December 31, 2025

ANNUAL REPORT

City of Grande Prairie, Alberta, Canada

cityofgp.com

CITY OF GRANDE prairie

Hello / Taa Haanach'e / Tansi,

The City respectfully acknowledges the Beaver, Cree, Dene and Métis people as the original caretakers of these Lands and surrounding areas.

We are grateful to live, learn, work and play on Treaty 8 territory within Turtle Island and acknowledge these Lands have been home to diverse and sovereign First Nations and Inuit Nations since time immemorial.

Thank You / Wuujo Aasanalaa /Kinanâskomitin

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The 2025 Annual Report is prepared by the Financial Management and Communications departments, in collaboration with all departments of the City of Grande Prairie, Alberta, Canada.

INTRODUCTION

2025 – 2029 Council

Jackie Clayton
Mayor

Leonard Auger
Councillor

Grant Berg
Councillor

Dylan Bressey
Councillor

Jena Flach
Councillor

Mike O'Connor
Councillor

Kevin O'Toole
Councillor

Wade Pilat
Councillor

Chris Thiessen
Councillor

2021 – 2025 Council

Jackie Clayton
Mayor

Grant Berg
Councillor

Gladys Blackmore
Councillor

Wendy Bosch
Councillor

Dylan Bressey
Councillor

John Lehners
Councillor (2021–2022)

Mike O'Connor
Councillor

Kevin O'Toole
Councillor

Wade Pilat
Councillor

Chris Thiessen
Councillor


GRANDE

MESSAGE FROM MAYOR & COUNCIL

2025 was a year of momentum and meaningful progress for the City of Grande Prairie. Across our community, we saw strong growth, thoughtful investment, and continued collaboration focused on making Grande Prairie an even better place to live, work, and raise a family.

These efforts are guided by Council's Strategic Plan, which provides a clear framework for building a vibrant, connected, and inclusive community – one that is prepared to meet challenges and seize opportunities as we grow. Advancing projects like the Multisport Dome, supporting community-led initiatives, and hosting events like the Special Olympics Summer Games that welcome visitors from across the region reflect our shared commitment to quality of life and long-term sustainability.

As we share this annual report, we do so with gratitude. Grande Prairie's success is built on the dedication of our residents, businesses, community organizations, and partners. Thank you for your continued involvement, pride, and belief in our city. Together, we are shaping a future that reflects the strength, optimism, and spirit of Grande Prairie.

Highlights include:

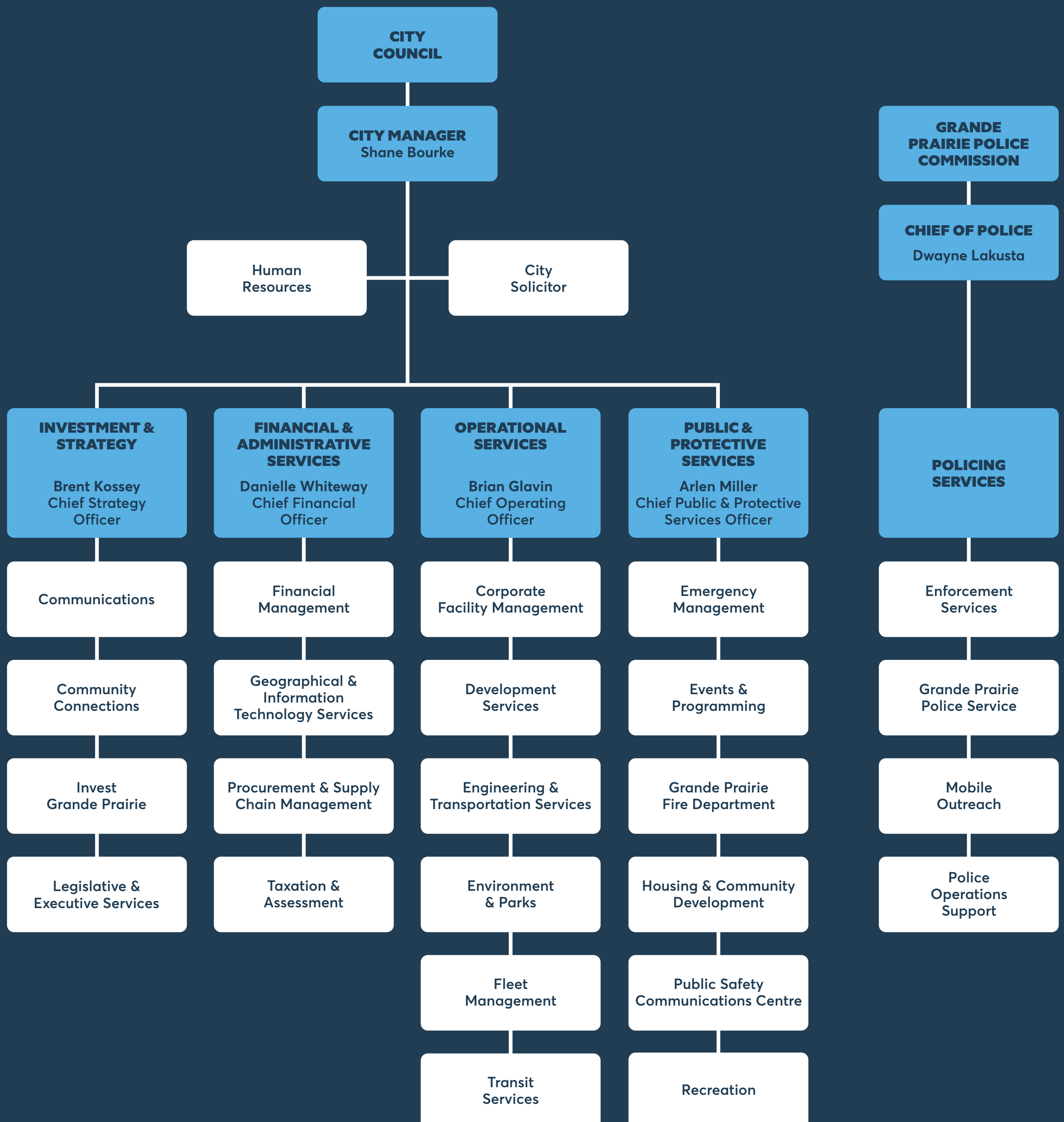
- Strong housing growth, with the highest level of residential construction activity in more than a decade, helping more people find a place to call home and supporting Grande Prairie's continued growth.
- Continued progress on our Health Care Attraction and Retention Strategy, strengthening local physician recruitment, training, and community partnerships to support a healthy and resilient region.
- Demonstrated commitments to supporting a connected and supportive community for residents at every stage of life, from initiatives that support aging well to welcoming recreational spaces for children and families, and more.
- Championing of our reputation as a destination for events and sport by hosting community celebrations, supporting recreation across the city, and advancing the Multisport Dome to expand year-round opportunities for sport, gathering, and sport tourism.

Read on for more highlights and stay tuned to the official City channels to keep up to date on the exciting things happening in 2026.

Jackie Clayton

City of Grande Prairie Mayor

ORGANIZATIONAL STRUCTURE



QUALITY OF LIFE

Where we want to live, work and play.

- Active Lifestyle
- Fierce Community Pride
- Safety

ENGAGING RELATIONSHIPS

Strong and purposeful relationships expand local government value.

- Reputation Management
- Brand, Marketing & Communication
- Culture & Pride

INCLUSIVE & CARING COMMUNITY

A community that includes all people and serves all people.

- Multicultural
- Youth to Seniors
- Housing

INNOVATIVE EFFICIENCIES & ECONOMIC READINESS

A strong local economy enables a sustainable high quality of life.

- Strategic Growth
- Innovation Development
- Attraction

QUALITY OF LIFE

Supporting a strong quality of life is the foundation of all of Council's work. Through bolstering fierce community pride, encouraging and facilitating active and involved lifestyles, and prioritizing community safety, we aim to build a community everyone is proud to join.

2025 Special Olympics Alberta Summer Games

Grande Prairie proudly hosted the Special Olympics Alberta Summer Games 2025 from July 11 to 13, welcoming athletes and coaches from across the province to compete. The Games continued Grande Prairie's legacy of hosting high-quality sporting events while strengthening community collaboration, supporting the local economy, and leaving a meaningful legacy of accessibility and inclusion in sport. Here are The Games by the numbers:

- 1,000 athletes and coaches including 60 local participants and 5 who qualified for the National Games
- 1,200 medals awarded
- 350 volunteers
- 30 local community partnerships supporting the event
- 3 Athlete Ambassadors introduced in an innovative program hiring local athletes to serve as community ambassadors
- $18,000 in souvenir sales
- $1 million in estimated economic impact

The City of Grande Prairie was proud to take home the Sports Tourism Canada Canadian Sport Event of the Year Award – Group B for the National Aboriginal Hockey Championships at the Prestige Sport Tourism Awards on March 20, 2025.

Annual Events

Across 2025, the City of Grande Prairie hosted a variety of annual events, offering inclusive and accessible recreational and cultural gathering opportunities to build connections and bolster community pride.

Highlights include:

January: Grande North Winter Festival

March: Women of Influence Awards

July: Canada Day
Introduced a new Accessibility Pass for carnival rides for attendees with disabilities

August: Experience GP
Featured Juno-nominated headliners The Trews

September: GirlZone
Experienced a 40% increase in attendance from the previous year

December: New Years Eve-ning Out

Multi-sport Dome Kicking-off Future of Sport

After years of vision, planning, and passionate community advocacy, the City of Grande Prairie broke ground on the Multisport Dome at Trader Ridge. This milestone brings to life a vision residents have championed for years and reflects the community's dedication to creating a space where athletes, families, and local organizations can come together to train, compete, and connect.

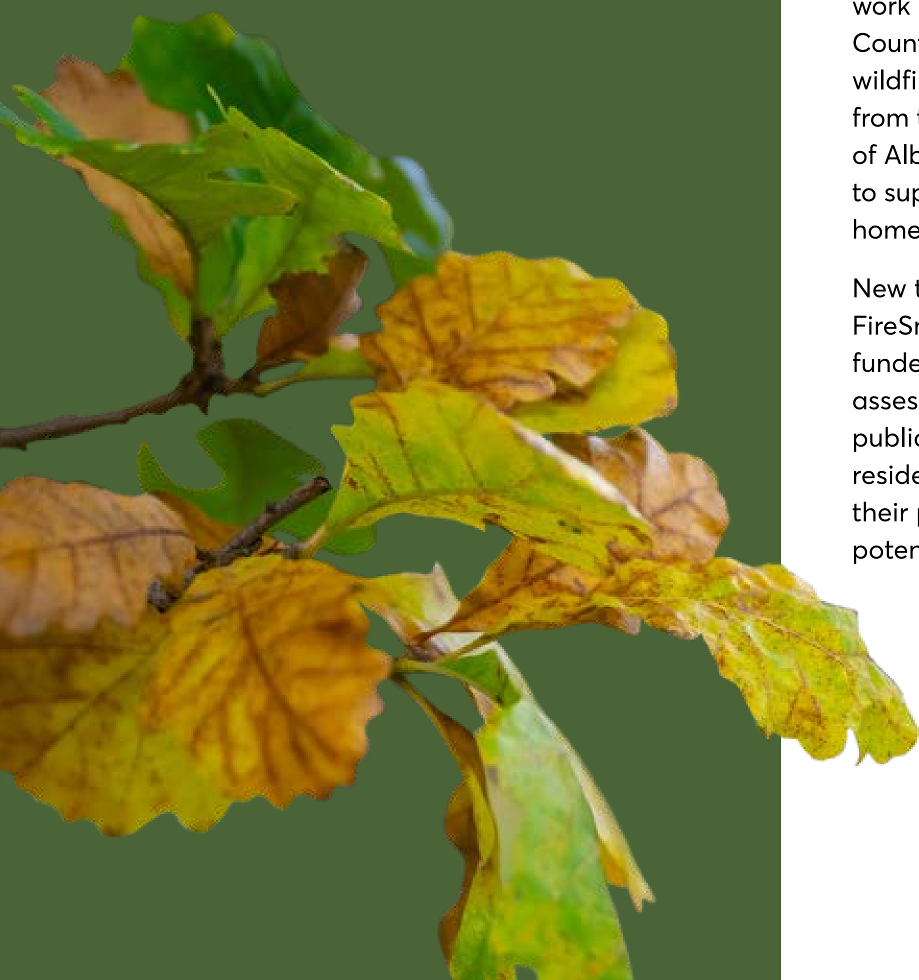
The dome will provide residents with year-round access to a full-size FIFA regulation field with flexible configurations to support soccer, football, rugby, and track & field sports. This new community addition will continue to grow local sport at home and attract sport tourism opportunities at every level.

Transit On-Demand Expansion

The City was pleased to expand on-demand transit services to two new neighbourhoods in 2025: Copperwood and Meadowview.

The expansion is a result of rider feedback and community engagement for increased service coverage and will enhance connections between neighbourhoods and transit hubs to foster an inclusive, caring community where all residents are supported.

Over 1,500 trees and shrubs were planted in Grande Prairie funded by $250,000 in capital funding, a $125,000 grant from Growing Canada's Community Canopies that was matched by the City, a $10,000 grant from Tree Canada, and a $4,500 grant from TD Tree Days.



Urban Forest Strategy

City Council planted their vision for the future, with the approval of the Urban Forest Strategy to protect and expand the city's green spaces for generations to come.

The strategy sets a clear long-term vision for the care and enhancement of trees and natural spaces across the city by providing a coordinated framework for planting, maintenance and stewardship while maximizing environmental, social and economic benefits.

FireSmart Work

2025 saw the City complete vegetation management work near the South Bear Creek ball diamonds, Country Club West and Wedgewood to reduce wildfire risk. The work was funded by a $101,205 grant from the Forest Resource Improvement Association of Alberta (FRIAA) and slows potential wildfire spread to support safer conditions for firefighters protecting homes and properties.

New this year, the City also introduced the FireSmart™ Home Assessment Program, also funded by FRIAA. The program offered free home assessments for 200 homes that bordered onto public wildland urban interface areas to help residents reduce the risk of wildfire damage to their properties and protect the community from potential wildfire spread.

Road Rehabilitation and Inspection Programs

Km of road inspected:	218
Km of road rehabbed:	13.35
Km of minor resurfacing on roads:	2.24
Number of potholes repaired:	4,597
Linear meters of crack sealing:	12,754
Km of trail and sidewalk inspected:	172
Number of sidewalk sites repaired:	283
Catch basins and manholes repaired:	127
Bridges repaired:	2
Traffic poles inspected:	52
Km of storm pipes inspected and cleaned:	25

Road Collisions Reduced

Results from a 5-year analysis demonstrated that after the City lowered posted speed limits on four arterial routes, collision rates reduced up to 60%, with injury collisions reduced by 56%, helping keep our commutes safer.

Roadways included in the study:

- 100 Street (between 140 Avenue and 133 Avenue)
- College Bypass (between 100 Avenue and 100 Street)
- 108 Street (between 100 Avenue and 69 Avenue)
- 100 Avenue (between 108 Street and 124 Street)

Traffic and Pedestrian Safety Reviews

To better support traffic and pedestrian safety, 64 intersection traffic counts and 43 speed surveys were completed to model and adjust signal timings at intersections.

Also in 2025, two new flashing beacons were installed, one on O'Brien Lake Drive and the other on 108 Avenue near 96A Street. Two new radar speed displays were additionally installed on Knowledge Way as a cost-effective way of enhancing visibility for pedestrians.

ENGAGING RELATIONSHIPS

Across the community and region, we know we are stronger together and our success is better when it's shared. By prioritizing Engaging Relationships, the City aims to highlight our collaboration with stakeholders and other levels of government to build on mutual success.

2025 Municipal Election

Alongside municipalities across the province, the City of Grande Prairie held a municipal election on October 20.

21.45% of eligible voters cast their vote, including an increased number of advanced voters, to elect a new City Council and shape Grande Prairie's future.

$15,000 was awarded from the 2025 ATCO Community Energy Fund to complete an energy audit at the Dave Barr Community Centre, an important step in planning future improvements that strengthen efficiency and support the facility's long life in the community.

Additionally, over $50,000 from the Firehouse Subs Public Safety Foundation was awarded towards life-saving equipment for the Grande Prairie Fire Department.

