Calgary

2025 City of Calgary
Annual Financial Report

For the fiscal year ended December 31, 2025

Calgary, Alberta, Canada

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The Annual Financial Report is part of The City of Calgary's commitment to provide effective governance, increased accountability, transparency and a well-run City. It provides a comprehensive view of the consolidated financial statements in accordance with Canadian generally accepted accounting principles for local governments.

Calgary is a great place to live, and this is achieved through the efforts of all Calgarians and the hard work of dedicated City employees who are committed to **making life better every day.**

Annual Financial Report for the year ended December 31, 2025

Produced by the Corporate Planning and Financial Services Department of The City of Calgary, in cooperation with all civic departments, offices and agencies.

Introduction

The City of Calgary (The City) conducts an annual Fall Survey of Calgarians to gather residents' perspectives on life in Calgary, including quality of life, satisfaction with services, value for taxes and attitudes toward Council and Administration. This representative survey is an essential tool that helps Council and Administration stay connected to Calgarians' needs and perceptions, informing decisions and strengthening accountability through performance insights.

Public opinion research is a critical tool in helping Council and Administration better understand the needs and perceptions of Calgarians, informing decision-making and providing accountability through performance measures and insights. As a year-over-year longitudinal study, the Fall Survey offers more than a snapshot in time: research tracks how perceptions evolve, supports comparisons with previous years and highlights meaningful shifts in public sentiment.

Each year, selected results are included in the Annual Financial Report as a companion to The City's financial performance, while full results and year-to-year comparisons are available at **calgary.ca/insights**.

Council and Administration

59%

of Calgarians are satisfied with the way Council and Administration are running The City.

Perceptions of transparency and Calgarians' input

61%

agree The City practices open and accessible government.

57%

agree they are confident that The City is working to improve how it includes Calgarians' input into important decisions.

55%

agree The City uses input from Calgarians in decision-making about City projects and services.

46%

agree The City manages its spending in a responsible way that reflects the needs and priorities of Calgarians.

City services

67%

are satisfied with the overall level and quality of City services and programs.

76%

are satisfied with the overall level and quality of customer service provided by The City.

75%

agree The City meets customer service expectations.

Quality of life in Calgary

71%

say the quality of life in Calgary is good.

73%

agree Calgary is a great place to make a life.

68%

agree Calgary is a great place to make a living.

69%

agree that Calgary is on the right track to be a better city 10 years from now.

70%

agree The City fosters a city that is inclusive and accepting of all.

52%

agree Calgary is safe for all residents and visitors, regardless of things like ethnicity, race, religion, income or sexual identity.

51%

agree The City delivers programs and services that remove barriers to participation for Calgarians who need it the most.

Corporate governance and accountability

City Council (Council) consists of 14 Councillors and the Mayor. In Council meetings, each member has one vote. They are elected by, and are accountable to, the people of Calgary. The Mayor and Councillors hold office for four-year terms.

The role of Council is to govern The City of Calgary, Calgary's municipal corporation, to ensure it provides the civic services Calgarians need. In carrying out its many duties, Council must anticipate emerging opportunities and plan for the community's long-term development and growth, along with addressing concerns. Regular and open communication with Administration is central to setting and achieving Calgary's municipal corporation's mission, vision, goals, strategies and actions.

In addition to sitting in Council meetings, Councillors participate in a variety of boards, commissions and committees. Their involvement provides a critical link between Calgary's communities, agencies and the workings of the municipal government.

Audit Committee

The Audit Committee assists Council in fulfilling its financial oversight and stewardship responsibilities. It maintains reasonable assurance in relation to the integrity of The City's annual financial statements, governance matters, risk management and compliance.

The Audit Committee upholds the qualifications, independence and effectiveness of the External Auditor and the City Auditor. It also evaluates internal control systems and processes and maintains the utilization of a confidential and independent Whistle-blower Program. The Audit Committee consists of seven members appointed by Council, with the Mayor sitting ex officio. The membership includes four City Councillors and three volunteer public members, who demonstrate extensive financial expertise. Support to the Audit Committee is provided by the Chief Financial Officer, City Auditor and the External Auditor.

City of Calgary Administration

Calgary's municipal government is responsible for supporting, encouraging and strengthening our community's dynamic development. It is Administration's responsibility to provide, manage and sustain civic infrastructure, facilities and programs. This supports Calgary's excellent quality of life and contributes to why Calgary is consistently recognized as one of the world's most livable cities.

The role of the Chief Administrative Officer

The Chief Administrative Officer leads the Executive Leadership Team (ELT) and works closely with Council. The Chief Administrative Officer implements the decisions of Council, provides advice and manages Administration. The role is responsible and accountable for ensuring all City work, projects, operations and services comply with Council's policies, priorities and direction.

Executive Leadership Team

The ELT oversees all City operations and strategic management by leading, managing and coordinating The City's programs, projects and initiatives. The ELT also plays a major role in developing and implementing public policy as well as balancing the priorities and best interests of the community with The City's corporate goals and available resources.

City Council

Third row	**Ward 2 Councillor** **Jennifer Wyness** calgary.ca/ward2	**Ward 3 Councillor** **Andrew Yule** calgary.ca/ward3	**Ward 11 Councillor** **Rob Ward** calgary.ca/ward11	**Ward 9 Councillor** **Harrison Clark** calgary.ca/ward9	**Ward 7 Councillor** **Myke Atkinson** calgary.ca/ward7
Second row	**Ward 5 Councillor** **Raj Dhaliwal** calgary.ca/ward5	**Ward 8 Councillor** **Nathaniel Schmidt** calgary.ca/ward8	**Ward 14 Councillor** **Landon Johnston** calgary.ca/ward14	**Ward 1 Councillor** **Kim Tyers** calgary.ca/ward1	**Ward 6 Councillor** **John Pantazopoulos** calgary.ca/ward6
Front row	**Ward 12 Councillor** **Mike Jamieson** calgary.ca/ward12	**Ward 13 Councillor** **Dan McLean** calgary.ca/ward13	**Mayor** **Jeromy Farkas** calgary.ca/mayor	**Ward 10 Councillor** **Andre Chabot** calgary.ca/ward10	**Ward 4 Councillor** **DJ Kelly** calgary.ca/ward4

Above: Calgary 2025-2029 City Council after the swearing in ceremony on October 29, 2025.

City of Calgary organizational structure

For financial reporting purposes, the results of Calgary Police Service (CPS) are included in the Annual Financial Report. Their reporting structure remains separate from Administration's organizational structure. CPS communicates with Council through the Calgary Police Commission.

Calgary City Council

City Auditor's Office
Liz Ormsby
City Auditor

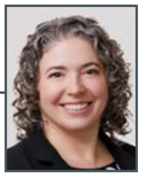
David Duckworth
Chief Administrative Officer

Jennifer Kapala
Chief of Staff

Stuart Dalgleish
Chief Operating Officer

Reid Hendry
Chief Housing Officer

Planning & Development Services (PDS)



Debra Hamilton
General Manager

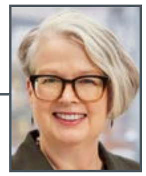
- **City & Regional Planning** – **Kathy Davies Murphy**, Director
- **Climate & Environment** – **Nicole Newton**, Director
- **Community Planning** – **Teresa Goldstein**, Director
- **Development, Business & Building Services** – **Kris Dietrich**, Acting Director
- **Downtown Strategy** – **Thom Mahler**, Director

Infrastructure Services (IS)

Michael Thompson
General Manager

- **Capital Planning & Business Services** – **Ryan Vanderputten**, Director/Chief Engineer
- **Project Development** – **Sarah Huber**, Director
- **Public Spaces Delivery** – **Kerensa Fromherz**, Director
- **Real Estate & Development Services** – **Campbell Berry**, Director
- **Utilities Delivery** – **Anne Cataford**, Director
- **Green Line LRT – SE Project** – **Wendy Tynan**, Director

Community Services (CS)



Katie Black
General Manager

- **Calgary Fire** – **Steve Dongworth**, Chief
- **Community Strategies** – **Erendira Cervantes-Altamirano**, Director
- **Emergency Management & Community Safety** – **Iain Bushell**, Director
- **Partnerships** – **Kay Choi**, Director
- **Recreation & Social Programs** – **Ian Fleming**, Director

Operational Services (OS)

Doug Morgan
General Manager

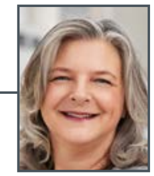
- **Calgary Transit** – **Sharon Fleming**, Director
- **Facility Management** – **Ian Fleming**, Director
- **Fleet & Inventory** – **Majid Asefi**, Director
- **Mobility** – **Troy McLeod**, Director
- **Parks & Open Spaces** – **Kyle Ripley**, Director
- **Waste & Recycling Services** – **Julie Radke**, Director
- **Water Services** – **Nancy Mackay**, Director

Corporate Planning & Financial Services (CPFS)

Les Tochor
Chief Financial Officer/General Manager

- **Assessment & Tax** – **Eddie Lee**, Director/City Assessor
- **Finance** – **Aaron Brown**, Director/City Treasurer
- **Supply Management** – **Amit Patil**, Director

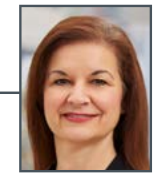
People, Innovation & Collaboration Services (PICS)



Chris Arthurs
General Manager

- **311 & Insights** – **Paul Taylor**, Acting Director
- **Marketing & Communications** – **Jennifer McMurtry**, Director/Chief Communications Officer
- **Human Resources** – **Greg Juliano**, Chief Human Resources Officer
- **Information Technology** – **Jan Bradley**, Director/Chief Information Technology Officer
- **Occupational Health & Safety** – **Christopher Collier**, Director

Law, Legislative Services & Security (LLSS)

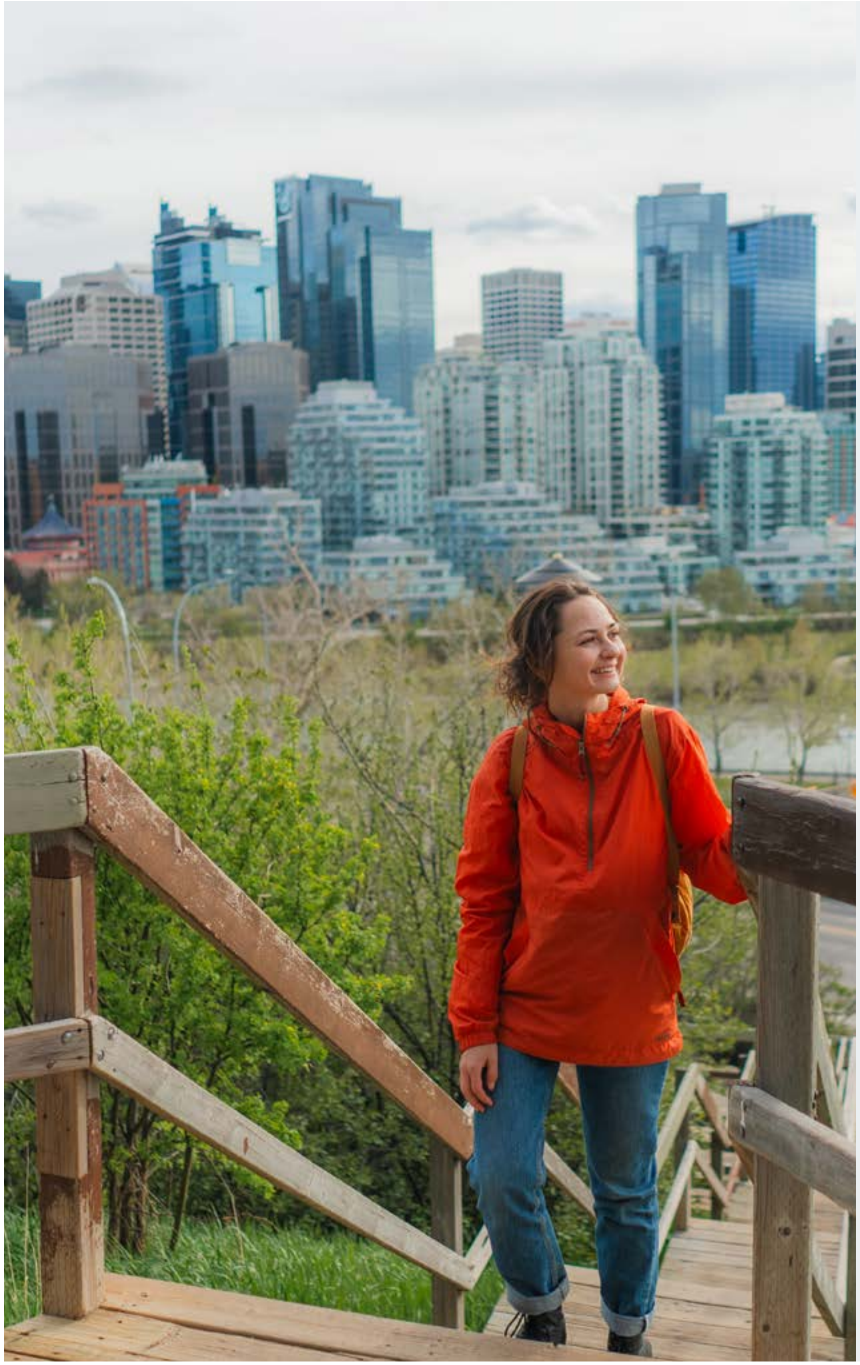


Jill Floen
City Solicitor & General Counsel

- **City Clerk's Office** – **Kate Martin**, Director/City Clerk
- **Corporate Security** – **Mike Tillotson**, Director
- **Law** – **Lynne Davies**, Director

As of January 2026

Calgary at a glance



1,558,700[1]
population

1,357 km
city pathways

3.2%
population growth

194
City-supported events

37.8
median age

$625,859
MLS average selling price

7.4%
unemployment rate

4,584
single-family housing permits

852 km^2
city area

$7.7 billion
value of building permits issued

In 2025, Calgary was ranked as one of the most livable cities in the world by the Economist Intelligence Unit

For more information on this Calgary award and others see calgary.ca/awards

(1) Population figures are estimates from Calgary and Region Economic Outlook (Spring 2026) using alternative data from Statistics Canada and the Alberta Government.

Financial Statement Discussion and Analysis

Introduction

The Financial Statement Discussion and Analysis (FSDA) reports to Calgarians how The City of Calgary (The City) manages public funds to deliver the services and infrastructure Calgarians rely on. It explains any significant differences in the consolidated financial statements between the reported year and the previous year as well as between approved budget and actual results. The FSDA also identifies financial trends, risks and emerging issues that may affect The City's finances in the future.

2025 is the third year in the four-year business plan and budget cycle, also known as the 2023-2026 Service Plans and Budgets. In November 2024, Council approved adjustments to the 2023-2026 Service Plans and Budgets for 2025 that balance affordability for property tax and utility fees while making targeted investments in infrastructure, public safety and downtown revitalization, housing and land use, and transit to improve quality of life for Calgarians. These investments were managed within the previously directed 3.8 per cent increase for 2025. The approved plans continued to guide service delivery and investment priorities following the transition to a newly elected Council. Information on The City's performance and progress in delivering on Council priorities during the 2023-2026 Service Plans and Budgets is available in The City's Quarterly Report at **calgary.ca/our-finances/performance-report**.

The City's 2025 Annual Financial Report contains the audited consolidated financial statements prepared in accordance with principles and standards established by the Canadian Public Sector Accounting Board (PSAB) published by Chartered Professional Accountants (CPA) Canada, as required by the *Alberta Municipal Government Act* (MGA). Deloitte LLP has audited The City's consolidated financial statements and provided an Independent Auditor's Report. The consolidated financial statements and auditor's report satisfy the legislative reporting requirement set out in the MGA.

The consolidated financial statements consist of:

- **Consolidated Statement of Financial Position:** shows The City's financial and non-financial assets, liabilities and net assets at year end;
- **Consolidated Statement of Operations and Accumulated Surplus:** shows The City's annual surplus by summarizing revenues raised and expenses incurred during the year, including amortization of tangible capital assets and changes in the net value of the government business enterprise, ENMAX Corporation (ENMAX), excluding other comprehensive income;
- **Consolidated Statement of Remeasurement Gains and Losses:** shows The City's unrealized gains and losses on investments, accounts payable, derivatives and ENMAX's other comprehensive income;
- **Consolidated Statement of Cash Flows:** shows how The City's cash balance changed during the year, including key sources and uses of cash; and
- **Consolidated Statement of Changes in Net Financial Assets:** explains how The City's annual surplus translates into the change in net financial assets, adjusting for non-cash items, capital spending, asset retirement obligations, and unrealized gains or losses. The change in net financial assets is an indicator of whether revenues raised in the year were sufficient to cover the spending in the year.

Administration is responsible for preparing the FSDA and the audited consolidated financial statements. These documents should be read alongside the unaudited Climate-Related Financial Disclosures and the unaudited Financial and Statistical Schedules.

Economic environment

Calgary's economy continued to demonstrate resilience in 2025, despite global uncertainty and the drag from ongoing tariff disputes. Strong domestic demand, supported by several years of elevated net migration, helped the region avoid a sharper slowdown in economic activities. The gross domestic product (GDP) in the Calgary Economic Region is estimated to have grown 2.9 per cent in 2025, driven by increased energy production, strong housing construction and sustained consumer activity. Calgary's labour market added 37,200 jobs in 2025, particularly in health care and retail. However, an expanding labour force continues to outpace job creation, keeping the unemployment rate elevated at 7.4 per cent.

Headline inflation in the Calgary Census Metropolitan Area is moderating, falling from 3.4 per cent in 2024 to 2.0 per cent in 2025, largely driven by the removal of the consumer carbon tax, which resulted in lower fuel prices and shelter costs. Housing construction remains robust as The City saw another year of record housing starts in 2025 at 23,291 units. While building permits have declined from the record highs seen in 2024, investments in building construction are expected to stay elevated.

	2025	2024	Change
Calgary			
Population (persons)(1)	**1,558,700**	1,509,800	3.2%
Building permit (numbers)(2)	**23,291**	25,081	(1,790)
Building permit value ($ billions)(2)	**7.7**	9.3	(1.6)
Calgary Census Metro Area			
Consumer Price Index inflation rate (%)	**2.0**	3.4	(1.4)
Calgary Economic Region			
Employment (persons)	**1,046,500**	1,009,300	37,200
Unemployment rate (%)	**7.4**	7.4	0.0

Population growth in The City is estimated to have moderated to 3.2 per cent in 2025, reflecting reduced international immigration under updated federal policies. Growth is expected to slow further to 1.5 per cent annually between 2026 and 2030, down sharply from the 3.7 per cent annual pace recorded between 2021 and 2025.

Sources: All data is from Statistics Canada, except:

(1) The population figures for 2024 and 2025 are estimates from Calgary and Region Economic Outlook (Spring 2026) using alternative demographic data from Statistics Canada and the Alberta Government.

(2) Building permit data is from The City of Calgary's Planning Department.

Financial highlights

Revenues and expenses

The City had consolidated revenues of $5,659 million in 2025 (2024 – $4,915 million) before external transfers for infrastructure. External transfers for infrastructure include grants and revenue sharing recognized from other levels of government, plus funds and tangible capital assets from developers, which totalled $1,620 million (2024 – $1,175 million).

The City had consolidated expenses of $5,371 million (2024 – $4,985 million). Included in expenses is depreciation, amortization and write-downs in the amount of $761 million (2024 – $731 million) as the estimated annual cost of owning and using The City's tangible capital assets.

The City's net revenue before other contributions and transfers was $288 million (2024 – net loss of $70 million). After other contributions and transfers of $1,620 million (2024 – $1,175 million) are added, The City's annual surplus on a consolidated basis for financial statement reporting totalled $1,908 million (2024 – $1,105 million).

Financial position

		2025		2024
A. Financial assets	**$**	**12,164**	$	11,587
B. Financial liabilities		**7,193**		6,690
C. Net financial assets (A minus B)		**4,971**		4,897
D. Non-financial assets		**23,296**		21,616
E. Net assets (C plus D)		**28,267**		26,513

The City's net financial assets increased by $74 million (2024 – $373 million) mainly due to an increase in investments of $350 million and investment in ENMAX of $323 million. This increase was partially offset by decreases in cash and cash equivalents of $72 million, an increase in capital deposits of $255 million, an increase in accounts payable and accrued liabilities of $132 million, and an increase in long-term debt of $87 million.

The City's net assets increased by $1,754 million in 2025 (2024 – $1,547 million). This was mainly due to an increase in investments of $350 million, a net increase in tangible capital assets (purchased and donated) of $1,664 million and an increase in investment in ENMAX of $323 million, partially offset by an increase in capital deposits of $255 million, and an increase in accounts payable and accrued liabilities of $132 million.

The City's long-term debt ratings were affirmed at AA+ by S&P Global Rating Agency (S&P), AA (high) by Morningstar DBRS (DBRS) and Aa1 Stable by Moody's in 2025.

Cash flow

The City's cash and cash equivalents decreased by $72 million to $698 million and investments increased by $350 million to $6,759 million. The decrease in cash and cash equivalents is primarily due to cash used in capital and investing activities. This decrease was offset by cash generated from operating activities and dividends received from ENMAX.

Cash provided by operating activities

In 2025, cash provided by operating activities was $1,947 million, compared to $1,335 million in 2024, and includes:

- Annual surplus of $1,908 million (2024 – $1,105 million);
- Net decrease in items included in the annual surplus and not affecting cash of $401 million (2024 – increase of $473 million); and
- Net increase in non-cash items of $440 million (2024 – decrease of $243 million).

Cash used in capital activities

Cash used in capital activities was $1,844 million, compared to $1,543 million in 2024, and includes:

- Additions to capital assets of $1,860 million (2024 – $1,564 million);
- Less proceeds on the sale of tangible capital assets of $16 million (2024 – $21 million).

Cash used in investing activities

Cash used in investing activities was $247 million, compared to $554 million used in 2024, and includes:

- Net increase of investments of $350 million (2024 – $649 million);
- Less Dividends from ENMAX of $103 million (2024 – $95 million).

Cash provided by financing activities

Cash provided by financing activities was $72 million, compared to $425 million in 2024, and includes:

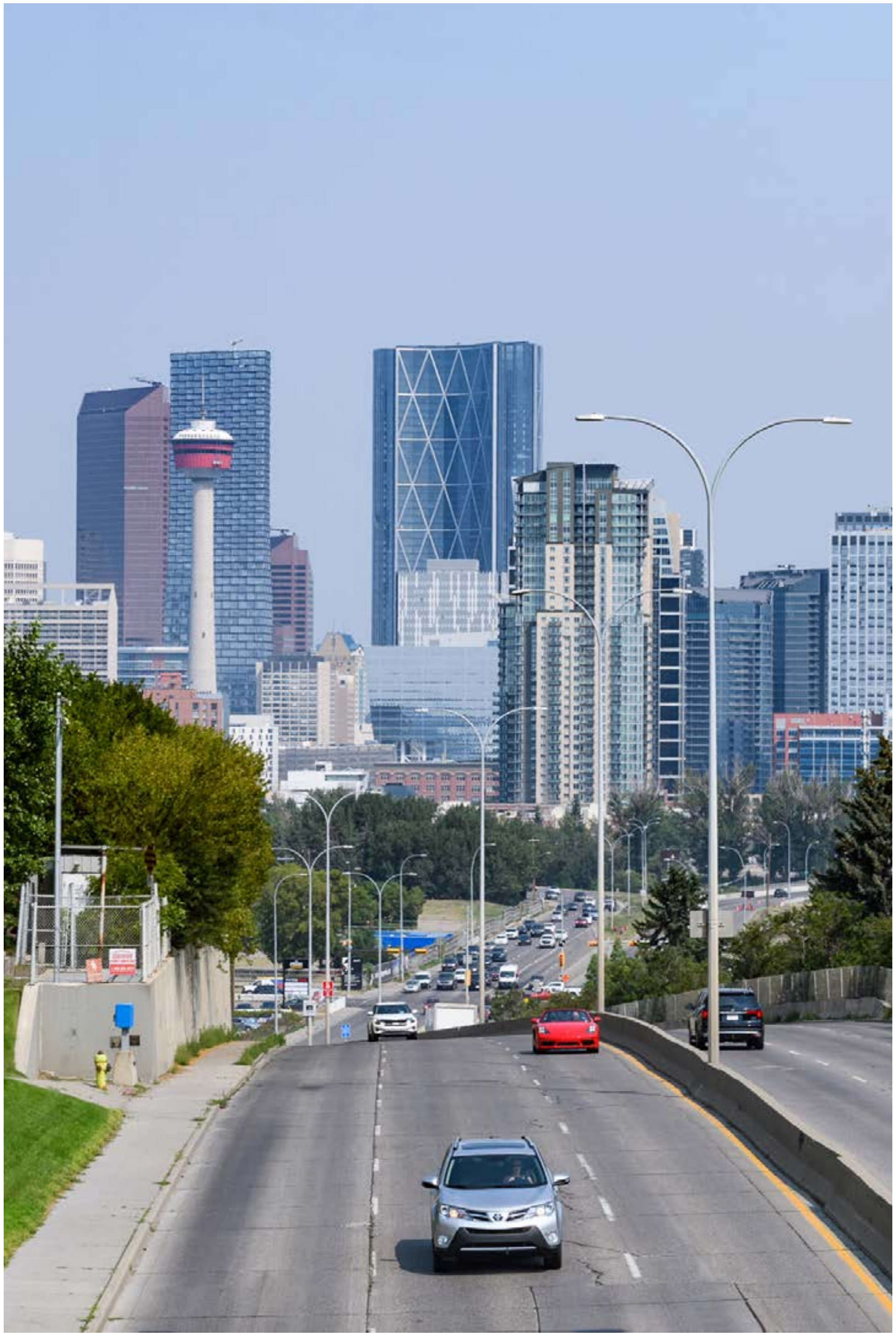
- Proceeds from long-term debt issued of $332 million (2024 – $493 million);
- Less long-term debt repayments of $245 million (2024 – $230 million); and
- Net decrease in bank indebtedness of $15 million (2024 – increase of $162 million).

ENMAX (The City's wholly-owned subsidiary)

ENMAX is a private Alberta corporation with The City as its sole shareholder. The City's investment in ENMAX comprises 29 per cent (2024 – 28 per cent) of The City's financial assets on the consolidated statement of financial position.

ENMAX's 2025 consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (IASB). Summary financial information for ENMAX is included in Note 8 of the consolidated financial statements. ENMAX provides The City with annual dividends, which are paid in equal quarterly installments.

In May 2025, S&P Global upgraded its credit rating of ENMAX to BBB from BBB- with a Stable Outlook and Fitch Ratings affirmed its credit rating of BBB with a Stable Outlook. On July 3, 2025, Morningstar DBRS confirmed its credit rating on ENMAX at BBB (high) with Stable Trends.



Financial analysis

Revenues – Comparison to prior year

For the year ended December 31 (in thousands)

	2025	2024	Increase/ (Decrease)	Per cent change
Net taxes available for municipal purposes	**$ 2,711,231**	$ 2,627,877	$ 83,354	3%
Sales of goods and services	**1,481,246**	1,341,457	139,789	10%
Government transfers related to operating	**212,595**	178,613	33,982	19%
Investment income	**457,332**	312,073	145,259	47%
Fines and penalties	**75,882**	75,731	151	0%
Licences, permits and fees	**170,295**	153,977	16,318	11%
Miscellaneous revenue	**43,540**	44,051	(511)	(1%)
Equity in earnings of ENMAX	**507,117**	181,248	325,869	180%
Total revenues (before external transfers for infrastructure)	**$ 5,659,238**	$ 4,915,027	$ 744,211	15%
Developer contributions	**$ 202,137**	$ 145,368	$ 56,769	39%
Government transfers related to capital	**834,130**	684,848	149,282	22%
Developer contributions-in-kind related to capital	**583,487**	345,075	238,412	69%
Total external transfers for infrastructure	**$ 1,619,754**	$ 1,175,291	$ 444,463	38%

Net taxes available for municipal purposes increased by 3 per cent primarily due to approved tax rate increases and growth in the tax base from higher assessments, physical growth and Community Revitalization Levy tax rates. Higher ATCO franchise fees also contributed, reflecting increased natural gas customer billings resulting from a higher regulated transition rate compared to the prior year. These increases were partially offset by lower ENMAX franchise fees resulting from changes to the local access fee methodology following a change in the fee calculation that removed the link to market prices.

Sales of goods and services increased by 10 per cent primarily due to higher residential water revenues from new installations, rate increases and higher consumption. Additional contributors included increased industrial land sales, higher landfill tipping fees from increased commercial tonnage, higher commercial and cart program revenues driven by customer growth and higher reimbursements due to the Extended Producer Responsibility Program, higher transit ticket sales and increased impound revenues from higher towing activity. The increase was further supported by extended hours of operation across recreation facilities.

Government transfers related to operating increased by 19 per cent due to higher federal funding for the G7 Summit, receipt of federal and provincial grants including the 2 Billion Trees program and the Digital Evidence Management System, and increased grant funding received by Calgary Housing. These increases were partially offset by grant revenue that was recognized in the prior year and not in the current year, including grant revenue related to the Jasper Wildfire Emergency event.

Investment income was 47 per cent higher mainly due to rebalancing of the investment portfolio resulting in larger investment balances held in higher yielding assets and realized gains on equity.

Licences, permits and fees were 11 per cent higher primarily due to increased revenues from business licence renewals, trade permits and building permits, including deferred revenue recognition, partially offset by lower single-family permit revenues.

Equity in earnings of ENMAX increased by 180 per cent primarily due to lower electricity, fuel and natural gas purchases and delivery expenses in ENMAX along with increased transmission and distribution revenues, coupled with no impairment expense in 2025. This was partially offset by lower electricity and natural gas revenues and higher income taxes paid.

Developer contributions increased 39 per cent primarily due to higher off-site levy revenue recognized in relation to increased debt servicing and the Density Incentive Program, the purchase of nine Compressed Natural Gas (CNG) buses and ongoing spending on Belmont Library, Belmont Recreation Centre and Rocky Ridge Athletic Park. Additional contributors included higher land acquisitions and development activity.

Government transfers related to capital increased 22 per cent primarily due to Investing in Canada Infrastructure Program (ICIP) Q4 2024 funding that was delayed and subsequently received in 2025 for Green Line, increased Housing Accelerator Fund (HAF) funding, and higher spending on pavement rehabilitation associated with major construction projects, including McKnight Boulevard N.E. from Metis Trail to Barlow Trail, Anderson Road and Acadia Drive, and Glenmore Trail. Increased use of Municipal Sustainability Initiative (MSI) funding related to the purchase of nine fire engines also contributed to the increase. This was partially offset by a delay in the delivery of CNG buses in 2025 due to a Transport Canada recall for leaking fuel systems.

Developer contributions-in-kind related to capital were 69 per cent higher due to the timing of completion of developer donated assets which vary year to year.

Expenses – Comparison to prior year

For the year ended December 31 (in thousands)

	2025	2024	Increase/ (Decrease)	Per cent change
Planning and development services	**$ 283,382**	$ 236,089	$ 47,293	20%
Infrastructure services	**258,109**	243,144	14,965	6%
Community services	**1,882,873**	1,626,943	255,930	16%
Operational services	**2,379,395**	2,352,755	26,640	1%
General government	**566,814**	526,276	40,538	8%
	$ 5,370,573	$ 4,985,207	$ 385,366	8%

Planning and development services expenses increased by 20 per cent primarily due to the completion and full-year impact of externally funded incentive and housing programs, including downtown revitalization initiatives and secondary suite incentives. Additional increases reflected higher service demand associated with increased development activity, higher permit volumes and expanded program delivery.

Infrastructure services expenses increased by 6 per cent primarily due to increased service demand to support the ongoing delivery, maintenance and renewal of The City's infrastructure assets, along with higher lease, surveying and mapping costs, and increased development costs related to the Midfield and Great Plains Starfield land inventory projects. This increase was partially offset by lower costs related to the BMO Centre Expansion, as construction was substantially completed in 2024, resulting in lower related costs in 2025.

Community services expenses increased by 16 per cent primarily due to increased service demand to support expanded service delivery to Calgarians. This included the addition of new frontline and support staff within the Calgary Fire Department, increased sworn and civilian staffing within the Calgary Police Service, and extended hours of operation at recreation facilities. Costs for materials, equipment and supplies also increased, largely reflecting higher operating requirements associated with technology and system maintenance, expanded facility hours and program delivery. Contract and general services further contributed to the increase, primarily related to support for the G7 Summit.

Operational services expenses increased by 1 per cent primarily to support higher service demands across transit, mobility, waste management and parks operations. Increased activity included additional transit service, higher overtime requirements, and expanded work related to streetlighting, right-of-way permissions, construction engineering and traffic management across the city. Further increases reflect higher operating and maintenance costs to support fleet reliability and service delivery, as well as expanded tree planting and capital project support activities.

General government expenses increased 8 per cent primarily due to higher resourcing and compensation costs associated with sustaining corporate capacity and lower workforce turnover. Additional increases were driven by higher costs in contract and general services, and materials, equipment and supplies, largely related to increased insurance claims and premiums, professional consulting services and election related activities.

Across all segments, expense increases reflect higher salary, wages and benefits costs resulting from union settlements and service demands as described.

Revenues – Budget to actual comparison

For the year ended December 31 (in thousands)

	Budget 2025	Actual 2025	Favourable/ (Unfavourable)	Per cent change
Net taxes available for municipal purposes	$ **2,693,849**	$ **2,711,231**	$ 17,382	1%
Sales of goods and services	**1,444,324**	**1,481,246**	36,922	3%
Government transfers related to operating	**171,858**	**212,595**	40,737	24%
Investment income	**218,458**	**457,332**	238,874	109%
Fines and penalties	**82,697**	**75,882**	(6,815)	(8%)
Licences, permits and fees	**133,751**	**170,295**	36,544	27%
Miscellaneous revenue	**34,149**	**43,540**	9,391	28%
Equity in earnings of ENMAX	**357,000**	**507,117**	150,117	42%
Total revenues (before external transfers for infrastructure)	$ **5,136,086**	$ **5,659,238**	$ 523,152	10%
Developer contributions	$ **238,900**	$ **202,137**	$ (36,763)	(15%)
Government transfers related to capital	**845,426**	**834,130**	(11,296)	(1%)
Developer contributions-in-kind related to capital	**–**	**583,487**	583,487	–
Total external transfers for infrastructure	$ **1,084,326**	$ **1,619,754**	$ 535,428	49%

Net taxes available for municipal purposes were 1 per cent higher than budgeted primarily due to higher general assessment growth, including physical growth and changes related to Community Revitalization Levy areas.

Sales of goods and services were 3 per cent higher than budgeted primarily due to higher landfill tipping fees driven by increased commercial tonnage, contributions from the Extended Producer Responsibility program and new electricity sales from landfill gas. Revenues were also higher due to population growth related to Water Services and increased consumption, including new installations, irrigation and storm management activity. Increased demand for recreational services further contributed, including higher activity and sales at City golf courses. These increases were partially offset by lower land-sales activity.

Government transfers related to operating were 24 per cent higher than budgeted due to higher grant revenue recognized during the year, including federal funding for the 2 Billion Trees program within Parks, federal and provincial funding received by Calgary Police Service related to the G7 Summit and the Digital Evidence Management System, and additional provincial and federal grant funding. Revenues also increased due to higher unbudgeted activity under Home Services for Seniors as service levels fluctuate based on client demand, as well as timing differences related to the receipt and distribution of provincial infrastructure funding. These increases were partially offset by lower than anticipated grant drawdowns resulting from hiring delays and reduced provincial funding received for housing programs under revised funding agreements.

Investment income was 109 per cent higher than budgeted primarily due to one-time realized gains from the rebalancing of The City's bond and equity portfolios.

Licences, permits and fees were 27 per cent higher than budgeted primarily due to increased revenues from business licence renewals, trade permits and building permits, including deferred revenue recognition, partially offset by lower single-family permit revenues.

Miscellaneous revenue was 28 per cent higher than budgeted primarily due to increased insurance settlement revenue, unbudgeted Workers' Compensation Board incentive programs, and unbudgeted revenues supporting various community programs and initiatives.

