regional Municipality of Wood Buffalo Library Board**

### **Notes to the financial statements**

December 31, 2025

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#### **14. Local authorities pension plan**

Employees of the Library participate in the Local Authorities Pension Plan (LAPP) effective January 1, 2014, which is covered by the Alberta Public Sector Pension Plans Act.

The Library is required to make current service contributions to LAPP of 8.45% (8.45% in 2024) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 11.65% (11.65% in 2024) for the excess. Employees of the Library are required to make current service contributions of 7.45% (7.45% in 2024) of pensionable salary up to the year's maximum pensionable salary and 10.65% (10.65% in 2024) on pensionable salary above this amount. Contributions for current service are recorded as expenditures in the year in which they become due.

Total current service contributions by the Library to LAPP are \$209,682 (\$186,040 in 2024). Total current service contributions by the employees of the Library to LAPP are \$185,869 (\$164,807 in 2024). These amounts are included in salaries and wages.

LAPP reported a surplus for the overall plan as at December 31, 2024 of \$19,557,000,000 (December 31, 2023 of \$15,057,000,000). Information as at December 31, 2025, is not available at the time of preparing these financial statements.

#### **15. Economic dependence**

The Library's primary source of funding for operations is RMWB. The Library's ability to continue viable operations is dependent on this funding.

#### **16. Budget**

The 2025 budget was approved by the Board of Directors on June 19, 2024. Budget amounts for 2025 were approved on amortized cost basis. Fair value changes were not budgeted.