Advocacy Priorities

One of City Council's responsibilities is to advocate for the needs and desires of City residents and stakeholders to both the Province of Alberta and the Federal Government. Focus areas for 2025 included:

- Electricity distribution costs
  - Mayor Clayton re-introduced the City's resolution, seconded by the Town of Drumheller, on electricity distribution costs at the 2025 Alberta Municipalities Convention.

    This resolution highlights a stark reality: Alberta runs on one electrical grid, with equal service, but some residents will pay three times more in distribution costs than our larger centre urban neighbours.

    This creates real affordability pressures and puts communities in higher-cost regions at a disadvantage when competing for investment and jobs.

    The resolution calls for a fairer model that reflects the shared nature of the grid and supports all Albertans.
- Enhanced rail capacity, improve road networks, and expanded air services to better serve residents and the region.
- Northwestern Polytechnic Advocacy Support
  - 911 Levy
  - Seniors Housing and Long-Term Care
  - Health Care Supports
  - Medical First Response Funding
  - Regional Service Centre

State of the City

Early spring saw the annual State of the City: Grander Conversations event take place, welcoming nearly 200 community members and leaders to connect, network and explore the city's growth, opportunities and future development.

The event featured a wide variety of panelists from a variety of sectors to showcase community initiatives, outlooks and trends across the city, providing an opportunity to share and collaborate together.

Panelists include:

- **Kendra Sledding**
  Community Development Specialist,
  The Mustard Seed
- **Candice Edey**
  Senior Operating Officer,
  Grande Prairie Regional Hospital
- **Dr. Vanessa Sheane**
  President, Northwestern Polytechnic
- **Brock Mulligan**
  Senior Vice President,
  Alberta Forest Products Association (AFPA)
- **Claire Hafner**
  Senior Advisor for Alberta Policy and Strategic Outreach, Canadian Association of Petroleum Producers (CAPP)
- **Jesse Meyer**
  Region 5 Delegate, Alberta Grains
- **Ken Drysdale**
  Chair of the Board of Directors on progress updates on the Maskwa Medical Centre
- **Larry Gibson**
  Manager for Economic Development at the MD of Greenview on progress updates on the Greenview Industrial Gateway (GIG) and its upcoming projects

Community Groups and Funding

The City is proud to offer a multitude of funding and grant opportunities to support local individuals and organizations who are making a positive impact in our community. Highlights from 2025 include:

- $935,649 in Family and Community Support Services Funding was distributed to support 16 local organizations providing preventative social services
  - Examples include supporting Big Brothers Big Sisters of Grande Prairie and Area to open Big Horizons, a free after-school care program in the Patterson neighbourhood.
- $45,790 in Pursuit of Excellence Funding was awarded to 60 local athletes and athletic groups.
- $34,000 in Sport Hosting Funding was awarded to 11 local sport organizations to host events that generate community and economic impact.
- $98,500 in Arts & Culture Funding was awarded to support the operations of performance groups and festivals in the community.
- $100,000 in Large Scale Tourism Funding was awarded to 2 events that resulted in a significant economic and/or tourism benefit to Grande Prairie.
- $2,151,602 in Community Group Funding was awarded to 30 groups or agencies who deliver programs and services that enhance the quality of life for the City and its residents.
- $4,700 in Community Improvement Granting was awarded to 2 projects
  - New in 2025 we introduced an Active Transportation funding stream that aims to support initiatives that enhance non-motorized transportation options within the community. One applicant has received $2500 so far for their project that promotes walking, cycling, and other forms of active transit that improve public health, reduce carbon emissions, and create safer, more sustainable transportation infrastructure.

Naming Rights and Sponsorship

The City's partnership approach to naming rights and sponsorship provides a unique opportunity for local and regional businesses to directly connect and engage with new audiences and customers, while building new revenue streams to enhance our facilities and events across the community.

In 2025, the City received $123,636 in sponsorship from 70 community partners to support 9 different events including Grande North Winter Festival, Canada Day, and Experience GP. The City also secured $188,000 in sponsorship for the Special Olympics Alberta Summer Games representing 26 community partners.

Late 2025, the City was also proud to host an open house for Keyera Place, formerly the Activity and Reception Centre, to recognize the new naming rights partner Keyera.

Public Engagement

Public engagement efforts saw strong participation across a wide range of initiatives. Residents were proactively involved in shaping key projects and decisions, including infrastructure planning, community services, and budget priorities. The use of interactive tools and diverse outreach methods – both online and in-person – ensured that voices from across the community were represented. The Engage Grande Prairie platform continued to serve as a vital connection point between the City and its residents, receiving a total of 26,884 visits in 2025, with this participation playing a vital role in Council decision making and City services.

2026 Budget

- 389 Prioritize Tool submissions
- 502 in-person event attendees

Bear Creek Dam Feasibility Study

- 54 survey responses received
- 21 questions asked by residents

Community Supports and Services

- 874 survey responses received

Fibre Gap Analysis (ongoing)

- 11 questions asked by residents
- 494 speed and services tests completed

Jumpstart Inclusive Playground

- Meeting with The Lions Club, Accessibility Committee and Highland Park Neighborhood Association

Legion Field Improvements

- Targeted engagement sessions held with school divisions, sport user groups, and key stakeholders

Passport to Grande Prairie

- 11 survey responses received

Social Prescribing

- 61 people attended in-person engagement events

The City received 1.3M views on Facebook and 107K views on Instagram, helping us share vital news, information and updates to keep our community in the know on City events, programs and opportunities.

INCLUSIVE, CARING COMMUNITY

The City of Grande Prairie is committed to supporting all members of our community through a variety of programs and initiatives that foster deep and sincere inclusiveness throughout all social and economic dimensions of the community.

Jumpstart Playground

The new Jumpstart Inclusive Playground in Lions Park was open for play this September.

Jumpstart Inclusive Playgrounds are designed to remove physical and social barriers to play, ensuring children of all abilities can enjoy shared spaces. With features like double-wide ramps, roller slides, the We-Go-Round and the Sway Fun Glider, these thoughtfully designed play areas promote active, imaginative and inclusive play. This meaningful investment creates a vibrant, accessible space for children and families in the heart of Grande Prairie.

The City extends gratitude to Canadian Tire Jumpstart Charities for their generous gift that made this project possible, along with local Canadian Tire Dealers David Dungey and Lisa Miller whose support and advocacy helped secure Lions Park as one of the newest Jumpstart Inclusive Playground locations in Canada. The playground represents a shared vision between the City and Jumpstart to remove barriers to sport and play so all kids can participate.

Aging Well Together

In early March, Council adopted the Aging Well Together Action Plan, setting a clear path to enhance the community's age-friendliness in 2025.

The Aging Well Together initiative seeks to address the specific needs of about 20% of the population aged 55 and older. The project kicked off in 2024 with community engagement, which helped inform and guide the priorities document.

Successes to date include:

- Accessibility, Mobility and Connectivity
    - Installed 18 flex parking stalls at the Eastlink Centre, with 2 additional stalls scheduled for installation.
    - Completed a citywide bench inventory and mapping update in October, including benches along the Muskoseepi corridor and at transit stops.
    - Launched the City's outdoor walking group in June where a total of 30 older adults participated during the 6 weeks.
    - Launched the City and Primary Care Network indoor walking group in November, averaging 15 participants age 55+ per week, with a second 6-week session beginning January 2026.
    - Delivered 2 Transit Education Sessions, engaging 34 participants.
    - Provided Aging Well Together progress updates at 3 seniors' lodges, 55 North Community Centre, and during a PCN/City walking group, engaging a total of 34 community participants and sharing information on available City supports and programs for older adults, including the Transit Access Program and Recreation Access Program.
- Housing and the Cost of Living
    - Delivered the Clean Energy Improvement Program (CEIP) information session to 5 participants.
- Social Participation, Recreation and Wellness
    - Adult-only swim time added at the Aquatera Outdoor Pool from 11 a.m. to 12 p.m., Mondays to Thursdays from June 28 to September 21, 2024.
    - Strengthened intergenerational connections through the Bridging Generations pen-pal program, which brought together 18 seniors and 22 students to share stories, build relationships, and promote social inclusion.
- Community Supports and Health Services.
    - Home Support Program supported an average of 260 clients per month, with a total average of 675 client hours per month.
    - Social Prescribing project currently has 20 active clients, and 49 discharged clients which connects older adults to non-medical supports that promote social connection and wellbeing.
    - Yard Gnomes volunteer lawn and snow support program currently has 95 registered seniors with an average of 25 volunteers.
    - In October, the City submitted its application to the Age-Friendly Alberta Recognition Program, reflecting meaningful progress toward age-friendliness across the community.

The Aquatera Outdoor Pool expanded programming in 2025 to better support the diverse needs of all residents.

An Older Adults Swim was added, providing dedicated swim times designed to support active aging in a welcoming and comfortable environment. These sessions offered older adults' opportunities for low-impact physical activity, mobility, and social connection, contributing to overall health, independence, and wellbeing.

Likewise, Youth Day was introduced, offering a $2 entry rate, and adding evening recreational activities such as in-water volleyball and basketball. This helped reduce financial barriers while creating safe, active opportunities for youth to connect, be physically active, and enjoy positive summer recreation.

Food Security Committee

Work progressed on the Food Security Committee, a two-year pilot project strengthening collaboration and improving coordination of food security initiatives across the community, with Helping Hands (a division of Northreach Society) as the backbone organization for the initiative.

Milestones to date include:

- Helping Hands becoming a member of Food Banks Alberta & Food Banks Canada, unlocking grants, operational support, and regional distribution benefits.
- Securing a dedicated warehouse space, along with a refrigerated truck and forklift, increasing food storage and distribution capacity.
- Launching the community's first grocery-style food bank, giving families the dignity of choosing their own foods, while also providing access to staples such as eggs, milk, fresh produce, and meat.
- In partnership with Northwestern Polytechnic, an app was developed to enhance the accessibility of both applying for holiday hampers and collecting sponsorship and donations.
- Helping Hands is collaborating with GPREP to formalize processes and ensure that food supports remain organized, efficient, and accessible during future emergencies.

Passport to Grande Prairie

This summer, the City launched a new Passport to Grande Prairie booklet to support newcomers in exploring our community. The passport serves as a one-stop, user-friendly guide to help newcomers settle into the community by providing accessible information about local services and resources. It includes an interactive element that encourages newcomers to explore the city by visiting various locations and collecting stamps.

In 6 months, over 1,445 copies of the passport have been distributed from 24 locations around the city.

Welcoming Week

This year's Welcoming Week began with a Mayoral proclamation, recognizing September 12–21 as a time to celebrate inclusion and connection across Grande Prairie.

Throughout the week, the Grande Prairie Local Immigration Partnership (GPLIP) and the Immigrant Advisory Table (IAT) hosted a series of engaging events that brought residents together:

- Film screenings (The Farewell and Capernaum) created space for reflection and dialogue at the Grande Prairie Public Library and Grande Prairie Live Theatre.
- Story Sharing & Coffee, hosted by the Association canadienne-française de l'Alberta (ACFA), offered an informal, welcoming space to connect and learn from one another.
- The Coco drive-in movie at the Grande Sunset Theatre was a standout event, welcoming nearly 170 attendees.
- A story wall captured more than 120 community messages, reinforcing a shared sense of belonging and highlighting the connections that strengthen community.
- A favourite feature across multiple events was the Global Candy Table "Taste of Stories", showcasing candy from 14 countries and sparking meaningful conversations about culture, identity, and community.

Housing Supports

Our housing initiatives work to end homelessness by partnering with community agencies to provide housing supports and move people out of shelters and into homes.

The Cedar Point Permanent Supportive Housing program maintained an average of 55 residents per month, providing wrap-around supports funded by the Government of Alberta and delivered through The Mustard Seed, ensuring residents have consistent access to care, stability, and on-site assistance. The independent, affordable apartment suites in the facility reached 86% occupancy by the end of December.

In Fletcher House, the supportive housing units maintained an average occupancy rate of 96%, and the independent, affordable housing units maintained an average occupancy rate of 90%. The mix-model facility is leased by the City, with services provided by Wapiti Community Support Services and program funding provided by the Government of Alberta.

Together, these housing options contribute to long-term stability, safety, and accessibility for residents with diverse needs, while reinforcing the City's leadership in innovative housing solutions.

Homeless Individuals and Families Information System (HIFIS)

In 2025, the City strengthened its Coordinated Access system by launching the Homeless Individuals and Families Information System (HIFIS). Organized by the Housing Hub Table, the Coordinated Access system provides a collaborative, personalized approach to connecting individuals experiencing or at risk of homelessness with the supports they need.

By introducing HIFIS, the City can better support this system by centralizing information for 11 funded programs. As the community data steward for the provincial and federal governments, the City ensures the data collected through HIFIS is consistent, secure, and actionable. This supports clearer insight into service needs, system pressures, and community trends across the housing and homelessness continuum.

Youth Economic Empowerment Microgrant

The City launched new Youth Economic Empowerment Microgrant in the fall to help youth and young adults access opportunities that support their employment or skill development goals.

Seven youth received grant funding, most commonly to help cover the cost of winter work gear.

Fully funded by the Tamarack Institute and the Government of Canada, the microgrant provides meaningful support to residents aged 15 to 30 who are taking steps toward their future. It offers up to $750 per individual to help cover costs such as safety training, professional certification courses, workwear and the tools or equipment needed for employment.

Many young people face financial hurdles that can slow their progress, and this support helps make essential training and equipment more accessible for all.

Youth Career Discovery Expo

Early spring saw the Bonnetts Energy Centre welcome youth ages 14 to 30 to explore career opportunities, discover education options, and maximize their full potential at the Youth Career Discovery Expo.

The event was visited by 24 schools and 2200 participants who explored over 100 exhibitors representing a wide range of industries, post-secondary institutions and community organizations.

The Youth Career Discovery Expo continues to serve as a valuable platform for employers seeking to connect with motivated, career-focused youth from across the region. Exhibitors had the opportunity to showcase their industries, inspire the next generation of talent, and build connections with potential future employees in an energetic, hands-on setting.

The 2024–2025 Youth Advisory Council was the largest in its history, and continued to strengthen youth engagement across the community. The council hosted an interactive survey at the Youth Career Discovery Expo where peers shared ideas on issues that mattered most to local youth. The top responses focused on:

- Mental health supports
- Sport and recreation opportunities
- Education
- Transit
- Entertainment and community events

INNOVATIVE EFFICIENCIES & ECONOMIC READINESS

Focusing on efficiency, innovation, and strategic growth helps Grande Prairie build a strong economy and stay ready for new investment.

Health Care Attraction and Retention

Through the Health Care Attraction and Retention Strategy, the City aims to attract and retain physicians and health care workers, encourage local training and explore innovative and incentivized investments in our local health care.

This was achieved in 2025 through:

- More than 20 specialized physicians recruited to our area
- 5 new doctors supported through the Family Physician Attraction Incentive Program
- 30 new students enrolled in the first cohort of the Northern Alberta Medical Program
- 7 ambassadors trained through the Grande Prairie Health Care Ambassador Program
- 2 Family Physician Appreciation events
- Hosting of the Aclepius Medical Camp for Youth

Housing Surge

The City of Grande Prairie is experiencing a surge in housing construction not seen in a decade, with 1,115 in residential building permits recorded by the end of 2025, representing over 846 new housing units in various stages of construction. Over 366 housing units were started by the end of the year based on submitted development permit applications for larger multi-family developments.

In response to the strong growth in multi-unit housing developments, City Council increased funding for the Municipal Fee Rebate program to meet increasing demand and continue incentivizing the development of new multi-unit housing projects across the city. The program incentives accounted for over 900 units being added under this program since it opened in 2024.

City and County Councils Approve Expanded Facilities Framework

In early fall, the City and County of Grande Prairie Councils jointly signed the Recreation and Culture New or Expanded Facilities Agreement, solidifying a collaborative approach to guide the region's capital needs and future recreation and culture facility developments.

The Facilities Framework ensures that future projects in the region undergo joint feasibility and cost-sharing consideration before commitments are made. This ensures fair and equitable contributions and provides clarity, builds trust, and reinforces that joint investments will be based on shared evidence, mutual agreement, and measurable regional benefit.