Equity in earnings of ENMAX were 42 per cent higher than budgeted due to the change in unrealized mark-to-market positions on forward commodity contracts and there being no impairment recorded for 2025 compared to the prior year.

Developer contributions were 15 per cent lower than budgeted primarily due to the timing of development activity, including deferred or delayed project expenditures and agreements that were approved but not yet actioned. This was partially offset by contributions associated with land acquisitions and development activity that progressed during the year.

Government transfers related to capital were 1 per cent lower than budgeted primarily due to lower capital spending on several projects resulting from construction delays, project scope adjustments and lower than planned delivery of capital assets, which reduced the amount of funding required during the year. This included delays in transit fleet deliveries and lower utilization of available infrastructure funding for facilities projects. These decreases were partially offset by higher funding received for major infrastructure projects where expenditures were accelerated, including provincially and federally funded initiatives, as well as increased capital activity supported through community building and infrastructure programs.

Developer contributions-in-kind related to capital were higher than budgeted as capital acquisitions and capital donated assets of this nature are not budgeted due to the timing of completion of developer donated assets which is variable from year to year.

Expenses – Budget to actual comparison

For the year ended December 31 (in thousands)

		2025 Budget (excluding Amortization)		2025 Actual (excluding Amortization and write-downs)		Favourable/ (Unfavourable)	Per cent Change		2025 Budget Amortization		2025 Actual Amortization and write-downs
Planning and development services	**$**	**290,839**	**$**	**278,693**	$	12,146	4%	**$**	**508**	**$**	**4,689**
Infrastructure services		**295,980**		**249,175**		46,805	16%		**–**		**8,934**
Community services		**1,751,342**		**1,825,148**		(73,806)	(4%)		**7,099**		**57,725**
Operational services		**1,767,867**		**1,710,676**		57,191	3%		**153,157**		**668,719**
General government		**607,321**		**546,164**		61,157	10%		**–**		**20,650**
	$	**4,713,349**	**$**	**4,609,856**	$	103,493	2%	**$**	**160,764**	**$**	**760,717**

In order to comply with the MGA regarding balanced operating budgets and associated contents, The City only budgets for amortization charges for self-supported business activities.

The following variance explanations exclude the impact of amortization expense and write-downs:

Planning and development services expenses were 4 per cent lower than budgeted primarily due to timing of recruitment for vacant positions, as well as operational staff completing area structure plan and capital related work. These favourable impacts were partially offset by timing differences related to program funding, including unbudgeted program expenses funded by external grants.

Infrastructure services expenses were 16 per cent lower than budgeted primarily due to reduced land expenditures, driven by lower land acquisition activity. Favourable variances were also supported by construction delays, as certain projects and related permits progressed slower than anticipated, resulting in constructed inventory not being ready for use in the year. These favourable variances were partially offset by higher salary, wages and benefits resulting from staffing pressures and increased service demands.

Community services expenses were 4 per cent higher than budgeted primarily due to increased housing-related activity, including expanded HAF initiatives, new agreements to support affordable housing projects and higher payments related to housing capital initiatives and non-market land sales. These pressures were partially offset through active workforce management.

Operational services expenses were 3 per cent lower than budgeted primarily due to savings in contract and general services, fuel and utilities. These favourable variances were partially offset by higher salary, wages and benefits resulting from staffing pressures and increased service demands, as well as higher materials, equipment and supplies due to increased infrastructure and park maintenance activity, emergency wastewater work and mandated safety requirements.

General government expenses were 10 per cent lower than budgeted primarily due to savings in contract and general services resulting from the intentional management of corporate provisions. These favourable variances were partially offset by higher salary, wages and benefits resulting from staffing pressures, higher utilities driven by inflation and increased service demands, higher benefit premiums and utilization, as well as increased interest expense on borrowings from Capital Markets and The Province of Alberta (The Province).

Tangible capital assets

As at December 31 (in thousands)

	2025 Net book value	2024 Net book value	Increase/ (Decrease)
Land	**$ 3,145,532**	$ 3,026,264	$ 119,268
Land improvements	**632,599**	570,101	62,498
Engineered structures	**12,949,452**	12,265,536	683,916
Buildings	**2,336,853**	2,179,616	157,237
Machinery and equipment	**211,057**	172,160	38,897
Vehicles	**895,357**	852,869	42,488
	$ 20,170,850	$ 19,066,546	$ 1,104,304
Work in progress			
Land	**$ 8,480**	$ 7,108	$ 1,372
Construction	**2,969,085**	2,410,338	558,747
Tangible capital assets	**$ 23,148,415**	$ 21,483,992	$ 1,664,423

During 2025, the net book value of tangible capital assets increased by $1,664 million (2024 – $1,164 million). Spending on capital projects was primarily for the Green Line LRT Project, the Calgary Events Centre, land acquisitions, roads and utility infrastructure projects.

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less estimated salvage value of the tangible capital assets, is amortized on a straight-line basis over the assets' estimated useful lives, ranging from five to 100 years.

In total there was $583 million (2024 – $345 million) of donated and contributed assets which were primarily for The City's Water Services, Parks & Open Spaces and Mobility business units. Disposals with a net book value of $18 million were made in 2025 (2024 – $14 million) which consisted of land, land improvements, engineered structures, buildings, machinery and equipment, and vehicles.

Significant trends

Consolidated Statement of Operations

For the year ended December 31 (in thousands)

	2025	2024	2023	2022 (Restated)	2021
Revenues	**$ 5,659,238**	$ 4,915,027	$ 4,606,195	$ 4,704,706	$ 4,248,825
Other revenues	**1,619,754**	1,175,291	939,841	843,042	787,325
Expenses	**(5,370,573)**	(4,985,207)	(4,657,747)	(4,343,624)	(3,980,169)
Annual surplus (previously net revenues)	**$ 1,908,419**	$ 1,105,111	$ 888,289	$ 1,204,124	$ 1,055,981

Annual surplus for the year was $1,908 million after accounting for developer contributions, government transfers related to capital and developer contributions-in-kind related to capital. Revenues increased 15 per cent from the prior year, primarily due to equity in earnings of ENMAX, an increase in investment income, and an increase in sales of goods and services. Other revenues vary from year to year based on fluctuations in development activities and timing of significant capital projects. Expenses over the past five years reflect the growing demand for additional services and infrastructure that comes with a growing city.

Liquidity and debt

Financial position – Net financial assets

As at December 31 (in thousands)

	2025	2024	2023	2022 (Restated)	2021
Financial assets					
Cash and cash equivalents	**$ 697,779**	$ 769,402	$ 1,106,014	$ 1,311,375	$ 1,149,220
Investments	**6,759,241**	6,408,871	5,759,703	5,206,794	4,804,797
Receivables	**472,569**	459,672	462,582	484,018	384,329
Land inventory	**244,677**	242,736	234,506	211,213	257,031
Other assets	**462,218**	501,731	106,923	115,858	114,148
Investment in ENMAX	**3,527,901**	3,204,896	2,951,848	3,072,460	2,714,462
	$ 12,164,385	$ 11,587,308	$ 10,621,576	$ 10,401,718	$ 9,423,987
Liabilities					
Bank indebtedness	**$ 495,606**	$ 510,829	$ 348,320	$ 348,010	$ 355,179
Accounts payable and accrued liabilities (Note 34)	**1,117,144**	985,573	930,870	965,218	828,217
Deferred revenue	**148,203**	130,389	106,571	106,619	98,768
Capital deposits (Note 34)	**1,512,687**	1,258,068	1,188,138	1,185,905	1,203,110
Asset retirement obligations[1]	**336,136**	330,004	326,466	307,239	101,806
Employee benefit obligations	**532,955**	511,972	497,573	510,709	516,455
Long-term debt	**3,050,745**	2,963,341	2,700,337	2,695,093	2,770,590
	$ 7,193,476	$ 6,690,176	$ 6,098,275	$ 6,118,793	$ 5,874,125
Net financial assets	**$ 4,970,909**	$ 4,897,132	$ 4,523,301	$ 4,282,925	$ 3,549,862

There was an increase of $74 million in net financial assets in 2025 relative to 2024 due to a large increase in investments as well as investment in ENMAX. This increase was offset with an increase in capital deposits and accounts payable and accrued liabilities. Investments in 2021 and 2022 were reported at cost but reported at fair value in 2023, 2024 and 2025 due to the adoption of PS 3450 – Financial Instruments. Asset retirement obligations were significantly higher than 2021 resulting from PS 3280 – Asset Retirement Obligations which introduced retirement obligations beyond just The City's landfills.

General trends from 2021 to 2025 have remained relatively consistent with some changes in certain years and areas due to operational requirements, large capital projects or timing of cash flows. The increase in long-term debt in 2024 and 2025 is mainly due to a change in presentation caused by the new Corporate Borrowing Strategy. A portion of debt attributable to ENMAX was borrowed under this new program and is now presented on a gross basis due to timing differences in how the debt is repaid. There is an offsetting receivable included in other assets, where previously all ENMAX debt had simultaneous payment terms and was not included.

(1) Formerly Provision for landfill rehabilitation, which has been repealed and replaced by PS 3280 – Asset Retirement Obligations.

Financial position – Long-term debt

As at December 31 (in thousands)

	2025	2024	2023	2022	2021
Opening balance	**$ 2,963,341**	$ 2,700,337	$ 2,695,093	$ 2,770,590	$ 2,845,144
Increase (decrease)					
Tax-supported	**(20,285)**	(26,932)	(32,422)	(35,667)	(33,854)
Self-sufficient tax-supported	**(9,663)**	32,759	30,372	27,544	5,531
Self-supported	**117,352**	257,177	7,294	(67,374)	(46,231)
Net increase (decrease) during the year	**$ 87,404**	$ 263,004	$ 5,244	$ (75,497)	$ (74,554)
Closing balance	**$ 3,050,745**	$ 2,963,341	$ 2,700,337	$ 2,695,093	$ 2,770,590
Additional debt attributable to ENMAX(1)	**1,578,086**	1,467,222	1,722,502	1,606,493	1,455,813
Total debt attributable to The City	**$ 4,628,831**	$ 4,430,563	$ 4,422,839	$ 4,301,586	$ 4,226,403

The City uses debt to finance certain capital projects on the premise that the cost of these projects should be borne by the taxpayers and utility users who will benefit from the projects. Debt financing allows The City to appropriately manage the timing of cash flows.

The City has three categories of debt, including:

- Tax-supported – debt issued for capital expenditures that is funded in whole or in part from tax revenues;
- Self-sufficient tax-supported – debt for non-utility operations or programs that historically have been funded in whole or in part by revenue from municipal property and business taxes, but that are currently self-funded by their own operations; and
- Self-supported – debt primarily relates to utility services and debt issued on behalf of ENMAX. This debt is not funded by tax revenues, but by user rates and cash flows generated from operations. ENMAX-related debt is further offset by a long-term receivable from ENMAX reported in other assets.

In 2025, The City obtained an additional $6 million in tax-supported debt and $26 million was repaid, resulting in a net reduction in tax-supported debt of $20 million to $252 million(2) as at December 31, 2025.

Self-sufficient tax-supported debt comprises debt for Calgary Municipal Land Corporation (CMLC) programs and activities whose operating costs, including debt servicing, have historically been funded in whole or in part, directly or indirectly, by revenue from municipal property and business taxes. These costs are currently being partially funded by revenues resulting from their own operations. As at December 31, 2025, CMLC has $301 million(2) in outstanding debt.

The ratio of debt servicing charges to tax-supported gross expenditure (net of recoveries) was 0.6 per cent (including self-sufficient tax-supported), which is within The City's 10 per cent policy limitation.

Additionally, in 2025, $319 million in new self-supported debt was obtained and $202 million was repaid, resulting in a net increase in self-supported debt of $117 million to $2,498 million(2) (excluding $1,578 million in debt attributable to ENMAX).

On February 21, 2025, The City issued $120 million City of Calgary bonds with a coupon of 4.20 per cent and a maturity date of June 1, 2034.

In 2025, The City attained three separate credit ratings from DBRS Morningstar, Moody's and S&P Global. The ratings attained were:

- DBRS Morningstar re-affirmed the long-term debt rating of The City at AA (high) and The City's commercial paper rating at R-1 (high), with stable trends;
- Moody's re-affirmed The City with a Aa1 Stable rating citing strong governance and prudent liquidity and debt policies; and
- S&P Global re-affirmed The City's long-term debt rating at AA+ and commercial paper rating of A-1+ reflecting healthy operating cash flows, robust liquidity and strong financial management.

(1) Only the debt with simultaneous payment terms is excluded from The City's long-term debt and is not included within long-term receivables.

(2) Refer to Note 15 in the consolidated financial statements

Chart A
Debt Limits trend
2021–2025
(in millions of dollars)

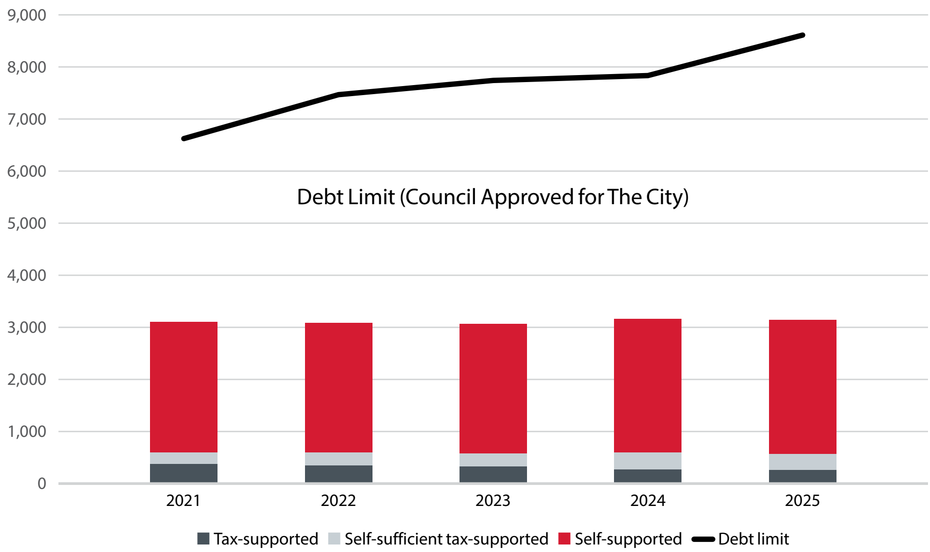
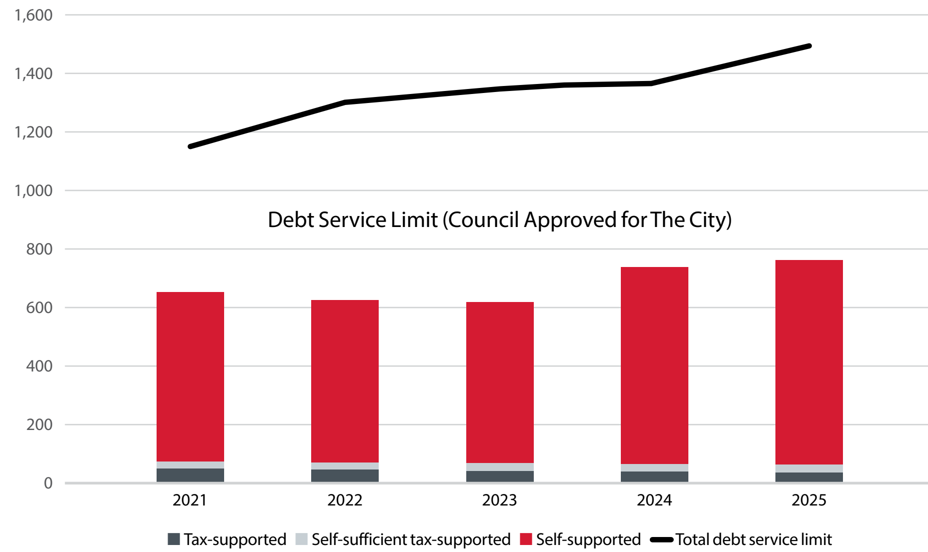


Chart B
Debt Service Limit trend
2021–2025
(in millions of dollars)



The City's Debt Policy has limits on total debt and total debt service that are expressed as a percentage of revenue, as well as a limit on tax-supported debt service expressed as a percentage of expenditures. Per Council Policy CP2020-05, The City is required to maintain an investment-grade credit rating in order to issue debt. To minimize the cost of debt and maintain efficient access to capital markets, The City will strive to maintain or improve its current credit ratings for long-term debt (AA (high) according to DBRS, AA+ according to S&P and Aa1 Stable according to Moody's).

The Debt Limit stipulates the maximum amount of debt principal The City can have in outstanding debt, including loan guarantees and is calculated at 1.6 times revenue (MGA debt limit of two times the revenue). Chart A reports The City's total historical outstanding debt from 2021 to 2025. It indicates that as at December 31, 2025, The City had used 36.34 per cent (2024 – 40.15 per cent) of its debt limit.

Council Policy CP2020-05 also sets out the maximum amount of annual debt servicing (principal and interest) that The City can incur, which is calculated at 0.28 times revenue (MGA limit is 0.35 times revenue). The tax-supported Debt Service Limit is 10 per cent of tax-supported gross expenditures net of recoveries. Chart B reports The City's total historical Debt Service Limit from 2021 to 2025. It indicates that as of December 31, 2025, The City had used 50.83 per cent (2024 – 54.09 per cent) of its Debt Service Limit.

Reserves

As at December 31 (in thousands)

	2025	2024	2023	2022	2021
	$ 3,883,283	$ 3,898,434	$ 4,003,003	$ 3,635,785	$ 3,281,056

The reserve balances totalled $3,883 million at the end of 2025 (2024 – $3,898 million), excluding the operating fund variance of $259 million (2024 – $276 million), which is transferred to the Fiscal Stability Reserve (FSR) in the next fiscal year.

The net decrease was primarily the result of:

- Decreases in the Reserve for Future Capital and Lifecycle Maintenance and Upgrade Reserve (RFC/LMUR) Merged, and Utilities Sustainment Reserve,
- Offset by increases in the FSR.

The City allocates funds to reserves to meet specific future operating and capital expenditure requirements and to provide for emergencies in accordance with a Financial Reserve Policy that establishes guidelines and criteria for the proper creation and administration of reserve funds. This policy includes a triennial review process requiring that each reserve be reviewed at least once every three years. This review ensures reserves are being administered as approved by Council, and in accordance with The City's policies and procedures, that reserve purpose and requirements are still relevant, and whether reserves are still required or can be consolidated.

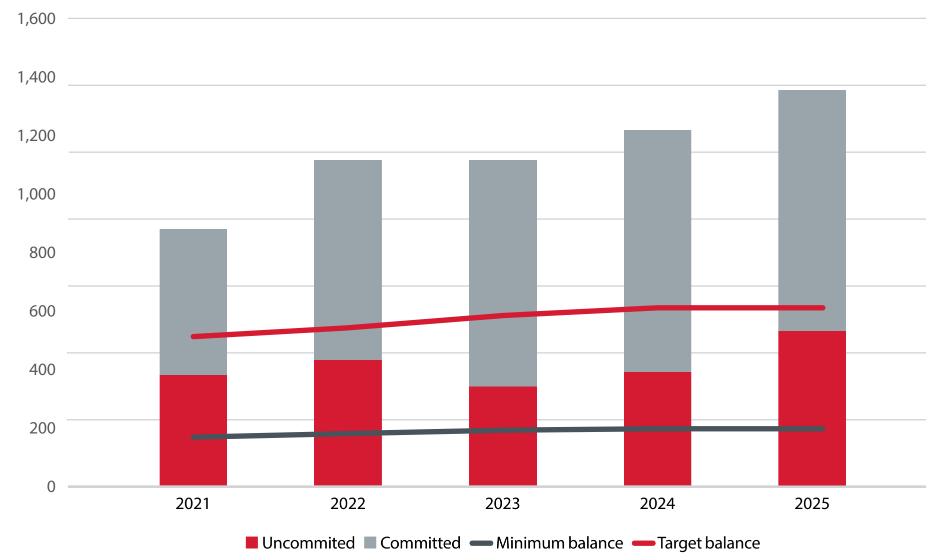
Maintaining financial reserves is good management, allowing funds to be collected as available and spent judiciously as needed to ensure service levels to Calgarians are maintained. The City classifies reserves into three categories to be used for three distinct purposes:

- Operating reserves are used to fund operating expenses for one-time projects/pilot programs, to stabilize operating budgets for unanticipated fluctuations in revenue or expenses and to comply with a contractual agreement or for contingency funds for operational emergencies;
- Capital reserves are used to fund capital expenses; and
- Sustainment reserves are used to fund both operating and capital expenses for activities that are treated as self-sustaining.

The FSR is mandated to act as a contingency fund for operational emergencies, urgent or contingency capital expenditures, and to compensate for unplanned revenue reductions with significant financial impacts. Investment income from the reserve can be used to fund one-time operating budget expenditures.

Fiscal Stability Reserve

(in millions of dollars)



The balance of the FSR was $1,353 million at the end of 2025 (2024 – $1,214 million), inclusive of the 2025 operating fund variance of $259 million (2024 – $276 million), while the balance of the RFC/LMUR Merged Reserve is $829 million (2024 – $962 million). As of December 31, 2025, the FSR balance is 10.8 per cent which is below its Council approved target level of 15 per cent of The City's tax-supported gross expenditures (net of recoveries), but above the minimum balance of 5 per cent of The City's tax-supported gross expenditures (net of recoveries). During 2025, a total of $16 million of IT capital software relinquishment was transferred into the FSR as per Council's approval. Other contributions to the FSR included $4 million in inter-business units loan repayments. An offsetting $15 million contribution was transferred from the FSR to the Opportunity Calgary Investment Fund (OCIF) per Council's approval (EC2025-0406).

In November 2025 (C2025-0901), Council approved a draw of $317 million from the FSR for new one-time operating and capital investments, contributions to Heritage Incentive Reserve and contributions to the Heritage Calgary Reserve fund. This was partially offset by Council's approved funding switch of $50 million between the FSR and Local Government Fiscal Framework (LGFF) grant, which freed up commitments within the reserve.

The Major Capital Projects (MCP) Reserve was created in 2019 to support Council's strategy of funding four major capital projects: those being the BMO Centre Expansion, Calgary Events Centre, Foothills Multisport Fieldhouse and Arts Commons Transformation Phase 1. The BMO Centre Expansion and Calgary Events Centre projects were approved by Council in 2018 and 2023 respectively. The Foothills Multisport Fieldhouse and Arts Commons Transformation (other than Phase 1 and Olympic Plaza) are still in the process of receiving full Council approval. The balance of the MCP Reserve at the end of 2025 is $353 million (2024 – $430 million).

The City's reserves and long-term liabilities report can be found at **calgary.ca/our-finances/reserves**.

Financial indicators

An analysis of the Consolidated Statement of Financial Position and the Consolidated Statement of Operations and Accumulated Surplus provides an overview of The City's financial condition. The financial condition of The City is assessed by its ability to meet its existing financial obligations to creditors, employees and others in a timely manner, while continuing to meet its service obligations to the public. Financial condition is measured in terms of sustainability, flexibility and vulnerability.

Indicators of financial condition

	2025	2024	2023	2022	2021
Sustainability indicators					
Assets-to-liabilities	**4.93**	4.96	5.09	4.95	4.90
Financial assets-to-liabilities	**1.69**	1.73	1.74	1.70	1.60
Net debt-to-total annual revenue	**0.32**	0.36	0.29	0.25	0.32
Expense by function-to-total expenses[(1)]					
Planning and development services	**0.05**	0.05	0.04	0.04	0.03
Infrastructure services	**0.05**	0.05	0.08	0.09	0.08
Community services	**0.35**	0.32	0.34	0.32	0.33
Operational services	**0.44**	0.47	0.46	0.46	0.46
General government	**0.11**	0.11	0.08	0.09	0.09
Flexibility indicators					
Total debt charges-to-revenue	**0.02**	0.02	0.02	0.02	0.02
Net book value of capital assets-to-cost of capital assets	**0.65**	0.64	0.64	0.65	0.66
Vulnerability indicators					
Government transfers-to-total revenues	**0.14**	0.14	0.12	0.11	0.11

(1) Refer to "Expenses – Comparison to prior year" for explanation of change from the prior year.

Sustainability

Sustainability is the degree to which The City can maintain its existing financial obligations in terms of its service commitments to the public and financial commitments to creditors, employees and others without increasing the debt or tax burden relative to the economy within which it operates.

Assets-to-liabilities reports the ratio of The City's financial and non-financial assets to its liabilities and supports the extent to which The City finances its operations by issuing debt. Sustainability indicators include The City's assets-to-liabilities ratio, which exceeds the norm of one in all five years indicating The City has not been financing its operations by issuing debt, despite modest year-over-year fluctuations.

Financial assets-to-liabilities reports the ratio of The City's financial assets to its liabilities. The City has maintained a result higher than the norm of one in all five years, indicating financial assets exceed liabilities and that financial resources are available to finance future operations if a shortfall were to arise.

Net debt-to-total annual revenue measures The City's net debt as a percentage of total revenues. Net debt provides a measure of the future revenue required to pay for past transactions and events. The ratio has remained relatively consistent year over year and improved in 2025, indicating The City's debt remains well supported by annual revenues.

Expense by function-to-total expenses provides a summary of the major areas of The City's spending as a proportion of the total expenses. The expense by function-to-total expenses has remained relatively consistent year over year, with the Operational services segment maintaining the highest percentage of total expenses, followed by the Community services segment.

Flexibility

Flexibility is the degree to which The City can change its debt or tax burden on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.

Total debt charges-to-revenues measures total debt charges (interest expense) as a percentage of revenues. It illustrates the extent to which past borrowing decisions present a constraint on The City's ability to meet its financial and service commitments in the current period. The ratio has remained consistently low, reflecting prudent fiscal management and more revenues available for program spending.

Net book value of capital assets-to-cost of capital assets reflects the remaining service potential of The City's tangible capital assets. While this indicator does not measure asset condition, it highlights the importance of ongoing lifecycle maintenance, rehabilitation and replacement as assets age. The ratio has remained relatively consistent year over year, highlighting the importance of continued planning, reinvestment and lifecycle management as infrastructure assets age, and system risks are identified and addressed.

Vulnerability

Vulnerability is the degree to which The City is dependent on sources of funding outside its control or influence, or is exposed to risks that could impair its ability to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.

Government transfers-to-total revenues shows the proportion of revenues The City receives from other governments. This indicator offers a perspective on the degree of vulnerability The City faces based upon its dependence on another order of government for revenues. The ratio remained at a reasonable level in 2025, though it has steadily increased since 2022, indicating a trend towards greater dependence on other orders of government for revenues.

Risk management

The City operates in a complex and evolving environment where uncertainty is inherent to the delivery of public services. To navigate this, The City is committed to an enterprise approach to risk management as an essential component of good governance, sound business practice and diligent decision-making.

The City employs a comprehensive Enterprise Risk Management (ERM) framework aligned with industry best practices (ISO 31000). This framework is a continuous, proactive and systematic process designed to understand, manage and communicate risks from an organization-wide perspective. By ensuring that risks are effectively identified, assessed, monitored and mitigated, The City supports the achievement of its strategic goals and the preservation of public value.

In 2025, The City's risk profile is trending upward. Further, The City's risk environment is highly dynamic and volatile and emerging risks are arising with increasing velocity. The City is managing two main converging challenges: these include long-term stressors such as aging infrastructure and continued population growth, and acute and emerging risks arising from asset failure, geopolitical instability and shifting intergovernmental relations. While internal financial controls remain stable and effective, the external environment is creating new pressures and increased financial uncertainty, which requires diligent monitoring from management. The City recognizes the need to continuously enhance risk management maturity to proactively address these evolving challenges. This will remain a key area of focus for Administration.

Financial Sustainability Risk

The Financial Sustainability Principal Corporate Risk (PCR) is defined as:

A risk that The City is unable to maintain strong financial capacity. This could manifest as a sudden financial constraint, including lower revenues or higher expenses. It arises from external forces and shocks, such as reduced funding from other orders of government, or higher than anticipated expenses due to higher population growth or inflation, or cost for service delivery. Generally, this risk increases if the variability in the broader economic context for our operations triggers a significant shift in any revenue or expense category.

Risk pressures in 2025

During 2025, The City faced several risk pressures that could affect its Financial Sustainability Risk and other PCRs:

- The first pressure is infrastructure. The City's understanding of risks associated with critical infrastructure and lack of system redundancy has changed since the December 30, 2025 break of the Bearspaw South Feeder Main and the overall pipe condition. There is an urgent need to understand and mitigate critical infrastructure risk across all asset types where potential impacts range from high to extensive. In addition, rising project costs, aging infrastructure and labour shortage pressures persist, and are compounded by pressures related to growth.
- The second pressure is workforce. There are challenges in attracting and retaining talent for certain positions, including senior leadership, technical and emergency-specific roles. While the overall safety culture remains consistent year over year, some services still face occupational health and safety challenges. There has also been a rise in public sector labour disputes. Key risk metrics related to this pressure are steady and will continue to be monitored for changes.
- The third pressure is economic. While inflation has moderated and some indicators suggest improving stability, uncertainty remains and conditions can change quickly. Higher unemployment continues to add pressure, as the economy has not created enough jobs to absorb the growing labour force, which can increase demand for some social services.
- The fourth pressure is political. Geopolitical pressures continue to create uncertainty. Oil price volatility may create provincial budget uncertainty, which could affect municipal funding priorities and compound existing volatility in intergovernmental relations. The City continues to monitor this pressure.
- The fifth pressure is Calgary's population growth. Calgary's population growth for 2025 was at 3.2 per cent. While growth is expected to moderate, this continues to put pressure on service delivery, infrastructure, and climate and environmental initiatives.
- The sixth pressure is social. The City continues to respond to complex social needs and increasing demands for services rooted in socio-economic factors. Demand for Fair Entry programs and services for low-income Calgarians also continues to rise. Close to 78,000 applications were processed in 2025, a 4 per cent increase over 2024, helping more than 138,000 Calgarians access reduced-rate programs and services.
- The seventh pressure is changing technology. The City is managing risks and opportunities related to changes in technology. There are risks associated with using unauthorized tools, including unauthorized Artificial Intelligence (AI), that The City continues to monitor. AI is creating social concern and speculation about capabilities. Emerging risks such as sophisticated misinformation could undermine public trust and civic processes. AI will continue to evolve, and quantum computing could bring about significant changes to data processing and other applications of technology. The implications of this could impact municipal operations and the delivery of public services.

In addition, uncertainty caused by tariffs and overall policy volatility in the United States continues to magnify economic risk. A Supply Chain Resilience program was established several years ago to help ensure The City's supply chain remains strong. In 2025, this program continued to help The City proactively manage commodity fluctuations, labour disruptions, inflation and other supply chain challenges. The City's direct exposure to U.S. tariffs remains limited, with less than 5 per cent of contracts being non-Canadian. However, the largest impact continues to be market volatility, inflationary pressures and uncertainty in the broader procurement environment. The Financial Sustainability Risk remains a principal corporate risk that is actively monitored by The City.

Key trends and measures related to this risk in 2025

To help manage these varied and complex risk areas, The City monitors key risk measures, researching trends and anticipating how the needs of Calgarians can change in the short to medium term.

The Financial Sustainability Risk remained closely monitored in 2025. Inflation for Calgary was 2.0 per cent in 2025, slightly below the national rate of 2.1 per cent. An increase in inflation could create a financial constraint through higher expenses or borrowing costs. The City's credit rating trend remains stable, with ongoing monitoring for potential downward pressure due to increasing capital expenditures, potential deficits and increases in debt financing, particularly if revenues decline. The City's total debt to Council debt limit was 36 per cent for 2025 and The City continues to use less than half of its available borrowing capacity.

The City continues to monitor Calgarians' ability to pay property taxes and actively manages The City's debt financing, including longer-term projections. The City is also progressing the Budget and Service Alignment Process, a strategic initiative intended to improve efficiency and align spending with priorities. This further supports The City's management of financial resources, and its ability to remain within debt limits and maintain a strong credit rating.

In 2025, changes to Alberta's property tax requisition require The City to collect more tax from Calgarians to be transferred to The Province. For a typical home, this adds $218 annually, or $18 per month. Increased communication on this topic is important to support Calgarians' understanding of these changes.

The City's Long Range Financial Plan can be found at **calgary.ca/financialplan**. An update to the Long Range Financial Plan (2025-2040) is currently being prepared and is expected to be presented to Council in Spring 2026.

The City's Municipal Fiscal Gap report can be found at **calgary.ca/financialtaskforce**. The report identifies the causes and severity of the municipal fiscal gap and the potential role of alternative revenue sources in addressing it.

Relationship to other PCRs

The Financial Sustainability Risk is closely related to other PCRs, in particular: the Capital Infrastructure Risk, the Climate and Environmental Risk, the Accommodating Growth Risk and the Service Delivery Risk.

The Capital Infrastructure Risk is facing multiple overlapping trends. Calgary's continued population growth, coupled with financial constraints that include rising project costs, inflation and uncertainty in long-term funding from other orders of government, are putting increasing strain on The City's ability to deliver critical infrastructure services for Calgarians. The infrastructure gap, which is the difference between the infrastructure investment needed to meet service levels and the financial resources available to address those needs, remains a key pressure. The City's critical assets are aging and deteriorating, and the December 30, 2025 Bearspaw South Feeder Main break reinforced the urgency of addressing critical infrastructure risks and known single points of failure. Based on The City's 2025 Year-End Principal Corporate Risk Report, most of The City's infrastructure serves Calgarians effectively. However, approximately 11 per cent of infrastructure assets are assessed to be in poor or very poor condition, including certain water, information technology, fleet, building, bridge and road assets. These assets may carry a higher risk of failure, which could result in service disruptions and potential health and safety impacts. Supply chain constraints and labour shortages remain notable pressures. Together, these contribute to the risk of unplanned service interruptions, facility shutdowns and other impacts to The City such as financial and reputational risk. The City will continue to enhance resiliency measures, actively monitor capital infrastructure risks, develop mitigation plans and implement measures to proactively reduce systemic risk, including designing system redundancy where known single points of failure exist.

The Accommodating Growth Risk monitors how Calgary's continued population growth is increasing the demand for housing, infrastructure and municipal services. The City has continued to act on opportunities to enable higher volumes of housing, in new ways and in new locations. However, the balance of growth across established and new communities remains an ongoing consideration. The City continues to develop policies and programs intended to support progress toward the Municipal Development Plan (MDP) and to accommodate growth, while maintaining service levels and managing impacts to infrastructure and the environment. The City's MDP can be found at **calgary.ca/planning/municipal-development-plan**.

Exposure levels for the Service Delivery Risk continue to increase as infrastructure vulnerability, extreme weather, climate-related hazards and rising service demand converge. Elevated unemployment and increasing social needs are driving additional service pressures, while critical infrastructure reliability and limited system redundancy increase the likelihood and impact of disruptions. To mitigate these risks, The City will continue to enhance resiliency measures, from infrastructure upgrades to more agile systems, to continue providing reliable municipal services in a rapidly evolving environment.

Operational risks

Financial Operational Risk

As part of the Financial Operational Risk, The City is subject to credit risk with respect to tax, trade and other receivables. This operational risk arises from the possibility that taxpayers and counterparties to which The City provides services may not be able to fulfil their obligations to The City. The City mitigates these risks through its processes and vast diversity of taxpayers and customers.

The City has both cash inflows and cash outflows denominated in currencies other than Canadian dollars, as well as investments in foreign currencies. Whether these flows are from paying for goods or services, buying or selling investments, or receiving revenues, refunds or investment income, they expose The City to foreign exchange risk. As part of the risk management strategy, The City has developed policies to monitor, manage and/or mitigate the risks associated with currency fluctuations.

The City mitigates risk within its investment portfolios through a sound governance structure, adherence to regulations and The City's Investment Policy. The Investment Advisory Committee (IAC) advises on the oversight of investment strategy, strategy implementation and investment activity and performance. The IAC also reviews compliance and risk mitigation practices of both internally and externally managed assets to ensure The City's investment program is being managed within the parameters of the Investment Policy.

The City fully met its current year cash contributions for employee benefit obligations at December 31, 2025. The City sponsored registered and non-registered defined benefit pension plans currently have a total unamortized net actuarial gain of $54 million (2024 – $68 million).

All employees of The City, with the exception of police officers, are members of the Local Authorities Pension Plan (LAPP), which is a public sector pension plan in Alberta registered under the *Alberta Employment Pension Plans Act*. The City, in conjunction with other participating employers (such as Alberta Health Services, other Alberta municipalities, universities, colleges and school boards) and its employees, share in funding future LAPP requirements through contribution rates. Police officers employed by The City are participants in the Special Forces Pension Plan (SFPP).

Both plans are multi-employer, defined-benefit pension plans jointly sponsored by employees and employers through the LAPP and SFPP Corporations respectively, and are administered by Alberta Pension Services. The contributions by each participating employer are not segregated in a separate account or restricted to provide benefits only to employees of The City, but rather are used to provide benefits to employees of all participating employers. The City includes a provision for expected LAPP and SFPP contributions in its multiple-year budget plans.

As of December 31, 2024, both LAPP and SFPP have a plan surplus, with the actuarial value of the assets exceeding the accrued benefit obligations.

Green Line LRT infrastructure investment

The Green Line LRT represents the largest infrastructure investment in Calgary's history and continues to pose a significant financial and delivery risk to The City due to its scale, complexity, duration and reliance on multi-party funding arrangements.

The project carries a high risk profile and exposes The City to risks related to potential construction cost escalation, schedule delay, contractor performance, coordination complexity across multiple delivery phases and contracts, inflationary pressures, and evolving regulatory and impacted party requirements. As demonstrated by changes in provincial funding support in earlier reporting periods, the project is sensitive to policy shifts and external funding decisions. As the funder of last resort, The City retains primary financial exposure if project costs exceed approved budgets, or if external funding commitments are modified or delayed.

Uncertainty related to the Downtown Segment remains a specific risk area, as its scope, alignment and cost estimates continue to be refined through ongoing planning and engagement work. Adverse outcomes in this area could affect overall project costs, timelines and The City's long term capital funding capacity.

Management continues to actively monitor Green Line risks through enhanced project governance, updated cost and schedule forecasting, phased delivery strategies, and regular reporting to Council and funding partners. These controls are intended to mitigate financial exposure while maintaining alignment with approved funding frameworks and The City's long-term financial plans.

ENMAX Risk

ENMAX, through its three business units, operates as a regulated wires company, a competitive power generator and an energy retailer. ENMAX has earnings volatility that is captured on The City's Consolidated Statement of Operations. There is a risk that The City will not receive budgeted dividends or earnings annually which could impact The City's ability to realize the expected return on its investment.

Risks identified by ENMAX and presented in detail in its annual financial report include regulatory, tax and government policy, health, safety and operational, technological, human resources, climate change and environmental, market, commodity price, foreign exchange and interest rate, credit and liquidity risks. ENMAX manages risk across all its business activities using an ERM program that aligns with business objectives. Risk tolerance is approved by its board of directors and CEO, and risks are assessed, mitigated and monitored by its business units, risk department and senior management. ENMAX's Corporate Governance Committee oversees the ERM program, while its board of directors oversees risk exposures and overall risk management.

Technological disruption risks

Artificial Intelligence and Emerging Technology Risk

The City faces risks associated with the rapid evolution and adoption of AI and other emerging technologies. These risks include keeping governance, controls and employee capabilities aligned with technological change, as well as managing data quality, privacy, bias and unsanctioned use of new tools.

To mitigate these risks, The City applies governance frameworks that guide the evaluation and deployment of emerging technologies, including security and privacy assessments, user testing and ongoing monitoring. Training and post-implementation reviews support responsible adoption while maintaining public trust.

Cyber Security and Information Technology Risk

The City is exposed to Cyber Security and Information Technology Risks arising from increased digitization, system complexity and a heightened external threat environment. These risks include cyber-attacks, unauthorized access, data breaches, system failures and service disruptions that could affect critical services and information assets.

The City mitigates these risks through a multi-layered approach that includes proactive monitoring, robust security controls, system redundancy, incident response planning and ongoing employee training. These measures support operational continuity and the protection of information assets.

Climate and Environmental Risk

Climate change presents risks that may affect The City's financial position, service delivery and assets over the short, medium and long term. These risks include increasing exposure and vulnerability to physical hazards such as flooding, drought, extreme heat, severe storms and wildfire smoke, as well as potential transition related risks arising from evolving policy, regulatory and market conditions. The City continues to strengthen its governance and enterprise risk management practices to identify, assess and monitor climate-related risks that could affect operations, assets and financial performance. In 2025, The City established a standalone Climate and Environmental PCR to ensure focus, monitoring and prioritization of these critical risks, as well as strengthening alignment across business units. This work supports informed planning, investment and operational decisions, recognizing that not all risks can be eliminated, outcomes are multi-generational and decisions made today will have implications across future business cycles.

The City continues to evolve its climate-related disclosure and related assurance expectations by aligning its practices with emerging international sustainability and public sector specific reporting standards being developed by the International Public Sector Accounting Standards Board (IPSASB). Looking ahead, The City is preparing for the IPSASB SRS 1, Climate-related Disclosures standard, which was approved by IPASB in December 2025 and becomes effective January 1, 2028, with earlier adoption permitted. As part of its broader regulatory awareness, The City continues to monitor ongoing developments in nature-related financial disclosure and sustainability reporting under international standard-setting bodies, including those relevant to both private and public sector reporting.

Further detail on The City's climate-related governance, risk management, strategy, metrics and targets is provided in the Climate-Related Financial Disclosure section of this Annual Financial Report, which is intended to support transparency, oversight and regulatory readiness as disclosure standards continue to evolve.

Outlook

Council and Administration actions

2023-2026 Service Plans and Budgets and related adjustments

On December 3, 2025, Council approved further adjustments to The City's Service Plans and Budgets, originally approved in November 2022. The 2026 adjustments were shaped by feedback from Calgarians through the 2025 Spring and Fall Surveys. The 2026 adjustments focused on housing, public safety, transit and infrastructure to support a growing city while responding to Calgarians' desire to keep costs down and maintain essential services.

In response to challenges associated with rapid population growth and the accumulated impact of inflationary pressures, Council and Administration worked collaboratively to identify efficiencies within the corporation, while minimizing impacts on residents and businesses. Key affordability measures included lowering the overall tax revenue increase and cancelling the planned tax shift. As a result, the overall municipal tax revenue increase for 2026 was reduced from the originally planned 3.6 per cent to 1.6 per cent.

Calgary's economy is performing better than expected, but several risks could affect the 2026 outlook. Global trade uncertainty and market volatility may slow investment and business activity. Locally, labour market pressures persist as population growth outpaces job creation and skills gaps remain in key industries. High shelter and insurance costs continue to affect affordability and inflation. Additionally, weaker global growth and delays in private-sector investment recovery could limit Calgary's economic performance in 2026.

The City's Service Plans and Budgets can be found at **calgary.ca/budgets**.

Major investments

Culture + Entertainment District

In 2025, construction of Scotia Place advanced from foundational excavation to above-grade construction, marking a major milestone in the delivery of the Calgary Events Centre Block. Foundational work progressed substantially and structural steel installation began in October, making the project visible above grade for the first time. Community-focused spaces, including the community arena, public plazas, and supporting retail and gathering spaces began to take shape.

The construction of Scotia Place District Infrastructure improvements represents the full Event Centre project investment in the Culture + Entertainment District within the Rivers District. Construction of the district infrastructure improvements began in 2024 with work on the new 5A Street and expanded in 2025 to include enabling works for the new 6 Street S.E. rail underpass. Utility relocations and upgrades are planned to begin in early 2026. Collectively, this work represents a $1,223 million investment in The City's future Culture + Entertainment District, supported by funding from The City, The Province and the Calgary Sports and Entertainment Corporation.

Werklund Centre Transformation (WCT) & Olympic Plaza Transformation (OPT) projects

The WCT and OPT projects will help to revitalize downtown Calgary by attracting more visitors and tourists. In early 2025, the construction on foundations, grade beam and elevator shafts started on the WCT expansion. On April 4, 2025, the design for OPT was publicly revealed. The design for the modernization of the existing building also began in 2025 and was near completion at year-end.

The WCT and OPT projects are being led in partnership by Werklund Centre (previously Arts Commons), CMLC, The City and The Province. The $680 million transformation project includes the creation of $50 million in sustainment funding and anticipated $630 million capital costs for the WCT expansion of $290 million and modernization of $270 million, as well as the OPT project cost of $70 million.

Green Line LRT

On January 28, 2025, Council approved a common vision for the Green Line LRT system extending from 160th Avenue in the north to Seton in the southeast and directed Administration to advance a concurrent south to north delivery approach. This direction was supported by an updated business case that received approval from The Province and the Government of Canada in March 2025 under the Investing in Canada Infrastructure Program (ICIP).

The program budget for Phase 1 remains $6,248 million, supported by $1,530 million in ICIP approved funding from each of the provincial and federal governments. Phase 1 is being delivered in two segments. The S.E. Segment, from Shepard in the southeast to the future Event Centre/Grand Central Station, will see construction of the first 10 stations and 16 kilometres of rail, before connecting with the Downtown Segment and into the existing Red and Blue LRT Lines.

During 2025, the S.E. Segment began main construction. Five priority contracts were awarded with construction taking place across the alignment. Concurrent to this work, five Calgary based contractors were shortlisted for the 2026-2031 civil works construction packages. Overall design reached advanced levels (approximately 90 per cent) of completion and light rail vehicle manufacturing commenced. The S.E. Segment is expected to begin revenue service in 2031.

The City began work on a functional plan for the Downtown Segment, based on The Province's plan and alignment, using 10 Avenue S. and 2 Street S.W. The functional plan will advance design, validate The Province's cost estimates, clarify potential impacts to existing infrastructure and ensure the project is broadly supported by Calgarians prior to starting construction. This work will conclude by Q4 2026, with a decision being brought to Council in early 2027.

Bearspaw South Feeder Main repair

On December 30, 2025, the Bearspaw South Feeder Main, a critical component of The City's water transmission system, experienced a second rupture following a similar failure in June 2024. The incident resulted in widespread water restrictions, with emergency repairs completed and the asset returned to service on January 16, 2026.

The City evaluated whether the 2025 failure resulted in a permanent reduction in the asset's service potential. Factors considered included the extent of physical damage, the restoration of service following repairs and the continued demand for the services provided by the feeder main. Engineering analysis and operational reviews confirmed that the repairs restored the asset to operational capacity, with additional planned repairs completed in March 2026.

Condition assessments, system modelling, and input from Water Services operations and asset management indicated that the water pipe network remains largely in good condition, with the Bearspaw South Feeder Main expected to continue providing service over its remaining life. However, the additional feeder main failure presents ongoing risks for The City, including potential impacts to public confidence in the reliability of the water supply, operational capacity to meet demand, financial exposure related to repair costs and damages, potential revenue impacts and effects on regional water partnerships.

In parallel with the 2025 assessment, The City advanced longer-term risk mitigation and redundancy planning. This resulted in the decision to proceed with construction of a twinned feeder main segment beginning in early 2026 to support system reliability and future maintenance activities.

Home is Here Strategy

The City continues to work to increase the supply, choice and affordability of market and non-market homes across the city to ensure that every Calgarian has an affordable place to call home.

Funding committed from all levels of government is working to address Calgarians' housing affordability challenges every day.

In 2023, The City signed a contribution agreement with the Canada Mortgage and Housing Corporation (CMHC) under the HAF, worth $228.5 million, to be disbursed in four equal annual advances. Under this agreement, The City set an ambitious target to enable 41,858 new housing units by October 2026. The target was revised upward to 42,667 in March 2025 when an additional $22.8 million in funding was received. In just 20 months, The City incentivized the delivery of 44,276 units, achieving 104 per cent of the amended goal. These HAF-supported homes will house over 100,000 Calgarians.

We continue to work in partnership with our wholly-owned subsidiaries. In 2025, The City embarked on a new partnership with CMLC for the development of transit-oriented communities, providing $20 million in start-up capital funding towards this initiative. The City also provided support to key Calgary Housing projects, including Rundle Manor, Mount Pleasant and Bridgeland Place, as well as supporting the lifecycle maintenance of existing non-market housing units.

Operating and capital funding from The City also supports several programs that enable non-market housing development. These include the Non-market Land Sale, Housing Land Fund, Housing Capital Initiative, Housing Incentive Program and Home Program.

In 2025, The City took a major step forward in its commitment to reconciliation and equity by launching Maa'too'maa'taapii Aoko'iyii'piaya. Grounded in the principle of "For Indigenous, By Indigenous" this housing initiative will support Indigenous people with housing needs in Calgary.

More information on The City's Home is Here Strategy can be found at **calgary.ca/housingstrategy**.

Conclusion

Throughout 2025, The City continued to demonstrate financial resilience while navigating ongoing economic uncertainty, sustained population growth and inflationary pressures. Strong governance, disciplined financial management and long-term planning have enabled The City to continue delivering essential services and advancing strategic priorities, while maintaining affordability for Calgarians.

In 2022, the 2023-2026 Service Plans and Budgets were approved by Council, providing the roadmap that's guided The City's decisions and investments over this period to support a growing city, while maintaining the quality of life Calgarians expect.

Despite increased capital investment and debt from major projects, The City continues to earn strong credit ratings from leading credit agencies, reflecting confidence in its financial position, liquidity and governance, and supporting access to cost effective long-term financing.

Looking ahead, The City remains focused on managing costs, modernizing service delivery and making informed, sustainable financial decisions. As Calgary continues to grow and evolve, The City is committed to transparency, accountability and responsible stewardship of public resources to support Calgarians today and in the years to come.

Les Tochor, Chief Financial Officer
April 28, 2026

Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

The City of Calgary

Alberta

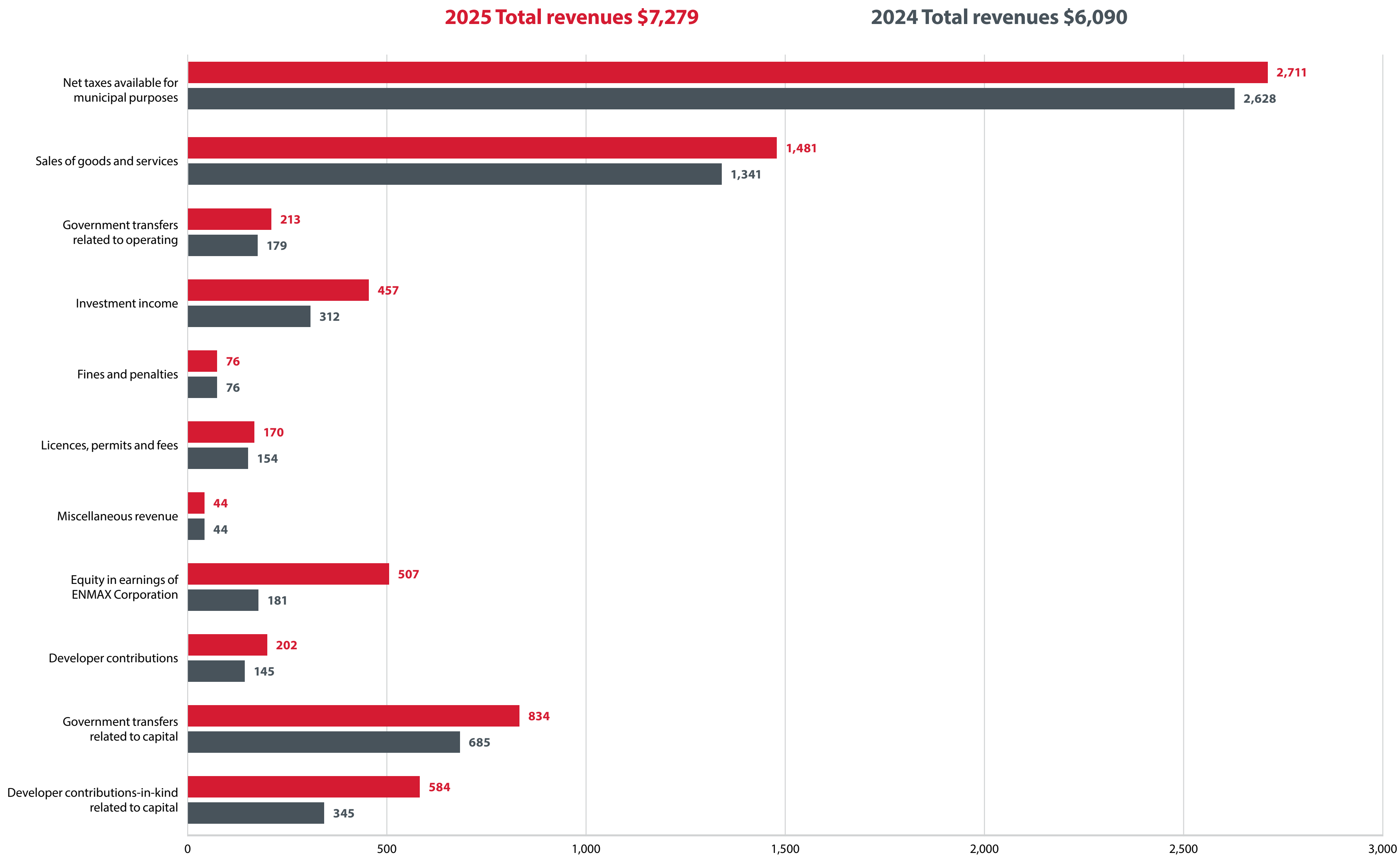
For its Annual
Financial Report
for the Year Ended

December 31, 2024

Executive Director/CEO

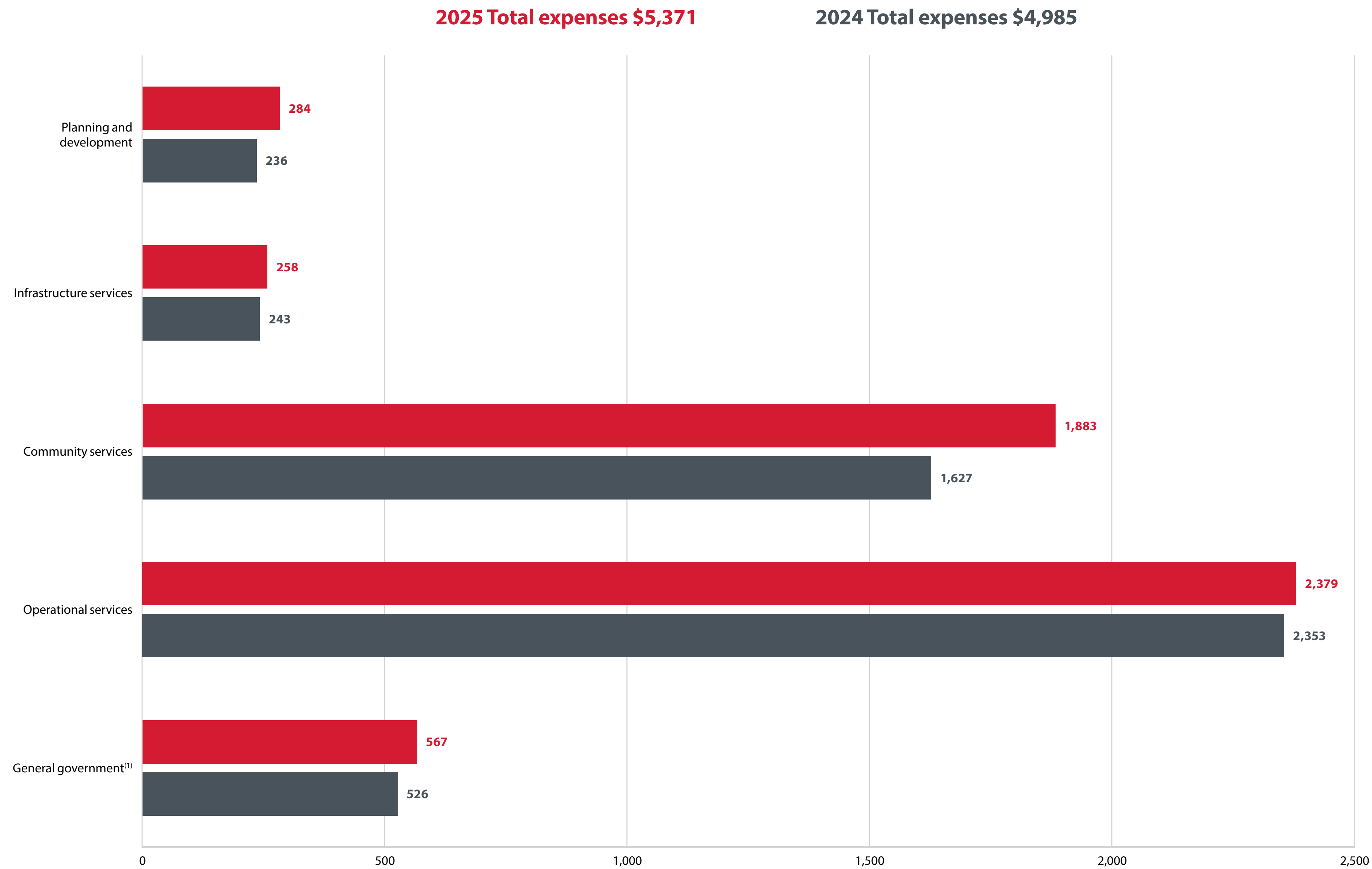
Financial synopsis – 2025 Sources of revenue

For the year ended December 31 (in millions)



Financial synopsis – 2025 Expenses

For the year ended December 31 (in millions)



(1) Includes the costs of Council, Chief Administrative Officer, Chief Operating Officer, Finance, Supply Management, City Auditor, City Clerk's, Law, Assessment & Tax, Corporate Planning & Performance, Corporate Security, Customer Service & Communications, Human Resources, Information Technology, Collaboration Analytics & Innovation and Occupational Health & Safety.

Consolidated Financial Statements

Responsibility for financial reporting

Administration's report

The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of Administration.

The consolidated financial statements are prepared by Administration, in accordance with Canadian Public Sector Accounting Standards. They necessarily include some amounts that are based on the best estimates and judgments of Administration. Financial data elsewhere in the report is consistent with that in the consolidated financial statements.

To assist in its responsibility, Administration maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded and that financial records are reliable for the preparation of these consolidated financial statements.

The City Auditor's Office reports directly to City Council, through the Audit Committee, on an ongoing basis, carrying out its audit program to ensure internal controls and their application are reviewed, and financial information is tested and independently verified.

In 2025, City Council fulfilled its responsibility for financial reporting through the Executive Committee and its Audit Committee. The Executive Committee, which consists of the Mayor, the Chairs of each Standing Policy Committee, the Chair of the Audit Committee and three Councillors-at-large appointed by the Mayor, meets regularly to deal with, among other issues, financial planning and reporting matters. The Audit Committee consists of four Councillors and three public members, and meets regularly with both the independent external auditor and the City Auditor to review financial control and reporting matters.

Deloitte LLP, Chartered Professional Accountants, have been appointed by City Council to express an audit opinion on The City's consolidated financial statements. Their report follows.

David Duckworth, Chief Administrative Officer
Calgary, Canada
April 28, 2026

Les Tochor, Chief Financial Officer

Independent Auditor's Report

To Mayor Jeromy Farkas and Members of City Council
The City of Calgary

Opinion

We have audited the consolidated financial statements of The City of Calgary (The City), which comprise the Consolidated Statement of Financial Position as at December 31, 2025 and the Consolidated Statements of Operations and Accumulated Surplus, Remeasurement Gains and Losses, Cash Flows and Changes in Net Financial Assets for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The City as at December 31, 2025 and the results of its operations, remeasurement gains and losses, cash flows and changes in net financial assets for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Opinion

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

Other Information

Administration is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Financial Statement Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Financial Statement Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Administration and Those Charged with Governance for the Consolidated Financial Statements

Administration is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS and for such internal control as Administration determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Administration 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 Administration 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.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of The City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Administration.
- Conclude on the appropriateness of Administration'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 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 financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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.

Deloitte LLP

Chartered Professional Accountants

April 28, 2026

Consolidated Statement of Financial Position

As at December 31 (in thousands)

	2025	2024
Financial assets		
Cash and cash equivalents (Note 3)	**$ 697,779**	$ 769,402
Investments (Note 4)	**6,759,241**	6,408,871
Receivables (Notes 5 and 8 c.)	**472,569**	459,672
Land inventory (Note 6)	**244,677**	242,736
Other assets (Note 7)	**462,218**	501,731
Investment in ENMAX (Note 8)	**3,527,901**	3,204,896
	$ 12,164,385	$ 11,587,308
Financial liabilities		
Bank indebtedness (Note 9)	**$ 495,606**	$ 510,829
Accounts payable and accrued liabilities (Notes 8 c. 10 and 34)	**1,117,144**	985,573
Deferred revenue (Notes 8 c. and 11)	**148,203**	130,389
Capital deposits (Notes 12 and 34)	**1,512,687**	1,258,068
Asset retirement obligations (Note 13)	**336,136**	330,004
Employee benefit obligations (Note 14)	**532,955**	511,972
Long-term debt (Note 15)	**3,050,745**	2,963,341
	$ 7,193,476	$ 6,690,176
Net financial assets	**$ 4,970,909**	$ 4,897,132
Non-financial assets		
Tangible capital assets (Note 16)	**$ 23,148,415**	$ 21,483,992
Inventory	**98,475**	85,134
Prepaid assets	**48,974**	46,684
	$ 23,295,864	$ 21,615,810
Net assets	**$ 28,266,773**	$ 26,512,942
Net assets is comprised of (Note 18):		
Accumulated surplus	**$ 28,047,898**	$ 26,139,479
Accumulated remeasurement gains	**218,875**	373,463
	$ 28,266,773	$ 26,512,942

Contingent assets, commitments, contingent liabilities and guarantees (Notes 29, 30 and 31)

See accompanying notes to the consolidated financial statements.

Approved on behalf of City Council:

Jeromy Farkas

Mayor Jeromy Farkas

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31 (in thousands)

	Budget 2025 (Note 17)	Actual 2025	Actual 2024
Revenues			
Net taxes available for municipal purposes (Note 21)	**$ 2,693,849**	**$ 2,711,231**	$ 2,627,877
Sales of goods and services	**1,444,324**	**1,481,246**	1,341,457
Government transfers related to operating (Note 24)	**171,858**	**212,595**	178,613
Investment income	**218,458**	**457,332**	312,073
Fines and penalties	**82,697**	**75,882**	75,731
Licences, permits and fees	**133,751**	**170,295**	153,977
Miscellaneous revenue	**34,149**	**43,540**	44,051
Equity in earnings of ENMAX (Note 8)	**357,000**	**507,117**	181,248
	$ 5,136,086	**$ 5,659,238**	$ 4,915,027
Expenses			
Planning and development services	**$ 291,347**	**$ 283,382**	$ 236,089
Infrastructure services	**295,980**	**258,109**	243,144
Community services	**1,758,441**	**1,882,873**	1,626,943
Operational services	**1,921,024**	**2,379,395**	2,352,755
General government	**607,321**	**566,814**	526,276
	$ 4,874,113	**$ 5,370,573**	$ 4,985,207
Net revenue (loss) before other contributions and transfers	**$ 261,973**	**$ 288,665**	$ (70,180)
Other contributions and transfers			
Developer contributions	**$ 238,900**	**$ 202,137**	$ 145,368
Government transfers related to capital (Note 24)	**845,426**	**834,130**	684,848
Developer contributions-in-kind related to capital	**–**	**583,487**	345,075
	$ 1,084,326	**$ 1,619,754**	$ 1,175,291
Annual surplus	**$ 1,346,299**	**$ 1,908,419**	$ 1,105,111
Accumulated surplus, beginning of year	**26,139,479**	**26,139,479**	25,034,368
Accumulated surplus, end of year	**$ 27,485,778**	**$ 28,047,898**	$ 26,139,479

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Remeasurement Gains and Losses

For the year ended December 31 (in thousands)

		2025		2024
Accumulated remeasurement gains (losses), beginning of year	**$**	**373,463**	$	(69,097)
Unrealized (losses) gains attributable to:				
Investments		**(308,347)**		332,593
Accounts payable		**142**		(36)
Derivatives		**(17)**		79
Amounts reclassified to the Consolidated Statement of Operations and Accumulated Surplus:				
Investments		**234,769**		(56,782)
Accounts payable		**9**		(62)
Derivatives		**(32)**		(32)
ENMAX – other comprehensive (loss) income (Note 8)		**(81,112)**		166,800
Net remeasurement (losses) gains for the year	**$**	**(154,588)**	$	442,560
Accumulated remeasurement gains, end of year	**$**	**218,875**	$	373,463

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31 (in thousands)

		2025		2024
Net inflow (outflow) of cash and cash equivalents				
Operating activities				
Annual surplus	**$**	**1,908,419**	$	1,105,111
Items not affecting cash:				
Equity in earnings of ENMAX		**(507,117)**		(181,248)
Change in unrealized market value of financial instruments		**(73,476)**		275,760
Amortization of tangible capital assets		**759,815**		730,097
Write-down of tangible capital assets		**902**		1,264
Net loss (gain) on disposal of tangible capital assets		**2,007**		(7,332)
Developer contributions-in-kind related to capital		**(583,487)**		(345,075)
Change in non-cash items:				
Receivables		**(12,897)**		2,910
Land inventory		**(1,941)**		(8,230)
Other assets		**39,513**		(394,808)
Inventory		**(13,341)**		(3,199)
Prepaid assets		**(2,290)**		(6,629)
Accounts payable and accrued liabilities		**131,571**		98,623
Deferred revenue		**17,814**		23,818
Capital deposits		**254,619**		26,010
Asset retirement obligations		**6,132**		3,538
Employee benefit obligations		**20,983**		14,399
	$	**1,947,226**	$	1,335,009
Capital activities				
Acquisition of tangible capital assets	**$**	**(1,859,949)**	$	(1,564,033)
Proceeds on sale of tangible capital assets		**16,289**		21,067
	$	**(1,843,660)**	$	(1,542,966)
Investing activities				
Dividends from ENMAX	**$**	**103,000**	$	95,000
Net increase of investments		**(350,370)**		(649,168)
	$	**(247,370)**	$	(554,168)
Financing activities				
Proceeds from long-term debt issued	**$**	**331,960**	$	493,106
Repayments of long-term debt		**(244,556)**		(230,102)
Net (decrease) increase in bank indebtedness		**(15,223)**		162,509
	$	**72,181**	$	425,513
Decrease in cash and cash equivalents	**$**	**(71,623)**	$	(336,612)
Cash and cash equivalents, beginning of year		**769,402**		1,106,014
Cash and cash equivalents, end of year	**$**	**697,779**	$	769,402

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31 (in thousands)

	Budget 2025 (Note 17)	Actual 2025	Actual 2024
Annual Surplus	$ 1,346,299	$ 1,908,419	$ 1,105,111
Tangible capital assets activity			
Amortization of tangible capital assets	$ 160,764	$ 759,815	$ 730,097
Write-down of tangible capital assets	–	902	1,264
Proceeds on sale of tangible capital assets	603	16,289	21,067
Tangible capital assets received as contributions	–	(583,487)	(345,075)
Net loss (gain) on disposal of tangible capital assets	–	2,007	(7,332)
Acquisition of tangible capital assets	(1,362,749)	(1,859,949)	(1,564,033)
	$ (1,201,382)	$ (1,664,423)	$ (1,164,012)
Inventories and prepaid assets activity			
Acquisition of supplies inventories	$ –	$ (189,448)	$ (172,820)
Use of supplies inventories	–	176,107	169,621
Acquisition of prepaid assets	–	(494,184)	(340,095)
Use of prepaid assets	–	491,894	333,466
	$ –	$ (15,631)	$ (9,828)
Unrealized remeasurement (losses) gains	$ –	$ (154,588)	$ 442,560
Increase in net financial assets	$ 144,917	$ 73,777	$ 373,831
Net financial assets, beginning of year	$ 4,897,132	$ 4,897,132	$ 4,523,301
Net financial assets, end of year	$ 5,042,049	$ 4,970,909	$ 4,897,132

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

The City of Calgary (The City) is a municipality in the Province of Alberta incorporated in 1884 as a town and in 1894 as a city and operates under provisions of the *Municipal Government Act*.

1. Significant accounting policies

The consolidated financial statements of The City are prepared by Administration in accordance with Canadian Public Sector Accounting Standards (PSAS).

a. Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the operating fund, capital fund and reserve fund of The City.

The consolidated financial statements fully consolidate all organizations that are accountable for the administration of their affairs and resources to The City, and are controlled by The City, defined below as Related Authorities. This does not include The City's government business enterprise, ENMAX Corporation (ENMAX) which is accounted for on a modified equity basis. The City's inter-departmental and inter-organizational transactions and balances are eliminated.

Government business enterprise

ENMAX, a wholly-owned subsidiary of The City, is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for a government business enterprise (Note 8). Under the modified equity basis, the government business enterprise's accounting principles are not adjusted to conform with those of The City, and inter-organizational transactions and balances are not eliminated. Other comprehensive income due to fair value adjustments is reported on the Consolidated Statement of Remeasurement Gains and Losses.

Related Authorities

The Related Authorities that are controlled by The City and included in the consolidated financial statements are (Note 22):

- Attainable Homes Calgary Corporation
- Calgary Arts Development Authority Ltd. (including cSPACE Projects)
- The Calgary Convention Centre Authority (operating as Calgary TELUS Convention Centre)
- Calgary Economic Development Ltd. (including Calgary Film Centre Ltd.)
- Calgary Municipal Land Corporation
- Calgary Public Library Board
- Calhome Properties Ltd. (operating as Calgary Housing)
- Opportunity Calgary Investment Fund Ltd.

Partners

The City has relationships with many organizations for which control lies outside of Council. Across a variety of services, The City works with external organizations through partnerships to deliver positive results for Calgarians. These partners have a financial relationship with The City but are not controlled by The City, and the financial results of these organizations are not included in the consolidated financial statements. Civic Partners refers to categories of Partners as set out in Schedule 3 of the Investing in Partnerships Policy (CP2017-01). Separate financial information may be sought directly from the Partner organizations.

- Burns Memorial Trust
- The Burns Memorial Fire Fund
- The Burns Memorial Police Fund
- Calgary Board of Education
- Calgary Roman Catholic Separate School District No.1
- Counseil Scolaire FrancoSud
- Saddledome Foundation
- St. Mary's University

Civic partners

- Aero Space Museum of Association Calgary (operating as the Hangar Flight Museum)
- Werklund Centre
- Calgary Exhibition and Stampede Limited
- Calgary Female Sport Development Association (operating as Great Plains Recreation Facility)
- Calgary Science Centre Society (operating as TELUS Spark)
- Calgary Sport Council Society (operating as Sport Calgary)
- Calgary Young Men's Christian Association (operating as YMCA)
- Calgary Zoological Society (operating as Calgary Zoo)
- Contemporary Calgary Arts Society (operating as Contemporary Calgary)
- The Confluence Historic Site & Parkland
- Glenbow Alberta-Institute
- Heritage Calgary
- Heritage Park Society
- Lindsay Park Sports Society (operating as MNP Community and Sport Centre)
- NE Centre of Community Society (operating as Genesis Centre)
- Parks Foundation, Calgary
- Platform Calgary
- Silvera for Seniors
- South Fish Creek Recreation Association (operating as Cardel Rec South)
- Tourism Calgary – Calgary Convention & Visitors Bureau
- Vecova Centre for Disability Services and Research
- Vibrant Initiatives Ltd. (operating as Vibrant Communities Calgary)
- Vivo for Healthier Generations Society
- Westside Regional Recreation Centre

Registered pension plans

Civic employees and elected officials participate in one or more registered defined-benefit pension plans and/or multi-employer pension plans provided by The City.