2025 Minister's Award for Red Tape Reduction and Service Delivery Enhancement

The City of Grande Prairie proudly accepted the 2025 Minister's Award for Municipal Excellence in the Red Tape Reduction or Service Delivery Enhancement award category for streamlining the permitting process. Significant improvements were identified and implemented by consolidating three separate applications – development permit, building permit, and civil site work – into a single, unified application and moving to a digital platform.

The City has seen measurable and meaningful results following the implementation of its streamlined, single-application permitting process. The initiative has delivered significant efficiency gains for both applicants and internal staff, with the following key performance indicators:

- Reduction in turnaround time for permitting approvals from 10 business days to 2–5 business days
- Time and cost savings for applicants
- Internal efficiency gain of 45 minutes of staff review time per application
- Increase in digital submissions
- Improved customer experience based on feedback from stakeholders
- Province-leading turnaround time based on the Alberta Municipal Indicators dashboard

These outcomes reflect the City's commitment to innovation, accountability, and continuous improvement in municipal service delivery.

Economic Data

The data shows a clear pattern: more people are choosing Grande Prairie, more homes are being built, and our economy continues to strengthen. Grande Prairie is experiencing steady, net-positive population and labour force growth. Strong interprovincial and intraprovincial migration—combined with natural increases—reflects the opportunities here and our ongoing role as the regional hub for Northwestern Alberta and Northeastern BC. Housing starts in 2025 are nearly double 2024 levels and building permits are the highest we have seen in five years. Well completions are up, indicating a healthy and sustained energy sector. Together, these trends reflect growing confidence from residents, investors, and industry.

70,385
Total population

27,937
Total number of dwellings

1,115
Building permits

$273,073,852
Construction value

7,960
Over-dimensional vehicle traffic

979
Drilling licenses

1,049
Drilling completions

Invest Grande Prairie Granting

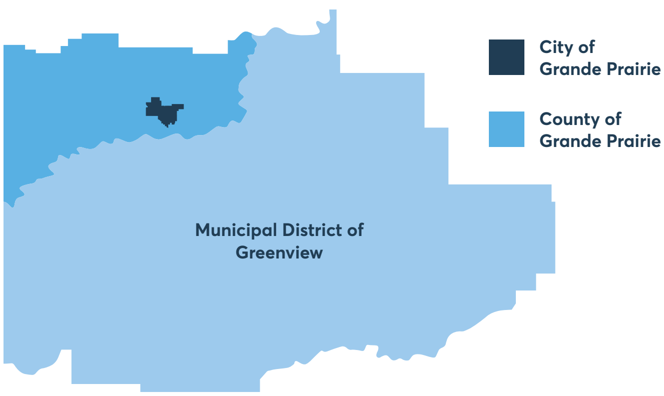
The City of Grande Prairie is committed to supporting business development and investments that create jobs, stimulate the local economy and expand a diversified tax base.

- 7 Beautification and Patio Grants were awarded, for a total of $94,000
- The Fibre Optics Fee Rebate was introduced, a new incentive that offered up to a 100 per cent rebate on municipal fees for fibre alignment projects, promoting broadband expansion and digital infrastructure investment. 13 grants were issued for a total of $75,619.
- The Municipal Fee Rebate expanded to accommodate high demand, ensuring more multi-family housing projects qualify for fee reimbursements and supporting greater housing affordability. 150 grants were approved, worth $1.4 million.
- The New Business Development Grant eligibility threshold was lowered from $25 million to $18 million, making the grant more accessible to a wider range of businesses, including small-scale manufacturing, industrial processing and commercial warehouse projects.
- The Large Multi-Family Development Grant was introduced as a tax rebate based on incremental increase in assessed value year over year. 4 applications approved representing approximately 532 units being added under this program.

Work NW

The Work NW pilot led by the City of Grande Prairie, County of Grande Prairie and the Municipal District of Greenview in collaboration with the Grande Prairie & District Chamber of Commerce and Northwestern Polytechnic continued with great success to cultivate a skilled and diverse labour force across the region.

Through a variety of partner grants supporting projects in the region for recruitment and retention, Work NW was able to complete Work NW pilot (2023–2025) proving the value of regional collaboration in workforce attraction and development. Delivered during this time were six regional sector profiles, a cost of living analysis, media library, workforce data and a work integrated learning (WIL) coordinator and dashboard.



By the numbers there was:

- 8.4x leverage of each municipal dollar, securing $1.24 million in provincial and federal funding.
- 321 businesses onboarded, passing the target of 200.
- 1,082 people placed (665 paid), nearly tripling the target of 400.
- 50,729 website views from 32,000 users.
- 2.1M Meta impressions.

The Invest NW team, comprised of the City of Grande Prairie, the County of Grande Prairie and the Municipal District of Greenview championed our region across a number of events to showcase the opportunity that awaits.

Events included the Global Energy Show, Canadian Hydrogen Convention, Carbon Capture Canada, World Agri-Tech Innovation Summit, World Ag Expo, AFPA Conference (Alberta Forest Products Association), CERA Week, Petrochem Canada West and Alberta's Industrial Heartland Conference.

EV Charging Corridor

The City signed a 10-year lease agreement with SureCharge for land use at Centre 2000, for the installation of four electric vehicle rapid chargers in 2026. The agreement is building stronger connections for future visitors and residents to travel across the region with more diverse modes of transportation.

Transit Solar Project

The existing City Service Centre solar array was increased by 50% in 2025, adding approximately 1.2MW of microgeneration. Funded through the Canada Community-Building Fund, the solar array energy generated is used to charge transit's electric buses and surplus energy not used by the buses is fed back into the grid to reduce energy costs for the City Service Centre.

The City successfully completed year three of the Clean Energy Improvement Program, administered by the Alberta Municipal Services Corporation and funded by the Federation of Canadian Municipalities Green Municipal Fund.

$1.7 million has been awarded to date to support 67 projects for energy efficiency upgrades.

FINANCIAL INFORMATION

MESSAGE FROM THE CFO

The City of Grande Prairie continued to demonstrate strong financial stewardship in 2025, maintaining a disciplined approach to financial management while supporting the services, infrastructure, and investments that residents rely upon every day.

Municipal governments operate in an environment of increasing complexity, balancing growing community expectations, aging infrastructure, economic uncertainty, and evolving legislative requirements. Throughout 2025, Administration remained focused on ensuring that financial decisions aligned with Council's Strategic Plan, directing resources toward priorities that support both current service delivery and the long-term sustainability of the community.

Financial management is most effective when it provides clear and reliable information to decision-makers. Throughout the year, Administration continued to strengthen financial reporting practices by emphasizing accuracy, transparency, and timely communication. This approach supported informed decision-making by Council while providing residents with a clear understanding of how public resources are managed and invested.

I am pleased to report that the City received an unqualified audit opinion on its 2025 Consolidated Financial Statements. This confirms that the City's financial results are presented fairly in accordance with Canadian Public Sector Accounting Standards and reflects the strength of the City's financial controls, reporting processes, and commitment to accountability. The City also met all legislated financial reporting requirements, further demonstrating its commitment to sound governance and responsible stewardship.

Financial strength within a municipality is measured not only by annual results, but by the ability to sustain services, maintain infrastructure, manage risk, and adapt to changing conditions over the long term. In this regard, the City remained in a strong financial position throughout 2025. Careful financial planning, ongoing monitoring of operating and capital activities, and proactive management of emerging pressures helped ensure that the City remained within approved budgets and well within provincially prescribed debt limits.

The City's financial position continues to be supported by prudent reserve management, responsible debt practices, and a long-term planning framework designed to balance current community needs with future obligations. These tools provide flexibility to respond to emerging challenges while maintaining the City's capacity to invest in strategic priorities and critical infrastructure.

As Grande Prairie continues to grow and evolve, financial sustainability remains central to every significant decision. Administration remains committed to ensuring that public resources are managed responsibly, investments are aligned with community priorities, and the City is positioned to remain resilient in the face of future opportunities and challenges.

On behalf of the Financial Management team and Administration, I would like to thank Council, City staff, and our residents for their continued trust and support. We remain committed to maintaining a financially sustainable organization that delivers value today while safeguarding the community's future.

Danielle Whiteway CPA, CA

Chief Financial Officer

REPORTING & CONTROLS

Business Planning

On a four-year cycle, Council sets priorities that guide the City's decisions over the course of their term. Each City department develops a business plan that identifies the core services that they provide to residents and establishes goals and initiatives to be achieved in order to support the priorities of Council.

Budgeting

Annually, the City prepares a four-year operating budget and five-year capital budget. City departments, with support from Financial Management, develop operating and capital budgets that support service delivery and Council priorities. Budget estimates include anticipated revenues, expenditures, capital investments, and funding sources. The draft budget is presented to Council during annual budget deliberations each November. Pending the outcome of deliberations, the budget is finalized and brought forward to Council for approval.

Accounting

The revenues and expenses of all the functional areas of the City;

- general government and administration
- protective services
- transportation services
- community and social development
- planning and development services, and
- recreation and culture services

are combined and accounted for in one financial system. Financial services are provided to the City under the leadership of the Chief Financial Officer, with support from the Financial Management team.

Reporting

Administration monitors actual results and forecasted expectations monthly in comparison to the City's approved budget. This process ensures significant variances are identified and explained and supports timely corrective actions where required to achieve approved budget objectives.

The unaudited quarterly financial statements, which includes an operational forecast by department, are presented at the Financial and Administrative Services Committee. These reports focus on the City's operations and are not prepared on a consolidated entity basis.

The quarterly reports include the following unaudited statements and schedules:

- Unconsolidated Statement of Financial Position
- Unconsolidated Statement of Operations by Object
- Operating Variances
- Reserve balances
- Capital project reporting and capital funding details*
- Other related information

*A summary of capital projects is included in Q1 and Q3, with a detailed listing of capital projects included in the Q2 and Q4 reports.

Internal Controls

Administration maintains a system of internal controls designed to provide reasonable assurance that municipal assets are safeguarded, transactions are appropriately authorized, financial records are accurate and complete, and financial information is prepared in accordance with applicable legislation, policies, and accounting standards.

The City's internal control framework is supported through established policies and related procedures. Some specific policies that guide overall financial management including:

- Corporate Asset Management Policy
- Expenditure Controls Policy
- Fiscal Sustainability Model — Long Term Debt Management Policy
- Investment Policy
- Procurement Policy
- Reserve Funds Policy

Additional controls include segregation of duties, management review and approval processes, reconciliations, delegated authority limits, and ongoing monitoring of financial activities. Together, these policies and processes support strong financial governance, transparency, and accountability in the use of public resources.

Audited Consolidated Financial Statements

Unlike the quarterly financial reports, the annual audited consolidated financial statements include the financial results of all entities controlled by the City and are prepared in accordance with Canadian Public Sector Accounting Standards.

The Municipal Government Act requires municipalities to appoint an independent, external auditor. MNP LLP is appointed as the City's auditor, up to and including the 2028 fiscal year end.

The external auditor's role is to provide an opinion on the consolidated financial statements each fiscal year in that they present fairly, in all material respects, the financial position of the City, and the results of the City's financial activities and accumulated surplus, changes in net financial assets and financial position in accordance with Canadian Public Accounting Standards.

The audited consolidated financial statements for the 2025 fiscal year end, including the audit report and related findings, were presented to the Financial & Administrative Services Committee on April 21, 2026 and approved by Council on April 27, 2026.

FINANCIAL OVERVIEW & ANALYSIS

Introduction

This section provides management's discussion and analysis of the City's financial results for the year. It is intended to supplement the audited consolidated financial statements by highlighting key changes and explaining significant variances, trends and events affecting the City's operations and overall financial position.

The analysis focuses on comparisons between the current and prior year. Results for major financial statement elements, including financial assets, liabilities, net financial assets (net debt), tangible capital assets, revenues, expenses, and other items.

Overview of the Financial Statements

The City's 2025 financial results reflect continued financial stability, with improvements in net financial assets and accumulated surplus, supported by stable operating revenues, lower operating expenditures compared to prior year, and ongoing capital-related funding activity.

Net financial assets increased by approximately $22.7 million during the year, rising from $134.3 million in 2024 to $157.0 million in 2025. This increase reflects a combination of growth in financial assets and a reduction in liabilities, indicating an overall strengthening of the City's financial position.

Accumulated surplus increased by approximately $23.8 million, from $887.9 million in 2024 to $911.7 million in 2025. This increase is primarily driven by operating results and investment in capital infrastructure. The City continues to maintain a significant investment in tangible capital assets, which totals approximately $752.0 million. These assets are essential to the delivery of municipal services and reflect the City's ongoing commitment to infrastructure renewal and long-term asset sustainability.

The City's revenue base remained relatively steady, increasing by approximately $4.8 million, while total expenses decreased by approximately $3.7 million compared to 2024. These combined factors contributed to improved operating results for the year.

It should be noted that the City's annual operating surplus is also influenced by capital-related revenues and other non-operating items, which can create variability in year-over-year results and do not directly reflect core operating performance. These results are reflected in the other items section in the Consolidated Statement of Revenue and Expenses and Accumulated Operating Surplus.

Overall, the 2025 financial results demonstrate continued financial strength, supported by stable revenues, controlled expenditures, and a strong underlying financial position.

Statement of Financial Position

Financial Assets

Total financial assets were $348.6 million at year-end (2024: $337.3 million). This increase was primarily driven by growth in the City's investment in its government business enterprise and higher agreements receivable balance, partially offset by a reduction in portfolio investments.

Portfolio Investments

The City generates additional revenue through its investment portfolio and strives to keep funds secure, available when needed, and financially beneficial. The Municipal Government Act (MGA) and Council Policy 323 guide how the City invests funds and the types of investment instruments that may be used.

Portfolio investments decreased to $105.3 million at the end of 2025. The change of $8.9 million was primarily due to the strategic use of reserves to fund both operating and capital priorities. Over recent budget cycles, reserves have been deliberately drawn to:

- offset property tax increases
- support one-time operating pressures
- fund priority capital projects such as the Multisport Dome

Investment balances remain strong, and the City continues to actively manage liquidity by balancing investment returns with short-term cash flow and funding requirements.

Agreements Receivable

Agreements receivable increased by $3.1 million over 2024, resulting in a balance of $3.8 million for 2025. The increase is primarily driven by the issuance of a $3.5 million promissory note related to the Maskwa Medical Center and continuation of the Clean Energy Improvement Program (CEIP). These programs reflect the City's role in supporting economic development, community infrastructure, and energy efficiency initiatives.

While new lending increased balances, this was partially offset by regular repayments. As these programs mature, agreements receivable will continue to fluctuate based on the timing of new issuances versus repayments.

Investment in Government Business Enterprise

This represents the City's proportionate share of its investment in Aquatera Utilities Inc. ("Aquatera"), a company that provides water, wastewater, garbage disposal, and recycling services to several communities in the region. In 2025, the City had 70.6% ownership in Aquatera, representing both common and preferred shares.

The City's proportionate share was valued at $176.4 million as of December 31, 2025. The increase of $13.9 million reflects strong financial performance of Aquatera, as operating results contributed to retained earnings growth, partially offset by dividends distributed to shareholders.

This investment represents a significant financial asset for the City that generates ongoing financial benefits to support municipal services and contributes to the City's long-term financial sustainability.

Financial Liabilities

Total liabilities decreased to $191.5 million (2024: $202.9 million). This decrease was primarily driven by reduced accounts payable and ongoing repayment of long-term debt, while other obligations remained relatively stable.

Accounts Payable and Accruals

Accounts Payable and Accruals decreased by $8.3 million from 2024, resulting in a balance of $14.9 million for 2025. This change is largely attributable to a combination of one-time items and timing differences, including:

- settlement of approximately $3.9 million in RCMP retroactive salary payments resulting from collective bargaining negotiations
- reduced accruals for RCMP contract costs as the City continues to transition to a municipal police service
- settlement of prior-year obligations, including approximately $2.0 million related to the Leisure Centre demolition
- lower year-end construction holdbacks due to project timing

Long-Term Debt

The long-term debt balance as of December 31, 2025 was $121.0 million; a decreased of $3.0 million as scheduled principal repayments exceeded new borrowing during the year.