City-sponsored registered pension plans

The City records its share of the obligations net of plan assets which are held in trust by external parties, except for the Calgary Police Supplementary Pension Plan, whose funds are held within The City's investments. These plans include:

- Calgary Firefighters' Supplementary Pension Plan;
- Calgary Police Supplementary Pension Plan;
- Pension Plan for Elected Officials of The City of Calgary; and
- The City of Calgary Supplementary Pension Plan.

Multi-employer registered pension plans

Due to the multi-employer nature of these plans, information is not available to determine the portion of the plans' obligations and assets attributable to each employer. Therefore, The City appropriately accounts for both plans following the standards for defined contribution plans. These plans include:

- Local Authorities Pension Plan; and
- Special Forces Pension Plan.

Further details about these pension plans are available in Notes 1 p. and 14.

Funds held in trust

Funds held in trust and their related operations administered by The City for the benefit of external parties are not included in the consolidated financial statements, but are reported separately in Note 33.

b. Basis of accounting

i. Expenses are recognized in the period the goods and services are acquired, and a liability is incurred or transfers are due.

ii. Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. Cost allocations to and from commonly controlled entities are recorded on a gross basis. Inter-entity transfers, and receipts of assets or liabilities for nominal or no consideration, are recorded at carrying amount. Differences between the exchange amount and carrying amount for asset or liability transfers are recorded as a gain or loss in the Consolidated Statement of Operations and Accumulated Surplus. A value for unallocated costs is not recorded.

c. Use of estimates

The preparation of the consolidated financial statements requires Administration to make estimates and use 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 revenues and expenses during the reporting period. Where estimation uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality.

The amounts recorded for valuation of tangible capital assets (including construction work in progress), the useful lives and related amortization of tangible capital assets, Level 3 financial instruments, accrued liabilities, employee benefit obligations, provision for tax appeals, asset retirement obligations, contaminated sites and environmental assessments, and contingent liabilities are areas where Administration makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

These estimates are reviewed periodically. The amounts recorded in the consolidated financial statements are based on the latest reliable information available to Administration at the time the consolidated financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets and liabilities in the future, and as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the year in which they become known. Actual results could differ from these estimates.

d. Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and treasury bills with original maturities of 90 days or less at the date of acquisition and are recorded at cost.

e. Investments

Investments are recorded at the fair value with the associated unrealized gains or losses reflected in the Consolidated Statement of Remeasurement Gains and Losses. When an investment gain or loss is realized, the accumulated remeasurement gain or loss is reclassified to the Consolidated Statement of Operations and Accumulated Surplus. When there has been a loss in fair value that is determined not to be a temporary decline, the respective investment is written down to recognize the loss.

f. Financial instruments

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Upon settlement, the realized gains and losses are reclassified to the Consolidated Statement of Operations and Accumulated Surplus, except for the gains on externally restricted financial liabilities which are recognized as an increase to the liability.

Financial instruments are classified as Level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category, as described below:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data. Assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

The City's financial instruments are measured as follows:

Financial statement component	Measurement
Cash and cash equivalents	Cost
Investments	Fair value
Receivables (excluding taxes)	Amortized cost
Other assets	Amortized cost or fair value
Bank indebtedness	Amortized cost
Accounts payable and accrued liabilities	Amortized cost or fair value
Long-term debt	Amortized cost

For financial instruments measured at amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments that are measured at amortized cost and expensed when measured at fair value.

All financial assets except derivatives are assessed annually for impairment. An impairment of a financial asset is recognized as a decrease in revenue. A write-down of an investment to reflect a loss in value is not reversed for a subsequent increase in value.

The City evaluates contractual rights and obligations for the existence of embedded derivatives, and elects to either measure the entire contract at fair value or separately measure the value of the derivative component, when the characteristics of the derivative are not closely related to the economic characteristics and risks of the host contract itself.

g. Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities, and non-monetary items included in the fair value measurement category, reflect the exchange rates at the Consolidated Statement of Financial Position date. Unrealized foreign exchange gains and losses are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the Consolidated Statement of Operations and Accumulated Surplus, and the cumulative amount of remeasurement gains and losses is reversed in the Consolidated Statement of Remeasurement Gains and Losses.

h. Land inventory

Land inventory is carried at the lower of cost and net realizable value. Cost includes amounts for land development expenses. Land inventory is held for sale in the normal course of business.

i. Loan receivables

Loan receivables are recorded at cost less allowance for doubtful accounts. Allowance for doubtful accounts is recognized when collection is in doubt. Loan receivables are stated at the lower of cost and net recoverable value. No interest is charged on owed amounts.

j. Bank indebtedness

Bank indebtedness consists of cheques outstanding in excess of deposits in transit with commercial banks and short-term borrowings.

k. Provision for contaminated sites

The *Environmental Protection and Enhancement Act* (Alberta) sets out the regulatory requirements pertaining to contaminant releases. Under this Act, there is a requirement for the persons responsible to address a contaminant release that is causing or has caused an adverse effect. A provision in PS 3260 – Liability for Contaminated Sites is provided for sites where contamination exists that exceeds an environmental standard, The City is legally responsible or has accepted responsibility for the contamination, future economic benefits are expected to be given up and a reasonable estimate for the provision can be made.

The provision reflects The City's best estimate of the amount required to remediate sites to a condition that is suitable for the sites' intended use, as at the date of these consolidated financial statements. The provision is determined on a site-by-site basis, and is adjusted to reflect the passage of time, new obligations, regulatory changes, and changes to Administration's intent and actual remediation costs incurred.

The provision for future remediation is an estimate of the minimum costs known for sites where an assessment has been conducted and where there is available information that is sufficient to estimate costs. Where sites require ongoing monitoring or maintenance as part of the remediation plan, the present value of all estimated future costs are discounted using The City's weighted average cost of capital. The provision is included in accounts payable and accrued liabilities.

l. Environmental provisions

The City has a formal environmental assessment and management program in place to ensure that it complies with environmental legislation with respect to contamination. The City provides for the cost of compliance with environmental legislation when costs are identified and can be reasonably measured. The provision is included in accounts payable and accrued liabilities.

m. Deferred revenue

Deferred revenue represents amounts received from third parties for a specified operating purpose. These amounts include deferred government transfers, which are externally restricted until used for the purpose intended. Also included in deferred revenue are private contributions, advance sales of goods and services, and amounts received for licences, permits and application fees, which are recognized as revenue in the period when the related expenses are incurred to reflect the completion of The City's performance obligations.

n. Capital deposits

Capital deposits represent amounts received from third parties for specified capital projects. Deposits must be expended on projects for which they are designated and are recognized as revenue when the related expenditures are incurred.

o. Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities based on information available at the financial reporting date.

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. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally, with use of the asset, are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, The City reviews the carrying amount of the liability and 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 timing, 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 settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

p. Employee benefit obligations

The cost of City-sponsored registered and non-registered defined-benefit pension plans and post-retirement benefits are recognized when earned by plan members. These costs are actuarially determined using the projected benefit method prorated on service, applying The City's best estimate of expected salary and benefit escalation, retirement ages of employees and plan investment performance. Plan obligations are discounted using The City's cost of borrowing based on estimated rates for debt with maturities similar to expected future benefit payments.

Contributions to multi-employer plans are expensed when the contributions are due. No obligations are recorded for multi-employer defined-benefit pension plans administered by external parties as The City's share of those obligations is not readily determinable.

The City records the actuarially determined net fund benefit asset or liability for City-sponsored, registered defined-benefit pension plans. For jointly sponsored plans, The City records its proportionate share of that asset or liability. For non-registered defined-benefit plans and other retirement benefit obligations, The City records the actuarially determined accrued benefit liability. Assets are held within The City's cash and investments accounts to fund these obligations.

Actuarial gains and losses for active plans are amortized on a straight-line basis over the expected average remaining service life of the related employee group. Adjustments arising from prior service costs due to plan amendments, changes in the valuation allowance, and net actuarial gains and losses for plans closed to new entrants are fully recognized in the year they occur. Long-term unamortized actuarial losses will be recognized in future periods in accordance with the applicable funding and accounting policies.

The vacation and overtime liability represents accrued vacation and banked overtime earned by employees that may be deferred to future years in accordance with administrative policies and contractual agreements, with assets held within The City's investment portfolio and working capital to meet these obligations.

q. Loan guarantees

Periodically The City provides loan guarantees on specific debt issued by Related Authorities and other entities not consolidated in The City's consolidated financial statements. Loan guarantees are accounted for as contingent liabilities and no amounts are accrued in the consolidated financial statements of The City until The City considers it likely that the borrower will default on the specified loan obligation. Should a default occur, The City's resulting liability would be recorded in the consolidated financial statements.

r. Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses before other contributions and transfers, is provided in the Consolidated Statement of Changes in Net Financial Assets for the year.

s. Tangible capital assets

Tangible capital assets, including assets held under capital leases, are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Donated and contributed assets are capitalized and recorded at their estimated fair value at the time they are transferred to The City, and their corresponding revenue is recognized. Interest charges are not capitalized.

Work in progress represents assets not yet available for use and are not amortized.

Works of art for display are not recognized as tangible capital assets (Note 26).

Tangible capital assets are reviewed annually for any impairment and written down when conditions indicate that a tangible capital asset no longer contributes to The City's ability to provide goods or services, or that the value of future economic benefits associated with the tangible capital asset is less than its book value.

The cost, less residual value, of tangible capital assets are amortized on a straight-line basis over the estimated useful life as follows:

	Years
Buildings	
Buildings	10-75
Leasehold improvements	5
Vehicles	
Light rail transit	25
Transit buses and fire trucks	5-20
Vehicles	5-10
Land improvements	15-25
Engineered structures	
Drainage, waterworks and wastewater distribution, and collection systems and treatment plants	15-75
Transit network	15-50
Road and transportation network	5-100
Communication networks and landfills	5-40
Electric vehicle infrastructure	15
Machinery and equipment	
Computer equipment	5
Computer software	7
Other equipment and machinery	5-20

t. Inventories

Inventories comprising materials and supplies are carried at the lower of cost and replacement cost.

u. Land held for municipal purposes

Land held for municipal purposes is comprised of land held for future civic use and is carried at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for civic use. Land held for municipal purposes is included in tangible capital assets for financial statement purposes.

v. Budget figures

The 2025 budget is reflected on the Consolidated Statement of Operations and Accumulated Surplus. The budget consists of the Council approved amounts for the operating budget and the capital budget, modified for capital revenue adjustments, assets capitalized on the Consolidated Statement of Financial Position, Related Authority balances, intercompany eliminations and amortization expense for tax-supported assets. The established capital budgets are for projects in which costs may be incurred over one or more years. The capital budget figures include unspent budget for ongoing projects from the preceding year.

w. Revenues

Revenues are recognized in the period in which the transactions or events giving rise to the revenue occur, providing the revenues are reliably measured and reasonably estimated. Funds from external parties and earnings thereon restricted by agreement or legislation are recognized in capital deposits (capital funds) or deferred revenue (operating funds) until used for the purpose specified. Revenue from transactions with performance obligations are recognized in the period when (or as) The City satisfies a performance obligation by providing the promised goods or services to the intended recipient. Until performance obligations are met, funds are recognized in capital deposits (capital funds) or deferred revenue (operating funds). Revenue from transactions with no performance obligations are recognized in the period when The City has the authority to claim or retain an inflow of economic resources, and identifies a past transaction or event that gives rise to an asset.

i. Tax revenues

Taxation revenues are recorded at the time tax billings are issued. Taxation billings are subject to appeal. A provision has been recorded in accounts payable and accrued liabilities for potential losses on taxation revenue appeals outstanding as at December 31, 2025.

ii. Local improvements

Local improvements are recognized as revenue, and established as a receivable, for the property owners' share of the improvements in the period that the project expenses are incurred.

iii. Government transfers

Government transfers are recognized as revenues in the period in which the events giving rise to the transfer occur, provided the transfers are authorized, any eligibility criteria and stipulations have been met and reasonable estimates of the amounts can be made. Where transfers are received but eligibility criteria or stipulations are not met, government transfers are recognized in capital deposits (capital grants) or deferred revenue (operating grants) until eligibility criteria or stipulations are met.

Authorized transfers from The City are recorded as expenses when eligibility criteria have been met by the recipient and the amount can be reasonably estimated.

x. Expenses

Expenses are recognized as they are incurred and measurable, as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expenses are recognized as incurred. Expenses paid in the current period attributable to future benefits received are classified as prepaid expenses in The City's non-financial assets on the Consolidated Statement of Financial Position.

y. Public private partnerships

A public private partnership (P3) is a contractual agreement between a public authority and a private entity for the provision of infrastructure and/or services.

When The City controls the acquired and/or constructed asset(s), P3 costs are accounted for as follows:

- Costs incurred during construction or acquisition are recognized in the work-in-progress and liability balances based on the estimated percentage complete.
- Construction costs, as well as the combined total of future payments, are recognized as a tangible capital asset and amortized over the estimated useful life once the asset is in-service.
- Sources of funds used to finance the tangible capital asset and future payments will be classified based on the nature of the funds, such as debt, grants and/or reserves.

In the event The City does not control the asset(s), then all costs associated with the transaction are expensed in the period in which the costs are incurred.

z. Future accounting pronouncements

Effective January 1, 2027, The City will adopt the new Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and PS 1202 – Financial Statement Presentation. Effective January 1, 2030, The City will adopt PS 3251 – Employee Benefits. The City continues to assess the impact on the consolidated financial statements.

i. Conceptual framework

The Conceptual Framework defines the nature, function, and scope of financial accounting and reporting in the public sector. It serves as the foundation for developing PSAS and applying professional judgment. This framework will replace the conceptual components of PS 1000 – Financial Statement Concepts and PS 1100 – Financial Statement Objectives.

ii. Financial statement presentation

PS 1202 – Financial Statement Presentation standard establishes the general and specific requirements for presenting information in government consolidated financial statements. Its principles are based on the concepts outlined in the Conceptual Framework, ensuring consistency and transparency in financial reporting.

iii. Employee benefits

PS 3251 – Employee Benefits establishes a new standard on how to account for and report obligations related to employee benefits. PS 3251 will replace PS 3250 – Retirement Benefits and PS 3255 – Post-employment Benefits.

2. Financial risk assessment

a. The City's financial instruments are subject to certain risks due to its operating environment:

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Market risk is comprised of three types of risk: price risk, interest rate risk and foreign currency risk. In order to earn financial returns at an acceptable level of market risk, The City has policies and procedures in place governing asset mix, asset allocation and performance measurement.

i. Price risk

Price risk relates to the possibility that equity investments will change in fair value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market. The City is exposed to price risk associated with its equity investments and the underlying equity investments held in pooled funds. If equity market indices declined by 1 per cent, and all other variables are held constant, the potential loss in fair value to The City would be approximately $10,193 (2024 – $9,381) or 0.15 per cent (2024 – 0.15 per cent) of total non-cash investments.

ii. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be affected by a change in market interest rates.

The City is exposed to interest rate risk through its investments in fixed income securities. In general, investment returns for fixed income securities, including bonds and mortgage funds, are sensitive to changes in the level of interest rates, with longer-term interest-bearing securities being more sensitive to interest rate changes than shorter-term securities. The City manages the interest rate risk exposure of its fixed income investments by adjusting portfolio durations. A 1 per cent change in market yield relating to fixed income securities would have increased or decreased fair value by approximately $187,541 (2024 – $200,154).

The fixed income securities have the following average maturity structure:

	2025	2024
0-3 years	**40.25%**	34.82%
3-7 years	**36.92%**	33.96%
7-10 years	**13.80%**	14.29%
Over 10 years	**9.03%**	16.93%
Total	**100%**	100%

The City has fixed interest rate loans for all debt, thereby mitigating interest rate risk from rate fluctuations over the term of the outstanding debt. The fair value of fixed rate debt fluctuates with changes in market interest rates, but the related future cash flows will not change. The City assesses its debt sensitivity by using a 1 per cent increase and decrease in interest rates. As at December 31, 2025, if interest rates had a 1 per cent increase with all other variables held constant, the decrease in the fair value of debt would be approximately $173,545 (a 5.92 per cent drop without commercial paper) (2024 – $165,316, 5.98 per cent drop without commercial paper). A 1 per cent decrease to the interest rate assumption would increase the fair value of debt by $192,528 (a 6.56 per cent increase without commercial paper) (2024 – $183,947, 6.66 per cent increase without commercial paper).

iii. Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The fair value of cash and investments denominated in foreign currencies is translated into Canadian dollars on an annual basis using the reporting date exchange rate.

The City is exposed to foreign exchange fluctuations on its cash flows denominated in foreign currencies, and also to changes in the valuation on its assets denominated in foreign currencies attributable to fluctuations in exchanges rates. As at December 31, 2025, investments in non-Canadian assets represented 45.82 per cent (2024 – 33.73 per cent) of non-cash investments by fair value.

The impact of a change in the value of the Canadian dollar against all foreign currencies is as follows:

	2025 Fair Value	**2025 2% decrease**	**2025 1% decrease**	**2025 1% increase**	**2025 2% increase**
Foreign currency assets	**$3,091,601**	**$ 63,094**	**$ 31,228**	**$ (30,610)**	**$ (60,620)**

	2024 Fair Value	2024 2% decrease	2024 1% decrease	2024 1% increase	2024 2% increase
Foreign currency assets	$ 2,171,379	$ 36,727	$ 18,178	$ (17,818)	$ (35,287)

As at December 31, 2025, The City had zero USD (2024 – 1 USD) exchange fixed contracts in place. The City does not actively hedge the currency risk on its investments.

Liquidity risk

Liquidity risk is the risk that The City will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. The City is subject to liquidity risk through its accounts payable and debt. To manage its liquidity risk, The City performs extensive budgeting exercises, ongoing monitoring of its short-term cash flows, and has highly liquid securities that can be easily converted to cash to ensure it meets all short-term obligations. The City maintains a portfolio of short-term investments with rolling maturity dates to manage short-term cash requirements. The City maintains an unsecured short-term bank line of credit with a commercial bank to ensure funds are available to meet current and forecasted financial requirements. Furthermore, accounts payable are primarily due and settled within 30 days of receipt of an invoice. The contractual maturities of long-term debt is disclosed in Note 15.

Credit risk

The City is exposed to credit risk on investments arising from the potential failure of a counterparty to honour its contractual obligations. To manage the risk, The City has established an investment policy with required minimum credit quality standards and maximum exposures per-issuer and sector. The credit risk from accounts receivable is low as the majority of balances are due from government agencies.

The City is subject to credit risk with respect to tax, trade and other receivables. This operational risk arises from the possibility that taxpayers and counterparties to which The City provides services may not be able to fulfill their obligations to The City. The City mitigates these risks through its processes and by having a vast diversity of taxpayers and customers.

3. Cash and cash equivalents

	2025	2024
Cash on deposit	**$ 694,773**	$ 740,728
Treasury bills with original maturities of 90 days or less	**3,006**	28,674
	$ 697,779	$ 769,402

Treasury bills interest rates are approximately 2.58 per cent in 2025 (2024 – 4.39 per cent).

4. Investments

The City's investment portfolio is diversified at both the security and portfolio level, holding a range of investment types. The fair value and cost of all investments as at December 31 are as follows:

	2025 Fair Value	**2025 Cost**	2024 Fair Value	2024 Cost
Canadian fixed income	**$ 1,580,565**	**$ 1,578,998**	$ 2,318,716	$ 2,310,255
Foreign fixed income	**76,629**	**77,723**	615,692	605,790
Pooled fixed income	**2,541,195**	**2,559,326**	1,137,367	1,158,688
Mortgages	**691,722**	**698,827**	634,247	648,620
Global equities	**–**	**–**	138,679	113,113
Pooled equities	**1,170,658**	**1,086,260**	791,452	656,923
Infrastructure	**562,492**	**462,040**	483,073	403,423
Real estate	**135,980**	**134,755**	289,645	277,169
	$ 6,759,241	**$ 6,597,929**	$ 6,408,871	$ 6,173,981

The average yield earned from investments during the year ended December 31, 2025, was 6.78 per cent (2024 – 4.71 per cent). Investments include $605,786 (2024 – $677,535) in cost, and fair value of $617,067 (2024 – $687,521) in an internally managed portfolio comprised of money market instruments and bonds.

The following table provides a categorization of investments that are measured at fair value subsequent to initial recognition, grouped into levels (from 1 to 3) based on the degree to which the fair value is observable.

	2025 Level 1	**2025 Level 2**	**2025 Level 3**	**2025 Total**	2024 Level 1	2024 Level 2	2024 Level 3	2024 Total
Canadian fixed income	**$ 33,836**	**$ 1,546,729**	**$ –**	**$ 1,580,565**	$ (17,976)	$ 2,336,692	$ –	$ 2,318,716
Foreign fixed income	**–**	**76,629**	**–**	**76,629**	149,123	466,569	–	615,692
Pooled fixed income	**–**	**1,996,839**	**544,356**	**2,541,195**	50	342,441	794,876	1,137,367
Mortgages	**–**	**691,722**	**–**	**691,722**	11	634,236	–	634,247
Global equities	**–**	**–**	**–**	**–**	138,679	–	–	138,679
Pooled equities	**1,001,806**	**160,206**	**8,646**	**1,170,658**	536,001	247,404	8,047	791,452
Infrastructure	**–**	**–**	**562,492**	**562,492**	–	–	483,073	483,073
Real estate	**–**	**–**	**135,980**	**135,980**	–	148,795	140,850	289,645
	$ 1,035,642	**$ 4,472,125**	**$ 1,251,474**	**$ 6,759,241**	$ 805,888	$ 4,176,137	$ 1,426,846	$ 6,408,871

The following table reconciles the changes in fair value of Level 3 investments:

		2025		2024
Balance, beginning of year	**$**	**1,426,846**	$	1,117,463
Remeasurement gains		**13,271**		96,007
Purchases		**422,997**		244,821
Sales		**(240,596)**		(31,445)
Investments transferred from Level 3 to Level 2[(1)]		**(371,044)**		–
Balance, end of year	**$**	**1,251,474**	$	1,426,846

A portion of The City's investments are committed for certain purposes including reserves, capital deposits and employee benefit obligations.

5. Receivables

		2025		2024
Taxes	**$**	**86,874**	$	74,005
Federal and provincial governments		**42,204**		43,646
General		**343,491**		342,021
	$	**472,569**	$	459,672

Included within General is $64,992 (2024 – $22,210) receivable from ENMAX (Note 8).

6. Land inventory

Land inventory includes acquisition costs of the land and the improvements to prepare the land for sale or servicing. Related development costs incurred to provide infrastructure are recorded as capital assets.

		2025		2024
Developed land	**$**	**57,575**	$	54,599
Under development		**105,507**		106,234
Long-term inventory		**81,595**		81,903
	$	**244,677**	$	242,736

7. Other assets

		2025		2024 (Note 34)
Long-term receivables	**$**	**444,124**	$	455,793
Other current assets		**12,569**		35,742
Loans receivable		**5,525**		10,147
Derivative assets		**–**		49
	$	**462,218**	$	501,731

Long-term receivables consist primarily of a receivable of $375,152 (2024 – $389,386) from ENMAX (Note 8). This long-term receivable from ENMAX bears interest between 4.54 per cent and 5.19 per cent (2024 – 4.54 per cent and 5.19 per cent). The City issues loans to ENMAX in accordance with a Credit Agreement between The City and ENMAX. Loan principal and interest payments are semi-annual and mature between 2029 and 2049. On a monthly basis, ENMAX is required to pay The City an administration fee of 0.25 per cent (2024 – 0.25 per cent) on the average monthly outstanding balance (Notes 15 a. i. and ii.). Long-term receivables also consist of local improvement levies recognized as revenue on the basis of full or partial completion of the related projects, a receivable from Silvera for Seniors and a receivable from St. Mary's University (Note 15 a. i.).

Other current assets consist of off-site levies billed but not yet received and balances related to townhome developments by Attainable Homes Calgary Corporation (AHCC) expected to be sold upon completion.

Loans receivable primarily consist of interest-free loans offered by AHCC to Calgarians when they purchase their housing units and are secured by The City's encumbrance on the title of each property. The interest portion of the loans is recognized as an expense. In 2025, an allowance for doubtful accounts of $654 (2024 – $1,263) related to the loans receivable was recognized. These loans are forgiven once the home owner sells or refinances their housing unit and a shared participation amount is repaid.

(1) $371,044 has been transferred out of Level 3 into Level 2 due to increased observable market data.

8. Investment in ENMAX

a. ENMAX is a wholly-owned subsidiary and a municipally controlled corporation of The City. ENMAX's core operations are organized into three main business segments: ENMAX Power, Versant Power and ENMAX Energy. In addition, ENMAX has obligations to provincial and US regulators for its regulated business. ENMAX maintains an independent credit rating and holds financial relationships external from The City.

b. The financial statements of ENMAX are prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (IASB). There were no new accounting standards effective during the year.

The following table provides condensed supplementary financial information reported separately by ENMAX:

		2025		2024
Financial Position				
Current assets	**$**	**1,238,471**	$	1,198,920
Capital and intangible assets		**7,540,051**		7,304,114
Other assets		**1,387,042**		1,525,077
Total assets	**$**	**10,165,564**	$	10,028,111
Current liabilities (including current portion of long-term debt; 2025 – $114,368; 2024 – $404,602)	**$**	**1,010,289**	$	1,516,388
Non-current liabilities		**1,598,639**		1,661,685
Long-term debt		**4,028,735**		3,645,142
Total liabilities	**$**	**6,637,663**	$	6,823,215
Accumulated other comprehensive income	**$**	**57,421**	$	138,533
Retained earnings		**3,470,480**		3,066,363
Investment in ENMAX	**$**	**3,527,901**	$	3,204,896

		2025		2024
Results of Operations				
Revenues	**$**	**3,227,370**	$	3,532,119
Expenses		**2,720,253**		3,350,871
Net income	**$**	**507,117**	$	181,248
Changes in Shareholder's Equity				
Net assets, beginning of year	**$**	**3,204,896**	$	2,951,848
Net income		**507,117**		181,248
Dividends paid		**(103,000)**		(95,000)
Other comprehensive (loss) income		**(81,112)**		166,800
Net assets, end of year	**$**	**3,527,901**	$	3,204,896

c. The following summarizes The City's related party transactions with ENMAX:

		2025		2024
Received by The City				
Dividends	**$**	**103,000**	$	95,000
Local access fee		**147,692**		182,175
Sales of services		**42,572**		36,450
Purchased by The City				
Power and other services	**$**	**349,371**	$	172,242
Capital expenditures paid or payable		**13,852**		30,087

The City's accounts payable, accrued liabilities and deferred revenue include $17,353 (2024 – $13,707) for amounts owed to ENMAX at December 31, 2025. The City's receivables include $440,144 (2024 – $434,232) for amounts owing to The City by ENMAX at December 31, 2025 (Notes 5 and 7). Corresponding related-party differences between the payables and receivables for The City and ENMAX result primarily from timing differences related to recognizing the receipt of payments. Sale of services, and purchase of power and other services, are transacted at fair market value, which is the amount agreed upon by the parties.

Debentures in the amount of $1,673,069 (2024 – $1,569,156) and a municipal bond of $291,082 (2024 – $171,082) with an amount payable of $280,758 (2024 – $167,405) reported by ENMAX have been issued in the name of The City (Notes 15 a. i. and ii.).

9. Bank indebtedness

		2025		2024
Cheques issued in excess of deposits and operating facility[(1)]	**$**	**79,561**	$	100,547
Short-term borrowings[(2)]		**416,045**		410,282
	$	**495,606**	$	510,829

An unsecured short-term bank line of credit with a commercial bank, and a non-revolving credit facility with the Canada Infrastructure Bank, are available to The City up to an amount of $225,000 (2024 – $60,000), which as at December 31, 2025, had $nil (2024 – $nil) outstanding balance.

The City has the approved authority to issue up to $600,000 (2024 – $600,000) of short-term borrowings, through a combination of a bank line of credit and the issue of commercial paper. As at December 31, 2025, The City had $416,045 (2024 – $410,282) of short-term borrowings, which consisted of 28 promissory notes held by The City valued at $397,914 with maturity dates from January 7 to March 27, 2026 and interest rates ranging from 2.33 per cent to 2.57 per cent (2024 – 28 promissory notes valued at $396,322 with maturity dates from January 3 to March 26, 2025, with interest rates ranging from 3.32 per cent to 4.20 per cent). In addition, there were credit facility balances as at December 31, 2025, held by AHCC of $18,131(2024 – AHCC of $13,960).

10. Accounts payable and accrued liabilities

		2025		2024 (Note 34)
Trade	**$**	**1,052,518**	$	927,399
Federal and provincial governments		**47,650**		41,146
Accrued interest		**16,976**		17,028
	$	**1,117,144**	$	985,573

11. Deferred revenue

		December 31, 2024		Contributions received		Revenue recognized		**December 31, 2025**
Advance sales of goods and services	$	27,909	$	183,202	$	(178,344)	**$**	**32,767**
Licences, permits and application fees		68,496		44,851		(45,988)		**67,359**
Government grants		22,978		87,485		(72,217)		**38,246**
Other contributions		11,006		5,984		(7,159)		**9,831**
	$	130,389	$	321,522	$	(303,708)	**$**	**148,203**

		December 31, 2023		Contributions received		Revenue recognized		December 31, 2024
Advance sales of goods and services	$	25,647	$	114,353	$	(112,091)	$	27,909
Licences, permits and application fees		46,850		52,985		(31,339)		68,496
Government grants		20,580		87,949		(85,551)		22,978
Other contributions		13,494		5,962		(8,450)		11,006
	$	106,571	$	261,249	$	(237,431)	$	130,389

Advance sales of goods and services are revenues received from operations in advance of the services being provided.

Licences, permits and application fees include amounts received for building permits, business and animal licences that are recognized as revenue over the term of the underlying agreements.

Government grants are externally restricted amounts that are recognized in revenue when the conditions of use are satisfied.

Other contributions relate primarily to private sponsorships and donations received for which the related expenditures have not yet been incurred. These funds are recognized as revenue in the period they are used for the purpose specified.

(1) Included in this balance is $56,728 from Calgary Municipal Land Corporation (CMLC) and $148 from Attainable Homes Calgary Corporation (AHCC) (2024 – $44,033 from CMLC and $7 from AHCC).

(2) Consisted of promissory notes held by The City and credit facilities held by AHCC (2024 – AHCC).

12. Capital deposits

Capital deposits are received for various capital projects from land developers, pursuant to development agreements or the *Municipal Government Act*, and from other governments, through grants and provincial tax revenue sharing agreements. Certain deposits are allocated investment income, and some may become refundable with interest should they not be fully utilized for the designated capital projects. Capital deposits are comprised of the following:

	December 31, 2024 (Note 34)	Contributions received(1)	Revenue recognized(2)	**December 31, 2025**
Developer contributions	$ 199,258	$ 45,070	$ (21,397)	**$ 222,931**
Off-site levies	523,234	228,267	(72,340)	**679,161**
Centre city levies	11,301	2,550	(1,478)	**12,373**
Other private contributions	1,428	53,808	(23,588)	**31,648**
Provincial government grants	326,867	531,657	(492,546)	**365,978**
Federal government grants	195,980	350,985	(346,369)	**200,596**
	$ 1,258,068	$ 1,212,337	$ (957,718)	**$ 1,512,687**

	December 31, 2023	Contributions received(1)	Revenue recognized(2)	December 31, 2024 (Note 34)
Developer contributions	$ 143,812	$ 68,353	$ (12,907)	$ 199,258
Off-site levies	413,611	147,429	(37,806)	523,234
Centre city levies	9,473	1,980	(152)	11,301
Other private contributions	2,615	(550)	(637)	1,428
Provincial government grants	334,625	459,930	(467,688)	326,867
Federal government grants	284,002	132,718	(220,740)	195,980
	$ 1,188,138	$ 809,860	$ (739,930)	$ 1,258,068

(1) These amounts may include refunds of capital deposits issued due to changes in project scope.

(2) Dependent on the capital deposit agreement or legislation, amounts may be recognized into either operating or capital revenues.

13. Asset retirement obligations

The City's asset retirement obligations consist of:

Landfill sites

Under environmental law, there is a requirement for closure and post-closure care of landfill sites. Closure and post-closure care includes final covering and landscaping of a landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

In 2024, The City reviewed the model supporting the provision of the landfill liability. The model was revised to ensure alignment with Alberta Environment and Protected Areas (AEPA) requirements and to reflect the current economic conditions. The City reviews the model every three years and the next review is due in 2027.

The costs are based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years post this date. The landfills have an estimated useful life of 85 to 88 years, of which 28 to 35 years remain. The duration of post-closure care is dependent on the overall activities that are required at each landfill site. A discount rate of 4.10 per cent (2024 – 4.10 per cent) was used for active landfills and 4.02 per cent (2024 – 2.90 per cent) for the closed landfills.

The unfunded liability will be funded through future contributions from the Waste and Recycling Sustainment Reserve. At December 31, 2025, the balance of the Waste and Recycling Sustainment Reserve is $43,409 (2024 – $31,675). The landfill asset retirement obligation asset is recorded as part of engineered structures tangible capital asset.

Buildings

The City owns and operates several buildings that are known to have hazardous materials which are legally required to be removed in a prescribed manner upon demolition. The City has recognized an obligation for the removal of hazardous materials in these buildings, which is adjusted annually (Note 1 o.). The buildings have an estimated or revised useful life of 70-120 years from the year of acquisition or construction. The majority of the buildings will be remediated at intervals during their estimated useful life. Estimated costs have been discounted to December 31, 2025 using a discount rate of 4.10 per cent (2024 – 4.10 per cent).

Engineered structures

The City owns and operates several engineered structures that are known to have hazardous materials and there is a legal obligation to remove them in a prescribed manner. The City has recognized an obligation for the removal of hazardous materials in these engineered structures, which is adjusted annually (Note 1 o.). The engineered structures range in useful lives from 40-100 years from the year of acquisition or construction. The majority of the engineered structures will be remediated at intervals during their estimated useful life. Estimated costs have been discounted to December 31, 2025 using a discount rate of 4.10 per cent (2024 – 4.10 per cent).

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

	December 31, 2024	Change due to tangible capital assets additions (disposals)	Settlements	Change in estimate	Accretion expense	**December 31, 2025**
Landfill	$ 175,603	$ –	$ (1,192)	$ 4,030	$ 7,173	**$ 185,614**
Buildings	144,630	(14)	(5,939)	(1,470)	3,896	**141,103**
Engineered structures	9,771	(211)	(326)	–	185	**9,419**
	$ 330,004	$ (225)	$ (7,457)	$ 2,560	$ 11,254	**$ 336,136**

	December 31, 2023	Change due to tangible capital assets additions (disposals)	Settlements	Change in estimate	Accretion expense	December 31, 2024
Landfill	$ 168,280	$ –	$ (1,195)	$ 3,550	$ 4,968	$ 175,603
Buildings	147,945	(652)	(4,471)	(2,225)	4,033	144,630
Engineered structures	10,241	–	(296)	(376)	202	9,771
	$ 326,466	$ (652)	$ (5,962)	$ 949	$ 9,203	$ 330,004

14. Employee benefit obligations

The City participates in multi-employer pension plans, sponsors defined-benefit pension plans, and post-retirement benefit plans for eligible civic employees and elected officials. The employee benefit obligations related to The City-sponsored plans represent liabilities earned but not taken by the plan members as at December 31, 2025.

The City has fully met its current year cash contribution requirements for employee benefit obligations as at December 31, 2025. Employee benefit obligations recognized on The City's Consolidated Statement of Financial Position in respect to employee benefits is as follows:

	2025 Funded[1]	2024 Funded[1]
a. Registered defined-benefit pension plans	**$ 28,585**	$ 41,559
b. Non-registered defined-benefit pension plans	**48,392**	46,397
c. Post-retirement benefits	**113,340**	112,825
d. Vacation and overtime (undiscounted)	**342,638**	311,191
	$ 532,955	$ 511,972

Obligations related to multi-employer pension plans, Local Authorities Pension Plan (LAPP) and Special Forces Pension Plan (SFPP) are not recorded by The City as The City's share is not determinable. Contributions to LAPP and SFPP for current and past service are recorded as expenses in the year in which they become due (Note 14 e. i. and ii.).

Accounting methodology

Annual valuations for accounting purposes are completed for The City-sponsored registered and non-registered defined-benefit pension plans and post-retirement benefits, using the projected unit credit actuarial cost method prorated on service. This determines the accrued benefit obligation and the expense to be recognized in the consolidated financial statements. The significant actuarial assumptions used for the valuations reflect The City's best estimates as follows:

	December 31, 2025	December 31, 2024
Year-end obligation discount rate (%)	**4.73**	5.14
Inflation rate (%)	**2.00**	2.00
Expected rate of return on plan assets (%)		
The City of Calgary Supplementary Pension Plan (SPP)	**6.65**	6.65
Pension Plan for Elected Officials of The City of Calgary (EOPP)	**6.65**	6.65
Calgary Firefighters' Supplementary Pension Plan (FSPP)	**6.65**	6.65

a. Registered defined-benefit pension plans

Certain defined-benefit pension plans are registered for Canada Revenue Agency (CRA) purposes. These plans provide benefits up to limits prescribed by the *Income Tax Act* (ITA). The assets of these plans are held in trust and The City records its share of the obligations net of plan assets.

In accordance with regulations, actuarial valuations for funding purposes are performed at least triennially for registered plans, except for the Calgary Police Supplementary Pension Plan (PSPP) (Note 14 a. iv.), to determine The City's required contributions to the plan trusts. The most recent actuarial valuations for the purposes of developing funding requirements were prepared as of the following dates:

Pension plan	**Latest valuation date**
FSPP	December 31, 2024
SPP	December 31, 2022
EOPP	December 31, 2024
PSPP	Not applicable

(1) The concept of funding refers to employee benefit obligations supported by dedicated assets held within The City's investment portfolio.

The following table sets out the results of, and significant assumptions utilized in the most recent valuations for accounting purposes of The City sponsored registered pension plans:

		2025		2024
Fair value of plan assets – beginning of year	**$**	**217,189**	$	184,233
Contributions – employer		**11,273**		10,851
Contributions – member		**157**		149
Expected interest on plan assets		**14,540**		12,354
Less benefits paid		**(8,520)**		(7,925)
Actuarial gain		**12,115**		17,527
Fair value of plan assets – end of year	**$**	**246,754**	$	217,189
Accrued benefit obligation – beginning of year	**$**	**187,388**	$	176,293
Current period benefit cost		**8,646**		7,721
Interest on accrued benefit obligation		**9,857**		9,255
Less benefits paid		**(8,520)**		(7,925)
Actuarial loss		**17,569**		2,044
Accrued benefit obligation – end of year	**$**	**214,940**	$	187,388
Funded status – plan surplus	**$**	**(31,814)**	$	(29,801)
Unamortized net actuarial gain		**60,399**		71,360
Accrued benefit liability(1)	**$**	**28,585**	$	41,559
Current period benefit cost	**$**	**8,646**	$	7,721
Amortization of actuarial gains		**(5,507)**		(4,299)
Less member contributions		**(157)**		(149)
Benefit expense	**$**	**2,982**	$	3,273
Interest on accrued benefit obligation	**$**	**9,857**	$	9,255
Less expected interest on plan assets		**(14,540)**		(12,354)
Benefit interest income	**$**	**(4 ,683)**	$	(3,099)
Total (income) expense	**$**	**(1,701)**	$	174

Unamortized net actuarial gains and losses are amortized over the expected average remaining service life (EARSL) of the active employee groups, except sponsored registered pension plans. For the PSPP, which is deemed a closed plan, amortization commences in the period following the determination of the gain or loss. The EARSL for each plan is:

Pension plan	**2025**	2024
FSPP	**14.7**	14.7
SPP	**8.1**	8.1
EOPP	**12.4**	13.2
PSPP	**Not applicable**	Not applicable

i. Calgary Firefighters' Supplementary Pension Plan

The FSPP was established on June 3, 1975. The plan is jointly administered by The City and the International Association of Firefighters (IAFF) Local 255. The plan is supplemental to the LAPP (Note 14 e. i.) and provides an annual retirement benefit of 1.4 per cent of pensionable earnings up to the year's maximum pensionable earnings (YMPE), 2 per cent of pensionable earnings over YMPE, a bridge benefit of 0.6 per cent of YMPE to age 65, and improved early retirement and death benefits up to maximum pension limits of the ITA. The City and the IAFF Local 255 have agreed to share the cost of future service and future additional unfunded liabilities: 55 per cent by The City and 45 per cent by the plan members. The consolidated financial statements of The City reflect The City's portion only of both the expense and the accrued benefit liability.

At December 31, 2025, The City's portion of plan assets, held in trust, is invested in a mix of equities, bonds and money market instruments. Plan assets are stated at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2024, as follows:

		2025 Employer		**2025 Members**		2024 Employer		2024 Members
Current service contributions	**$**	**7,166**	**$**	**6,071**	$	7,151	$	5,921

(1) To satisfy the obligations under these plans, assets in the amount of $28,585 (2024 – $41,559) are held within The City's investment portfolio.

ii. The City of Calgary Supplementary Pension Plan

The SPP commenced on February 1, 2000 and is sponsored and administered by The City. The plan is supplemental to the LAPP (Note 14 e. i.) and provides an annual retirement benefit of 2 per cent of earnings, up to maximum pension limits of the ITA for years of service since the latter of February 1, 2000 and the date of eligibility for membership in the plan, as well as enhanced death benefits. The cost of future service and future additional unfunded liabilities are shared 55 per cent by The City and 45 per cent by the plan members. The consolidated financial statements of The City reflect The City's portion only of both the expense and the accrued benefit liability.

At December 31, 2025, The City's portion of plan assets, held in trust, is invested in a mix of equities, bonds and money market instruments. Plan assets are stated at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2022 as follows:

	2025 Employer	**2025 Members**	2024 Employer	2024 Members
Current service contributions	**$ 3,990**	**$ 3,266**	$ 3,545	$ 2,901

iii. Pension Plan for Elected Officials of The City of Calgary

The EOPP commenced on October 1, 1989 and provides pension benefits of 2 per cent of taxable salary, up to a maximum pension limit of the ITA per year of service to The City elected officials who choose to participate.

At December 31, 2025, plan assets, held in trust, are invested in a mix of equities, bonds and money market instruments. Plan assets are stated at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2024 as follows:

	2025 Employer	**2025 Members**	2024 Employer	2024 Members
Current service contributions	**$ Nil**	**$ 157**	$ Nil	$ 149

iv. Calgary Police Supplementary Pension Plan

The PSPP commenced on January 1, 1975 and provides supplemental pension benefits to those police officers who retired prior to September 1, 1979. The PSPP is deemed a closed plan as police officers who have retired after September 1, 1979 are covered under the SFPP Plan (Note 14 e. ii.).

The PSPP is not subject to provincial minimum funding legislation. Pursuant to the agreement made in 1985, The City will continue to pay benefits out of its investments. In 2007, the fund was exhausted and benefits to pensioners for the year and future years are now being paid from The City's investments. The liabilities associated with these continued benefits have been accounted for in accordance with PS 3250 – Retirement Benefits.

Sufficient funds are held within The City's investments to cover the liabilities as determined by the actuarial valuation for accounting purposes as at December 31, 2025.

b. Non-registered defined-benefit pension plans

Certain plans are non-registered for CRA purposes and provide benefits beyond the limits of the ITA supplemental to the registered plans. As such, there is no legislated requirement to pre-fund these plans through external trusts and current income tax rules would impose additional costs on any external pre-funding arrangement.

Actuarial valuations for accounting purposes were performed as follows:

Pension plan	**Latest valuation date**
The City of Calgary Overcap Pension Plan (OCPP)	December 31, 2025
The City of Calgary Police Chief & Deputy Overcap Pension Plan (PCDOPP)	December 31, 2025
The City of Calgary Fire Chief and Deputies Overcap Pension Plan (FCDOPP)	December 31, 2025
Supplementary Pension Plan for Elected Officials of The City of Calgary (EOSP)	December 31, 2025
Executive Pension Plan (EPP)	December 31, 2025
Contractual obligations	December 31, 2025

The following table sets out the results of, and significant assumptions utilized in the December 31, 2025 valuations for accounting purposes for the non-registered pension plans:

		2025		2024
Accrued benefit obligation – beginning of year	**$**	**50,004**	$	47,226
Current period benefit cost		**605**		529
Interest on accrued benefit obligation		**2,525**		2,380
Less benefits paid		**(2,958)**		(2,906)
Actuarial loss		**4,696**		2,775
Accrued benefit obligation – end of year	**$**	**54,872**	$	50,004
Funded status – plan deficit	**$**	**54,872**	$	50,004
Unamortized net actuarial loss		**(6,480)**		(3,607)
Accrued benefit liability[1]	**$**	**48,392**	$	46,397
Current period benefit cost	**$**	**605**	$	529
Amortization of actuarial losses		**1,823**		2,355
Interest on accrued benefit obligation		**2,525**		2,380
Total expense	**$**	**4,953**	$	5,264

Unamortized net actuarial gains and losses of the OCPP and PCDOPP are amortized over the EARSL of the active employee groups, and commence in the period following the determination of the gain or loss. Net actuarial gains and losses for plans closed to new entrants are fully amortized in the year in which they arise. The EARSL for each plan is:

Pension plan	**2025**	2024
OCPP	**10.7**	10.2
PCDOPP	**6.0**	6.1
FCDOPP (closed plan)	**Not applicable**	Not applicable
EOSP (closed plan)	**Not applicable**	Not applicable
EPP (closed plan)	**Not applicable**	Not applicable
Contractual obligations (closed plan)	**Not applicable**	Not applicable

The following information details the structure and benefits of each of The City's non-registered defined-benefit pension plans:

i. The City of Calgary Overcap Pension Plan

The OCPP commenced on February 1, 2000. The plan is sponsored and administered by The City and provides supplementary pension benefits for management employees, the Police Chief and Deputies, and the Fire Chief and Deputies.

The OCPP for management employees provides a coordinated benefit with the LAPP (Note 14 e. i.) and the SPP (Note 14 a. ii.) to provide an annual retirement benefit of 2 per cent of all pensionable earnings for the years of service since the later of January 1, 1992 and the date of hire with The City.

The OCPP for the Police Chief and Deputies and the OCPP for the Fire Chief and Deputies provide supplementary pension benefits in excess of the maximum pension benefits provided under the SFPP (Note 14 e. ii.) and the FSPP (Note 14 a. i.) respectively. The OCPP for the Fire Chief and Deputies is deemed a closed plan as new entrants are not eligible to participate. The Plan will continue to provide benefits to existing retirees and to grandfathered members.

ii. Supplementary Pension Plan for Elected Officials of The City of Calgary

The EOSP commenced on October 1, 1999. This plan is sponsored and administered by The City, and provides a coordinated benefit with the EOPP to provide an annual retirement benefit of 2 per cent of all pensionable earnings for the years of service recognized under the EOPP (Note 14 a. iii.). The decision made by Council to end service accruals in the EOSP took effect as of the 2021 election – October 18, 2021. The plan is considered closed to new entrants as of that date.

iii. Executive Pension Plan

The EPP was designed to provide pension arrangements for key members of senior management pursuant to individual employment contracts with The City prior to the inception of the OCPP and SPP. The EPP is deemed a closed plan as it provides no benefits to active employees; however, benefits will continue to existing retirees.

iv. Contractual obligations

The City has entered into individual compensation arrangements with key members of management that provide defined benefits upon retirement. These contractual obligations were grandfathered to members and have been deemed as closed as no benefits are provided to new employees; however, benefits will continue to retirees. These arrangements are sponsored and administered by The City.

1) To satisfy the obligations under these plans, assets in the amount of $48,392 (2024 – $46,397) are held within The City's investment portfolio.

c. Post-retirement benefits

The post-retirement benefits programs of The City include the Pensioners and Widows/Widowers Benefit Plan (PWB) and the Supplementation of Compensation Plan.

Actuarial valuations for accounting purposes in respect of the post-retirement benefits programs were performed as follows:

	Latest valuation date
PWB	December 31, 2025
Retirement allowance (discontinued in 2024)	December 31, 2024
Supplementation of Compensation Plan	December 31, 2025

The following table sets out the results of, and significant assumptions utilized in the December 31, 2025 valuations for accounting purposes for post-retirement benefits:

		2025		2024
Accrued benefit obligation – beginning of year	**$**	**76,396**	$	76,345
Current period benefit cost		**4,954**		4,755
Interest on accrued benefit obligation		**4,111**		4,096
Less benefits paid		**(2,745)**		(2,819)
Curtailment gain		**–**		(757)
Actuarial (gain)		**(1,302)**		(5,224)
Accrued benefit obligation – end of year	**$**	**81,414**	$	76,396
Plan assets[(1)]	**$**	**(3,481)**	$	(3,335)
Funded status – plan deficit	**$**	**77,933**	$	73,061
Unamortized net actuarial gain		**35,407**		39,764
Accrued benefit liability[(2)]	**$**	**113,340**	$	112,825
Current period benefit cost	**$**	**4,954**	$	4,755
Amortization of actuarial gain		**(5,805)**		(5,787)
Curtailment gain		**–**		(757)
Interest on accrued benefit obligation		**4,111**		4,096
Total expense	**$**	**3,260**	$	2,307
Annual increase in dental and extended health costs		**5.3%**		5.3%

Unamortized net actuarial gains and losses are amortized as follows:

- For PWB plans where employees are actively accruing benefits, on a straight-line basis over the EARSL of such employees beginning at the times such amounts are determined; and
- For supplementation of compensation plans where employees are not actively accruing benefits, recognized in the year in which they arise.

The EARSL for each plan is:

	2025	2024
PWB	**12.5**	12.4
Supplementation of Compensation Plan	**Not applicable**	Not applicable

The following information details the structure and benefits of each of The City's post-retirement benefits:

i. Pensioners and Widows/Widowers Benefits (PWB)

The City sponsors optional post-retirement benefits for extended health, dental and life insurance benefits for qualifying retirees and their surviving spouses, from the date of retirement to age 65. After 10 years or age 65, the life insurance policy reduces to a paid-up death benefit based on the number of years of contributory service prior to retirement. The sponsors and retirees share equally in the cost of benefits. The City's consolidated financial statements show the sponsors' portions only of the expense and the accrued benefit liability.

ii. Supplementation of compensation

The City sponsors a supplementation of compensation plan for employees who were disabled, or survivors of employees who were killed in the line of duty. The plan is deemed closed as employees are not actively accruing benefits.

(1) Plan assets in the amount of $3,481 (2024 – $3,335) to satisfy future life claims are equal to fair market value.

(2) Assets in the amount of $113,340 (2024 – $112,825) to satisfy the obligations under these plans are held within The City's investment portfolio.

d. Vacation and overtime

The vacation and overtime liability comprises the vacation and overtime that employees are allowed to defer to future years as defined in administrative policies and/or contractual agreements. Assets in the amount of $342,638 (2024 – $311,191) are held within The City's investments portfolio and working capital to satisfy the obligations under these programs.

e. Multi-employer pension plans

Civic employees, with the exception of police officers, are members of the LAPP. Police officers are members of the SFPP. Both plans are multi-employer, defined-benefit pension plans jointly sponsored by employees and employers through the LAPP and SFPP Corporations respectively, and administered by Alberta Pension Services (APS).

Due to the multi-employer nature of these plans, information is not available to determine the portion of the plans' obligations and assets attributable to each employer. Therefore, The City appropriately accounts for both plans following the standards for defined contribution plans. The amount of expense recorded in the consolidated financial statements is equal to The City's current service contributions to the plan as determined by APS for the year and no obligation is recorded in The City's consolidated financial statements. As at December 31, 2024, the LAPP and SFPP were in surplus positions.

i. Local Authorities Pension Plan

The LAPP plan provides an annual retirement benefit of 1.4 per cent of earnings up to the YMPE and 2 per cent of earnings over YMPE. Under the Alberta *Public Sector Pension Plans Act*, The City and members of the LAPP plan made the following contributions:

	2025 Employer	**2025 Members**	2024 Employer	2024 Members
Current service contributions	**$ 160,309**	**$ 143,390**	$ 149,642	$ 132,578

The LAPP reported a surplus (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2024 of $19,557,000 (2023 – $15,057,000). More recent information was not available at the time of preparing these consolidated financial statements.

LAPP consists of 179,517 active members (2023 – 173,459 active members). The City's active plan membership represents approximately 8.6 per cent (2023 – 8.5 per cent) of the total LAPP active membership as at December 31, 2024.

ii. Special Forces Pension Plan

The SFPP provides an annual retirement benefit of 1.4 per cent of pensionable earnings up to YMPE, 2 per cent of pensionable earnings over YMPE, a bridge benefit of 0.6 per cent of YMPE to age 65, and improved early retirement and death benefits, up to maximum pension limits of the ITA. Under the Alberta *Public Sector Pension Plans Ac*t, The City and members of the SFPP made the following contributions:

	2025 Employer	**2025 Members**	2024 Employer	2024 Members
Current service contributions	**$ 44,795**	**$ 41,286**	$ 41,118	$ 37,737

The SFPP reported a surplus (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2024 of $624,092 (2023 – surplus of $553,089). More recent information was not available at the time of preparing these consolidated financial statements. The City's 2024 contribution rates did not change as a result of this surplus.

SFPP consists of 4,867 active members (2023 – 4,742 active members). The City's active plan membership represents approximately 48.01 per cent (2023 – 48.8 per cent) of the total SFPP active membership as at December 31, 2024.

15. Long-term debt

a. Debt payable by and issued in the name of The City includes the following amounts:

	2025 Tax-supported	2025 Self-sufficient tax-supported	2025 Self-supported	2025 Total	2024 Tax-supported	2024 Self-sufficient tax-supported	2024 Self-supported	2024 Total
i. Debentures	**$ 189,039**	**$ 291,893**	**$ 3,751,092**	**$ 4,232,024**	$ 213,255	$ 301,556	$ 3,668,076	$ 4,182,887
ii. Municipal bonds	**–**	**8,918**	**291,082**	**300,000**	–	8,918	171,082	180,000
iii. Mortgages and other debt	**56,848**	**–**	**33,884**	**90,732**	58,277	–	8,684	66,961
iv. Capital lease	**6,075**	**–**	**–**	**6,075**	715	–	–	715
	$ 251,962	**$ 300,811**	**$ 4,076,058**	**$ 4,628,831**	$ 272,247	$ 310,474	$ 3,847,842	$ 4,430,563
Less								
Debenture debt attributable to ENMAX[(1)]	**$ –**	**$ –**	**$ (1,578,086)**	**$ (1,578,086)**	$ –	$ –	$ (1,467,222)	$ (1,467,222)
	$ 251,962	**$ 300,811**	**$ 2,497,972**	**$ 3,050,745**	$ 272,247	$ 310,474	$ 2,380,620	$ 2,963,341

Tax-supported debt is repaid using tax revenues and is the long-term debt used in tax-supported areas.

Self-sufficient tax-supported debt comprises debt for programs and activities whose operating costs, including debt servicing, have historically been funded in whole or in part, directly or indirectly, by revenue from municipal property and business taxes, but that are currently being funded by revenues resulting from their own operations.

Self-supported debt primarily relates to utility services and debt issued on behalf of ENMAX. This debt is not funded by tax revenues, but by user rates and cash flows generated from operations. ENMAX-related debt is further offset by a long-term receivable from ENMAX reported in other assets.

(1) Only debt with simultaneous payment terms is deducted from The City's long-term debt and is not included within long-term receivables.

i. Debentures, which are predominantly held by The Province of Alberta (The Province), mature in annual amounts to the year 2050.

ENMAX is included within self-supported debt, with outstanding debentures in the amount of $1,673,069 (2024 – $1,569,156) of which $1,578,086 (2024 – $1,467,222) is not included in The City's outstanding balance. Some of The City's debenture debt has been specifically issued on behalf of ENMAX. For this debt, The City expects to realize the receivable from ENMAX and settle the external debt simultaneously. Borrowing on behalf of ENMAX is undertaken in accordance with the Credit Agreement between The City and ENMAX. The City shall service the existing debentures, which included debt issuance of $204,545 in 2025 (2024 – $101,934), through the disbursement of principal and interest payments. The City is liable for the outstanding ENMAX debenture debt to the debenture debt holders. On a monthly basis, ENMAX is required to pay to The City an administration fee of 0.25 per cent (2024 – 0.25 per cent) on the average monthly outstanding debenture and municipal bonds balance held by The City on behalf of ENMAX.

Other components of self-supported debt relate to:

- Local improvements, which includes debentures in the amount of $60,208 (2024 – $58,430). This has been issued to fund improvements that are collectable from property owners for work authorized by them and performed by The City. Principal and interest on local improvement debentures are recovered from property owners through annual local improvement levies over the term of the debenture to a maximum of 25 years.
- The debenture issued in 2014 by The City on behalf of St. Mary's University (SMU) in the amount of $2,543 (2024 – $2,787). In accordance with the Credit Agreements between SMU and The City, The City shall service the debenture through the disbursement of principal and interest payments. The City is liable for the outstanding debenture debt to the debenture debt holder. SMU is required to reimburse The City for all principal and interest payments with respect to the debenture on the same day as The City disburses the payments to the debt holder. As at December 31, 2025, SMU is in compliance with its Credit Agreements.
- The debenture issued in 2022 by The City on behalf of Silvera for Seniors in the amount of $8,099 (2024 – $8,099). In accordance with the Credit Agreements between Silvera for Seniors and The City, The City shall service the debenture through the disbursement of principal and interest payments. The City is liable for the outstanding debenture debt to the debenture debt holder. Silvera for Seniors is required to reimburse The City for all principal and interest payments with respect to the debenture on the same day as The City disburses the payments to the debt holder. As at December 31, 2025, Silvera for Seniors is in compliance with its Credit Agreements.

ii. The City issued its first municipal bond into the Canadian debt capital markets on March 15, 2024 and was re-opened on February 10, 2025. The bond has a coupon value of 4.20 per cent with interest paid semi-annually and it matures in the year 2034. Of the $300,000 issued, $291,082 was initially assigned to ENMAX. As at December 31, 2025, $280,758 is receivable from ENMAX (Note 8) (2024 – $167,405). The City charges ENMAX a monthly administration fee of 0.25 per cent (2024 – 0.25 per cent), calculated on the average monthly ENMAX receivable balance.

iii. Mortgages and other debt are predominantly held by Plenary Infrastructure Calgary LP (Plenary). On September 13, 2016, The City entered into a Public Private Partnerships (P3) agreement with Plenary to design, build, finance and maintain The City's Stoney compressed natural gas bus storage and transit facility. Plenary started operating the new facility on March 12, 2019 and will continue to operate it until 2049. As at December 31, 2025, the total P3 obligation is $56,848 (2024 – $58,277).

Also included in Mortgages and other debt are mortgages held by Canada Mortgage and Housing Corporation (CMHC), which mature in annual amounts to the year 2036, and a mortgage of AHCC that was entered into on October 22, 2025 and matures in 2075. Capital assets with a carrying value of $51,354 (2024 – $51,591) are pledged as collateral against the CMHC mortgages.

iv. Capital leases include one vehicle lease entered into in 2024 and four vehicle leases entered into in 2025. All leases have a term of 3 years. In 2025, the principal payments totalled $748 (2024 – $82).

b. Long-term debt is repayable as follows:

	Tax-supported	Self-sufficient tax-supported	Self-supported	Less: Debenture debt attributable to ENMAX	Total
2026	$ 26,147	$ 14,090	$ 318,615	$ (98,951)	$ 259,901
2027	25,157	11,475	321,598	(99,408)	258,822
2028	23,543	8,702	308,819	(97,761)	243,303
2029	20,790	6,443	300,085	(97,586)	229,732
2030	20,535	5,571	272,287	(98,004)	200,389
Thereafter	135,790	254,530	2,554,654	(1,086,376)	1,858,598
	$ 251,962	**$ 300,811**	**$ 4,076,058**	**$ (1,578,086)**	**$ 3,050,745**

c. The maturity dates, interest rates and contractual principals for long-term debt are as follows:

Type	Maturity	Lowest interest rate range	Highest interest rate range	Ending balance
Debentures, including ENMAX	< 1 year	0.96%	4.96%	$ 15,643
	1-3 years	1.04%	5.05%	105,209
	3-5 years	1.22%	5.22%	274,864
	5-10 years	1.67%	5.17%	1,026,825
	10-20 years	2.04%	5.45%	1,987,597
	> 20 years	2.48%	5.43%	821,887
				$ 4,232,025
Municipal bonds	5-10 years	3.82%	4.26%	**$ 300,000**
Capital leases	1-3 years	0.00%	16.68%	**$ 6,075**
Mortgages and other	< 1 year	–	–	$ –
	1-3 years	4.00%	4.00%	2,364
	10-20 years	1.57%	3.84%	1,012
	> 20 years	2.00%	4.29%	87,355
				$ 90,731
Total, including ENMAX				**$ 4,628,831**
Less: ENMAX debenture				$ (1,578,086)
Total				**$ 3,050,745**

d. Interest charges are as follows:

	2025 Tax-supported	2025 Self-sufficient tax-supported	2025 Self-supported	2025 Total	2024 Tax-supported	2024 Self-sufficient tax-supported	2024 Self-supported	2024 Total
Debenture interest	**$ 6,680**	**$ 10,906**	**$ 81,286**	**$ 98,872**	$ 7,583	$ 9,522	$ 74,743	$ 91,848
Municipal bonds	**–**	**378**	**11,252**	**11,630**	–	302	5,795	6,097
Other interest and charges	**21,275**	**–**	**487**	**21,762**	27,383	236	290	27,909
	$ 27,955	**$ 11,284**	**$ 93,025**	**$ 132,264**	$ 34,966	$ 10,060	$ 80,828	$ 125,854

e. The estimated fair value of The City's long-term debt is $2,965,668 (2024 – $2,765,721). Calculation of the estimated fair value of the debt is based on lending rates obtainable at December 31, 2025, for debentures with comparable maturities from The City's primary lender, The Province.

f. The debt limit is calculated at 1.6 times revenue (as defined in The City's Debt Policy CP2020-05) and the debt service limit is calculated at 0.28 times revenue. Incurring debt beyond these limits requires approval by Council. The calculation, taken alone, does not represent the financial stability of The City as the consolidated financial statements must be interpreted as a whole.

	2025	2024
Total debt limit (1.6 times revenue)	**$ 8,566,813**	$ 7,806,635
Total debt (short- and long-term)	**3,113,313**	3,134,275
Percentage of debt capacity used	**36.34%**	40.15%
Total debt service limit (0.28 times revenue)	**$ 1,499,192**	$ 1,366,161
Total debt service	**762,031**	738,974
Percentage of debt servicing capacity used	**50.83%**	54.09%

16. Tangible capital assets

		December 31, 2024		Additions/ transfers		Disposals		Write-downs		**December 31, 2025**
Cost										
Land	$	3,026,264	$	121,247	$	(1,979)	$	–	**$**	**3,145,532**
Land improvements		1,454,176		117,963		(4,167)		–		**1,567,972**
Engineered structures		19,926,861		1,113,124		(30,331)		–		**21,009,654**
Buildings		3,938,432		288,632		(24,687)		–		**4,202,377**
Machinery and equipment		744,089		87,066		(43,024)		–		**788,131**
Vehicles		1,822,674		155,285		(55,321)		–		**1,922,638**
	$	30,912,496	$	1,883,317	$	(159,509)	$	–	**$**	**32,636,304**
Work in progress										
Land	$	7,108	$	1,372	$	–	$	–	**$**	**8,480**
Construction		2,410,338		558,747		–		–		**2,969,085**
	$	33,329,942	$	2,443,436	$	(159,509)	$	–	**$**	**35,613,869**

		December 31, 2024		Additions		Disposals		Write-downs		**December 31, 2025**
Accumulated amortization										
Land improvements	$	884,075	$	54,170	$	(2,872)	$	–	**$**	**935,373**
Engineered structures		7,661,325		427,755		(28,878)		–		**8,060,202**
Buildings		1,758,816		128,189		(21,481)		–		**1,865,524**
Machinery and equipment		571,929		46,835		(41,690)		–		**577,074**
Vehicles		969,805		102,866		(46,292)		902		**1,027,281**
	$	11,845,950	$	759,815	$	(141,213)	$	902	**$**	**12,465,454**
Net book value	$	21,483,992	$	1,683,621	$	(18,296)	$	(902)	**$**	**23,148,415**

	December 31, 2023	Additions/ transfers	Disposals	Write-downs	December 31, 2024
Cost					
Land	$ 2,846,703	$ 183,248	$ (3,687)	$ –	$ 3,026,264
Land improvements	1,409,201	46,191	(1,216)	–	1,454,176
Engineered structures	19,212,258	740,504	(25,901)	–	19,926,861
Buildings	3,875,821	74,529	(11,918)	–	3,938,432
Machinery and equipment	732,321	27,972	(16,204)	–	744,089
Vehicles	1,726,111	142,513	(45,950)	–	1,822,674
	$ 29,802,415	$ 1,214,957	$ (104,876)	$ –	$ 30,912,496
Work in progress					
Land	$ 1,624	$ 5,484	$ –	$ –	$ 7,108
Construction	1,721,671	688,667	–	–	2,410,338
	$ 31,525,710	$ 1,909,108	$ (104,876)	$ –	$ 33,329,942

	December 31, 2023	Additions	Disposals	Write-downs	December 31, 2024
Accumulated amortization					
Land improvements	$ 833,454	$ 51,243	$ (622)	$ –	$ 884,075
Engineered structures	7,269,402	416,709	(24,786)	–	7,661,325
Buildings	1,645,873	122,925	(9,982)	–	1,758,816
Machinery and equipment	542,442	45,367	(15,880)	–	571,929
Vehicles	914,559	93,853	(39,871)	1,264	969,805
	$ 11,205,730	$ 730,097	$ (91,141)	$ 1,264	$ 11,845,950
Net book value	$ 20,319,980	$ 1,179,011	$ (13,735)	$ (1,264)	$ 21,483,992

In 2025, $583,487 (2024 – $345,075) in engineered structures, land improvements and land were contributed to The City. These contributions were represented at their fair value at the time received. Assets recognized at nominal value by The City in 2025 and 2024 consist of certain buildings and land. Work in progress land contains expenses related to the purchase of land parcels related to a tangible capital asset project. The land is being utilized to complete the project but is not ready for its intended purpose. Once the project is complete, the land is transferred out of the work in progress land category into the land category.

Cultural and historical properties and treasures are held by The City in various locations. Due to the subjective nature of the assets, they are not recorded as tangible capital assets in the consolidated financial statements (Note 26).

17. 2025 Budget

Budget data presented in these consolidated financial statements are based upon the 2025 operating and capital budgets as approved by Council. Council approved budgets are prepared in accordance with the *Municipal Government Act*, which in some cases is different from budget amounts prepared in accordance with PSAS and reported on the Consolidated Statement of Operations and Accumulated Surplus and Consolidated Statement of Changes in Net Financial Assets. The table below reconciles the Council approved budget to the PSAS budget figures reported in these consolidated financial statements. Actual amounts have been used to approximate budget amounts for certain reconciling items that were not included in the Council budget.

	Revenues	Expenses	Other revenues
Budget as approved by Council			
Operating	$ 4,688,358	$ 4,808,225	$ 119,867
Capital	–	1,386,000	1,386,000
Add			
Operating budget adjustments and revisions	432,331	432,331	–
Capital budget adjustments and revisions	–	1,300,947	1,300,947
Related Authorities	192,997	320,582	110,055
Equity in earnings of ENMAX	300,000	–	–
Transfers between capital and operating	–	–	67,696
	$ 5,613,686	$ 8,248,085	$ 2,984,565
Less			
Intercompany eliminations	$ (19,024)	$ (47,321)	$ (32,163)
Contributions from Water Services and Mobility	(132,017)	(115,630)	–
Contributions from reserves and operations	(326,559)	(875,236)	–
Debt principal repayments	–	(49,769)	–
Tangible capital asset adjustments	–	(2,128,484)	–
Debt issued	–	–	(757,794)
Transfers from reserves	–	–	(1,110,282)
Amortization	–	(157,532)	–
Budget for financial statement purposes	**$ 5,136,086**	**$ 4,874,113**	**$ 1,084,326**

18. Net assets

Net assets consist of restricted and unrestricted amounts of equity in non-financial assets as follows:

	2025	2024 (Note 34)
Operating fund	**$ 259,308**	$ 276,278
Capital fund	**(33,358)**	133,775
Local improvements to be funded in future years	**58,332**	55,522
Obligation to be funded in future years[1]	**(234,449)**	(227,264)
Reserves (Note 20)	**3,883,283**	3,898,434
Equity in ENMAX (Note 8)[2]	**3,470,480**	3,066,363
Equity in non-financial assets (Note 19)	**20,644,302**	18,936,371
Accumulated surplus	**$ 28,047,898**	$ 26,139,479
Accumulated remeasurement gains	**218,875**	373,463
	$ 28,266,773	$ 26,512,942

19. Equity in non-financial assets

	2025	2024 (Note 34)
Tangible capital assets (Note 16)	**$ 23,148,415**	$ 21,483,992
Long-term debt (Note 15)	**(3,050,745)**	(2,963,341)
Long-term debt (non-capital)	**399,183**	283,902
Inventory	**98,475**	85,134
Prepaid assets	**48,974**	46,684
	$ 20,644,302	$ 18,936,371

20. Reserves

Reserves are established and managed in accordance with the reserve's purpose and any or all conditions and/or restrictions placed on the reserve by Council. Reserve funds are transferred either to operating or capital funds for use.

	2025	2024 (Note 34)
Calgary Housing	**$ 66,063**	$ 57,805
Fiscal Stability Reserve	**1,093,256**	937,853
Other operating	**61,201**	59,485
Total operating reserves	**$ 1,220,520**	$ 1,055,143
Community Investment Reserve	**$ 139,701**	$ 156,814
Established Area Investment Fund	**23,144**	32,391
Green Line Fund	**269,680**	182,753
Legacy Parks Reserve	**81,658**	64,555
Major Capital Project Reserve	**352,993**	430,281
Calgary Police Service Capital Reserve	**19,541**	25,218
Reserve for Future Capital and Lifecycle Maintenance and Upgrade Reserve (RFC/LMUR) Merged	**829,486**	962,386
Other capital	**89,170**	82,514
Total capital reserves	**$ 1,805,373**	$ 1,936,912
Calgary Parking Capital Reserve Fund	**$ 162,539**	$ 158,416
Corporate Housing Reserve	**77,517**	64,655
General Hospital Legacy Reserve	**17,702**	17,660
Planning and Development Services Sustainment Reserve	**77,660**	96,913
Opportunity Calgary Investment Fund	**67,885**	60,619
Perpetual Care of the Municipal Cemeteries Reserve	**26,726**	26,860
Land Servicing Reserve	**138,434**	164,649
Utility Sustainment Reserve	**165,667**	215,183
Waste and Recycling Sustainment Reserve	**43,409**	31,675
Other sustainment	**79,851**	69,749
Total sustainment reserves	**$ 857,390**	$ 906,379
Total reserves	**$ 3,883,283**	$ 3,898,434

(1) Obligation to be funded in future years consists of unfunded liabilities of $234,449 (2024 – $227,264) for the asset retirement obligations provision (Note 13).

(2) Excluded from Equity in ENMAX is $57,421 of accumulated other comprehensive income (2024 - $138,533) which are reflected within the accumulated remeasurement gains of $218,875 (2024 –$373,463).

21. Net taxes available for municipal purposes

		2025		2024
Property taxes	**$**	**3,454,969**	$	3,190,867
Community Revitalization Levy		**42,547**		41,409
Revenue in lieu of taxes		**238,385**		266,526
Local improvement levies and special taxes		**11,448**		12,423
	$	**3,747,349**	$	3,511,225
Less: Provincial property taxes				
Current year levy	**$**	**(1,035,896)**	$	(881,550)
Prior year levy		**(222)**		(1,798)
Net taxes available for municipal use	**$**	**2,711,231**	$	2,627,877

The City is required to collect provincial property taxes under Section 353 of the *Municipal Government Act*. The amount of these provincial property taxes is determined solely by the Government of Alberta. Provincial property taxes are recorded at the amounts levied. If property taxes are reduced due to an assessment reduction, The City is required by legislation to fund the repayment of both the municipal and provincial taxes with applicable interest.