New debt was incurred in relation to the promissory note for Maskwa Medical Center financing ($3.5 million) and to support the Clean Energy Improvement Program. These were offset by regular repayments, resulting in an overall decrease.

Long term borrowing is a strategic funding source for major capital infrastructure projects as it allows for the tax implications of borrowing to be spread out over the period that residents benefit from the underlying asset. The City maintains prudent borrowing practices to ensure the minimization of total borrowing costs, matching of debt servicing costs with the benefit of the underlying asset, and financial flexibility for future borrowings.

The City is required to stay within certain thresholds for borrowings and the related debt servicing costs, both of which are governed by the MGA (section 276), as well as Council Policy 350. At the end of 2025, the City was well within these required limits.

Net Financial Assets

Net financial assets represent the difference between the City's financial assets and its liabilities and reflect the City's overall financial capacity to meet existing obligations and support future operations.

As at December 31, 2025, net financial assets improved to $157.0 million, up from $134.3 million in 2024, indicating strengthened financial capacity to fund operations and meet future obligations.

Non-Financial Assets

Non-financial assets consist primarily of tangible capital assets such as roads, buildings, equipment, and infrastructure that are essential for delivering municipal services but are not readily converted to cash.

As at December 31, 2025, non-financial assets totaled $754.7 million, including $752.0 million in tangible capital assets, reflecting the City's continued investment in infrastructure to support service delivery and long-term community development.

Accumulated Surplus

Accumulated surplus represents the total net resources of the City, including financial assets, infrastructure, reserves, and other resources available to support current and future service delivery.

As at December 31, 2025, accumulated surplus increased to $911.7 million, reflecting positive operating results and continued investment in capital infrastructure, and indicating a strong overall financial position.

What is Accumulated Surplus?

Accumulated surplus does not represent cash available for spending. Rather, it represents the value of the City's assets and resources, including infrastructure, reserves, and investments that support municipal services and future community needs.

Statement of Operations

The Statement of Operations outlines the City's revenues, expenses, and other transactions for the year and demonstrates how these activities contributed to the City's accumulated surplus. It includes both operating results and non-cash items, providing a comprehensive view of the City's financial performance and how resources were used to deliver services to the community.

Revenue

Total revenue for 2025 was $213.9 million, an increase of approximately $4.8 million compared to the prior year.

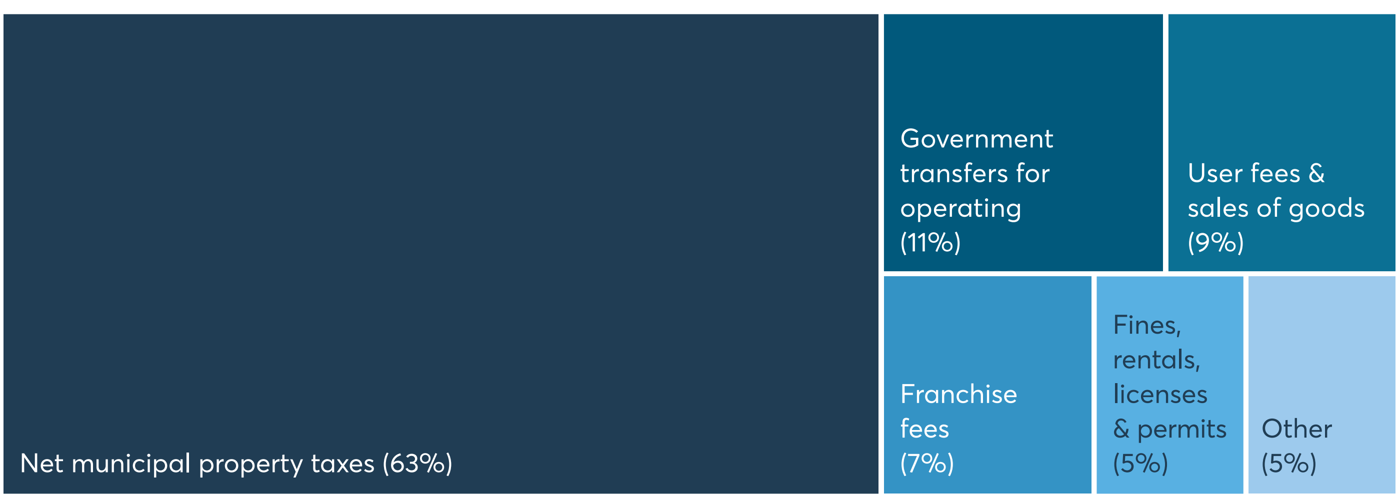
Key contributions to the increase include:

- Net municipal property taxes increased by $3.6 million, reflecting the 2.28% property tax increase approved by Council, along with new assessment growth and higher-than-budgeted grants in lieu of taxes.
- Government transfers increased by $1.9 million over the prior year, reflecting increased funding through the Intermunicipal Collaborative Framework agreement and continued provincial support for the policing transition, partially offset by a reduction in provincial funding due to a change in program administration for the Outreach and Support Services Initiatives (OSSI).
- Fines, rentals, licenses and permits increased by $985 thousand, largely driven by increased development activity, particularly in multi-family development.

These increases were partially offset by:

- A $1.2 million decrease in interest and investment income, reflecting lower returns compared to prior year. Fiscal year 2024 included strong investment performance due to investments being redeemed due to changes in market rates.
- A $1.35 million decrease in other revenue, primarily due to non-recurring items in 2024, including significant liquidated damages and construction-related penalties that did not occur at similar levels in 2025.

Where Revenues Come From



Expenses

Total expenses for 2025 were $231.1 million, a decrease of approximately $3.8 million from the prior year. The decrease was primarily driven by:

- A $7.2 million reduction in transfers to individuals, local boards and other organizations, largely due to changes in provincial funding programs (notably Outreach and Support Services Initiative), as well as the absence of one-time property transfers to community organizations recorded in 2024.
- A $3.4 million decrease in contracted and general services, reflecting reduced RCMP contract costs as the City continues transitioning to a municipal police service, partially offset by inflationary pressures.

These decreases were partially offset by:

- An $8.3 million increase in salaries, wages and benefits, driven by contractual cost-of-living adjustments, increased benefit costs, and staffing changes associated with the continued transition to a municipal police service.

Other Items

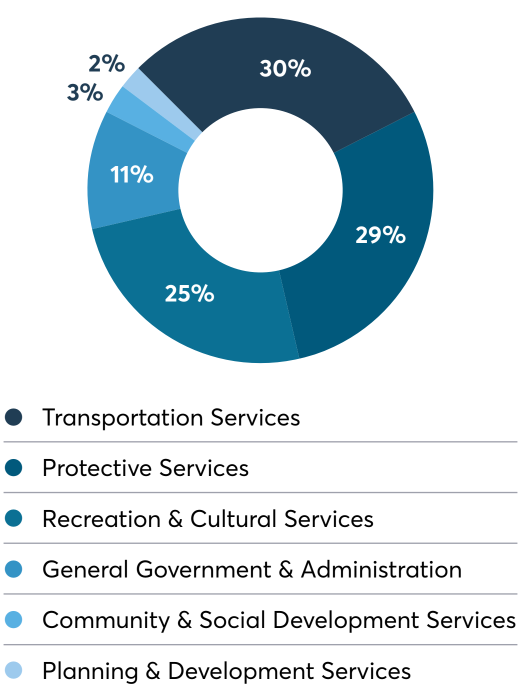
Other items had a net positive impact of approximately $4.1 million on the City's 2025 financial results. Key contributions include:

- Contributed tangible capital assets increased by $2.2 million, reflecting infrastructure contributions from developers and external partners, including subdivision improvements and community amenities.
- Income from the government business enterprise increased by $1.8 million, reflecting strong operating performance and continued financial returns from this investment.

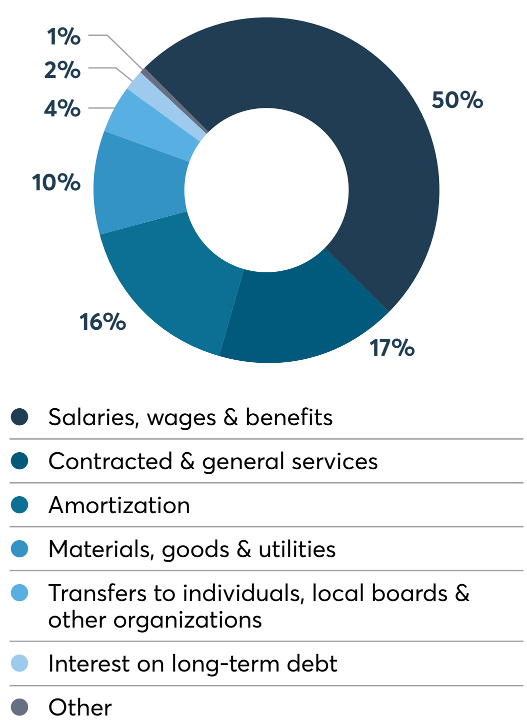
These increases were partially offset by a $1.6 million decrease in government transfers for capital, reflecting timing differences in grant-funded capital spending compared to the prior year.

Overall, the "Other Items" category reflects the impact of capital funding, investment performance, and timing-related or one-time items, which can vary significantly from year to year.

2025 Expenses by Function



2025 Expenses by Object



Summary of Significant Variances

Overall, the City's 2025 financial results reflect a combination of strategic decisions, operational changes, and timing-related factors.

Key drivers of the year-over-year changes include:

- Strategic use of reserves, resulting in a reduction in portfolio investments as funds were used to support operating pressures, offset property taxes, and fund priority capital projects.
- Transition to a municipal police service, which continues to shift costs from contracted services to salaries and operations, impacting both revenues and expenditures.
- Changes in provincial funding programs, particularly the Outreach and Support Services Initiative (OSSI), resulting in reduced flow-through funding and lower transfers to other organizations.
- Growth-related revenues, including development levies, permits, and taxation, reflecting continued residential and multi-family development activity.
- Timing and non-recurring items, which impacted comparability between 2024 and 2025.

These factors contributed to improved overall operating performance and a strengthened financial position for 2025.

Audit Results

The City's independent auditor issued an unqualified (clean) audit opinion, indicating that the consolidated financial statements present fairly, in all material respects, the City's financial position and results of operations in accordance with Canadian public sector accounting standards.

This outcome reflects the City's continued commitment to strong financial governance, accurate reporting, and effective internal controls.

Economic Conditions and Outlook

The City of Grande Prairie continues to experience stable economic conditions, supported by ongoing development activity, infrastructure investment, and continued service delivery to residents.

In 2025, the City saw continued activity in key areas such as residential development and construction, including multi-family projects, which contributed to increased development-related revenues and permitting activity. At the same time, the City continues to invest in infrastructure and community assets to maintain service levels and support long-term community needs.

The City also continues to navigate evolving external factors, including:

- changes to provincial funding programs
- inflationary pressures on operating and capital costs
- market variability impacting investment returns

Looking ahead, planned capital investments, including projects such as the multisport dome and other infrastructure initiatives, will support service delivery and community priorities while requiring ongoing financial planning and careful resource management.

The City remains well positioned to manage these factors through prudent financial management, strong reserves, and a disciplined approach to budgeting and capital planning.

Conclusion

The City of Grande Prairie ended 2025 in a strong financial position, supported by stable revenue growth, disciplined cost management, and continued investment in infrastructure and services.

These results reflect a balanced approach to financial management, enabling the City to support a growing community while maintaining flexibility to respond to future opportunities and challenges.

City of Grande Prairie

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

Management's Responsibility

To the Members of Council of the City of Grande Prairie:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the City's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

April 27, 2026

Chief Financial Officer

Independent Auditor's Report

To the Members of Council of the City of Grande Prairie:

Opinion

We have audited the consolidated financial statements of the City of Grande Prairie and its subsidiaries (the "City"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of revenue and expenses and accumulated operating surplus, remeasurement gains and losses, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2025, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its consolidated net financial assets and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City’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 City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City’s financial reporting process.

MNP LLP
Suite 700, 9909 - 102 Street, Grande Prairie AB, T8V 2V4 1.888.831.2870 T: 780.831.1700 F: 780.539.9600

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 City’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 City’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 consolidated 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 City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the City as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Grande Prairie, Alberta

MNP LLP

April 27, 2026

Chartered Professional Accountants

MNP LLP

Consolidated Statement of Financial Position

As at December 31, 2025

	2025	*2024 Restated (Note 30)*
Financial assets		
Cash *(Note 2)*	**24,360,222**	22,089,207
Portfolio investments *(Note 3)*	**105,309,260**	114,250,269
Trade and other receivables		
Taxes receivable *(Note 4)*	**7,580,257**	7,126,484
Trade and other receivables *(Note 5)*	**28,477,789**	28,990,683
Agreements receivable *(Note 6)*	**3,787,481**	670,076
Assets held for resale	**76,200**	686,716
Investment in government business enterprise *(Note 7)*	**176,389,258**	162,536,392
Derivative financial instruments *(Note 8)*	**2,583,881**	913,045
	348,564,348	337,262,872
Financial liabilities		
Accounts payable and accruals *(Note 9)*	**14,890,505**	23,195,711
Deferred revenue *(Note 10)*	**19,883,475**	20,910,159
Employee benefit obligations *(Note 11)*	**5,553,427**	4,918,003
Long-term debt *(Note 12)*	**120,986,002**	123,991,160
Asset retirement obligations *(Note 14)*	**30,225,519**	29,934,776
	191,538,928	202,949,813
Net financial assets	**157,025,420**	134,313,059
Non-financial assets		
Tangible capital assets *(Schedule 2)*	**751,976,976**	751,112,640
Inventory for consumption	**1,572,474**	1,480,503
Prepaid expenses	**1,120,980**	1,024,659
	754,670,430	753,617,802
Accumulated surplus	**911,695,850**	887,930,861
Accumulated surplus is comprised of:		
Accumulated operating surplus *(Schedule 1)*	**909,111,969**	887,017,816
Accumulated remeasurement gains	**2,583,881**	913,045
	911,695,850	887,930,861

Contingencies *(Note 23)*

Commitments *(Note 26)*

Approved on behalf of the Council

Mayor

Consolidated Statement of Revenue and Expenses and Accumulated Operating Surplus

For the year ended December 31, 2025

	2025 *Budget*	*2025*	*2024* *Restated* *(Note 30)*
Revenue			
Net municipal property taxes *(Schedule 3)*	**134,333,714**	**134,638,755**	131,071,106
Government transfers for operating *(Schedule 4)*	**23,907,444**	**22,726,287**	20,860,633
User fees and sales of goods	**23,477,195**	**20,123,710**	20,027,756
Franchise fees	**15,825,000**	**15,921,060**	15,812,385
Fines, rentals, licenses and permits	**14,297,675**	**11,797,292**	10,812,390
Interest and investment income	**3,730,500**	**4,837,835**	6,042,971
Penalties and interest on taxes	**2,200,000**	**2,194,115**	2,105,954
Development levies	**-**	**860,685**	133,414
Transfers from other organizations	**-**	**398,297**	518,597
Other revenue	**274,960**	**397,706**	1,749,671
	218,046,488	**213,895,742**	209.134.878
Program expenses			
General Government & Administration	**27,363,855**	**26,000,296**	27,099,033
Protective Services	**66,197,794**	**65,817,851**	61,461,712
Transportation Services	**42,952,734**	**70,004,535**	70,618,525
Community & Social Development	**9,378,187**	**7,770,524**	13,071,251
Planning & Development Services	**3,787,304**	**4,870,810**	3,992,006
Recreation & Cultural Services	**49,846,554**	**56,597,076**	58,576,904
Total expenditures *(Schedule 5)*	**199,526,428**	**231,061,092**	234,819,431
Excess (deficiency) of revenue over expense before other items	**18,520,060**	**(17,165,350)**	(25,684,554)
Other items			
Income from government business enterprise *(Note 7)*	**4,208,050**	**17,967,985**	16,161,907
Government transfers for capital *(Schedule 4)*	**17,215,000**	**15,884,441**	17,472,181
Concessionary items revenue	**-**	**3,064,494**	3,712,322
Contributed tangible capital assets	**-**	**2,309,733**	72,000
Gain on disposal of capital assets	**-**	**32,850**	527,179
Subsidiary repayment - pandemic emergency response	**-**	**-**	(2,805,850)
	21,423,050	**39,259,503**	35,139,739
Operating surplus	**39,943,110**	**22,094,153**	9,455,185
Accumulated operating surplus, beginning of year	**-**	**887,017,816**	877,562,631
Accumulated operating surplus, end of year	**39,943,110**	**909,111,969**	887,017,816