An amount of provincial property taxes receivable of $2,221 (2024 – $222) has been recorded at December 31, 2025 within accounts receivable that will be funded through an increase in the subsequent year's provincial property tax rate.

22. Related Authorities

The assets and liabilities and the operations of the following Related Authorities are included in The City's consolidated financial statements within the following department segments:

a. Planning and development services

i. Calgary Economic Development Ltd.

Calgary Economic Development Ltd. (CED) is a controlled corporation of The City and was incorporated in July 1999 under the *Alberta Business Corporations Act*. CED's mandate is to position Calgary for long-term economic success and shared prosperity for all through the expansion, retention and attraction of companies, capital and talent, which results in business growth and industry development, increased investment and trade activities.

CED includes the Calgary Film Centre Ltd. (CFCL), a not-for-profit organization incorporated under the *Alberta Companies Act* in December 2009. CFCL was formed with the primary purpose of supporting the growth and development of the film, television, media and other creative industries. Inter-organizational transactions and balances are eliminated.

ii. Opportunity Calgary Investment Fund Ltd.

Opportunity Calgary Investment Fund Ltd. (OCIF) is a controlled corporation of The City and was incorporated in April 2018 under the *Alberta Business Corporations Act*. OCIF's mandate is to manage its Fund Reserve by creating an environment within Calgary that encourages economic recovery and growth, reduces the impact of economic downturns on citizens and businesses, and capitalizes on new opportunities to support Calgary's economic success into the future. On May 31, 2021, OCIF and The City amended the Operating and Funding Agreement to include the ability to allocate funds up to $10,000 from the Fund Reserve towards investment in Fund Manager. On April 29, 2025, The City approved an additional investment of $60,000 into the Fund's reserve.

b. Infrastructure services

i. Attainable Homes Calgary Corporation

Attainable Homes Calgary Corporation (AHCC) is a controlled corporation of The City and was incorporated in November 2009 under the *Alberta Business Corporations Act*. The purpose of AHCC is the implementation and administration of attainable housing in The City. The City has guaranteed certain indebtedness of AHCC related to losses in prior years as disclosed in Note 31 a. ii.

ii. Calgary Municipal Land Corporation

Calgary Municipal Land Corporation (CMLC) is a controlled corporation of The City pursuant to Section 73 of the *Municipal Government Act* and the Control of Corporations Regulation. CMLC began operations in 2007, with The City as the sole shareholder of CMLC. CMLC is accountable for the development and sale of land transferred from The City, and the implementation of public infrastructure improvements in The Rivers District, a former industrial and residential area located in downtown Calgary and beyond. On January 15, 2019, through City Bylaw authorization, Council approved an amendment to the Bylaw to extend the Rivers District Community Revitalization Levy an incremental 20 years from the originally planned end date of 2027 through to 2047. On February 13, 2019, the Lieutenant Governor of Alberta approved the amended City Bylaw pursuant to Section 381.2 of the *Municipal Government Act*.

c. Community services

i. Calgary Arts Development Authority Ltd.

Calgary Arts Development Authority Ltd. (CADA) is a controlled corporation of The City and was incorporated under the *Alberta Business Corporations Act* in March 2005. The mandate of CADA is to promote and direct investment in the arts to increase the sector's public and artistic impact on behalf of the residents of Calgary. CADA supports artists in the development of their skills, while supporting and strengthening the arts to benefit all Calgarians.

CADA includes cSPACE Projects (cSPACE), a not-for-profit organization incorporated under the *Alberta Companies Act* in October 2011. cSPACE was formed to promote, coordinate and facilitate real estate projects that establish affordable facilities, accommodation and education opportunities for artists and non-profit organizations operating in the arts or community sector. Inter-organizational transactions and balances are eliminated.

ii. Calgary Housing

Calhome Properties Ltd. (operating as Calgary Housing) delivers safe and affordable housing to Calgarians. Some of the housing is provided under agreements with The City and the Province of Alberta, which provides subsidies for certain properties. Since its inception, Calgary Housing has assumed ownership and/or management of portfolios under different agreements.

iii. Calgary Public Library Board

The Calgary Public Library Board is constituted under the *Libraries Act* of the Province of Alberta. It operates a system of 20 branches and the Central Library in Calgary.

iv. Calgary TELUS Convention Centre

The Calgary Convention Centre Authority (the Authority) is incorporated under the laws of the Province of Alberta and operates the Calgary TELUS Convention Centre (CTCC) pursuant to an operating agreement between the Authority and The City. The land, building, furniture and equipment are owned by The City, who also contributes a grant towards the operating costs of CTCC. In accordance with an amendment to the operating agreement, the Authority retains operating surpluses to fund any net operating deficits.

Related Authority's financial information

For the year ended December 31, 2025 (in thousands)

	Calgary Economic Development Ltd.	Opportunity Calgary Investment Fund	Attainable Homes Calgary Corporation	Calgary Municipal Land Corporation	Calgary Arts Development Authority Ltd.	Calgary Housing	Calgary Public Library Board	Calgary TELUS Convention Centre
Segment	Planning and development services	Planning and development services	Infrastructure services	Infrastructure services	Community services	Community services	Community services	Community services
Financial position								
Physical assets	$ 814	$ –	$ 45,167	$ 358,222	$ 21,418	$ 113,649	$ 39,596	$ 4,096
Financial assets	9,278	15,225	13,496	459,318	15,186	106,184	15,393	14,629
	$ 10,092	$ 15,225	$ 58,663	$ 817,540	$ 36,604	$ 219,833	$ 54,989	$ 18,725
Long–term debt	$ –	$ –	$ 20,533	$ 300,811	$ 2,364	$ 3,322	$ –	$ –
Financial liabilities	8,805	15,225	30,157	516,900	11,803	61,692	6,472	14,628
	$ 8,805	$ 15,225	$ 50,690	$ 817,711	$ 14,167	$ 65,014	$ 6,472	$ 14,628
Net assets	$ 1,287	$ –	$ 7,973	$ (171)	$ 22,437	$ 154,819	$ 48,517	$ 4,097
Results of operations								
Revenues								
Community Revitalization Levy	$ –	$ –	$ –	$ 41,190	$ –	$ –	$ –	$ –
Sales of goods and services	–	–	–	–	1,337	64,708	–	38,129
Government transfers, agreements and subsidies	5,418	3,399	–	–	–	82,637	7,221	–
Donated assets	–	–	–	–	–	3,750	–	–
Investment income	160	–	–	–	487	3,874	638	–
Miscellaneous revenue	1,821	–	2,551	1,967	888	4,786	3,700	–
Loss on sale of tangible capital assets	–	–	–	(677)	–	–	(24)	(57)
Internal transfers and contributions	13,164	1,824	–	6,000	24,673	(137)	65,313	3,915
Total revenues	$ 20,563	$ 5,223	$ 2,551	$ 48,480	$ 27,385	$ 159,618	$ 76,848	$ 41,987
Expenses								
Salaries, wages and benefits	$ 9,968	$ 1,255	$ 1,556	$ 7,159	$ 4,049	$ 30,376	$ 47,085	$ 9,102
Contracted and general services	9,869	1,118	511	9,771	22,485	58,885	18,766	5,332
Materials, equipment and supplies	–	–	–	5,845	310	1,238	7,147	21,404
Interest charges	–	–	161	21,163	147	125	–	–
Transfers	–	2,850	–	–	–	25,304	–	–
Utilities	–	–	25	89	130	12,142	1,197	1,367
Amortization	173	–	123	7,985	1,037	4,837	5,593	1,017
Accretion	–	–	–	–	–	368	–	–
Debt principal repayments	–	–	–	–	–	507	–	–
Total expenses	$ 20,010	$ 5,223	$ 2,376	$ 52,012	$ 28,158	$ 133,782	$ 79,788	$ 38,222
Income (loss) before appropriations	$ 553	$ –	$ 175	$ (3,532)	$ (773)	$ 25,836	$ (2,940)	$ 3,765
Internal transfers	(553)	–	(175)	3,532	773	(25,836)	2,940	(3,765)
Change in fund balance	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –

Related Authority's financial information

For the year ended December 31, 2024 (in thousands)

	Calgary Economic Development Ltd.	Attainable Homes Calgary Corporation	Calgary Municipal Land Corporation	Calgary Arts Development Authority Ltd.	Calgary Housing	Calgary Public Library Board	Calgary TELUS Convention Centre
Segment	Planning and development services	Infrastructure services	Infrastructure services	Community services	Community services	Community services	Community services
Financial position							
Physical assets	$ 859	$ –	$ 324,999	$ 22,528	$ 98,588	$ 40,785	$ 980
Financial assets	7,841	26,670	444,796	15,624	80,132	16,177	10,647
	$ 8,700	$ 26,670	$ 769,795	$ 38,152	$ 178,720	$ 56,962	$ 11,627
Long-term debt	$ –	$ –	$ 310,473	$ 2,353	$ 3,829	$ –	$ –
Financial liabilities	7,965	18,872	449,960	12,589	46,417	5,506	11,295
	$ 7,965	$ 18,872	$ 760,433	$ 14,942	$ 50,246	$ 5,506	$ 11,295
Net assets	$ 735	$ 7,798	$ 9,362	$ 23,210	$ 128,474	$ 51,456	$ 332
Results of operations							
Revenues							
Community Revitalization Levy	$ –	$ –	$ 64,325	$ –	$ –	$ –	$ –
Sales of goods and services	–	675	–	1,230	60,725	–	37,545
Government transfers, agreements and subsidies	5,749	–	–	–	67,592	7,222	–
Developers contributions	–	–	–	–	–	–	–
Donated assets	–	–	–	5	64	–	–
Investment income	230	2	–	590	3,343	1,048	–
Miscellaneous revenue	1,000	2,249	2,176	1,288	4,875	2,958	–
Loss on sale of tangible capital assets	–	–	–	–	7	–	–
Internal transfers and contributions	12,998	–	49,000	25,481	(761)	66,066	3,352
Total revenues	$ 19,977	$ 2,926	$ 115,501	$ 28,594	$ 135,845	$ 77,294	$ 40,897
Expenses							
Salaries, wages and benefits	$ 11,002	$ 1,345	$ 6,760	$ 3,580	$ 26,930	$ 45,206	$ 8,136
Contracted and general services	9,088	328	17,597	20,889	53,881	17,307	5,252
Materials, equipment and supplies	241	644	30,183	272	1,380	6,914	25,304
Interest charges	–	18	19,945	146	136	–	–
Transfers	–	–	–	–	22,455	–	–
Utilities	–	–	99	145	12,426	1,249	1,527
Amortization	179	–	8,701	1,004	3,394	5,539	141
Accretion	–	–	–	–	316	–	–
Debt principal repayments	–	–	–	–	613	–	–
Total expenses	$ 20,510	$ 2,335	$ 83,285	$ 26,036	$ 121,531	$ 76,215	$ 40,360
Income (loss) before appropriations	$ (533)	$ 591	$ 32,216	$ 2,558	$ 14,314	$ 1,079	$ 537
Internal transfers	533	(591)	(32,216)	(2,558)	(14,314)	(1,079)	(537)
Change in fund balance	$ –	$ –	$ –	$ –	$ –	$ –	$ –

23. Expenses by object

	2025	2024
Salaries, wages and benefits	**$ 2,775,284**	$ 2,523,359
Contracted and general services	**601,930**	684,507
Materials, equipment and supplies	**611,287**	539,526
Utilities	**117,557**	118,952
Transfers	**350,772**	243,861
Interest charges (Note 15)	**132,264**	125,854
Amortization and write-downs (Note 16)	**760,717**	731,361
Accretion (Note 13)	**11,254**	9,203
Loss on disposal of tangible capital assets	**9,508**	8,584
	$ 5,370,573	$ 4,985,207

24. Government transfers

	2025	2024
Operating		
Province of Alberta	**$ 175,833**	$ 169,756
Government of Canada	**36,762**	8,857
	$ 212,595	$ 178,613
Capital		
Province of Alberta	**$ 487,761**	$ 463,392
Government of Canada	**346,369**	221,456
	$ 834,130	$ 684,848
	$ 1,046,725	$ 863,461

In accordance with PSAS, government transfers related to capital acquisitions are required to be recognized as revenue in the consolidated financial statements in the period in which the eligibility criteria and stipulation requirements of the agreements are met.

25. Segmented information

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the consolidated financial statements (Note 1).

For each reported segment, revenues and expenses represent amounts directly attributable to each segment:

a. Planning and development services

Responsible for planning, facilitating and building a great and sustainable Calgary through cross-functional, customer, community and regional collaboration.

b. Infrastructure services

Responsible for designing, building and optimizing municipal infrastructure investment including the Green Line LRT Project to create inclusive, accessible, connected, resilient communities.

c. Community services

Responsible for connecting and protecting Calgarians and communities. Working together to create and sustain healthy, safe, caring and socially inclusive communities that people want to call home.

d. Operational services

Responsible for operating, maintaining and delivering critical services that Calgarians rely on.

e. General government

- Corporate Planning & Financial Services is responsible for driving value and performance for the organization.
- People, Innovation & Collaboration Services is responsible for empowering and enabling employees.
- Law, Legislative Services & Security is responsible for providing legal services to The City, delivers open, accessible and impartial government services to the public, Council and The City, and secures and protects the people who work and visit our municipal facilities and amenities.
- Chief Administrative Office and Chief Operating Office is responsible for ensuring the policies and programs of the municipality are implemented, advising and informing Council on the operations and affairs of the municipality, and performing the duties and functions assigned by the *Municipal Government Act* and Council.

f. ENMAX

ENMAX is a wholly-owned subsidiary of The City, accounted for on a modified equity basis as a government business enterprise. Note 8 of these consolidated financial statements provides condensed financial information for ENMAX.

Schedule of financial activities by segment

For the year ended December 31, 2025 (in thousands)

	Planning and development services	Infrastructure services	Community services	Operational services	General government	ENMAX	Total consolidated 2025
Revenues							
Net taxes available for municipal purposes	$ 534	$ 32	$ –	$ 1,992	$ 2,708,673	$ –	$ 2,711,231
Sales of goods and services	3,914	43,783	162,883	1,253,136	17,530	–	1,481,246
Government transfers related to operating							
Provincial	5,884	–	163,924	6,024	1	–	175,833
Federal	4,747	–	19,791	11,670	554	–	36,762
Investment income	2,516	37	5,270	14,336	435,173	–	457,332
Fines and penalties	15	–	29,358	27,453	19,056	–	75,882
Licences, permits and fees	121,258	1,040	23,784	24,066	147	–	170,295
Miscellaneous revenue	1,383	4,067	15,788	9,532	3,363	–	34,133
Gain (loss) on sale	(95)	6,697	855	1,828	122	–	9,407
Dividend income from ENMAX	–	–	–	–	103,000	–	103,000
Equity in gain from ENMAX	–	–	–	–	–	404,117	404,117
	$ 140,156	$ 55,656	$ 421,653	$ 1,350,037	$ 3,287,619	$ 404,117	$ 5,659,238
Expenses							
Salaries, wages and benefits	$ 171,430	$ 108,881	$ 1,148,635	$ 909,008	$ 437,330	$ –	$ 2,775,284
Contracted and general services	9,346	98,108	261,841	250,036	(17,401)	–	601,930
Materials, equipment and supplies	9,408	36,850	143,049	339,212	82,768	–	611,287
Utilities	53	532	20,435	96,537	–	–	117,557
Transfers	86,036	(2,379)	243,700	12,069	11,346	–	350,772
Interest charges	2,420	5,965	4,841	86,917	32,121	–	132,264
Amortization and write-downs (Note 16)	4,689	8,934	57,725	668,719	20,650	–	760,717
Accretion	–	523	725	10,006	–	–	11,254
Loss on disposal of tangible capital assets	–	695	1,922	6,891	–	–	9,508
	$ 283,382	$ 258,109	$ 1,882,873	$ 2,379,395	$ 566,814	$ –	$ 5,370,573
Net (loss) revenue before other contributions and transfers	$ (143,226)	$ (202,453)	$ (1,461,220)	$ (1,029,358)	$ 2,720,805	$ 404,117	$ 288,665
Other contributions and transfers							
Developer contributions	$ –	$ 43,089	$ 11,042	$ 148,006	$ –	$ –	$ 202,137
Government transfers related to capital	10,165	430,152	163,474	230,339	–	–	834,130
Developer contributions-in-kind related to capital	–	575	8,474	574,438	–	–	583,487
	$ 10,165	$ 473,816	$ 182,990	$ 952,783	$ –	$ –	$ 1,619,754
Annual (deficit) surplus	$ (133,061)	$ 271,363	$ (1,278,230)	$ (76,575)	$ 2,720,805	$ 404,117	$ 1,908,419

Schedule of financial activities by segment

For the year ended December 31, 2024 (in thousands)

	Planning and development services	Infrastructure services	Community services	Operational services	General government	ENMAX	Total consolidated 2024
Revenues							
Net taxes available for municipal purposes	$ 103	$ 32	$ –	$ 1,967	$ 2,625,775	$ –	$ 2,627,877
Sales of goods and services	763	15,318	154,942	1,156,925	13,509	–	1,341,457
Government transfers related to operating							
Provincial	4,233	33	157,956	7,282	252	–	169,756
Federal	4,286	1	3,472	253	845	–	8,857
Investment income	3,693	79	5,247	15,873	287,181	–	312,073
Fines and penalties	50	–	36,789	21,935	16,957	–	75,731
Licences, permits and fees	107,293	677	20,107	25,470	430	–	153,977
Miscellaneous revenue	1,460	2,648	15,134	8,896	(78)	–	28,060
Gain (loss) on sale	–	15,627	210	683	(529)	–	15,991
Dividend income from ENMAX	–	–	–	–	95,000	–	95,000
Equity in gain from ENMAX	–	–	–	–	–	86,248	86,248
	$ 121,881	$ 34,415	$ 393,857	$ 1,239,284	$ 3,039,342	$ 86,248	$ 4,915,027
Expenses							
Salaries, wages and benefits	$ 156,966	$ 101,931	$ 1,050,883	$ 829,152	$ 384,427	$ –	$ 2,523,359
Contracted and general services	59,134	79,065	170,866	355,867	19,575	–	684,507
Materials, equipment and supplies	(919)	36,664	116,650	316,413	70,718	–	539,526
Utilities	68	615	21,384	96,871	14	–	118,952
Transfers	13,996	27	208,798	11,261	9,779	–	243,861
Interest charges	2,355	10,985	1,232	90,408	20,874	–	125,854
Amortization and write–downs (Note 16)	4,489	9,334	55,782	640,868	20,888	–	731,361
Accretion	–	607	767	7,829	–	–	9,203
Loss on disposal of tangible capital assets	–	3,916	581	4,086	1	–	8,584
	$ 236,089	$ 243,144	$ 1,626,943	$ 2,352,755	$ 526,276	$ –	$ 4,985,207
Net (loss) revenue before other contributions and transfers	$ (114,208)	$ (208,729)	$ (1,233,086)	$ (1,113,471)	$ 2,513,066	$ 86,248	$ (70,180)
Other contributions and transfers							
Developer contributions	$ –	$ 32,575	$ 7,383	$ 105,410	$ –	$ –	$ 145,368
Government transfers related to capital	6,483	312,840	94,199	271,326	–	–	684,848
Developer contributions–in–kind related to capital	–	3,303	2,046	339,726	–	–	345,075
	$ 6,483	$ 348,718	$ 103,628	$ 716,462	$ –	$ –	$ 1,175,291
Annual (deficit) surplus	$ (107,725)	$ 139,989	$ (1,129,458)	$ (397,009)	$ 2,513,066	$ 86,248	$ 1,105,111

26. Unrecognized assets

The City has the following major categories of unrecognized assets:

a. Art collections

The City has acquired various art collections for the benefit of Calgarians funded by capital infrastructure projects, donated by local artists and heritage art. As at December 31, 2025, the insured value of the various art collections is $25,180 (2024 – $25,180).

b. Antique airplanes

The City has ownership of antique airplanes, which are displayed in the Hangar Flight Museum of Calgary. As at December 31, 2025, the insured value of the antique airplanes is $6,614 (2024 – $6,614).

c. Crown land

The City has assets that reside/intersect on certain crown lands. The City is unable to determine a reasonable value for the crown lands.

d. Heritage artifacts

The City has a variety of heritage artifacts that are items of cultural significance. The City is unable to determine a reasonable value for the heritage artifacts.

27. Related party disclosure

A related party exists when one party has the ability to exercise control or shared control over the other, which could be an individual or an entity. Related party transactions are disclosed if the transaction occurred at a value different from that which would have been arrived at if the parties were unrelated and if the transaction had a material effect on the consolidated financial statements.

Related parties include key management personnel which include members of Council, general managers and their close family members including their spouse and any dependents.

An external entity becomes a related party to The City when the key management personnel and/or their close family member have the ability to influence and impact the policies, operations and strategic decisions of the external entities.

As at December 31, 2025, there are no significant transactions between related parties that differed in value or terms from those that would have been applied if the parties were unrelated. Refer to Note 8 c. for ENMAX related party disclosures.

28. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for various service, long-term lease and rental contracts. Contractual rights arise from the normal course of business, and are not reflected in the consolidated financial statements until revenues or assets are received. The following table summarizes the contractual rights of The City assuming no counter-party default for future assets:

	Service contracts	Long-term lease and rental agreements	Total
2026	$ 74,481	$ 9,978	$ 84,459
2027	13,212	16,035	29,247
2028	12,933	21,790	34,723
2029	4,350	20,139	24,489
2030	2,343	19,508	21,851
Thereafter	6,545	654,535	661,080
	$ 113,864	$ 741,985	$ 855,849

29. Contingent assets

In the ordinary course of business, various claims and lawsuits are brought by The City. It is the opinion of Administration that the settlement of these actions will result in The City's favour and the settlement amounts will be available for The City's use. The estimated assets value could not be disclosed due to the nature of the claims and may have an adverse effect on the outcomes. Contingent assets are not recorded in the consolidated financial statements.

30. Commitments and contingent liabilities

a. Capital commitments of $3,087,042 (2024 – $2,452,057) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts, as at December 31, 2025, on major projects and estimated obligations under various other agreements. These capital commitments were included in The City's capital budget and will be funded from capital deposits, reserves and debt in future years.

b. Operating commitments of $752,509 (2024 – $504,554) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts as at December 31, 2025, and estimated obligations under various other agreements. The timing of future expenditures is uncertain; however, these operating commitments will be funded from the operating budget, reserves and deferred revenue in future years.

c. Commitments of $90,625 (2024 – $88,540) related to reserves and operating leases for office premises and facilities are not reflected in the consolidated financial statements. Annual commitments will be funded from the operating budget in the respective future years and are as follows:

2026	$	30,091
2027		23,545
2028		14,907
2029		7,265
2030		3,410
Thereafter		11,407
	$	90,625

d. In the ordinary course of business, various loss claims, expropriation claims and lawsuits are brought against The City. It is the opinion of Administration that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. Where the resulting loss of various claims and lawsuits brought against The City cannot be reasonably estimated, amounts have not been recorded and Administration believes that there will be no material adverse effect on the financial position of The City.

e. The City is responsible for the remediation of contaminated sites where The City is directly responsible or has accepted responsibility for remediation. A provision for future clean-up costs and monitoring has been accrued based on environmental assessments. As at December 31, 2025, the provision was $1,564 (2024 – $1,701) and is classified in accounts payable and accrued liabilities. This provision is based on $2,005 (2024 – $2,091) in expenditures expected to be incurred over the next 25 years discounted at 4.50 per cent (2024 – 4.04 per cent) based on The City's weighted average cost of capital.

The liability for contaminated sites is a result of a non-sanctioned activity on a City-owned parcel of land and for a City Operations Workplace Centre. The nature of contamination includes heavy metals and petroleum hydrocarbons.

There may be uncertainty as to whether The City has a legal responsibility or accepts responsibility for a contaminated site or whether economic benefits will be foregone for a given contaminated site. However, it is not expected that the impact of any such sites would have a material impact on the consolidated financial statements at this time. When The City is able to determine that all inclusion criteria have been met, The City will accrue a liability for these future remediation costs.

f. Where estimated environmental management costs are reasonably determinable, The City has recorded a total provision in the amount of $2,235 (2024 – $2,283) for environmental liabilities based on estimates of the costs to manage the sites. Such estimates are subject to adjustment based on changes in laws and regulations, and as additional information becomes available.

g. As at December 31, 2025, there were various assessment appeals pending with respect to properties. The City makes an annual provision for property taxes that might be impacted by appeals, including specific provision where the results of an appeal are reasonably determinable and general provision for those where the outcome is presently indeterminable. The outcome of those appeals would be settled from this already established provision.

h. Alberta Tax and Revenue Administration is responsible for assessing the income tax returns filed under the payment-in-lieu-of-taxes regulation to the *Electric Utilities Act* which became effective January 1, 2001. ENMAX regularly reviews the potential for adverse outcomes in respect of tax matters and believes it has adequate provisions for these tax matters. The determination of the income tax provision is an inherently complex process, requiring Administration to interpret continually changing regulations and to make certain judgments.

i. The City has entered into a 20-year contract for power supply from ENMAX Energy, a wholly-owned subsidiary of ENMAX, from 2007 to 2026. Under the terms of the agreement, ENMAX Energy supplies 100 per cent renewable electricity up to contracted volumes. Annual electricity prices are based on a portfolio of energy sources developed for The City by ENMAX Energy. In October 2025, The City entered into a 3-year contract for power supply from ENMAX Energy for 2027 to 2029. The contract also grants The City the right to purchase renewable energy certificates up to the contracted volumes.

j. The City has entered into four 20-year agreements (commencing 2010, 2011, 2013, 2020) with ENMAX, for the supply of thermal energy. The annual price of the energy supplied by each agreement is a blended rate which includes a fixed charge component. During 2021, ENMAX's district energy system was sold to Calgary District Heating Inc. (CDHI), a wholly-owned subsidiary of Atlantica Sustainable Infrastructure plc, and it was agreed that all existing agreements with The City would be honoured. Additionally, The City has entered into one 25-year agreement (commencing 2024) with CDHI for the supply of thermal energy. As at December 31, 2025, the estimated future obligation for this fixed charge is $3,018 (2024 – $3,629).

k. The City has entered into a 20-year agreement with ENMAX Independent Energy Solutions Inc, a wholly-owned subsidiary of ENMAX, for supply of on-site production of electricity and thermal energy at the Stoney Transit Facility until March 2039. The commitment is estimated to be $4,368 (2024 – $4,690).

l. The City has entered into a 10-year agreement with ENMAX Generation Portfolio Inc, a wholly-owned subsidiary of ENMAX, for supply of on-site production of electricity and thermal energy at the Village Square Leisure Centre until December 2026. The commitment is estimated to be $502 (2024 – $994). The City plans to take ownership and operations thereafter.

m. On September 5, 2020, The City entered into a development management agreement with CMLC and Werklund Centre for the design work of the Werklund Centre transformation project. This agreement was restated and amended on January 31, 2022 to provide for the construction, and further amended on June 6, 2023 to include the Olympic Plaza Transformation project. Council authorized the allocation of $164,502 (2024 – $123,400) towards the design and construction of the projects to be funded from the Canada Community Building Fund, Fiscal Stability Reserve and the Major Capital Project Reserve. In addition to the above funding, Council passed a Bylaw authorizing a loan of up to $165,000 to CMLC with both principal and interest to be repaid with future Community Revitalization Levy starting in 2027 through 2047. In 2025, The City incurred $43,635 (2024 – $21,088) of costs which have been capitalized.

n. On October 5, 2023, agreements were signed between The City, Calgary Sports and Entertainment Corporation, The Province and Calgary Exhibition and Stampede Limited (CESL) to develop and operate a new modern event centre, and make additional infrastructure investments in the Culture + Entertainment District. The City's commitment to the projects is $1,111,919 (2024 – $972,192) and will be funded via the Major Capital Project Reserve, Pay-As-You-Go and the RFC/LMUR Merged. The City incurred $293,803 (2024 – $104,523) of costs to date. A commitment of $818,116 (2024 – $867,668) has been included as a capital commitment in Note 30 a.

o. On January 30, 2019, The City formalized a grant agreement under the public transit and green infrastructure project with The Province and the Government of Canada to construct The Green Line Light Rail Transit (LRT) project. This agreement secured contributions of up to $1,530 million from The Province and the Federal Government, delivered through the Investing in Canada Infrastructure Program (ICIP). The agreement has since been amended and revised to address inflation and market conditions, most recently on June 3, 2025. The City has committed $2,900 million to the project, with $2,200 million funded from the 2013 and 2017 tax room and $700 million funded by future tax growth, operational savings and the RFC/LMUR Merged.

31. Guarantees

In the normal course of business, The City enters into various agreements that may contain features that meet the definition of a guarantee. A guarantee is defined to be a contract (including an indemnity) that contingently requires The City to make payments to the guaranteed party based on (a) changes in an underlying interest rate, foreign exchange rate, equity or commodity instrument, index or other variables that are related to an asset, liability or an equity security of the counterparty, (b) failure of a guaranteed party to perform under an obligating agreement or, (c) failure of a guaranteed party to pay its indebtedness when due. Significant guarantees The City has provided to third parties include the following:

a. Third party debt agreements

No amounts have been accrued in the consolidated financial statements of The City with respect to the following agreements:

i. The City has guaranteed certain indebtedness of CESL. This third party debt agreement requires The City to make immediate payment of certain outstanding borrowings on behalf of CESL in the event CESL cannot fulfil its obligations to a Canadian chartered bank. The terms of these guarantees are equal to the amortization periods of the related credit facilities, which mature between 2023 and 2035. The interest rates on the credit facilities owed by CESL range from 3.58 per cent to 6.30 per cent (2024 – 4.49 per cent to 6.30 per cent). As at December 31, 2025, CESL has drawn a total of $27,714 (2024 – $30,004) on the total maximum available facility of $27,714 (2024 – $30,004). The City, as an unconditional guarantor, holds as security a fixed debenture in the amount of $80,000 (2024 – $80,000) charging certain lands owned by CESL.

ii. The City has guaranteed certain indebtedness of AHCC. This third party debt agreement requires The City to make immediate payment of outstanding borrowings on behalf of AHCC in the event AHCC cannot fulfill its obligations on a revolving credit facility to a Canadian financial institution. The City guarantee is valid until December 31, 2035, when the related credit facility matures. The interest on the credit facility is Prime minus 0.75 per cent (2024 – Prime minus 0.75 per cent). As at December 31, 2025, the outstanding balance of the facility was $4,873 (2024 – $3,664) on the total maximum available facility of $40,000 (2024 – $10,000). The City, as an unconditional guarantor, holds as security a fixed and floating debenture in the amount of $40,000 (2024 – $10,000).

b. Other indemnification agreements

In the normal course of business, The City may provide indemnification to counterparties that would require The City to compensate them for costs incurred as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a result of the transaction. The terms of these indemnification agreements will vary based upon the contract. The nature of the indemnification agreements prevents The City from making a reasonable estimate of the maximum potential amount it could be required to pay to counterparties. Any potential indemnification claims may be claimed against the Civic Insurance Program, which comprises a combination of purchased insurance and a self-funded component.

32. Executive salaries and benefits

The following executive salaries and benefits are disclosed as required under the Supplementary Accounting Principles and Standards Regulation (AR 313/2000) of the *Municipal Government Act*. Executive salaries and benefits obligations have been fully funded by The City.

	Salaries	**Benefits(1)**	**Transitional allowance(2)**	**2025**	Salaries	Benefits(1)	Transitional allowance(2)	2024
Mayor								
Farkas, J	**$ 36**	**$ 2**	**$ –**	**$ 38**	$ –	$ –	$ –	$ –
Gondek, J	**185**	**9**	**2**	**196**	212	9	–	221
	$ 221	**$ 11**	**$ 2**	**$ 234**	$ 212	$ 9	$ –	$ 221
Councillors								
Atkinson, M	**$ 20**	**$ 4**	**$ –**	**$ 24**	$ –	$ –	$ –	$ –
Chabot, A	**125**	**20**	**–**	**145**	120	18	–	138
Clark, H	**20**	**3**	**–**	**23**	–	–	–	–
Dhaliwal, R	**125**	**20**	**–**	**145**	120	18	–	138
Jamieson, M	**20**	**4**	**–**	**24**	–	–	–	–
Johnston, L	**20**	**4**	**–**	**24**	–	–	–	–
Kelly, DJ	**20**	**4**	**–**	**24**	–	–	–	–
McLean, D	**125**	**16**	**–**	**141**	120	16	–	136
Pantazopoulos, J	**20**	**4**	**–**	**24**	–	–	–	–
Schmidt, N	**20**	**4**	**–**	**24**	–	–	–	–
Tyers, K	**20**	**4**	**–**	**24**	–	–	–	–
Ward, R	**20**	**4**	**–**	**24**	–	–	–	–
Wyness, J	**125**	**20**	**–**	**145**	120	18	–	138
Yule, A	**20**	**4**	**–**	**24**	–	–	–	–
Carra, G	**105**	**17**	**62**	**184**	120	18	–	138
Chu, S	**105**	**17**	**–**	**122**	120	18	–	138
Demong, P	**105**	**17**	**32**	**154**	120	18	–	138
Mian, J	**105**	**17**	**19**	**141**	120	18	–	138
Penner, K	**105**	**17**	**19**	**141**	120	18	–	138
Pootmans, R	**–**	**–**	**–**	**–**	109	17	14	140
Sharp, S	**105**	**17**	**19**	**141**	120	18	–	138
Spencer, E	**105**	**17**	**19**	**141**	120	18	–	138
Walcott, C	**105**	**17**	**19**	**141**	120	18	–	138
Wong, T	**105**	**17**	**–**	**122**	120	18	–	138
	$ 1,645	**$ 268**	**$ 189**	**$ 2,102**	$ 1,669	$ 249	$ 14	$ 1,932
Chief Administrative Officer	**$ 450**	**$ 58**	**$ –**	**$ 508**	$ 406	$ 54	$ –	$ 460
Designated Officers(3)	**2,243**	**343**	**–**	**2,586**	1,931	318	–	2,249
	$ 4,559	**$ 680**	**$ 191**	**$ 5,430**	$ 4,218	$ 630	$ 14	$ 4,862

(1) Benefits include The City's share of all benefits and contributions including pension, medical and dental coverage, flexible spending account, life insurance, Active Living Pass and car allowance. Councillors are also provided a transit pass, a parking stall at the City Hall complex and a special parking permit that allows them to park as required.

(2) Elected officials receive a transition allowance, upon conclusion of their service, equal to two weeks pay for each year in office, up to a maximum of twenty-six years. These allowances may be taken over several years. Transitional allowance to be paid in 2026 of $66 for J. Gondek, $57 for S. Chu, $30 for P. Demong and $19 for T. Wong.

(3) The City's designated officers are the Chief Financial Officer, City Assessor, City Clerk, City Solicitor, City Treasurer, City Auditor and Deputy Director – Finance. In 2025, there was $433 (2024 – $143) in retirement, holiday and vacation paid out of the ordinary course of business and severance payouts for these designated officers.