Consolidated Statement of Remeasurement Gains and Losses

For the year ended December 31, 2025

	2025	*2024*
Accumulated remeasurement gains, beginning of year	**913,045**	961,800
Change in remeasurement gains (losses), for the year	**1,670,836**	(48,755)
Accumulated remeasurement gains, end of year	**2,583,881**	913,045

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2025

	2025 Budget	2025	2024 Restated (Note 30)
Operating surplus	**39,943,110**	**22,094,153**	9,455,185
Acquisition of tangible capital assets	**(38,044,428)**	**(36,630,016)**	(30,718,755)
Contributed tangible capital assets	**-**	**(2,309,733)**	(72,000)
Amortization of tangible capital assets *(Schedule 2)*	**-**	**37,435,661**	36,456,768
Gain on sale of tangible capital assets	**-**	**(32,850)**	(527,179)
Proceeds on sale of tangible capital assets	**-**	**672,602**	319,066
Gift in kind on capital transfers	**-**	**-**	2,545,097
Asset retirement obligation liabilities extinguished	**-**	**-**	1,087,991
Change in estimate - asset retirement obligation	**-**	**-**	(4,683,928)
	(38,044,428)	**(864,336)**	4,407,060
Change in remeasurement gains (losses)	**-**	**1,670,836**	(48,755)
Decrease in prepaid expenses	**-**	**(96,321)**	(262,294)
Decrease in inventory for consumption	**-**	**(91,971)**	(31,016)
Change in estimated cashflows of asset retirement obligation	**-**	**-**	(137,737)
	-	**1,482,544**	(479,802)
Increase in net financial assets	**1,898,682**	**22,712,361**	13,382,443
Net financial assets, beginning of year	**-**	**134,313,059**	120,930,616
Net financial assets, end of year	**1,898,682**	**157,025,420**	134,313,059

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	2025	*2024 Restated (Note 30)*
Operating activities		
Operating surplus	**22,094,153**	9,455,185
Non-cash items		
Amortization	**37,435,661**	36,456,768
Accretion	**290,743**	294,046
Fair value adjustment of interest rate swap	**-**	48,755
Contributed tangible capital assets	**(2,309,733)**	(72,000)
Gift in kind on capital transfers	**-**	2,545,097
Gain on disposal of capital assets	**(32,850)**	(527,829)
Change in government business enterprise	**(17,967,985)**	(16,161,907)
	39,509,989	32,038,115
Changes in working capital accounts		
Taxes and grants in place of taxes receivable	**(453,773)**	3,170,188
Trade and other receivables	**718,334**	(5,439,256)
Inventory for consumption	**(91,971)**	31,056
Prepaid expenses and deposits	**(96,321)**	262,294
Assets held for resale	**610,516**	324,066
Accounts payable and accruals	**(8,305,217)**	1,005,126
Deferred revenue	**(1,026,685)**	(5,543,270)
Employee benefit obligations	**635,424**	(23,032)
Asset retirement obligation	**-**	(828,761)
Cash from operating activities	**31,500,296**	24,996,526
Financing activities		
Advances of long-term debt	**3,971,653**	-
Long-term debt repayments	**(6,976,810)**	(7,199,009)
	(3,005,157)	(7,199,009)
Capital activities		
Purchases of tangible capital assets	**(36,630,016)**	(30,718,753)
Proceeds from disposal of tangible capital assets	**672,602**	319,066
	(35,957,414)	(30,399,687)
Investing activities		
Agreements receivable repayments	**177,158**	238,201
Loans receivable issued	**(3,500,000)**	(331,104)
Dividends declared by Aquatera Utilities Inc.	**4,115,119**	4,071,110
	792,277	3,978,207
Decrease in cash resources	**(6,669,998)**	(8,623,963)
Cash resources, beginning of year	**136,339,480**	144,963,439
Cash resources, end of year	**129,669,482**	136,339,476
Cash resources are composed of:		
Cash *(Note 2)*	**24,360,222**	22,089,207
Portfolio investments *(Note 3)*	**105,309,260**	114,250,269
	129,669,482	136,339,476

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

Schedule 1 – Schedule of Changes in Accumulated Operating Surplus

For the year ended December 31, 2025

	Unrestricted Surplus (Note 17)	Restricted Surplus (Note 15) (Note 17)	Equity in Investments (Note 17)	Equity in Tangible Capital Assets (Note 15) (Note 17)	**2025**	2024 *Restated (Note 30)*
Balance, beginning of year, as previously stated	**24,968,533**	**101,814,893**	**162,536,392**	**600,357,409**	**889,677,227**	880,134,594
Correction of an error (Note 30)	**(2,659,409)**	-	-	-	**(2,659,409)**	(2,571,963)
Balance, beginning of year, as restated	**22,309,122**	**101,814,893**	**162,536,392**	**600,357,409**	**887,017,816**	877,562,631
Excess of revenue over expenses, as restated	**22,094,153**	-	-	-	**22,094,153**	9,455,185
Unrestricted funds designated for future use	**(34,675,840)**	**34,675,840**	-	-	-	-
Restricted funds used for operations	**6,169,146**	**(6,169,146)**	-	-	-	-
Share of net earnings from subsidiary	**(17,967,985)**	-	**17,967,985**	-	-	-
Dividends receivable	**4,115,119**	-	**(4,115,119)**	-	-	-
Funds transferred from reserves for capital	**24,155,409**	**(24,155,409)**	-	-	-	-
Funds used for tangible capital assets	**(38,939,751)**	-	-	**38,939,751**	-	-
Disposal of tangible capital assets (NBV)	**639,752**	-	-	**(639,752)**	-	-
Annual amortization expense	**37,435,661**	-	-	**(37,435,661)**	-	-
Annual accretion expense	**290,743**	-	-	**(290,743)**	-	-
Annual accretion expense - sewage lagoon *(Note 14)*	**(66,485)**	-	-	**66,485**	-	-
Long term debt repaid	**(5,313,340)**	**(1,486,312)**	-	**6,799,652**	-	-
Change in accumulated surplus	**(2,063,418)**	**2,864,973**	**13,852,866**	**7,439,732**	**22,094,153**	9,455,185
Balance, end of year	**20,245,704**	**104,679,866**	**176,389,258**	**607,797,141**	**909,111,969**	887,017,816

Schedule 2 – Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2025

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Assets under construction	2025	2024
Cost									
Balance, beginning of year	**90,902,414**	**87,402,053**	**328,001,817**	**621,228,747**	**45,990,904**	**30,342,954**	**1,472,066**	**1,205,340,955**	1,179,707,754
Acquisition of tangible capital assets	**1,973,247**	**1,500,357**	**612,064**	**20,123,619**	**5,809,419**	**3,032,292**	**5,888,751**	**38,939,749**	33,368,746
Disposal of tangible capital assets	**-**	**(117,773)**	**(70,476)**	**-**	**(843,801)**	**(725,114)**	**-**	**(1,757,164)**	(6,982,556)
Net assets transferred into usage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(2,577,991)
Change in estimate - asset retirement obligation asset	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	1,825,002
Balance, end of year	**92,875,661**	**88,784,637**	**328,543,405**	**641,352,366**	**50,956,522**	**32,650,132**	**7,360,817**	**1,242,523,540**	1,205,340,955
Accumulated amortization									
Balance, beginning of year	**-**	**49,975,973**	**112,928,387**	**251,704,771**	**24,870,310**	**14,748,874**	**-**	**454,228,315**	422,053,529
Annual amortization	**-**	**3,952,042**	**7,687,981**	**20,330,162**	**3,497,601**	**1,967,875**	**-**	**37,435,661**	36,456,768
Accumulated amortization on disposals	**-**	**(74,432)**	**(39,775)**	**-**	**(464,695)**	**(538,510)**	**-**	**(1,117,412)**	(4,281,982)
Balance, end of year	**-**	**53,853,583**	**120,576,593**	**272,034,933**	**27,903,216**	**16,178,239**	**-**	**490,546,564**	454,228,315
Net book value of tangible capital assets	**92,875,661**	**34,931,054**	**207,966,812**	**369,317,433**	**23,053,306**	**16,471,893**	**7,360,817**	**751,976,976**	751,112,640
Net book value of tangible capital assets 2024	90,902,414	37,426,080	215,073,430	369,523,976	21,120,594	15,594,080	1,472,066	751,112,640	

Schedule 3 – Consolidated Schedule of Net Municipal Taxes

For the year ended December 31, 2025

	2025 Budget	***2025***	*2024*
Taxation			
Real property taxes	**165,463,446**	**168,465,070**	162,149,987
Business improvement area taxes	**332,700**	**326,634**	319,951
Special recreational services tax	**8,375**	**8,350**	8,350
Local improvement area tax	**-**	**-**	69,910
	165,804,521	**168,800,054**	162,548,198
Requisitions			
Provincial Education Requisition	**30,157,152**	**32,813,447**	30,163,437
Grande Spirit Foundation	**993,006**	**1,028,002**	993,006
Downtown Business Revitalization Zone	**302,507**	**302,500**	302,507
Designated Industrial Property	**18,142**	**17,350**	18,142
	31,470,807	**34,161,299**	31,477,092
Net municipal property taxes	**134,333,714**	**134,638,755**	131,071,106

Schedule 4 – Consolidated Schedule of Government Transfers

For the year ended December 31, 2025

	2025 Budget	2025	2024
Operating			
Federal government	**1,159,653**	**1,460,208**	1,962,085
Provincial government	**17,183,909**	**15,127,067**	15,176,802
Other local governments	**5,443,091**	**6,139,012**	3,721,746
	23,786,653	**22,726,287**	20,860,633
Capital			
Federal government	**3,467,000**	**2,193,567**	6,578,139
Provincial government	**13,748,000**	**13,690,874**	10,840,518
Other local governments	**-**	**-**	53,524
	17,215,000	**15,884,441**	17,472,181
Total government transfers	**41,001,653**	**38,610,728**	38,332,814

Schedule 5 – Consolidated Schedule of Expenses by Object

For the year ended December 31, 2025

	2025 Budget	***2025***	*2024 Restated (Note 30)*
Consolidated expenses by object			
Salaries, wages and benefits	**115,743,270**	**115,980,743**	107,720,814
Contract & general services	**43,523,022**	**39,229,232**	42,562,176
Amortization	**130,000**	**37,435,661**	36,456,768
Materials, goods and utilities	**25,051,627**	**22,701,635**	25,036,362
Transfers to individuals, local boards and other organizations	**10,233,429**	**10,363,164**	17,530,283
Interest on long-term debt	**4,539,010**	**4,189,338**	4,347,624
Bank charges and short-term interest	**306,070**	**526,096**	437,450
Provision for allowances	**-**	**344,480**	433,908
Accretion	**-**	**290,743**	294,046
	199,526,428	**231,061,092**	234,819,431

Schedule 6 – Consolidated Schedule of Segmented Disclosure

For the year ended December 31, 2025

Revenue	*General Government*	*Protective Services*	*Transportation Services*	*Community Development*	*Planning & Development*	*Recreation & Culture*	***2025***
Net municipal property taxes	134,630,405	-	8,350	-	-	-	**134,638,755**
Government transfers for operating	6,277,643	10,343,778	452,956	4,671,867	-	980,043	**22,726,287**
User fees and sales of goods	1,489,832	3,033,956	8,915,827	371,045	26,576	6,286,474	**20,123,710**
Franchise fees	15,741,448	-	-	-	-	179,612	**15,921,060**
Fines, rentals, licenses and permits	95,775	2,248,136	3,159,618	1,284,474	2,416,623	2,592,666	**11,797,292**
Interest and investment income	4,352,945	-	408,262	-	-	76,628	**4,837,835**
Penalties and interest on taxes	2,179,062	-	14,759	-	294	-	**2,194,115**
Development levies	-	-	-	-	860,685	-	**860,685**
Transfers from other organizations	68,765	57,603	551	30,476	-	240,902	**398,297**
Other revenue	117,472	89,311	10,600	31,778	1,000	147,545	**397,706**
	164,953,347	15,772,784	12,970,923	6,389,640	3,305,178	10,503,870	**213,895,742**
Expenses							
Salaries, wages, and benefits	18,594,853	41,237,408	22,447,144	2,657,274	3,014,611	28,029,453	**115,980,742**
Contracted and general services	5,157,562	20,067,376	6,575,520	1,394,564	392,704	5,641,506	**39,229,232**
Amortization expense	501,565	1,587,147	27,679,021	751	823,503	6,843,674	**37,435,661**
Materials	711,382	2,543,750	11,480,105	789,654	26,693	7,150,051	**22,701,634**
Transfers to other organizations	337,845	-	95	2,926,779	-	7,098,445	**10,363,165**
Interest on long-term debt	91,630	170,281	1,553,484	-	598,584	1,775,359	**4,189,338**
Bank and short-term interest	458,316	72	63,670	-	-	4,038	**526,096**
Provision for allowances	139,043	205,437	-	-	-	-	**344,481**
Accretion	8,100	6,380	205,496	1,502	14,715	54,550	**290,743**
	26,000,296	65,817,851	70,004,535	7,770,524	4,870,810	56,597,076	**231,061,092**
Surplus (deficiency) of revenue over expenses before other items	138,953,051	(50,045,067)	(57,033,612)	(1,380,884)	(1,565,632)	(46,093,206)	**(17,165,350)**
Other items							
Income from government business enterprise	17,967,985	-	-	-	-	-	**17,967,985**
Government transfers for capital	41,000	1,634,876	13,920,566	-	-	287,999	**15,884,441**
Concessionary items revenue	-	-	-	93,735	-	2,970,759	**3,064,494**
Contributed capital	-	-	1,305,062	-	-	1,004,671	**2,309,733**
Gain (loss) on disposal of capital assets	-	27,229	(188,231)	-	219,543	(25,691)	**32,850**
Surplus (deficiency) of revenue over expenses	**156,962,036**	**(48,382,962)**	**(41,996,215)**	**(1,287,149)**	**(1,346,089)**	**(41,855,468)**	**22,094,153**

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1. Significant accounting policies

The consolidated financial statements of the City of Grande Prairie (the "City") are the representations of management, prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

Reporting entity consolidated

The consolidated financial statements reflect the financial activities of the reporting entity. This entity is comprised of the municipal operations plus all organizations that are owned or controlled by the City and are, therefore, accountable to Council for the administration of their financial affairs and resources.

The City has consolidated the assets, liabilities, revenue and expenses of the following entities:

- Grande Prairie Airport Commission 100% (2024 - 100%)
- Grande Prairie Public Library 100% (2024 - 100%)

All inter-entity balances have been eliminated on consolidation. Transactions between departments have also been eliminated.

The consolidated financial statements also exclude trust assets that are administered for the benefit of external parties as described in Note 25.

Government business entities, owned or controlled by the City's Council but not dependent on the City for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the government business entity accounting principles are not adjusted to conform to those of the City. Thus, the City's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Aquatera Utilities Inc.

Basis of accounting

These consolidated financial statements have been prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

Government transfers, contributions, and other amounts are received from third parties pursuant to legislation, regulation, or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is disclosed as restricted cash in Note 16.

Land held for resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, and stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks, and street lighting are recorded as physical assets under the respective function.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1. **Significant accounting policies** *(Continued from previous page)*

Investments

Investments are recorded at amortized cost, except investments in government business enterprises explained below. Investment premiums and discounts are amortized on the net present value bias over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

The City's investment in Aquatera Utilities Inc. is accounted for on a modified equity basis, consistent with the public sector accounting standards treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting policies are not adjusted to conform with those of the City and the inter-organizational transactions and balances are not eliminated.

Derivative financial instruments

Derivative financial instruments are financial contracts whose value changes in response to a change in an underlying variable, such as specified interest rate, financial instrument, commodity price, or foreign exchange rate. The City enters into derivative contracts to manage its exposure to interest rate risks associated with its portfolio investments and long-term debt.