33. Funds held in trust

The City administers the following funds held in trusts (FHIT) 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:

	December 31, 2024	Receipts	Investment income	Disbursements	**December 31, 2025**
Acreage Assessment Fund	$ 538	$ –	$ 19	$ –	**$ 557**
Calgary Metropolitan Region Board	–	1,069	16	(99)	**986**
Candidate Campaign Surplus Fund	2	–	–	–	**2**
Community and District Parks	2,355	–	62	–	**2,417**
Developers' cash bonds	2,581	–	69	–	**2,650**
Joint Use Fund	63,143	1,577	2,040	(21,151)	**45,609**
Major Road Standard Oversize	1,983	8,255	41	(10,204)	**75**
Other miscellaneous trusts	2,717	13	67	(853)	**1,944**
Utility Oversize	4,950	4,163	116	(8,568)	**661**
	$ 78,269	$ 15,077	$ 2,430	$ (40,875)	**$ 54,901**

	December 31, 2023	Receipts	Investment income	Disbursements	December 31, 2024
Acreage Assessment Fund	$ 519	$ –	$ 19	$ –	$ 538
Candidate Campaign Surplus Fund	2	–	–	–	2
Community and District Parks	2,251	–	104	–	2,355
Developers' cash bonds	2,467	–	114	–	2,581
Joint Use Fund	59,603	1,601	1,939	–	63,143
Major Road Standard Oversize	2,452	4,993	56	(5,518)	1,983
Other miscellaneous trusts	1,450	1,512	95	(340)	2,717
Utility Oversize	6,958	2,650	272	(4,930)	4,950
	$ 75,702	$ 10,756	$ 2,599	$ (10,788)	$ 78,269

The Acreage Assessment Fund consists of monies received from developers prior to the year 2000 pursuant to a special clause in the Standard Development Agreement whereby each developed hectare is assessed a certain sum to be used for recreational facilities in the designated community. The FHIT will continue to hold the established trusts until the monies are completely disbursed.

The Calgary Metropolitan Region Board (CMRB) was dissolved on April 30, 2025. The City entered into a memorandum of agreement with the CMRB to hold and manage the remaining assets for the benefit of the participating municipalities until a Regional Table is established.

The Candidate Campaign Surplus Fund is administered by The City on behalf of election candidates, with the funds available for use in the next general election.

The Developer Funded Infrastructure Stabilization Funds – Community and District Parks, Utility Oversize and Major Road Standard Oversize are administered by The City on behalf of the development industry, which is represented by BILD – Calgary Region. Developers of new subdivisions pay into the fund in accordance with oversize rates set out in the Standard Development Agreement Terms and Conditions. Developers who install agreed upon oversized infrastructure, which is larger than the infrastructure required to serve the development area, are reimbursed from the applicable FHIT in accordance with the Standard Development Agreement Terms and Conditions. As of 2019, the Community and District Parks Fund is no longer being collected from developers.

The Developers' Cash Bonds Fund holds monies in the form of a cash bond to secure performance by a developer under the terms of the Development Agreement.

The Joint Use Fund consists of monies held in accordance with the Joint Use and Planning Agreement with the Calgary Board of Education, the Calgary Catholic Separate School Board and the Francophone Regional Authority (the school boards). The fund is administered by the Joint Use Coordinating Committee comprised of representatives from The City and the school boards. Use of the fund is in accordance with the agreement with the school boards.

34. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

Climate-Related Financial Disclosure Unaudited

Background and introduction

Climate change presents both risks and opportunities for The City and all Calgarians and businesses, with implications that may affect financial and economic conditions, the environment, community safety and overall wellbeing. Managing these risks and opportunities is a core element of prudent municipal governance and long-term financial sustainability. Guided by our approved corporate strategy, The City has established a framework to integrate climate considerations into decision-making, planning and investment. The Calgary Climate Strategy – Pathways to 2050[(1)] (Climate Strategy) and its supporting 2023-2026 Climate Implementation Plan[(2)] (Implementation Plan) provide a structured approach to identifying, accounting for and coordinating climate actions across departments and business units within our defined budgeting cycle. These actions are intended to reduce climate-related risks, enhance resilience and position The City to respond effectively to emerging opportunities. While the pace and scale of the global transition to a low-carbon economy remain uncertain, the range of possible outcomes introduces material risks and opportunities for municipal operations and finances. Proactively reducing exposure and vulnerability to physical climate risks — such as flooding, drought, wildfire smoke and extreme weather — helps mitigate potential financial, operational and service delivery impacts, supporting The City's long-term sustainability and resilience.

To enhance transparency regarding how climate-related risks could affect our service delivery, assets, infrastructure and operations, for the fifth consecutive year, The City has included this Climate-Related Financial Disclosure (CRFD) in the unaudited section of the Annual Financial Report. This year's disclosure is intended to align with the International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures, demonstrating The City's ongoing commitment to strong governance and long-term resilience.

Highlight 1:
Evolution of the climate-related disclosure landscape

The first IPSASB SRS Standard, the IPSASB SRS 1, Climate-related Disclosures, was approved by IPSASB in December 2025. This Standard will be effective Jan. 1, 2028, with earlier adoption permitted. While this year's CRFD report aims to align with current IFRS standards, as The City's financial accounting and statements align with the Canadian PSAB standards, future CRFD will align with the new IPSASB public sector Climate-related Disclosures standard and future PSAB accounting standards.

Materiality approach

The City considers climate-related information to be material if its omission or misstatement could reasonably influence decisions related to financial sustainability, service delivery or progress toward climate goals. To determine what is material, The City looks at what information matters most to interested parties and the potential impact the information has on finances and City services. As the financial risks around climate-related impacts become better understood, climate-related decision-making is expected to evolve. The City also recognizes that some data may change over time, as data quality and methodologies improve. In some cases, disclosed information relies on third-party data that may be updated or refined. To manage this, a ±5 per cent threshold is applied to all disclosed quantitative metrics. If changes exceed this threshold, The City will restate that information.

(1) The City of Calgary. 'Calgary Climate Strategy – Pathways to 2050'. *The City of Calgary* [website], Dec. 11, 2023. https://www.calgary.ca/environment/climate.html

(2) The City of Calgary. 'Climate Implementation Plan 2023-2026'. *The City of Calgary* [website], Feb. 5, 2024. https://www.calgary.ca/environment/climate/implementation-plan.html

Governance

The City strives for accountability, effectiveness and transparency in its climate action through governance processes that are subject to ongoing review and continuous enhancement. These processes align with ISSB expectations for robust and progressively evolving oversight and define the key roles, responsibilities, strategies and priorities that guide the identification and management of climate-related risks. Risks are assessed at multiple organizational levels, including Council, the ELT, business units and cross-corporate committees.

Governance roles and responsibilities

Climate-action governance aligns with The City's overall corporate governance systems. Council and its committees set the strategic direction, while the Chief Administrative Officer (CAO) and ELT provide executive leadership and oversight of climate-related risk management. All members of the ELT also support implementation across business units to ensure coordinated, organization-wide climate action (see *Figure 1*).

Key internal groups

In addition to Council and ELT's oversight, several key internal groups play essential roles in managing climate-related risk across the organization.

- The Climate & Environment (C&E) business unit provides oversight and technical expertise to integrate The City's cross-corporate climate and environmental risks into decision-making. C&E collaborates with departments across the corporation to enable targeted integration in land-use planning, development and implementation of capital projects, operational services and ERM.
- The Emergency Management & Community Safety business unit oversees the Calgary Emergency Management Agency, which assesses local disaster risks — including those related to climate events — and coordinates emergency planning, disaster mitigation, community preparedness, business continuity, response and recovery activities on behalf of the local authority.
- Other key contributors support the identification and management of environmental and climate risks across the organization. This includes Water Services, Business Planning, Performance Measurement & Reporting, Capital Planning & Business Services, Asset Management Planning, Risk Management & Claims and Operational Excellence.

Figure 1: **Governance roles and responsibilities**

Strategic governance

Council

Guides Administration's approach to climate-related risks and risk mitigation through the establishment of strategic priorities and approving strategies, budgets and plans informed through reports from Administration, Committees of Council and the City Auditor.

Executive governance

CAO and ELT

Ensure Administration's climate initiatives are aligned to Council priorities and Council-approved budgets, strategies and plans. Enable coordination and collaboration across departments. Provide guidance and decision-making related to climate-related risks and mitigations. Receive information from business units to inform decision-making and risk mitigation approaches.

Corporate and program governance

Key business units and cross-corporate governance committees

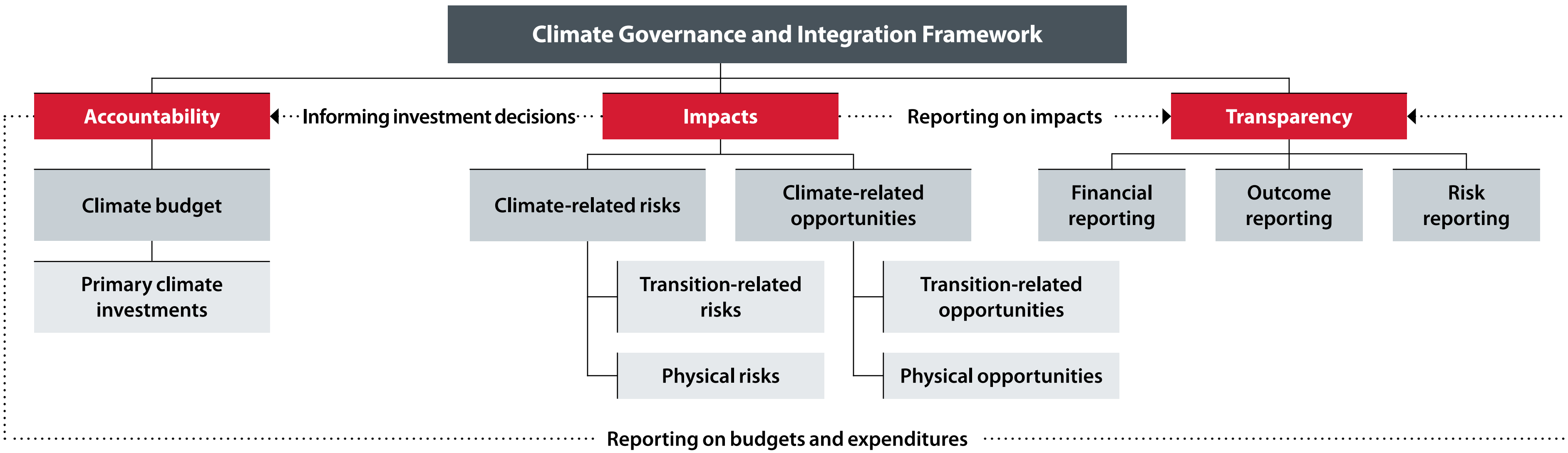
Implement climate-related projects, programs and initiatives as outlined in approved business plans and budgets. Identify, assess and report on climate-related risks and opportunities. Collaborate cross-corporately to implement climate-related risk mitigation processes and initiatives as applicable.

Operational controls and assurance

At the operational level, environmental and climate risks are identified, monitored and managed through The City's Corporate Environmental Management System (EnviroSystem). The EnviroSystem is aligned with International Organization for Standardization (ISO) 14001 and provides standards, guidance and tools for identifying, assessing and managing environmental risks and compliance obligations, including the evolving integration of climate-related risks. ISO 14001 is undergoing one of its most climate-focused shifts since its inception with the upcoming 2026 revision that will explicitly embed climate considerations into core EMS requirements. Currently, the EnviroSystem is being implemented in priority business units, with opportunities to further strengthen and expand its use. Mitigation measures, improvement actions and other risk controls are documented, tracked and reported within the EnviroSystem, ensuring consistent records that support accountability, transparency and internal and external assurance processes, including audits.

Climate Governance and Integration Framework

Figure 2: Corporate Climate Governance and Integration Framework



As part of continual improvement of The City's climate governance, The City began developing its Climate Governance and Integration Framework (The Framework) in 2023. This will help to embed climate considerations into investment, operational and delivery decisions across the organization (see *Figure 2*).

The Framework advanced through 2024 and 2025 and will continue to evolve as processes and cross-corporate integration strengthen. The Framework is built on three pillars, each supported by tools, processes and standard procedures:

- **Accountability:** Classifying and tracking climate-related investments and documenting responsible parties.
  - The cross-corporate Climate Budget supports this pillar by tracking investments that reduce emissions and physical climate risk, strengthening financial accountability (see *Table 6*).
- **Impacts:** Assessing proposed projects, programs and initiatives against climate-related risk and opportunity criteria and evaluating outcomes for reporting.
  - Risk assessment tools identify climate hazards and risk exposure of new and existing infrastructure.
  - Energy and emissions modelling tools compare the emissions impacts of investment options and report emissions.
- **Transparency:** Ensuring effective reporting and disclosure of climate-related investment outcomes.
  - The City uses its established reporting and disclosure mechanisms to support this pillar (see *Figure 3*).

Further enhancements to all three pillars are planned for 2026 and beyond, including deeper integration with business and financial planning processes and continued improvement of tool outputs.

Highlight 2:
Corporate Carbon Budget approach adjustment

Previous disclosures noted that The City was developing a target-based Corporate Carbon Budget as part of The Framework. The Corporate Carbon Budget was intended to identify a planned limit on the greenhouse gas (GHG) emissions The City could produce over a set period, based on The City's 2050 climate target. To better align with service planning and budgeting, The City is now exploring an adjusted approach that more effectively integrates GHG and carbon considerations into decision-making. Detailed tracking and monitoring of corporate GHG emissions and modelling of future GHG emissions remain key priorities.

Corporate climate reporting and disclosure mechanisms

The five primary channels for corporate climate reporting and disclosure are shown in *Figure 3* below. These reports and information platforms enhance transparency and strengthen corporate governance and accountability by consistently monitoring and communicating climate-related information to leadership, Council and the public. By integrating climate performance data into financial and operational reporting, these channels enable informed decision-making, align climate actions with strategic objectives and Council priorities and strengthen oversight of The City's progress toward its climate goals.

Figure 3: **The City's corporate climate reporting and disclosure channels**

Annual Financial Report

Audit Committee,
public

This Annual Financial Report provides a comprehensive view of The City's consolidated financial statements, supporting effective governance, accountability and transparency. The FSDA includes a detailed risk management section and the annual CRFD can be found in the unaudited section. Historical reports are available here:

calgary.ca/our-finances/annual-reports

Principal Corporate Risk Report

Executive Leadership Team,
Audit Committee

The Principal Corporate Risk Report is a semi-annual update on The City's risk profile across ten Principal Corporate Risks (PCRs), including the Climate and Environmental Risk. It provides a snapshot of the current risk landscape, highlighting the importance of proactive and coordinated risk management.

Climate Progress Report

Community Development Committee

Biennial report outlining The City's progress on the climate mitigation and adaptation actions presented in the Implementation Plan, and progress toward the long-term goals and targets of the Calgary Climate Strategy. Historical reports are available here:

calgary.ca/environment/progress/climate-action

Quarterly reports

Executive Committee,
public

Quarterly reports summarize progress on The City's four-year Service Plans and Budgets, aligned with Council priorities. They include updates on how key climate and environmental projects contribute to priorities and enhanced service experience. Historical reports are available here:

calgary.ca/our-finances/performance-report

Climate & Environment Dashboard

Public-facing dashboard

The Climate & Environment Dashboard enhances transparency by providing a comprehensive view of key climate and environmental performance metrics and community indicators. The Dashboard is backed by the Climate & Environmental Analytics System (CEAS), which is a governance and reporting platform that tracks and supports disclosure of The City's climate performance. In 2025, The City expanded its data warehouse, improved internal dashboards and refined reporting processes. Additionally, the Dashboard is updated as data becomes available and therefore is the source for the most current data. Access the Dashboard here:

climate-and-environment-dashboard-thecityofcalgary.hub.arcgis.com.

Governance assessment and improvement

The City continues to strengthen climate governance across the organization. In alignment with governance categories, key improvements in 2025 included:

Aspect of governance	Key improvements in 2025
Strategic direction and priorities	• Developed the Capital Prioritization Framework – Climate and Environment, a standard operating procedure that supports assessment and prioritization of capital and infrastructure investments based on climate and environmental criteria.
Organizational structure and accountabilities	• Water Accountability Committee continued to advance corporate alignment, oversight and accountability on risk management, financial oversight, regulatory assurance, service direction and strategic resource planning related to water. This included the integration of climate-related risks. • Completed a portfolio-level Climate Risk and Resilience Assessment for Calgary Transit (see *Highlight 4*). This assessment delivered a detailed and forward-looking evaluation of how climate change is impacting Calgary Transit's infrastructure, operations and service delivery. It underscores the need for strengthening existing and future physical infrastructure while enhancing operational resilience.
Collaborative action in operational leadership	• Began undertaking analysis to understand the financial impact climate-related risks may have on specific service areas and asset components at The City to provide better information for decision-makers. To be completed in 2026. • Conducted three systems-thinking and leadership workshops between leaders of core business units and corporate priorities to advance the integration of climate-related risk into City processes, decision-making and budgets. • Developed a Facilities Climate Adaptation Investment Guidance Dashboard (see *Highlight 5*).
Performance reporting	• Continued to enhance the CEAS and associated dashboard, including the development of a new Climate Resilient Goal landing page and new metrics, including Average Summer Temperature and Calgarians' Perspectives on Climate Change for public reporting to support performance evaluation and transparency. • Integration of climate information, including highlights of the Benchmark YYC[1], ClimateReadyYYC[2] program and investments in flood mitigation infrastructure into the 2025 Q1, Q2 and Q3 corporate quarterly reports.
Risk management	• Integrated climate-related risk assessments and energy efficiency measures into long-term capital planning and asset management to support climate-ready investments and address climate risks to City infrastructure. • Established a new Principal Corporate Risk focused on climate and environmental risk.

(1) https://www.calgary.ca/environment/programs/building-energy-benchmarking-program

(2) https://www.calgary.ca/environment/programs/equity

Risk management and strategy

The City's climate-related risk management and strategy is integrated into an organization-wide approach to identifying, assessing and managing risks. It connects corporate, business unit and project-level processes — such as the Corporate Risk Profile, Business Unit Risk Registers (BURRs), environmental aspect assessments and climate-specific tools — to create a consistent view of climate risks across all levels of decision-making. This coordinated structure strengthens alignment between ERM and climate strategies, supports evidence-based planning and investment and enables The City to proactively manage both current and emerging climate risks as conditions evolve. A comprehensive overview of The City's complete and updated PCRs can be found in the FSDA.

Enterprise Risk & Issues Management Framework

To ensure risk management is embedded in decision-making across The City, the ERM program was integrated into the Chief Administrative Office and combined with the Issues and Opportunities function, forming the Enterprise Risk & Issues Management (ERIM) division. Under the CAO's direction, ERIM provides a coordinated, proactive approach to identifying, assessing and managing risks and opportunities that impact The City's ability to achieve its strategic objectives. This governance structure (see *Figure 4*) underpins the corporate risk review process and strengthens alignment between ERM and cross-corporate climate-related risk strategies.

Figure 4:
Enterprise risk management (ERM) governance and reporting structure

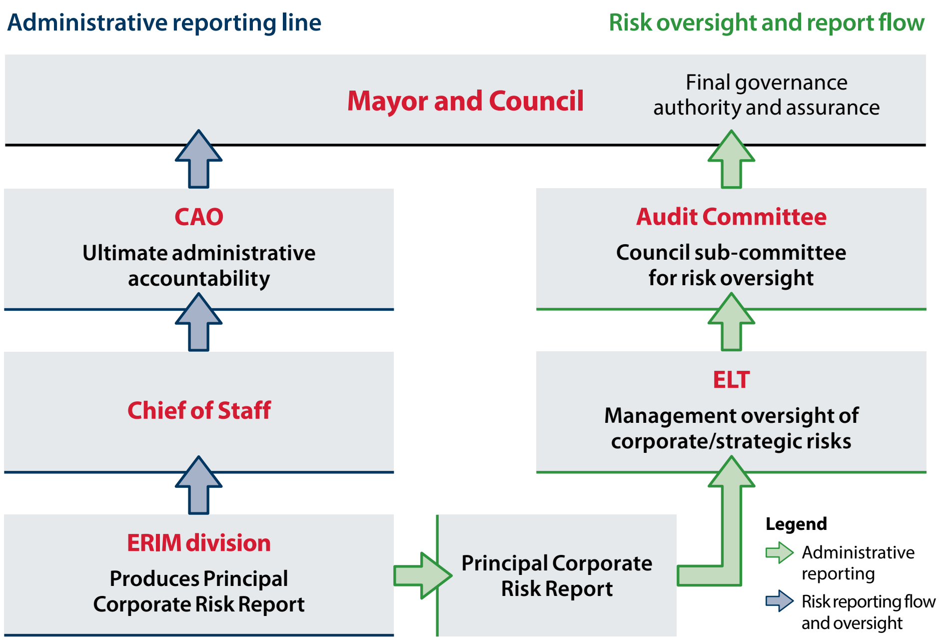
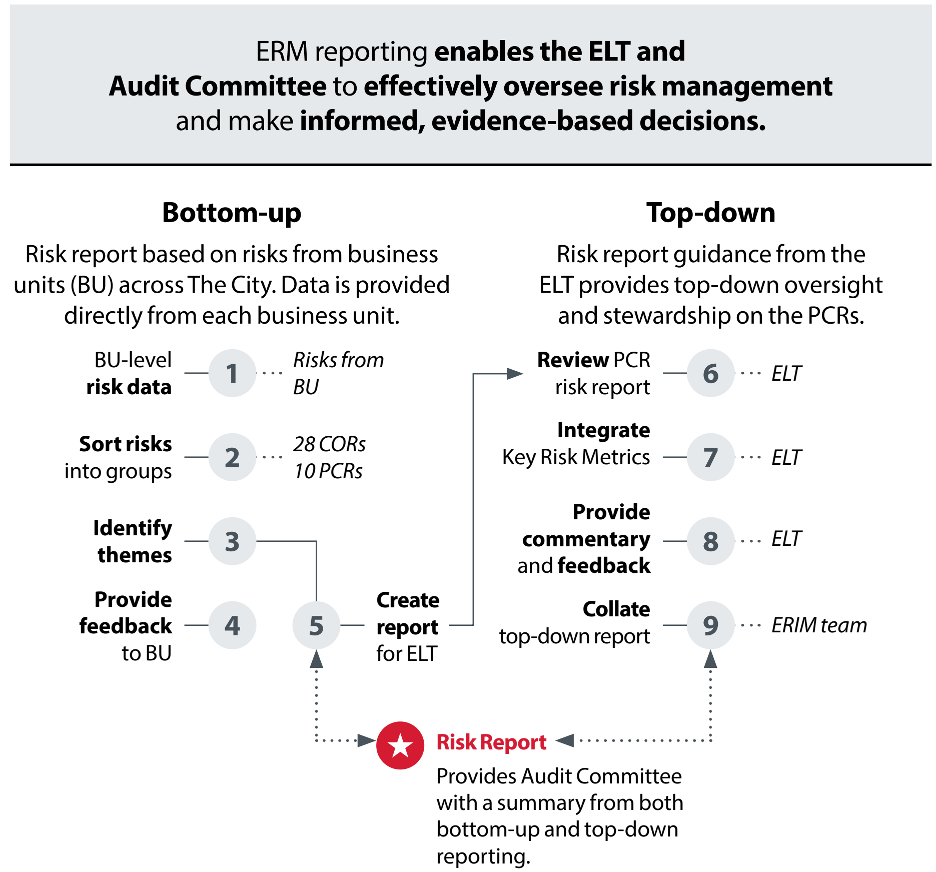


Figure 5:
The City's corporate risk review process



Corporate risk review process

The City's corporate risk review process provides a consistent and systematic approach to identifying, analyzing and reporting risks that may affect The City's ability to achieve its objectives. The primary output of this process is The City's corporate risk profile.

The ERIM team updates The City's corporate risk profile semi-annually (see *Highlight 3*) based on information from the 10 PCR. Each PCR is evaluated based on likelihood and impact and rated on a five-point scale: slight, low, medium, high or extensive. The risk profile also includes information on risk response progress, risk trends and assessment of risk appetite and tolerance.

PCRs are assessed using both bottom-up and top-down approaches (see *Figure 5*) and consider internal and external pressures that may influence risk ratings, trends or response strategies. Climate change is considered a key external pressure affecting multiple PCRs, particularly due to the impact of severe weather events on The City's assets, infrastructure, workforce and residents. ELT monitors and discusses these risks, with a focus on mitigating threats to strategic objectives while identifying opportunities. The Climate and Environmental PCR, which addresses physical climate, environmental and GHG-related Corporate Operating Risks (COR), is one of the ten PCRs that make up The City's corporate risk profile.

Highlight 3: 2025 Year-End Risk Profile

In the 2025 Year-End Risk Profile, the Climate and Environmental PCR was rated as "high" with a "stable" trend. The City's risk response is "in progress" and the risk response will continue to evolve while being closely monitored.

Coordinating The City's climate and environmental risk management

In 2025, The City established a standalone Climate and Environmental PCR and Accommodating Growth PCR to replace the previous Sustainable City PCR. The Sustainable City PCR was a complex risk that included population growth, development pressures, affordability and climate and environmental impacts. Separating the risks improved clarity in reporting, strengthened focus through better monitoring and prioritization and enhanced accountability for demonstrating risk pressures, response effectiveness and interdependencies. The General Manager of Planning & Development Services reports on the Climate and Environmental PCR and Accommodating Growth PCR and ELT remains accountable for managing all PCRs.

BURRs complement the corporate risk process by providing a system for business units to assess and document risks affecting their services or the wider corporation. BURRs capture key drivers, ratings, impacts and mitigation measures and are updated every six months to inform The City's corporate risk profile.

At the operational level, through The City's Environment Policy and Corporate EnviroSystem standards, business units are required to identify and evaluate environmental aspects, which are activities or conditions that interact with the environment during normal, abnormal or emergency operations. This process ensures significant environmental interactions are recognized, controlled and integrated into strategic decisions surrounding business plans and budgets, project design, service delivery, operations and emergency preparedness. While the requirement applies to all business units, The City is still progressing toward full participation and complete data coverage. Priority business units have submitted their environmental aspects, while some areas remain in progress or under resourced. Efforts are underway to address these gaps, improve consistency and strengthen the integration of climate-related risk into the EnviroSystem. *Figure 6* shows how climate-related operational risks flow into BURRs and ultimately into the Climate and Environmental PCR.

Figure 6:
Climate, environmental and operational risk integration

Climate and Environmental PCR

PCR

A standalone corporate risk that highlights significant climate and environmental impacts. It is reported by the GM of Planning & Development Services, with overall accountability shared across ELT.

↑

BURR

A standardized register where business units assess, rate and document risks that affect their services, including enterprise-wide climate and environmental risks. Updated every six months to support corporate risk reporting.

↑

Operational risks

Environmental Management System

Operational environmental risks identified and assessed for all activities, programs and services — under normal, abnormal and emergency conditions — to ensure significant interactions are controlled and integrated into planning and operations.

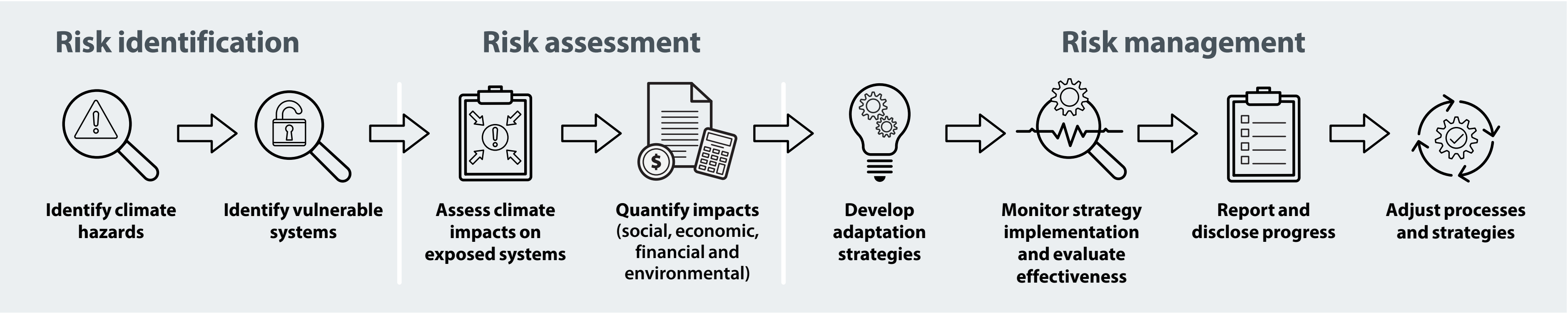
Climate-related risk and opportunities

The integrated approach described in the Risk management and strategy section enables The City to systematically identify, track and manage climate risks across all levels of decision-making. The following section outlines the key climate-related risks and opportunities identified, the tools used to assess their impacts and the strategies, plans, policies and initiatives in place to address them.

Climate-related physical risks and opportunities

Climate-related physical risks and opportunities refer to the direct impacts of climate change on the environment, human health and wellbeing, built infrastructure and assets, City operations and service provision and delivery to Calgarians. *Figure 7* below highlights The City's physical risks identification, assessment and management process.

Figure 7: The City's Climate-related physical risk assessment process



Physical risk identification

The City uses climate projections to describe how Calgary is likely to experience climate change based on current global emission trends and scenario analysis best practices. This information is detailed in The City's 2022 Climate Projections Report[1] and uses historical (1981-2010), medium-term, 2050s (2041-2070) and long-term, 2080s (2071-2100) time horizons. Using these projections, The City assesses Calgary's specific physical climate risks through various approaches and scenario analyses.

(1) The City of Calgary. 'Climate Projections for Calgary'. *The City of Calgary* [website], Jan. 10, 2025. https://www.calgary.ca/content/dam/www/uep/esm/documents/climate-projections-calgary-2024.pdf

Physical risk assessment

The City uses three tools to assess and manage physical climate risks: the Community Climate Risk Index (CCRI) for community-level risks, the Climate Risk and Resilience Assessment (CRRA) for corporate assets and services and the Climate Risk Screening Assessment (CRSA) for project-level analysis. Together, these tools use climate projections and standardized qualitative and quantitative methods to identify vulnerabilities, assess exposure and inform risk reduction measures. As of 2025, The City has completed 22 CRRAs and 15 CRSAs on a range of initiatives including multi-tenant master planned developments, public spaces, water utility projects and service-line portfolio assessments (see *Highlight 4*). Complementary tools that focus on individual hazards have also been developed, such as the Urban Heat Map that concentrates on the hazard of extreme heat. *Table 1* below summarizes these tools and their applications.

Highlight 4: Calgary Transit analysis

In 2025, a CRRA and associated financial analysis for the whole of Calgary Transit was completed, helping foster an improved understanding of climate risk to Transit service delivery, staff and assets. The analysis also identifies adaptation measures and investment strategies to reduce risk to Transit's assets in 2025 and beyond.

Table 1: Physical risk assessment tools

Assessment tool	Tool type	Tool description	Tool use
CCRI	Composite index	CCRI is an internal tool that evaluates climate hazard exposure and vulnerability for each Calgary community. It supports the development of climate risk profiles, providing evidence-based insights to guide place-based planning and climate adaptation.	Assessing exposure, likelihood and vulnerability help identify where climate adaptation measures are most needed to support Calgarians. The resulting community climate risk profiles are attached to local area plans and guide community-wide adaptation policies. The CCRI also provides climate risk context for infrastructure projects.
CRRA and CRSA processes	Risk assessment processes	The CRRA is a collaborative, detailed assessment of climate risk for City-owned infrastructure and facilities. It identifies specific risks and informs design measures to reduce physical climate impacts and protect service delivery. The CRSA is a streamlined version of the CRRA that uses a screening model on later-stage public infrastructure projects to quickly identify opportunities to reduce physical climate risk.	These processes identify climate hazards and risks, inform project teams and guide design decisions to create more resilient City assets and services. They are applied to both existing and new infrastructure, as well as to service portfolios such as Calgary Transit.
Urban heat mapping and research	Spatial analysis model	The Urban Heat Map is a public tool that identifies neighbourhoods with higher heat exposure and the factors contributing to it, such as vegetation levels and impermeable surfaces. It also shows key social exposure and vulnerability indicators. Urban heat research improves the accuracy of this mapping, identifies effective heat-reduction strategies and models the cooling benefits of increasing Calgary's tree canopy.	The Urban Heat Map informs heat-mitigation policies in planning documents, including local area plans. It supports community planning, urban forestry and infrastructure projects by providing heat-exposure context. Researchers and students also use it for urban design and climate studies. Heat research has guided Urban Forestry investments, including the 2 Billion Trees program and Facilities in selecting tree-planting sites and will be used to track the effectiveness of heat-mitigation strategies.

In addition to physical risk assessments, The City has conducted economic and financial analyses to quantify climate change impacts, supporting evidence-based risk reduction and highlighting the societal costs of inaction and the benefits of proactive adaptation. These insights guide strategic capital planning, budget allocation and long-term fiscal sustainability in climate risk management (see *Highlight 5*). *Table 2* below details the analyses and their applications.

Highlight 5:
Facilities Climate Adaptation Investment Guidance Dashboard

In 2025, a Facilities Climate Adaptation Investment Guidance Dashboard was developed to support evidence-based decision-making on adaptation investments. The Dashboard outlines the recommended scale and timing of investments and provides a clear business case to support budget approvals aimed at managing both current and long-term climate-related risks to facility assets. Applied at both the portfolio and individual-project levels, the tool helps identify where targeted adaptation measures can deliver long-term value by reducing operational disruptions and minimizing repair and asset renewal costs associated with climate-related hazards.

Table 2: Climate-related financial and economic analysis resources

Assessment tool	Resource type	Resource description	Resource use
Climate-related financial impact analysis *(ongoing)*	Report	The City is undergoing a limited scope climate-related financial impact analysis to quantify historical extreme-weather costs, project future financial risks and demonstrate the value of investing in climate adaptation. This is expected to be complete by Q3 2026.	This is foundational work for evaluating climate-related financial risks to better understand current and future costs to key services and assets, including mobility, water, wastewater, stormwater, buildings and natural assets. The results will help inform asset management planning, capital prioritization, budgeting and long-term resilience investments by translating climate risks into financial impacts. It will also establish the methodology for future work expanding the scope of climate-related financial impacts to other City services and assets.
Valuation of natural assets	Spatial analysis model	The natural asset valuation approach measures the ecosystem service value and replacement cost of natural assets, recognizing their intrinsic worth. An update to the natural asset valuation model is underway and expected to be available to City staff as a value calculation interface in late 2026.	This approach recognizes how natural assets help reduce climate risk and supports decisions to better protect, restore and manage them. Key uses include assessing how development affects natural asset services, integrating natural assets into corporate asset management and climate reporting and guiding operational and capital investment decisions across natural City parks. The initial 2021 assessment found Calgary's natural assets provide roughly $2.5 billion in annual service value[1].
Heat and wildfire smoke economic analysis *(ongoing)*	Report	Launched at the end of 2025, the Economic Impact Assessment for heat and wildfire smoke will evaluate current and future financial risks and economic impacts on Calgarians, businesses and the broader Calgary community. It will also identify populations that are disproportionately affected by these hazards.	This analysis will strengthen The City's understanding of the economic impacts of heat and wildfire smoke on Calgarians, businesses and institutions. It will help identify where targeted actions can reduce risks, impacts and costs for both the organization and the community. These insights will guide the prioritization of actions in the heat and wildfire smoke plan.
Financial analysis of climate risks and adaptation – City buildings[2]	Lifecycle cost model	This assessment evaluates the rising climate-related costs to The City's building portfolio and recommends cost-effective strategies to reduce risk to building components. Increasing climate hazards are projected to add $1.6 billion in lifecycle costs between 2025 and 2095 (2021 dollars).	This tool calculates the lifetime savings of proactive versus reactive climate-adaptation investments for City facilities. It identifies the optimal timing and scale of adaptation measures and pinpoints building components with the highest return on investment. The tool has directly informed the Facilities Energy & Environment Annual Investment Plan and related budget requests and has been used to support climate-adaptation funding for three building renovation projects.

(1) Valuation of Natural Assets. Analysis Summary. Nov. 12, 2021: https://hdp-ca-prod-app-cgy-engage-files.s3.ca-central-1.amazonaws.com/6616/5369/8199/Natural_Asset_Valuation_Summary.pdf

(2) Boyd, R.1, Kwan, C.1, Iffrig, A.2, Kowalczyk, T.2 and Zukiwsky, J.1, 2023: Financial Analysis of the Climate Resilience Funding Gap for City Facilities: Adapting City Buildings for Climate Change. Technical Report prepared by All One Sky Foundation and Associated Engineering for The City of Calgary.