Agreements receivable

Agreements receivable consist of amounts that are recoverable from other governments or local organizations with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

Property tax requisition over-levy and under-levy

Over-levies and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

Employee future benefits

Qualifying employees of the City are members of the Local Authority Pension Plan (LAPP), a multi-employer defined benefit pension plan. The trustee of this plan is the Alberta Treasurer and the plan is administered by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the City does not recognize its share of any plan surplus or deficit.

Qualifying employees of the City are members of the APEX supplementary Pension Plan (APEX), a multi-employer defined benefit pension plan. The Trustee of the plan is the Alberta Municipal Services Corporation, a subsidiary of the Association of Alberta Municipalities (ABMunis) and the plan is administered by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the City does not recognize its share of any plan surplus or deficit.

Employees of the Grande Prairie Firefighters Association, a department of the City of Grande Prairie, are members of the Grande Prairie Firefighters Supplementary Pension Plan, a defined benefit pension plan. The plan is administered by a Board of Trustees made up of representatives of the City, the Association, and independent trustees.

Employees of the Grande Prairie Police Service, a department of the City of Grande Prairie, are members of the Special Forces Pension Plan (SFPP), a multi-employer defined benefit pension plan. The SFPP Corporation is the legal trustee and administrator of the plan, which is governed by a Board of Directors. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the City does not recognize its share of any plan surplus or deficit.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1. **Significant accounting policies** *(Continued from previous page)*

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2025.

At each financial reporting date, the City reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Tax sale proceeds

Tax sale proceeds and the associated liabilities consist of the excess funds collected on the sale of seized properties put up for tax auction after outstanding property taxes were recovered by the City. Under the *Municipal Government Act,* the City is required to hold these funds for up to 10 years and attempt to disperse them to the former property owner.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, inventory for consumption, and prepaid expenses.

Tangible capital assets

Tangible capital assets are initially recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

Tangible capital assets are capitalized based on the following thresholds:

Land improvements, machinery & equipment, and vehicles - $10,000 or greater

Buildings and engineered structures - $100,000 or greater

Land - No minimum threshold for capitalization

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

When conditions indicate that a tangible capital asset no longer contributes to the City's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the City reduces the cost of the asset to reflect the decline in it's value. Write-downs of tangible capital assets are not reversed.

Amortization

Tangible capital assets are amortized annually using the straight-line method at the following rates intended to amortize the cost of the assets over their estimated useful lives:

Buildings	25 - 50 years
Land improvements	15 - 45 years
Engineered structures	5 - 75 years
Machinery & equipment	5 - 25 years
Vehicles	5 - 25 years

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1. Significant accounting policies *(Continued from previous page)*

Tangible capital assets *(Continued from previous page)*

In the year of acquisition, a full year of amortization is applied. Assets under construction are not amortized until the asset is available for productive use.

The City regularly reviews its tangible capital assets for sold or scrapped assets, at which time the cost and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year an asset is disposed of.

Leases

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

Impairment of long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The City performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

Asset retirement obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the City to incur retirement costs in relation to a tangible capital asset (or component thereof), 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. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the City reviews the carrying amount of the liability. The City recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Prepaid expenses

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1. **Significant accounting policies** *(Continued from previous page)*

Revenue recognition

Government transfers

The City recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the City recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The City recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the City records externally restricted inflows in deferred revenue.

Tax revenue

The City recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial reporting date, the City evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Fines and penalties

Traffic fine revenue is recorded based on the actual fines paid as well as the balance of outstanding fines as provided by the Government of Alberta.

Other Revenue

Other sources of revenue are recorded when received or receivable.

Segments

The City provides a range of services to its residents. For each reported segment, revenue and expenses represent only amounts that are directly attributable to the segment, no other amounts are allocated between segments. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

Segments of the financial statements are broken out as follows:

General government includes council, administrative and legislative services

Protective Services includes police, fire, emergency management, and bylaw enforcement

Transportation Services includes fleet, engineering, transit, storm water, and airport operations

Community Development includes family and community support services and cemetery

Planning and Development includes municipal planning, land use, development services, and public housing

Recreation and Culture includes recreation boards, parks, recreational facilities and related programs, library, museum and other cultural programs.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1. **Significant accounting policies** *(Continued from previous page)*

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Property tax revenues are based on property tax assessment values provided by the City of Grande Prairie.

Liability for contaminated site

Expenditures that relate to on-going environmental and remediation programs are charged against operating surplus as incurred. A liability for a contaminated site reflects management's best estimate of the amount required to remediate the contaminated site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

Asset retirement obligation

A liability for an asset retirement obligation reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the year in which they become known.

Financial instruments

The City recognizes its financial instruments when the City becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the City may irrevocably elect to subsequently measure any financial instrument at fair value. The City has not made such an election during the year.

The City subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses, with the exception of gains and losses on externally restricted financial assets measured at fair value, which are recognized as an increase or decrease to the associated liability until the resources are used in accordance with their specified purpose. Interest income is recognized in the statement of operations; however, interest income on externally restricted financial assets is recognized as an increase or decrease to the associated liability until the resources are used in accordance with their specified purpose. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1. **Significant accounting policies** *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, and recent collection experience in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

2. **Cash and equivalents**

	2025	*2024*
Cash and equivalents	**24,360,222**	22,089,207

Cash held in bank accounts bear interest at rates ranging from prime less 1.85% and prime less 1.89% based on balances maintained in the accounts (2024 - prime less 1.85% and prime less 1.89%).

Guaranteed investment certificates bear interest at rates between 2.26% and 2.85% (2024 - 4.60% and 5.45%), mature March 7, 2026 and March 9, 2026 (2024 - February 17, 2025 and March 7, 2025) respectively and are recorded at amortized cost, which includes accrued interest.

Included in cash and equivalents, and portfolio investments are restricted amounts aggregating $12,187,642 (2024 - $13,629,990) to be used for specific projects included in deferred revenue.

The City has entered into a credit facility agreement which encompasses a revolving line of credit with a maximum limit of $15,000,000 (2024 - $15,000,000) bearing interest at prime less 0.25% secured by borrowing bylaws and approvals as required to be in compliance with the Alberta Municipal Government Act and its regulations. At year-end, no amounts were drawn against the available balance.

3. **Portfolio investments**

Portfolio investments are readily convertible to cash, consist of fixed income investments and Canadian treasury bills, have a weighted average investment yield as of December 31, 2025 of 2.66% (2024 - 2.27%) per annum and mature between June 2026 and November 2035.

Market value of portfolio investments as at December 31, 2025 is $106,002,181 (2024 - $111,263,425).

4. **Taxes receivables**

	2025	*2024*
Current taxes and grants in place of taxes	**4,255,266**	4,075,560
Arrears	**3,324,991**	3,050,924
	7,580,257	7,126,484

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5. Trade and other receivables

	2025	2024
Trade and other receivable	**9,968,532**	8,258,092
Government grants receivable	**9,622,261**	12,554,978
Dividends receivable	**4,115,119**	4,071,110
Goods and services tax receivable	**235,986**	526,442
Accrued investment earnings	**4,070,094**	3,464,891
CEIP Receivable	**1,034,121**	546,182
	29,046,113	29,421,695
Less: allowances for uncollectible trade and other receivables	**(568,324)**	(431,009)
	28,477,789	28.990.683

Clean Energy Improvement Program (CEIP) loans included in trade and other receivables consist of amounts receivable from individual taxpayers for amounts relating to clean energy projects completed within the City through the CEIP administered by AB Munis. These loans are to be repaid in conjunction with property tax payments, include interest at 3% per annum and are repayable in terms of between 15-20 years.

6. Agreements receivable

	2025	2024
RCMP	**128,703**	511,298
Swan City Hockey Association	**158,778**	158,778
Maskwa Medical Center Canada Inc.	**3,500,000**	-
	3,787,481	670,076
Agreements receivable due in one year	**(128,703)**	(249,655)
	3,294,563	420,421

Estimated net principal amounts to be received are as follows:

2026	149,984
2027	43,917
2028	3,545,813
2029	47,767
	$ 3,787,481

Agreements receivable bear no interest and matures in years 2026 through 2029.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

7. Investment in government business enterprise

	2025	*2024*
Aquatera Utilities Inc. 70.6129% ownership (2024 - 70.8040%)		
167,337 common shares (2024 - 153,484)	**1,673**	1,534
176,389 preferred shares (2024 - 162,536)	**176,387,508**	162,534,631
Cumulative share of earnings	**178,569,992**	176,763,914
Cumulative share of dividends declared	**(178,569,915)**	(176,763,687)
	176,389,258	162,536,392

On December 31, 2025, Aquatera Utilities Inc. declared a stock dividend, under which the City will receive 13,853 common and 13,853 preferred shares with a carrying value of $13,852,866 in aggregate on January 1, 2026.

Aquatera Utilities Inc. was established in 2003 by the City to provide water, wastewater and solid waste management services to the City, County of Grande Prairie No. 1, Town of Sexsmith, other municipalities and commercial users.

Non-cumulative annual dividends were declared in the year in the amount of $4,115,199 (2024 - $4,071,110) consisting of:
- Mandatory dividends calculated as 5% of preferred Class D shares totalling $1,808,033 (2024 - $1,808,033)
- Discretionary dividends based on preferred Class H shares totalling $2,307,086 (2024 - $2,263,077).

All of the dividends declared for 2025 are receivable at year end. These dividends are included as an expense in other income (expense) in Aquatera Utilities Inc.'s financial results, therefore, the City's share of these dividends are added back in the above reconciliation of the City's share of earnings.

Aquatera Utilities Inc. has recognized a decommissioning liability for the estimated expected costs for closure and post-closure activities for a landfill site. The estimated costs are based on estimates and assumptions related to future events and using information currently available to management. Future events may result in significant changes to the estimated total costs and the estimated liability.

Aquatera Utilities Inc. estimated the discounted amount of cash flow required to settle its decommissioning liability is approximately $8,164,132 (2024 - $6,901,669), calculated using inflation rates of 2.3% (2024 - 2%) and a long-term discount rate of 4.5% (2024 - 5%).

The majority of closure costs related to cells one to nine (2024 - one to nine) of the landfill are expected to commence in 2036, approximately five years after reaching capacity in 2031. Annual post-closure costs are expected to extend 25 years beyond closure of the landfill. The expected capacity remaining is 517,106 (2024 - 615,066) metric tonnes with an estimated annual utilization of 84,000 (2024 - 84,000) metric tonnes. The current year liability and capacity reflects cells 1 thru 9.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Investment in government business enterprise *(Continued from previous page)*

Summary financial information for Aquatera Utilities Inc., accounted for using the modified equity method, for the respective year-end is as follows:

	December 31, 2025	December 31, 2024
Assets		
Financial assets	**45,406,251**	58,388,332
Physical assets	**310,612,278**	300,465,466
Total assets	**356,018,529**	358,853,798
Liabilities		
Current liabilities, including callable debt	**18,076,841**	27,112,819
Deferred revenue of capital contributions	**156,397,083**	154,762,889
Landfill closure and post-closure liability	**6,116,049**	5,375,085
Total liabilities	**180,589,973**	187,250,793
Net assets	**175,428,556**	171,603,005
Total revenue	**65,743,254**	60,389,349
Total expenses	**(47,392,034)**	(43,749,508)
Net income before other expenses	**18,351,220**	16,639,841
Other expenses	**(4,498,354)**	(4,549,044)
Net income	**13,852,866**	12,090,797

During the year, Aquatera Utilities Inc. had transactions with the City which are outlined in Note 20.

8. Derivitive financial instrument asset

The City directly holds derivative financial instruments that serve to manage interest rate risk. The derivatives consist of long-term debt amounts with interest rate swaps and portfolio investments with interest earnings linked to a actively quoted index fund. These derivatives allow the City to exchange interest rate cash flows (fixed, floating and bond index) based on a notional amount.

9. Accounts payable and accruals

	2025	*2024*
Trade payables and other accrued liabilities	**9,478,425**	16,713,233
Construction holdbacks payable	**1,040,013**	2,063,922
Accrued payroll	**4,372,067**	4,418,560
	14,890,505	23,195,711

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

10. Deferred revenue

	2025	*2024*
Operating grants	**5,420,600**	6,798,953
CCBF capital grant	**4,844,625**	2,653,345
LGFF capital grant	**358,864**	1,819,337
Other capital grants	**1,473,413**	1,773,517
MSI capital grant	**90,140**	578,838
Sales and user charges	**7,695,833**	7,286,169
	19,883,475	20,910,159

Deferred sales and user charges consist of amounts received by or committed to the City which are taken into revenue in the period in which they are earned and/or corresponding expenditures are incurred. Unexpended funds related to the deferred grants are fully supported by cash and portfolio investments held exclusively for these projects.

Operating Grants

Deferred operating grants consists of balances which remain unspent and will be recognized when corresponding expenditures are incurred.

Local Government Fiscal Framework (LGFF)

Capital funding in the amount of $9,140,129 (2024 - $7,878,359) was committed to the City in the current year from the LGFF program, as approved under the funding agreement. At December 31, 2025 the funds had not yet been received and will be received once the total amount that has been committed to the City has been appropriated to projects that are expected to be completed in 2026.

Canada Community Building Fund (CCBF)

Capital funding in the amount of $4,324,946 (2024 - $3,882,545) was received in the current year from the CCBF. Unexpended funds related to amounts carried forward from prior periods are supported by cash and portfolio investments held exclusively for these projects, which are scheduled for completion in subsequent periods.

Other Capital Grants

Other deferred capital grants consist of restricted amounts for specific capital projects.

11. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

Post-employment benefits

The City pays 100% of the premiums for retiree life insurance benefits to qualifying retirees for a two-year period after termination of employment. The city's cost of these benefits is recognized as a program expenditure as the coverage is incurred.

Total benefit payment on behalf of retirees during the year were $30,018 (2024 - $21,397).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

12. Long-term debt

	2025	2024
Tax supported debentures	**81,602,992**	86,822,879
Tax supported bankers acceptance interest rate swaps	**27,146,379**	27,731,127
Agreement supported debentures	**8,736,631**	9,437,154
Agreement supported bankers acceptance interest rate swaps	**3,500,000**	-
	120,986,002	123,991,160
Less: principal amounts due within the next year	**6,653,413**	6,976,810
Long-term debt due thereafter	**114,332,589**	117,014,350

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal	**Interest**	**Total**
2026	6,653,413	4,038,045	10,691,458
2027	6,562,188	3,806,531	10,368,719
2028	10,153,564	3,494,107	13,647,671
2029	6,145,289	3,212,561	9,357,850
2030	6,002,355	3,012,001	9,014,356
	35,516,809	17,563,245	53,080,054
Thereafter	85,469,193	29,048,309	114,517,502
Total	**120,986,002**	**46,611,554**	**167,597,556**

Interest on long-term debt amounted to $4,231,435 (2024 - $4,347,624).

Debenture debt of $93,367,970 (2024 - $96,260,033) is repayable to the Province of Alberta, bears interest at rates ranging from 2.79% to 5.15% (2024 - 1.46% to 2.57%) per annum and matures in years 2026 through 2049.

Debenture debt of $471,653 is repayable to the Federation of Canadian Municipalities, bears interest at 2.00% per annum and matures in 2044.

Bankers acceptance interest rate swaps (BAIRS) are repayable to CIBC and consist of facilities bearing combined interest and stamping fees of 3.61% to 3.96% (2024 - 3.61% to 3.96%) revolving quarterly which mature from 2028 - 2052 (2024 - mature from 2051 and 2052).

BAIRS have the ability to be terminated by the City and would result in the need to repay both the outstanding loan amount (notional value) and settle the potential breakage cost/benefit of the BAIRS. The potential breakage cost/benefit is dependent upon prevailing interest rates and can fluctuate from a loss to a gain dependent upon the market interest rates. If the City were to have terminated these loans at December 31, 2025 a gain of $1,886,050 (2024 - $913,045) would have been realized. The City does not have any plans to terminate these products and intends to carry them for the full term.

Debenture debt is issued on the credit and security of the City at large.

Included in long-term debt is a loan in the amount of $8,264,978 (2024 - $9,437,154) that was entered into on behalf of the Grande Prairie Airport Commission. Payments for this loan are made by the Airport Commission to the City who then pays the debtor on the Commission's behalf.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

13. Debt limits

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits defined by Alberta Regulation 255/2000 for the City be disclosed as follows:

	2025	*2024*
Total debt limit	**320,843,613**	313,782,599
Total debt	**120,514,349**	123,991,160
Amount of debt limit unused	**200,329,264**	189,791,439
Debt servicing limit	**53,473,936**	52,297,100
Debt servicing	**11,203,567**	11,588,665
Amount of debt servicing limit unused	**42,270,369**	40,708,435

The debt limit is calculated as 1.5 times the consolidated revenue of the City (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated as 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation alone does not represent the financial stability of the City. Rather, the consolidated financial statements must be interpreted as a whole.

Borrowing is further limited by the City's policy to not exceed 80% of the above debt limit, and a service on debt limit of not more than 15% of net municipal taxes and grants in place of taxes.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

14. Asset retirement obligations

Hazardous materials abatement

The City owns buildings which contain hazardous materials including asbestos. The City recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the buildings. The asset retirement cost is amortized on a straight-line basis over the useful life of the buildings.

The City estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the estimate are the inflationary rate which has been estimated using the Consumer Price Index (CPI) long-rate of 3.15%, and the average borrowing rate of the City which has been calculated using 4%.

The estimated total liability of $14,951,554 (2024 - $14,829,852) relating to the buildings is based on the expected undiscounted cashflows of $90,135,508 (2024 - $96,038,303) that will be settled over the next 76 years. The estimated liability at December 31, 2025 has been discounted based on the average borrowing rate of the City which is 4% (2024 - 4%) and inflation of 3.15% (2024 - 3.15%). The City has not designated or reserved assets for settling the abatement and demolition activities.

Bear Creek Reservoir, Dam, and Control Structure

The City operates a licensed dam and is legally required to perform closure activities upon the retirement of the structure. Closure activities include, but are not limited to, removal of the control structure and dam, sediment management, regrading and reconstruction of the creek, and armouring of the creek banks downstream to ensure creek stability and erosion control. The estimated total liability of $12,548,071 (2024 - $12,445,515) relating to the dam is based on the expected undiscounted cashflows of $53,556,294 (2024 - $55,243,317) that will be settled in an estimated 38 years.

The estimated liability at December 31, 2025 has been discounted based on the average borrowing rate of the City which is 4% (2024 - 4%) and inflation of 3.15% (2024 - 3.15%). The City has not designated or reserved assets for settling the abatement and demolition activities.

Grande Prairie Airport Commission - Sewage Lagoon

The Grande Prairie Airport Commission has recognized a liability for the asset retirement obligation of a sewage lagoon on the airport grounds. As the sewage lagoon does not have a tangible capital asset associated with it, the original amount was expensed and is therefore included in opening accumulated surplus.

The estimated total liability of $2,725,894 (2024 - $2,659,409) was estimated using a servicing study conducted by management's expert. The significant assumptions used to determine the best estimate of the liability are based on decommissioning costs, adjusted for inflation in Alberta using a present value model. Accretion expense of $66,485 (2024 - $87,447) has been recorded to account for the inflation. The City has not designated or reserved assets for settling the abatement and demolition activities.

	2025	*2024 Restated (Note 30)*
Balance, beginning of year	**29,934,776**	28,624,259
Liabilities settled	**-**	(1,095,490)
Accretion	**290,743**	294,046
Change in estimated cash flows	**-**	2,111,961
Balance, end of year	**30,225,519**	29,934,776

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

15. Equity in tangible capital assets

	2025	*2024 Restated (Note 30)*
Tangible capital assets *(Schedule 2)*	**751,976,976**	751,112,640
Long-term debt *(Note 12)*	**(120,986,002)**	(123,991,160)
Long-term debt for operating	**4,305,792**	511,294
Asset retirement obligations *(Note 14)*	**(30,225,519)**	(29,934,778)
Grande Prairie Airport Commission - Sewage Lagoon	**2,725,894**	2,659,410
	607,797,141	600,357,409

16. Reserves

	2025	*2024*
Grande Prairie Public Library	**1,991,058**	1,973,349
Grande Prairie Airport Commission	**9,650,763**	8,619,468
Cemetery perpetual care	**4,926,047**	4,652,528
Council strategic initiatives	**2,512,037**	-
Facility renewal	**13,365,472**	12,274,114
Financial stabilization	**16,740,700**	18,024,647
Fleet management system	**8,710,645**	9,918,240
Future expenditures	**33,647,526**	32,809,731
Pinnacle Ridge special tax reserve	**29,363**	29,965
Public art	**595,467**	219,605
Public housing	**157,108**	155,548
Public	**1,664,020**	3,226,180
Transportation system levy	**10,689,660**	9,911,515
	104,679,866	101,814,893
Total Cash		
Cash and temporary investments (Note 2)	**24,360,222**	22,089,207
Portfolio investments (Note 3)	**105,309,260**	114,250,269
Deferred revenue (Note 10)	**(12,187,642)**	(13,629,990)
Reserves	**(104,679,866)**	(101,814,890)
Unrestricted cash	**12,801,974**	20,894,596

Unrestricted cash above represents cash amounts available for use that is not restricted either externally or internally. The City has sufficient cash to cover its restricted funds including deferred revenue (Note 10), and reserves identified above.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

17. Accumulated operating surplus

Accumulated operating surplus consists of the following:

	2025	*2024 Restated (Note 30)*
Unrestricted surplus	**20,245,704**	22,309,122
Reserves (Note 16)	**104,679,866**	101,814,893
Equity in tangible capital assets (Note 15)	**607,797,141**	600,357,409
Equity in investments	**176,389,258**	162,536,392
	909,111,969	887,017,816

18. Franchise fee revenue

The City has franchise agreements with ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., and Aquatera Utilities Inc. that provide the utilities with the right to construct, operate, and maintain distribution systems within municipal rights-of-way for the purpose of dealivering natural gas, electricity, water, sewer, landfill, and recycling services to the City. These agreements are authorized under the Municipal Government Act and established through municipal bylaws.

	2025	*2024*
ATCO Electric Ltd.	**4,827,461**	6,651,934
ATCO Gas and Pipelines Ltd.	**6,649,707**	4,960,182
Aquatera Utilities Inc.	**4,264,280**	4,036,951
	15,741,448	15,649,067

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

19. Salaries and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by Alberta regulation 313/2000 is as follows:

	Salary/ remuneration	*Benefits & allowances*	*2025*	*2024*
Mayor:				
J. Clayton	**155,361**	**18,938**	**174,299**	168,099
Councilors:				
G. Berg	**78,694**	**15,398**	**94,092**	92,429
G. Blackmore	**70,028**	**14,306**	**84,334**	90,329
W. Bosch	**17,897**	**9,354**	**27,251**	92,429
D. Bressey	**78,394**	**15,443**	**93,837**	93,073
M. O'Connor	**82,289**	**10,908**	**93,197**	88,012
K. O'Toole	**81,994**	**15,398**	**97,392**	97,079
W. Pilat	**81,994**	**15,398**	**97,392**	89,579
C. Thiessen	**81,794**	**15,398**	**97,192**	95,329
L. Auger	**10,694**	**8,648**	**19,342**	-
J. Flach	**13,894**	**4,904**	**18,798**	-
City manager	**383,257**	**25,189**	**408,446**	399,841
Designated officers	**608,873**	**116,086**	**724,959**	719,718

Salary/remuneration includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships, and tuition.

Benefits and allowances figures also include include the employer's share of costs of additional taxable benefits including special leave with pay, travel allowances, and car allowances.

The City Manager position represents one full-time equivalent in 2025 (2024 - one FTE).

Designated officers include the Chief Financial Officer, City Assessor, and City Clerk, consisting of three full-time equivalent positions (2024 - three FTE).

20. Related party transactions

During the year, the City conducted the following transactions with a related entity. The transactions were recorded at fair value at the date of transaction.

	2025	*2024*
Aquatera Utilities Inc. (a government business enterprise controlled by the City)		
Franchise fee revenue, including amounts in lieu of taxes	**4,264,280**	4,036,951
Cost recovery	**847,649**	380,970
Utility and other expenses	**834,498**	845,676
Dividends declared	**4,115,119**	4,071,110
Trade and other accounts receivable	**5,227,250**	4,657,018
Trade accounts payable	**-**	78,048

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

21. Employee future benefits

The City participates in several multi-employer benefit plans on behalf of its employees.

a) Local Authorities Pension Plan

Employees of the City participate in the Local Authorities Pension Plan ("LAPP"), a multi-employer defined benefit pension plan governed by the *Alberta Public Sector Pension Plans Act*. The LAPP serves about 316,938 members and 453 employers. The LAPP is funded through employer and employee contributions and investment income earned by the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

For current service contributions to the Local Authorities Pension Plan the City contributed 8.45% of pensionable earnings up to the Year's Maximum Pensionable Earnings under the Canada Pension Plan, and 11.65% of pensionable earnings above this amount. Employees of the City contributed 7.45% of pensionable earnings up to the Year's Maximum Pensionable Earnings and 10.65% on pensionable earnings above this threshold.

Total current service contributions by the City to the LAPP in 2025 were $6,315,091 (2024 - $6,154,076). Total current service contributions by the employees of the City to the LAPP in 2025 were $5,644,373 (2024 - $5,500,512).

Based on the latest actuarial funding valuation included in the 2024 Annual Report, the Plan's going-concern funded status as of December 31, 2024, was approximately 114%, indicating that on a funding valuation basis there were more assets than actuarial liabilities at that valuation date.

For accounting purposes, the funded status of a defined benefit pension plan may differ from the actuarial funding position due to differing measurement bases and assumptions. According to the 2024 Annual Report highlights LAPP's net assets available for benefits of approximately $70,699,000,000 (2023 - $63,338,000,000) exceeded accounting-basis liabilities, resulting in an estimated actuarial surplus of $19,557,000,000 (2023 - surplus of $15,057,000,000). The 2025 LAPP annual report was not available at the date of these financial statements.

b) APEX Supplementary Pension Plan

Eligible employees may also elect to participate in the voluntary APEX Supplementary Pension Plan offered through Alberta Municipalities Association, which is covered by the *Public Sector Pension Plans Act*. The plan serves about 2,782 members and 171 employers. The plan is financed by employer and employee contributions and by investment earnings of the APEX Fund.

The City is required to make current service contributions to the plan of 2.96% of pensionable earnings above the LAPP maximum pensionable earnings up to the year's maximum pensionable earnings of $187,834 (2024 - $180,500) for those employees who have elected to participate in the Plan. No contributions are required on earnings above the maximum threshold.

Employees of the City electing to participate in the plan are required to make current service contributions of 2.45% of pensionable earnings above the LAPP maximum pensionable earnings up to the year's maximum pensionable earnings of $187,834, with no contributions on earnings above the maximum threshold.

Total current service contributions by the City to the APEX in 2025 were $506,908 (2024 - $453,553). Total current service contributions by the employees of the City to the APEX in 2025 were $414,433 (2024 - $370,810).

At December 31, 2024, the date of the most recent actuarial valuation, the APEX disclosed an actuarial surplus of $17,157,288 (2023 - surplus of $10,306,413). The 2025 APEX annual report was not available at the date of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

21. Employee future benefits *(Continued from previous page)*

c) Grande Prairie Firefighters Supplementary Pension Plan

Effective January 1, 2004, the City initiated a defined benefit pension plan on behalf of the Grande Prairie Firefighters Association.

Total current service contributions by the City to the plan in 2025 were $449,501 (2024 - $440,864). Total current service contributions by the employees of the City to the plan in 2025 were $367,730 (2024 - $360,662).

The City and plan members have agreed to share the cost of future service and any future additional unfunded liabilities 55% by the City and 45% by plan members. It is management's opinion that the City's proportionate share of any such unfunded liability as at December 31, 2025, would not have a significant impact on the financial position of the City.

A triennial actuarial valuation was completed as of December 31, 2024, to assess the Plan's financial position. The valuation identified a going concern unfunded liability of $490,000, representing a funded ratio of 95.6% (previous valuation at December 31, 2021, reported an actuarial deficit of $1,464,000).

The minimum contribution requirements under the Employment Pension Plans Act for the Plan years 2025 to 2027 are 4.901% of pensionable earnings, with the City contributing 2.697% and plan members contributing 2.204%. As an acceptable alternative, contribution rates will be applied as:

- Prior to November 1, 2025: 6.836% of pensionable earnings (City 3.760%; members 3.076%).
- On and after November 1, 2025: 4.138% of pensionable earnings (City 2.276%; members 1.862%).

The actuary reported no subsequent events that would materially affect the valuation results. The next actuarial valuation is required no later than December 31, 2027.

d) Special Forces Pension Plan

Effective October 1, 2023, the City joined the Special Forces Pension Plan ("SFPP") to accommodate sworn officers. The SFPP is jointly governed under the *Joint Governance of Public Sector Pension Plans Act in 2018* and by the *Employment Pension Plans Act ("EPPA")*. Since the SFPP Corporation became a public agency on November 2, 2019, they are subject to the *Alberta Public Agencies Governance Act ("APAGA"*), the *Financial Administration Act*, and the *Fiscal Planning and Transparency Act*.

According to the SFPP Annual Report as at December 31, 2024, the Plan serves approximately 8,269 members and 8 participating employers. The SFPP is funded through a combination of employer and employee contributions and investment income earned by the SFPP Fund.

For current service contributions, the City contributed 14.30% of pensionable earnings up to the Year's Maximum Pensionable Earnings (YMPE), while employees contributed 13.20% of pensionable earnings up to the YMPE. Total current service contributions by the City to the SFPP amounted to $547,457 in 2025 (2024 – $199,674). Total current service contributions by employees of the City to the SFPP amounted to $505,345 in 2025 (2024 – $184,578).

The latest actuarial funding valuation was completed in 2024 for the year ended December 31, 2023. Based on the most recent SFPP funding valuation, the funding value of the Plan's assets increased to approximately $4,290,000,000 as at December 31, 2023, compared to $3,920,000,000 at the end of the previous valuation period ended December 31, 2021.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

21. Employee future benefits *(Continued from previous page)*

Based on the SFPP 2024 Annual Report, the following information relates to the overall financial position of the Plan as at December 31, 2024:

- The market value of net assets available for benefits was approximately $4,760,000,000.
- The pension obligation measured on an accounting basis was approximately $4,130,000,000.

As a result, the Plan reported an accounting surplus of approximately $624,000, with assets representing approximately 115% of accounting liabilities.

The funded position on an actuarial funding basis differs from the accounting basis due to the use of different assumptions and methodologies. Based on the most recent actuarial valuation included in the 2024 Annual Report (as at December 31, 2023), the Plan was 99.9% (2021 - 100%) funded.

22. Financial Instruments

The City financial instruments consist of cash and portfolio investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy, and long-term debt. It is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the City manages exposure through interest rate swaps, which modify the repricing characteristics of financial assets and liabilities.

The City is exposed to interest rate risk with respect to principal protected notes included in portfolio investments, which are subject to floating interest rates ranging from 4.61% to 6.88%, maturing between 2032 and 2035 (2024 - 2031 and 2034).

The City’s long-term debt includes swap rate loans which bear combined interest and stamping fees of 3.61% to 3.96% (2024 - 3.61% to 3.96%), maturing between 2028 and 2052 (2024 – 2051 and 2052).

Credit Risk

The City is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other accounts receivables. Credit risk arises from the possibility that taxpayers and entities to which the City provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

23. Contingencies

The City is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the City could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The City annually reviews any potential environmental liabilities resulting from its operations and properties, as well as any potential reclamation obligations. The City has identified sites that have the potential to result in remediation obligations, but the sites have not exceeded any existing environmental standard. A liability will be recorded for these sites when an environmental standard has been exceeded, the likelihood of the City becoming responsible for the site is determinable and the amount of the liability can be reasonably estimated.

The City has been named defendant in various lawsuits at December 31, 2025. While it is not possible to estimate the ultimate liability with respect to the pending litigation, based on evaluation and correspondence with the City's various legal counsels, management indicates that it is unlikely that there will be a materially adverse effect on the financial position of the City. The ultimate settlement of these lawsuits, if any, will be recorded in the period the details become known.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

24. Budget reconciliation

The disclosed budget information has been approved by the Mayor and Council of The City of Grande Prairie at the council meeting held December 2, 2024.

The annual operating budget is prepared based upon the City's annual fiscal plan, therefore, a reconciliation of the budgeted surplus as disclosed in these consolidated financial statements to the budget as approved by Council is required under Public Sector Accounting Board Standards.

Annual surplus/deficit is comprised of the following:

	2025	*2024*
Budget surplus per consolidated financial statements	**39,943,110**	34,506,802
Transfers to reserves	**(19,326,343)**	(6,871,714)
Transfers from reserves	**5,646,679**	5,140,900
Internal charges	**(8,033,047)**	(8,564,884)
Internal recoveries	**8,033,047**	8,564,884
Budgeted capital transfers	**(17,215,000)**	(22,078,875)
Debt principal payments	**(5,384,646)**	(7,338,341)
Subsidiary Budget - Library	**136,200**	181,200
Subsidiary Budget - Airport	**(3,800,000)**	(3,539,972)
	-	-

25. Funds held in trust

The City administers the following trusts on behalf of third parties. As related trust assets are not owned by the City, the trusts have been excluded from the consolidated financial statements. The following table provides a summary of the transactions within these trusts during the year:

	Opening balance	***Receipts***	***Disbursements***	***Closing balance***
Community funds and endowments	**1,348,004**	**31,300**	**(72,307)**	**1,306,998**

26. Commitments

At December 31, 2025, the City has entered into various agreements for goods and services that extend past the current fiscal year. These contractual obligations will become liabilities to the City in subsequent years when the terms of the agreements are met.

The City has entered into an agreement with the Royal Canadian Mounted Police (RCMP) to provide policing services which is billed based on actual utilization of RCMP services. The agreement is anticipated to expire on October 21, 2026.

The City has entered into an agreement with Alberta Municipal Services Corporation (AMSC) and ATCO, which expires December 31, 2026, to purchase electricity and natural gas at a fixed price and volume per hour to meet its estimated annual consumption requirements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

26. Commitments *(Continued from previous page)*

The City has entered into other various agreements for the 2026 fiscal year with estimated minimum annual payments as follows:

	2026	*2025*
Capital construction	**21,660,156**	4,089,058
Equipment purchases	**3,185,605**	2,104,080
Contracted services	**773,489**	3,068,246
Loan agreements		3,500,000
Funding agreements	**2,257,961**	2,028,950
Leases space	**480,000**	480,000
Balance, end of year	**28,357,211**	15,270,334

27. Approval of financial statements

Council and Management have approved these financial statements.

28. Subsequent event

Subsequent to year end, the City entered into the following new financing agreements with RBC:

- $7,200,000 one year term loan bearing interest at RBC Prime less 1%, which will convert into a bankers acceptance interest rate swap on Feb 11, 2027. The interest rate swap bears combined interest and stamping fees at an all in rate of 4.52% and matures in 2047.

- $3,347,000 one year term loan bearing interest at RBC Prime less 1%, which will convert into a bankers acceptance interest rate swap on Feb 11, 2027. The interest rate swap bears combined interest and stamping fees at an all in rate of 4.62% and matures in 2052.

29. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

30. Correction of an error

During the year, the Grande Prairie Airport Commission determined that an asset retirement obligation liability was understated. For 2024, the impact of this correction has resulted in a decrease of 2024 opening unrestricted surplus of $2,571,963, an increase in asset retirement obligation liability of $2,659,409, and an increase in 2024 accretion expense of $87,447.

This change also resulted in an opening unrestricted surplus decrease of $2,659,409 in 2025.

STATISTICAL INFORMATION

Municipal Indicator Results

For the years ended December 31, 2024–2025

Municipal indicators are tools used to measure various aspects of a municipality's governance, finances or community. Each year these results are compared against benchmarks established by Municipal Affairs and the results are published on the Municipal Indicators' Dashboard. Below, we have included a presentation of the financial related indicator results for the City of Grande Prairie for 2025.

	2024	2025
Indicator: Audit Outcome	Unqualified Audit Opinion – No Concern	Unqualified Audit Opinion – No Concern

What It Means: The municipal auditor was able to complete the audit and express an opinion and did not identify a specific concern about the ability of the municipality to meet its financial obligations.

Expected Result: The audit report does not identify a going concern risk or denial of opinion.

	2024	2025
Indicator: Population Change (10 year period)	2.67%	2.67%

What It Means: The change in population of the municipality over the past ten years. Municipal population data is as published in the annual Municipal Affairs Population List, with exception of 2021 where the federal census data was used and 2024 where the City conducted a municipal Census.

Expected Result: The population of the municipality is stable or growing and has not declined by more than 20 per cent over a ten-year period.

	2024	2025
Indicator: Current Ratio	3.10	3.60

What It Means: The municipality is able to pay for its current financial obligations using cash or near-cash assets.

Expected Result: The ratio of current assets to current liabilities is greater than one.

	2024	2025
Indicator: Accumulated Surplus	$289,319,822	$301,314,828

What It Means: The municipality has more operational assets than liabilities, which generally provides the municipality with cash flows to meet ongoing obligations and manage through lean periods of the year where costs may exceed revenues.

Expected Result: The municipality has a positive (above zero) surplus. An accumulated deficit is a violation of Section 244 of the Municipal Government Act.

	2024	2025
Indicator: On-Time Financial Reporting	All financial reporting was submitted on-time	All financial reporting was submitted on-time

What It Means: The municipality is preparing its audited financial reports on a timely basis. Financial reporting is an important aspect of municipal accountability to its residents and businesses.

Expected Result: The municipality's financial statements and financial information return for the preceding calendar year are received by Municipal Affairs no later than May 1st or the approved extension date.

Indicator: Debt to Revenue Percentage	59.27%	56.34%

What It Means: The municipality has maintained reasonable levels of borrowing debt.

Expected Result: The municipality's total borrowings represent less than 120 per cent of its total revenue.

Indicator: Debt Service to Revenue Percentage	5.54%	5.24%

What It Means: The municipality has assumed a reasonable level of borrowing repayment obligations.

Expected Result: The municipality's total costs for borrowing repayments do not exceed 20 per cent of its total revenue.

Indicator: Infrastructure Investment – Asset Sustainability Ratio	1.47	1.35

What It Means: The municipality is replacing its existing tangible capital assets and investing in new assets and infrastructure at a rate exceeding the estimated wear or obsolescence of its existing assets.

Expected Result: The municipality's average capital additions exceed the average amortization (depreciation).

Indicator: Infrastructure Age – Net Book Value of Tangible Capital Assets	62.32%	60.52%

What It Means: The municipality is replacing existing assets on a regular basis. If the municipality is adding new services or expanding facilities and infrastructure, it would be expected that the ratio would be higher than 40 per cent.

Expected Result: The net book value of the municipality's tangible capital assets is greater than 40 per cent of the original cost. If the municipality is adding new services or expanding facilities and infrastructure, it would be expected that the ratio would be higher than 40 per cent.

Population and Development Statistics (Unaudited)

For the years ended December 31, 2021–2025

	2021	2022	2023	2024	2025
Population	64,141	64,141	64,141	70,385	70,385

Development Permits – Construction Value ($'s)					
Residential	$40,042,604	$56,173,739	$38,517,984	$75,541,692	$173,185,221
Commercial/Industrial/ Institutional	$44,734,202	$60,523,263	$47,918,908	$47,453,680	$99,896,631
Total	**$84,776,806**	**$116,697,002**	**$86,436,892**	**$122,995,372**	**$273,081,852**
Number of Development Permits					
Residential	441	531	425	539	946
Commercial/Industrial	165	176	124	139	132
Instituitional Building	14	18	14	21	27
Electrical/Heating/ Plumbing/Gas	1,756	1,930	1,545	1,804	2,342
Other (Accessory, Demolition, etc.)	19	16	16	12	10
Total	**2,395**	**2,671**	**2,124**	**2,515**	**3,457**

Taxation and Assessment (Unaudited)

For the years ended December 31, 2021–2025

	2021	2022	2023	2024	2025
Property Tax Rates (including requisitions)					
Residential	12.4918	12.5747	12.6220	12.6807	12.4180
Non-residential	21.1308	21.3302	21.6776	22.6601	23.6920
Assessment Values					
Residential	6,908,068,870	6,968,301,410	7,033,454,670	7,288,848,500	7,755,798,490
% of total	69%	69%	69%	70%	71%
Non-residential	3,176,545,500	3,182,959,600	3,176,642,380	3,167,299,080	3,119,025,190
% of total	31%	31%	31%	30%	29%
Total Assessment	**10,084,614,370**	**10,151,261,010**	**10,210,097,050**	**10,456,147,580**	**10,874,823,680**
Property Tax Revenue & Requisitions					
Residential	67,339,382	67,609,442	69,032,710	72,673,679	74,860,951
% of total	56%	56%	55%	55%	56%
Non-residential	52,932,579	53,899,617	55,558,859	58,397,427	59,745,321
% of total	44%	44%	45%	45%	44%
Net Municipal Tax Levies	120,271,961	121,509,059	124,591,569	131,071,106	134,606,272
Total Requisition Transfers	31,121,319	31,964,312	30,916,518	31,477,092	33,858,799
Total Property Taxes	**151,393,280**	**153,473,371**	**155,508,087**	**162,548,198**	**168,465,071**
Taxes Receivable (penalties included)					
Current	$11,821,209	$6,857,108	$6,665,940	$4,558,118	$4,255,266
In arrears one year or more	$3,813,091	$3,689,521	$3,625,580	$2,573,655	$3,325,566
	$15,634,300	**$10,546,629**	**$10,291,520**	**$7,131,773**	**$7,580,832**

Taxation and Assessment (Unaudited)

For the years ended December 31, 2021–2025

	2021	2022	2023	2024	2025
Balance outstanding as % of total property taxes					
Current year taxes outstanding	8%	4%	4%	3%	3%
In arrears one year or more	3%	2%	2%	2%	2%

Appeals **LARB (Local Assessment Review Board)**					
Number of complaints filed	-	1	1	1	1
Number of complaints resulting in adjustment	-	-	-	-	-
Adjustments as a % of complaints filed	0%	0%	0%	0%	0%
CARB (Composite Assessment Review Board)					
Number of complaints filed	66	94	61	77	48
Number of complaints resulting in adjustment	4	8	-	1	4
Adjustments as a % of complaints filed	6%	9%	0%	1%	8%

Consolidated Statement of Operations (Unaudited)

For the years ended December 31, 2021–2025

	2021	2022	2023	2024	2025
Revenue					
Net municipal property taxes	120,607,487	121,844,203	124,922,400	131,071,106	134,638,755
Government transfers	53,226,411	47,253,027	32,111,147	38,332,814	38,610,728
User fees and sales of goods	9,631,075	15,274,767	18,434,159	20,027,756	20,123,710
Interest and investment income	3,672,342	3,685,299	2,954,214	6,042,971	4,837,835
Penalties and cost of taxes	1,701,448	2,331,506	2,260,358	2,105,954	2,194,115
Development levies	336,108	466,967	666,828	133,414	860,685
Fines, rentals, licenses and permits	9,316,741	11,881,348	12,142,914	10,812,390	11,797,292
Franchise and concession contracts	13,179,715	15,410,015	14,938,127	15,812,385	15,921,060
Transfers fom other organizations	1,067,879	256,746	256,632	518,597	398,297
Other revenue	2,291,311	311,969	5,540,094	1,749,671	397,706
Contributed assets	5,081,753	1,260,472	1,403,367	72,000	2,309,733
Gain on disposal of assets & assets held for sale	-	912,788	202,073	527,179	32,850
Subsidiary operations	14,160,874	11,339,090	16,839,422	16,161,907	17,967,985
Concessionary items revenue	-	-	-	3,712,322	3,064,494
Total Revenue	**234,273,144**	**232,228,197**	**232,671,735**	**247,080,466**	**253,155,245**

Consolidated Statement of Operations (Unaudited)

For the years ended December 31, 2021–2025

	2021	2022	2023	2024	2025
Expenses by Function					
General government and administration	20,287,091	29,880,553	28,406,377	27,099,033	26,000,296
Protective services	50,593,959	53,207,662	60,477,334	61,461,712	65,817,851
Transportation services	61,629,394	70,413,686	67,956,936	70,618,525	70,004,535
Community and social development	15,666,656	10,387,226	9,699,208	13,071,251	7,770,524
Planning and development services	2,996,321	3,699,476	3,754,096	3,992,006	4,870,810
Recreation and cultural services	40,610,156	49,487,086	54,188,346	58,576,904	56,597,076
Loss on disposal of assets	2,048,971	-	-	-	
Subsidiary repayment – pandemic emergency response	-	-	-	2,805,850	-
Total Expenses by Function	**193,832,548**	**217,075,689**	**224,482,297**	**237,625,281**	**231,061,092**

Consolidated Statement of Operations (Unaudited)

For the years ended December 31, 2021–2025

	2021	2022	2023	2024	2025
Expenses by Object					
Salaries, wages and benefits	85,162,633	94,451,653	102,680,678	107,720,814	115,980,743
Contracted and general services	34,211,519	44,377,447	46,664,878	42,562,175	39,229,232
Amortization expense	32,428,001	34,039,870	35,564,387	36,456,768	37,435,661
Materials, goods and utilities	22,184,429	29,960,653	23,683,620	25,036,362	22,701,635
Transfers to individuals, local boards and other organizations	13,172,397	8,966,618	10,618,459	17,530,283	10,363,164
Interest on long-term debt	4,138,761	4,587,358	4,605,680	4,347,625	4,189,338
Bank charges and short-term interest	434,410	361,121	352,658	437,450	526,096
Provision for allowances	51,427	55,954	89,955	433,908	344,480
Accretion expense	-	275,015	221,982	294,046	290,743
Loss on disposal of assets	2,048,971	-	-	-	-
Subsidiary repayment – pandemic emergency response	-	-	-	2,805,850	-
Total Expenses by Object	**193,832,548**	**217,075,689**	**224,482,297**	**237,625,281**	**231,061,092**

Annual Surplus	**40,440,596**	**15,152,508**	**8,189,438**	**9,455,185**	**22,094,153**
Accumulated surplus – beginning of the year	830,718,377	871,158,973	856,372,180	880,134,598	887,017,816
Restatement	-	(29,939,301)	15,572,980	(2,571,963)	-
Accumulated Operating Surplus - End of Year	**871,158,973**	**856,372,180**	**880,134,598**	**887,017,816**	**909,111,969**
Accumulated remeasurement gains - end of year	-	2,395,969	961,800	913,045	2,583,881
Accumulated Surplus - End of Year	**871,158,973**	**858,768,149**	**881,096,398**	**887,930,861**	**911,695,850**

Consolidated Summary of Financial Position (Unaudited)

For the years ended December 31, 2021–2025

	2021	2022	2023	2024	2025
Financial assets	343,035,202	330,063,923	331,758,126	337,262,872	348,564,348
Liabilities	203,378,018	224,842,999	210,827,510	202,949,813	191,538,928
Net financial assets	139,657,184	105,220,924	120,930,616	134,313,059	157,025,420
Non-financial assets	731,501,789	753,547,226	760,165,782	753,617,802	754,670,430
Accumulated surplus	**871,158,973**	**858,768,149**	**881,096,398**	**887,930,861**	**911,695,850**

Debt and Debt Service Limits (Unaudited)

For the years ended December 31, 2021–2025

	2021	2022	2023	2024	2025
Debt Limit					
Maximum allowable debt	269,067,800	277,597,749	297,872,973	313,782,599	320,843,613
Total debt and loans ($)	139,622,256	138,565,262	131,190,169	123,991,160	120,514,349
Percentage used (%)	52%	50%	44%	40%	38%
Debt Service Limit					
Maximum allowable debt service	44,844,633	46,266,292	49,645,496	52,297,100	53,473,936
Service on debt	33,777,053	12,057,894	11,600,723	11,588,665	11,203,567
Percentage used (%)	75%	26%	23%	22%	21%
Percentage of expenditures (%)	17%	6%	5%	5%	5%
Long-term Debt					
Total long-term debt	$138,565,262	$138,565,262	$131,190,169	$123,991,160	$120,514,349
Long-term debt per capita	$2,160	$2,160	$2,045	$1,762	$1,712

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