Climate-related physical risks

Calgary's geographical location exposes the city to a range of climate-related physical risks, including acute events like floods and severe storms and chronic hazards such as temperature shifts, wildfire smoke and prolonged droughts. These risks place pressure on City infrastructure, operations and natural systems[1] (see *Highlight 6*), while also creating opportunities to modernize assets and strengthen emergency preparedness through investments in climate adaptation. Effectively managing these risks is essential to financial planning, reliable service delivery, affordable insurance and long-term resilience and affordability for Calgarians and businesses. Strengthening resilience to climate-related hazards is good business practice, strengthening Calgary's competitiveness and positioning us as a forward-looking city that attracts people, businesses and investors. *Table 3* below highlights Calgary's physical risks, impacts and The City's strategic responses.

Highlight 6: Hail resilience post 2024 storm

After the catastrophic 2024 hailstorm, The City created a Hail Resilience Program to strengthen both community and corporate resilience to future hail events. The Program includes hail-exposure mapping, a hail-equity impact analysis and a Hail Resilience Improvement Network with residential sectors. With hailstorms causing about $6 billion in insured losses in Alberta over the past five years, this resilience-focused approach aims to reduce future damage and claims, protect property and support long-term insurance affordability for Calgarians.

Table 3: Climate-related physical risks, impacts and responses for The City of Calgary

Climate-related physical risks	Description of risk	Corporate impacts	Strategic response
Hazard: shifting seasons **Risk type:** chronic **Time horizon:** mid- to long-term (2041–2100) **Likelihood:** very high	Changes in seasonal patterns affect multiple aspects of Calgary's built and environmental systems. • Earlier spring snowmelt changes the timing of annual water availability. • Longer summer and growing season shifts water demand patterns. • Changes in freeze-thaw cycles can damage infrastructure. • Vegetation impacts, invasive species spread and changing disease susceptibility in parks and private gardens.	**Assets and infrastructure** • Changes in freeze-thaw cycles can damage infrastructure. • Increasing need for road repairs. **Operations and service delivery** • Increasing annual cost to maintain parks and natural assets stressed by seasonal changes and acute climate hazards (e.g. pest management and urban forest maintenance). • Shifting road maintenance seasons. • Shifting municipal water demand and seasonal source water supply. **Natural environment** • Shifting seasonal patterns disrupt tree and vegetation biological timing causing damage and loss of critical ecosystem services provided by natural assets. • Invasive species (e.g. Emerald Ash Borer, Dutch Elm Disease) could cause complete destruction of whole species of trees, resulting in an estimated cost of $80 million over 10 years to remove and replace the impacted assets.	**Strategies, policies and plans** • Integrated Pest Management Policy (2020). • Drought Resilience Plan (2023). • Water Efficiency Plan (2026). • Water Security Roadmap (2026). **Projects, programs and funding** • Federal funding has been secured to increase tree planting in the city. • Hydrologic forecasting and coordinated water reservoir and dam operations. • Climate resilience considerations integrated into the Calgary Plan, which remains underway in 2026.

(1) Catastrophe Indices and Quantification Inc. CatIQ Discloses Updated Industry Loss for the Calgary Hailstorm of August 5, 2024. CatIQ [website], 12 February 2025. https://public.catiq.com/2025/02/10/cad-3-253-b-catiq-discloses-updated-industry-loss-for-the-calgary-hailstorm-of-august-5-2024/

Table 3: Climate-related physical risks, impacts and responses for The City of Calgary (continued)

Climate-related physical risks	Description of risk	Corporate impacts	Strategic response
Hazard: severe storms (heavy rain, hail, snow/ice) **Risk type:** acute **Time horizon:** short- to mid-term (present–2070) **Likelihood:** high	Intense storms can overwhelm city drainage infrastructure, leading to localized flooding. Severe hail, high winds and intense rainfall can damage built and natural assets and create dangerous conditions. • Hailstorms have damaged billions of dollars worth of private and public assets (built and natural) in Calgary over the past few years (e.g. the 2020 and 2024 hailstorms resulted in a combined $4.41 billion of insured losses)[1]. • Significant damage and loss of urban tree canopy due to severe storms in 2014, 2020 and 2024. • Public and private infrastructure (built and natural) can be damaged and essential services and transportation networks may be temporarily unavailable.	**Assets and infrastructure** • Increased closures of public facilities, and impact on access to services and service delivery reliability. • Increased life cycle and replacement costs to municipal assets (e.g. stormwater infrastructure, facilities, fleet, etc.). **Operations and service delivery** • Increasing emergency response, clean-up costs and staff redeployment (e.g. the spring thaw and flood event in March 2023 led to nearly 35,000 service requests at a cost of approx. $500,000). **Natural environment** • Significant increase in damage to trees and other natural infrastructure, resulting in ecosystem service loss, costs for response/ clean-up and increased risk to public safety and property (e.g. tree failures).	**Strategies, policies and plans** • Stormwater Management Strategy (2023). • Climate resilience considerations integrated into the Calgary Plan, which remains underway in 2026. **Projects, programs and funding** • Emergency response and clean-up to repair public and private property and restore essential services. • The Community Drainage Improvement Program reduces local flood risk. • The Alberta Climate Ready Homes project is informing climate resilience to severe hail and basement flooding in the residential home sector. • The City has designed and is implementing a new hail resilience program (2025/2026). • Federal funding through the 2 Billion Trees program has been secured to increase tree planting and offset some of the urban tree canopy loss.

(1) L. Twidle, Managing Director, CatIQ, personal communication, February 14, 2025.

Table 3: Climate-related physical risks, impacts and responses for The City of Calgary (continued)

Climate-related physical risks	Description of risk	Corporate impacts	Strategic response
Hazard: drought **Risk type:** chronic and acute **Time horizon:** short- to long-term (present–2100) **Likelihood:** high	Natural and seasonal variabilities in the water system will be exacerbated by climate change, with increased risk of drought. • Municipal, agricultural and industrial water supply impacts. • Ecological, social and economic consequences from disruptions in water availability and change in quality.	**Assets and infrastructure** • Impacts to natural assets and infrastructure. • Irrigated sports fields, public pools, splash parks and landscaping assets may be impacted. **Operations and service delivery** • Increased operational cost, including staffing, infrastructure, communications, bylaw enforcement, water and wastewater treatment. • Increased costs to maintain regulatory compliance for wastewater discharge. • Water treatment challenges due to shifting water quality and decreased water supply. • Increased variability in water utility revenue projections and pressure on financial reserves. • Increasing annual cost to maintain parks and natural assets stressed by seasonal drought (e.g. pest management, habitat restoration and urban forest maintenance). • Loss of public recreation opportunities due to recreational asset disruption. **Natural environment** • Loss of ecosystem services provided by natural assets. • Increased stress to aquatic ecosystems and species. • Increased incidence and severity of wildfires. • Increased susceptibility to disease, pests and invasive species.	**Strategies, policies and plans** • Drought Resilience Plan (2023). • Water Utility Bylaw update (2025). • Water Efficiency Plan (2026). • Climate resilience considerations integrated into the Calgary Plan, which remains underway in 2026. • Updates planned to Calgary's Zoning Bylaw for drought resilient landscaping outcomes. **Projects, programs and funding** • Implementation of the Drought Resilience Plan (2023). • Implementation of annual Demand Management Program, including operational business units' Demand Management Response Plans; Voluntary Water Sharing Agreements with other water users in shared watershed. • Continued participation in Province-led studies for water supply infrastructure projects. • Model long-term climate impacts to water supply through the Water Security Roadmap. • Updated Water Utility Bylaw Outdoor Water Use Restrictions (2025). • Updated Water Efficiency Plan, including planned implementation of outdoor watering schedules to address peak demand and encourage efficient watering practices, underway for 2026 approval.

Table 3: Climate-related physical risks, impacts and responses for The City of Calgary (continued)

Climate-related physical risks	Description of risk	Corporate impacts	Strategic response
Hazard: extreme temperatures **Risk type:** chronic and acute **Time horizon:** short- to long-term (present–2100) **Likelihood:** high	Calgary is increasingly vulnerable to high temperatures and heat waves, as many buildings lack cooling due to historically moderate summers. The urban heat island effect amplifies temperatures in developed areas.	**Assets and infrastructure** • Increase in annual building energy and water demand and associated costs for space cooling. • Increased cost to provide public cooling amenities (e.g. indoor cooled spaces, shade structures, water fountains and features etc.). **Operations and service delivery** • Decreased worker productivity and adjustment to project schedules. • Increased staff exposure to health impacts from extreme temperatures. • Increased potential for infrastructure failure if materials cannot withstand extreme temperatures. • Increased adaptability in recreational program design required (e.g. redundancy in booking indoor and outdoor spaces). **Natural environment** • Increased susceptibility to disease, pests and invasive species. • Increased risk of drought and wildfires. • Water temperature increases and stress to aquatic ecosystems.	**Strategies, policies and plans** • Climate resilience considerations integrated into the Calgary Plan, which remains underway in 2026. **Projects, programs and funding** • Enhanced public communications leading up to and during heat waves. • Urban heat mapping tool that identifies "hot spots" for planning heat mitigation efforts, including in Local Area Plans. • Enhanced planting, care and protection of trees to reduce urban heat effects. • Additional public water stations during the summer months. • Assessment of economic impacts of rising temperatures and extreme heat to Calgarians, businesses and institutions to support a strategy.
Hazard: wildfire **Risk type:** chronic and acute **Time horizon:** short- to long-term (present–2100) **Likelihood:** medium	**Impacts on communities** • Fires in wildland-urban interface areas can burn homes, roads and utility infrastructure, causing risks to public safety and property damage. Communities considered to be in wildland-urban interface areas are limited within the city. **Impacts to source water quality** • Contaminants from fire retardants or burned areas can impact source waters through runoff and debris flows. Significant impacts to water treatment are only likely if widespread catastrophic wildfires occur in forested areas upstream of Calgary's water intakes.	**Assets and infrastructure** • Damage to infrastructure due to wildland-urban interface fires. • Sediment, ash and debris can impact water treatment infrastructure. **Operations and service delivery** • Short-term deterioration of water quality may increase operational water treatment costs. • Long-term and cumulative impacts may lead to algal blooms over multiple seasons. **Natural environment** • Increased erosion, runoff and peak flows to receiving water bodies. • Mobilized pollutants can alter stream chemistry.	**Strategies, policies and plans** • The City has initiated scoping for a risk-based Wildland-Urban Interface Strategy for communities in the interface area. • Source Water Protection Plan and Drinking Water Safety Plan. **Projects, programs and funding** • Glenmore Water Treatment Plant wildfire pilot (completed). • Fire foam PFAS (per- and poly-fluoroalkyl substances) study and advocacy (completed).

Table 3: Climate-related physical risks, impacts and responses for The City of Calgary (continued)

Climate-related physical risks	Description of risk	Corporate impacts	Strategic response
Hazard: wildfire smoke **Risk type:** chronic and acute **Time horizon:** short- to mid-term (present–2070) **Likelihood:** high	Wildfire smoke can impact Calgary's air quality with high particulate matter (PM2.5). Smoke can cause irritation to eyes, nose and throat as well as respiratory challenges or trouble breathing, especially for vulnerable populations.	**Assets and infrastructure** • Increasing costs to upgrade building HVAC systems for higher temperatures and poor air quality. **Operations and service delivery** • Decreased labour productivity and adjustment to outdoor work schedules. • Cancellations of outdoor events and programming and the need to provide suitable back-up indoor-use spaces. • Considerations for providing indoor clean-air spaces.	**Strategies, policies and plans** • Climate resilience considerations integrated into the Calgary Plan, which remains underway in 2026. **Projects, programs and funding** • HVAC system upgrades in municipal buildings to improve indoor air quality. • Operational adjustments to protect staff's health and wellbeing. • Assessment of economic impacts of wildfire smoke to Calgarians, businesses and institutions to support development of a strategy.
Hazard: river flooding **Risk type:** acute **Time horizon:** short- to long-term (present–2100) **Likelihood:** medium	The Bow and Elbow Rivers have the potential to result in severe flooding during spring mountain snowmelt combined with heavy rainfall events (e.g. the 2013 flood caused approx. $5 billion in damages[(1)]).	**Assets and infrastructure** • Damage and repair costs to municipal infrastructure and maintenance of infrastructure flood protection. • Increase in building life-cycle costs. **Operations and service delivery** • Emergency response, evacuation and clean-up costs. • Disruption to City services and associated revenue losses. **Natural environment** • Potential for bank erosion and loss of riparian area.	**Strategies, policies and plans** • Flood Resilience Plan (2018). • Stormwater Management Strategy (2023). • Land-Use Bylaw (2026 update). • Updates to the Calgary Plan and Zoning Bylaw planned for flood policy and regulation. **Projects, programs and funding** • Flood Resilience Program. • Over $1 billion invested in local and upstream flood mitigation infrastructure. • Springbank Off-stream Reservoir (SR1) completed in 2025 — protecting Elbow River communities to a 1:200 flood level. • Worked with Province to finalize updated flood hazard mapping (2025). • Updating regulatory (land-use) framework for flood-resilient development and property-level flood risk reduction. • Progressed City studies on related river hazards such as erosion/channel meander and river-driven groundwater.

(1) The City of Calgary. Flooding in Calgary – Flood of 2013. *City of Calgary* [website], Feb. 18, 2025. https://www.calgary.ca/water/flooding/history-calgary.html

The City's 2022 Climate Projections Report indicates that climate-related events are expected to become more frequent and severe. As Calgary grows — and property and infrastructure values rise — exposure to these risks will also increase, leading to higher long-term costs for both The City and Calgarians. Investing in climate adaptation is essential to maintaining a resilient, livable city (see *Highlight 7*).

Climate impacts are not experienced equally across Calgary. Seniors, low-income residents and racialized communities face higher physical climate risks. Using the CCRI (see *Table 1*), The City identifies these vulnerable communities and supports them in reducing and managing their risks (see *Highlight 8*). While these risks can be reduced, they cannot be fully eliminated, so The City continually updates its risk management and emergency response strategies.

Highlight 7: Impact of The City's Flood Resilience Program

Since the 2013 flood, Calgary has significantly strengthened its flood resilience through major community and upstream mitigation investments. Completion of the downtown Bow River flood barrier and the Springbank Off-Stream Reservoir on the Elbow River in 2025 have substantially increased protection. Together, these measures have reduced overall flood-risk exposure by approximately 70 per cent.

Highlight 8: Climate Resilient Communities

The City created the Climate Resilient Communities working group in 2023 to bring diverse perspectives into climate-adaptation planning. The group has provided guidance on addressing climate risks for vulnerable populations and co-developed ClimateReadyYYC, a grant program that funds projects supporting those most affected by climate impacts. As of 2025, ClimateReadyYYC has supported 29 community resilience initiatives.

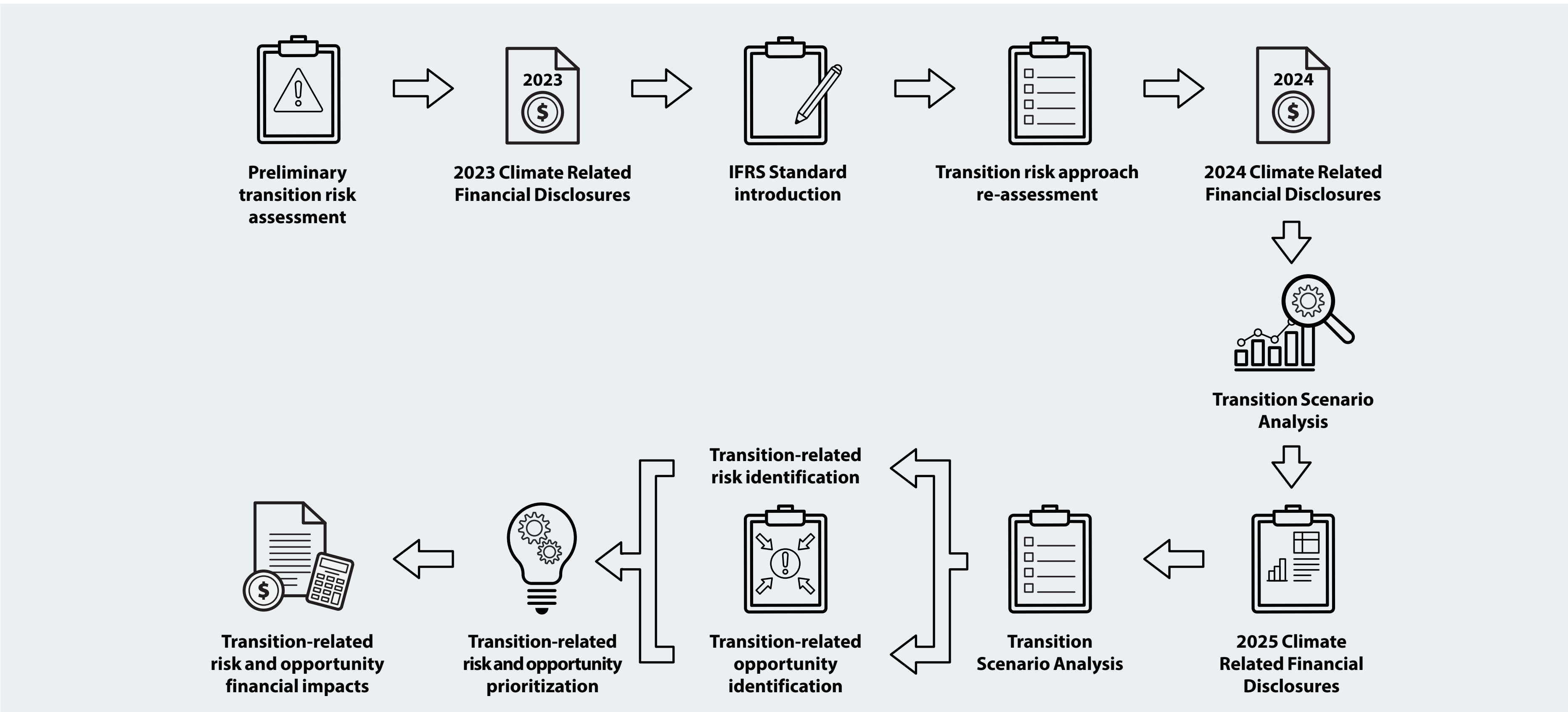
Climate-related transition risk and opportunities

Climate-related transition risks and opportunities arise from the global shift toward a low-carbon economy. As this transition accelerates, The City may face increased exposure to these risks. The drivers for transition risks and opportunities are:

- **Policy and legal risks:** New or changing regulations, emission limits or carbon pricing schemes.
- **Technology risks:** Replacement of existing systems by low-emission or energy-efficient technologies.
- **Market risks:** Changes in demand for low-carbon services.
- **Reputational risks:** Public perceptions of environmental performance and leadership.

These risks, if not proactively managed, may lead to asset obsolescence, higher compliance and operational costs, financial penalties, reduced revenue and shifts in operational priorities. The City is developing a methodology to identify and assess climate-related transition risks and opportunities. *Figure 8* outlines the key steps in advancing The City's transition risk management approach.

Figure 8: **The City's climate-related transition risk assessment evolution map**



Climate-related transition risks and opportunities

In 2025, The City advanced its understanding of climate-related transition risks through research and engagement with internal interested parties. Through these preliminary research efforts, three transition risk scenarios have been identified that align with the Canadian context. These scenarios offer an early look at a range of possible global futures—ranging from ambitious decarbonization to slow policy advancement. They are not predictions of The City's future, but rather global examples that help illustrate potential risks The City could face in the short, medium and long term. *Table 4* below provides an overview of the transition risk scenarios being considered in the preliminary analysis.

Next steps will include further investigation of potential transition-related scenarios, with the intention to formally adopt three to four scenarios to inform detailed assessment of transition-related risks and opportunities for The City. Future efforts will include assessing the likelihood and impact of these risks and opportunities across the different scenarios and time horizons to guide prioritization for evaluating financial impacts. The City will also identify the strategies, policies and initiatives needed to mitigate high-priority risks.

Table 4: Transition risk scenarios

Scenario	Description
Net Zero by 2050 **Source:** Canada's federal climate policy(1); IEA Net Zero(2)	The Net Zero by 2050 scenario reflects a transition pathway in which Canada, alongside other major global economies, implements progressively more stringent climate policies aligned with achieving net-zero GHG emissions by 2050. This scenario assumes strong government intervention, rising carbon prices and rapid deployment of clean and low-carbon technologies, leading to a fundamental transformation of energy systems, markets and business models. This scenario is informed by the Government of Canada's Net-Zero Emissions Accountability Act (2021) and the IEA's Net Zero by 2050 Roadmap (2023), which together assume accelerated decarbonization of global energy systems, economy-wide emissions reductions and large-scale adoption of clean technologies across all sectors. Under this scenario, transition risks are systemic and increase as the pace of decarbonization accelerates. Organizations are expected to face heightened policy, market, technology and legal risks and will need to adapt their strategies, asset portfolios and operations to remain resilient and aligned with the speed and scale of the transition.
Delayed Transition ("Middle of the Road") **Source:** NGFS(3)/IPCC Delayed Action(4)	The Delayed Transition scenario reflects a pathway in which Canada and other major global economies undertake insufficient climate action in the near term, resulting in continued growth in GHG emissions through the 2020s. Climate policies remain fragmented, carbon pricing signals are weak or inconsistent and investment in low-carbon technologies progresses more slowly than required to align with long-term climate goals. This scenario is informed by the Network for Greening the Financial System (NGFS) Delayed Transition scenario and the Intergovernmental Panel on Climate Change's (IPCC) delayed mitigation pathways, which assume that stronger climate action is postponed until after 2030. As physical climate impacts intensify and international climate commitments become unavoidable, governments are forced to implement abrupt, stringent and uncoordinated policy measures later in the transition period. These late interventions drive rapid increases in carbon prices, accelerated regulatory tightening and sudden shifts in market and technology adoption.
Current Policies/ Business-as-Usual (BAU) **Source:** IPCC SSP2-4.5; NGFS Current Policies	The Current Policies or BAU scenario reflects a pathway in which Canada and other global economies continue to implement only existing climate policies, with limited additional ambition or new mitigation measures over time. Climate action progresses incrementally, carbon pricing remains relatively modest and policy implementation gaps persist, resulting in GHG emissions remaining high or declining too slowly to meet long-term climate targets. This scenario is informed by the IPCC's SSP2-4.5 pathway and the NGFS Current Policies scenario, which assume that governments largely maintain today's policy frameworks, with occasional rollbacks or delays in implementation. As a result, global warming is projected to reach approximately 3°C by the end of the century, reflecting insufficient mitigation and continued reliance on carbon-intensive energy systems and technologies. Under this scenario, transition risks are comparatively moderate in the near- to medium-term due to limited policy and market pressure to decarbonize. However, physical climate risks increase significantly over time as the frequency and severity of climate-related hazards intensify.

(1) Government of Canada. Net-zero emissions by 2050. Available at: https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/net-zero-emissions-2050.html

(2) International Energy Agency. World Energy Outlook – Sustainable Development Scenario. Available at: https://www.iea.org/reports/world-energy-outlook-2020

(3) NGFS. NGFS Scenarios for central banks and supervisors – Phase IV. Available at: https://www.ngfs.net/system/files/import/ngfs/medias/documents/ngfs_climate_scenarios_for_central_banks_and_supervisors_phase_iv.pdf

(4) IPCC. Shared Socioeconomic Pathways (SSP2: Middle of the Road). Available at: https://en.wikipedia.org/wiki/Shared_Socioeconomic_Pathways

Integrating climate into financial planning and service delivery

The cross-corporate Climate Budget is a core element of the Climate Governance & Integration Framework. It tracks The City's financial commitments toward climate action, specifically Primary Climate Investments (PCI). During the 2023-2026 Service Plans and Budgets process, investments were reviewed and assigned the designation as a PCI, if the investment had a clear primary outcome aligned with The City's climate goals. Identification of PCIs within The City's entire four-year budget was The City's first step toward considering climate-related risks and opportunities during the financial planning process and the ongoing monitoring and reporting of the PCIs supports accountability and transparency. More information about The City's 2023-2026 Service Plans and Budgets, and impacts of recent adjustments made in 2026, can be found in the FSDA and *Table 5*.

PCIs for 2023-2026 were identified using high-level assessments of emissions and climate risk reduction. To improve future investment decisions and tracking, assessment tools will need to advance toward more detailed, quantitative analysis, and categorization of primary climate investments may need to evolve. Additionally, The City is developing an Environmental Commodities Management Policy that will enhance the oversight of environmental commodities at The City. It will also inform the management of The City's participation in the environmental commodities markets, including Technology Innovation and Emissions Reduction (TIER) credits, Renewable Energy Certificates (REC) and Clean Fuels Regulations (CFR) Credits. Integration and disclosure of environmental commodities in the cross-corporate Climate Budget and in corporate GHG emissions reporting may be explored in the future.

The City is currently tracking PCIs for the 2023-2026 business cycle and *Table 5* presents the 2023-2026 cross-corporate Climate Budget as of December 31, 2025.

Table 5: **2023-2026 cross-corporate Climate Budget**

Primary Climate Investments	One-time Operating ($000s)	Capital ($000s)	Total ($000s)
2023-2026 Service Plans & Budgets	45,503	218,708	264,211
Budget adjustments in 2023	–	165,000[b]	165,000
Budget adjustments in 2024	(602)	(47,842)[c]	(48,444)
Budget adjustments in 2025	(10,677)[a]	(46,599)[c]	(57,276)
Adjusted 2023-2026 budget (as of December 31, 2025)	34,224	289,267	323,491
2023-2025 expenditures	15,269	88,347	103,616
2026 budget[d]	18,984	155,184	174,168

Budget adjustments each year could include relinquishments, reprioritization of budgets, additional budget allocations, recasts of budget into future years and Council-directed budget adjustments. Further context on these adjustments is referenced below:

(a) $9 million of one-time operating budget was eliminated from C&E business unit through the 2026 Budget Adjustments to the 2023-2026 Service Plans and Budgets, with an additional $1.6 million relinquished.

(b) $165 million in debt-financing from the Canada Infrastructure Bank was approved in 2023 for the electric bus program.

(c) Across 2024 and 2025, approximately $69 million in capital was recast into 2027+ across various projects to align with the spend forecasts and $26.8 million was relinquished.

(d) The 2026 budget represents the reported budget as of December 31, 2025. Carry-forward amounts from 2025 into 2026 may not be fully represented in the 2026 budget as these amounts were finalized in quarter 1 2026.

Resilient climate-related risk management

The City takes a cross-corporate approach to climate resilience, guided by the Climate Strategy and aligned with The City's Environment Policy. The Climate Strategy sets the long-term direction for building a net-zero, climate-resilient city, including building governance foundations, accelerating retrofits and protecting infrastructure — scaling clean energy and technology, enhancing nature-based solutions and strengthening community preparedness. The Strategy provides long-range vision, while the Climate Implementation Plan — updated every four years and adapted through annual budget adjustments — serves as an adaptive, corporation-wide tool that responds to evolving risks, new technologies and changing economic conditions. Administration collaborates across departments and with external partners to ensure actions are practical and evidence-based, while Council sets the scale and pace of investment in alignment with their priorities for the four-year business cycle. Together, this cross-corporate approach supports practical, coordinated action that reduces climate-related risks, protects public infrastructure and services and delivers long-term value by supporting a safe, affordable and economically competitive city for Calgarians and businesses.

Metrics and targets

The City has established metrics and targets to measure and track performance, community indicator trends and governance and disclosure progress. As this work advances, we are refining these metrics and strengthening monitoring and measurement so they more effectively inform decision-making. In 2025, The City Auditor audited climate-related metrics in the 2024 Climate-related Financial Disclosure report (see *Highlight 9*).

Highlight 9: Climate-related metrics audit

In 2025, the City Auditor audited the climate metrics reported in the 2024 Climate-related Financial Disclosure report to verify their reliability. The audit confirmed the metrics were accurate (±5 per cent) and not misleading. It recommended stronger oversight and communication practices to maintain this standard. The City has already applied initial improvements to the 2025 disclosure process, with further enhancements to be implemented by June 2026 for the 2026 disclosure process.

Climate goals and targets

The City has set key GHG emissions reduction targets, along with specific climate mitigation and adaptation goals and actions, to guide its progress. These initiatives align with international standards, Government of Canada targets and best practices of other major Canadian cities. *Figure 9* below highlights The City's climate related goals and targets.

Figure 9: **The City's climate-related goals and target**

Goals

- Improve energy use and reduce greenhouse gas emissions
- Reduce climate risk resulting from climate hazards

Targets

- Net-zero GHG emissions by 2050

Climate-related performance metrics

The following metrics track and highlight The City's performance in progressing toward its goals and targets.

Corporate GHG emissions

The corporate GHG emissions metric measures total emissions from City owned buildings, assets, projects and operations, and tracks progress toward net-zero by 2050. The City is implementing measures that lower emissions from electricity use, natural gas and transportation fuels, and is reducing electricity related emissions by purchasing Renewable Energy Certificates (REC). Both market-based emissions and location-based emissions are reported under the corporate GHG emissions metric to capture the impacts of these different emission reduction tactics (see *Highlight 10*).

The corporate GHG emissions metric is a lagging 2024 metric in this report, because full and accurate emissions data for a reporting year is not finalized until four to five months after year end, reflecting post year end energy data reconciliation and the timing of annual regulatory emissions reporting from key services.

In 2024, The City had higher energy and fuel consumption across most sources, including natural gas, diesel, gasoline, compressed natural gas (CNG) and propane as well as increased waste and wastewater related emissions. Despite this higher energy and fuel consumption, the decrease in Alberta's grid emissions factor (driven by a reduction in high-carbon electricity generation) more than offset this rise, resulting in The City's location-based emissions falling 14 per cent from the 2019 baseline and 1 per cent from 2023. The City's market-based emissions increased by 1 per cent from the 2019 baseline and 8 per cent from 2023, due to the increase in energy and fuel consumption described above.

As part of the 2024 inventory, The City updated its 2014-2023 emissions data (see *Highlight 11*). *Table 6* provides details of The City's Corporate GHG Emissions at year-end relative to the 2019 baseline and year-end metric included in the 2024 disclosure.

Highlight 10: Market-based vs. location-based emissions

Market-based emissions

GHG emissions calculated using emission factors that reflect procurement choices, such as The City's purchase of RECs to offset its annual electricity consumption.

Location-based emissions

GHG emissions calculated using the average emissions intensity of the local electricity or natural gas grid where the energy is consumed.

Highlight 11: 2024 GHG Review

The City restated its emissions from 2014-2023 due to improved accuracy of emissions factors for wastewater. These factors, based on recent site-level studies, replaced previous generic estimates and resulted in a material decrease in reported emissions (±5 per cent). As a result, emissions for all years from 2014 to 2023 have been restated lower than previously reported.

Table 6: Corporate GHG emissions relative to 2019 baseline year

GHG emissions	2019 (baseline year)	2023	2023 (restated)	2024
Corporate market-based GHG emissions				
Scope 1 and 2 market-based emissions (ktCO_2e)	391.3	404.6	367.7	395.5
Scope 1 emissions	388.9	402.4	365.5	392.9
Scope 2 emissions	2.4	2.2	2.2	2.6
Market-based emissions relative to 2019 baseline		▲ 3%	▼ 6%	▲ 1%
Market-based emissions relative to previous year			0%	▲ 8%
Corporate location-based GHG emissions				
Scope 1 and 2 Location-based emissions (ktCO_2e)	673.6	627.0	590.1	581.0
Scope 1 emissions	388.9	402.4	365.5	392.9
Scope 2 emissions	284.7	224.6	224.6	188.1
Location-based emissions relative to a 2019 baseline		▼ 7%	▼ 12%	▼ 14%
Location-based emissions relative to previous year			0%	▼ 2%

Note: Figures are rounded.

Flood risk assessment

The City's Flood Resilience Strategy, and annual flood preparedness and response activities manage climate-related flood risks. As extreme floods become more likely, reservoirs, flood barriers, drainage system improvements, forecasting/response enhancements and land-use or building regulations help limit potential damages. The City has invested $295 million and secured $1.02 billion from other levels of government for flood mitigation projects. These investments protect $68 billion in infrastructure and property, have reduced flood damage exposure by 70 per cent since 2013 and have achieved The City's 2025 resilience target. Major milestones achieved in 2025 included substantial completion of the Sunnyside Flood Barrier and Springbank Off-stream Reservoir. Public engagement and updated draft policies for refined flood-hazard areas were completed in 2025 for finalization in 2026. As river flood risk evolves due to changing climate, an adaptive risk-management approach is intended to lower exposure and potential impacts; however, residual flood risk cannot be fully eliminated, particularly under extreme events. Focus in 2026 will include supporting The Province's advancement of the Relocated Ghost Dam, which would offer incremental flood and water supply resilience for Calgary and other communities along the Bow River. *Table 7* below presents Calgary's flood-risk assessment, including property flood-exposure levels and estimated annual damages across flood events.

Table 7: Calgary flood risk assessment relative to baseline

Flood Risk	2013 (baseline year)	2024	2025
Calgary's river flood risk			
Number of properties within 1:100 river flood extent – flood exposure risk	7,241	3,360	**1,367**
Risk relative to 2013 Baseline		▼ 54%	**▼ 81%**
Calgary's average annual damages river flood risk			
Potential flood damage ($)	168 M	75 M	**50 M**
Damages relative to 2013 baseline		▼ 55%	**▼ 70%**

Water management

The City monitors water supply and demand to promote responsible use, protect downstream users and support basin-wide stewardship. As population growth and climate conditions change, pressure on water resources increases. While per capita water demand in 2025 increased to 334 liters per capita per day (LPCD), from 322 LPCD in 2024, 2024 demand is not considered representative as it was influenced by water restrictions due to the first Bearspaw South Feeder Main break and associated repairs. Varying levels of outdoor water restrictions were in effect for a total of 109 days in 2024. Overall, per capita water use declined from 356 LPCD in 2023 to 334 LPCD in 2025, with 2023 considered a more representative year for typical per capita water use, as it was not affected by major system disruptions or extended restrictions. In 2025, annual river withdrawal was 212,245 megaliters, The City also returned about 87 per cent of used water as treated effluent to the Bow River. In December 2025, Calgary experienced another significant water main break (see *Highlight 12*), further underscoring the importance of system resilience and adaptive water management. *Table 8* summarizes key metrics that guide current water supply, demand and effluent management decisions.

Highlight 12: Calgary's critical water infrastructure risks

Calgary's 2025 Bearspaw South Feeder Main break exposed an ongoing vulnerability in the city's water system, with the aging pipe still at risk of unexpected failure until system redundancy is in place. Although repairs have helped stabilized sections of the line, The City warns that further breaks remain possible. In response, The City has accelerated construction of a new parallel feeder main — advancing completion to December 2026 — to remove this single point of failure and strengthen long-term water system resilience.

Table 8: Calgary water use relative to 2003 baseline

Water use	2003 (baseline year)	2023	2024[4]	2025
Water average day demand				
Calgary daily water demand, averaged per person: liters per capita per day (LPCD[1])	518	356	322	**334**[2]
Demand relative to 2003 Baseline		▼ 31%	▼ 38%	**▼ 36%**
Water usage and conservation				
Annual river withdrawals[3] (ML/Year)	212,471	201,904	196,003	**212,245**
Annual withdrawals relative to baseline		▼ 5%	▼ 8%	**0%**
Annual water (effluent) returns (ML/Year)		154,115	167,738	**181,333**
Number of days in water restrictions[5]	–	78	109	**1**

Note: Figures are rounded.

(1) LPCD shows water used by residential, business and institutional customers, as well as water lost through leaks or water that is unaccounted for or not billed. This total is then divided by the number of people living in Calgary.

(2) 2025 LPCD calculation is based on forecasted population from corporate economics. An updated version of 2025 LPCD will be calculated once the final population number is estimated for 2025.

(3) Annual River Withdrawal from the Bow and Elbow rivers represents water supply withdrawals for Calgary, Airdrie, Chestermere, Strathmore and Tsuut'ina Nation.

(4) In 2024, strict water conservation measures were implemented due to infrastructure issues, resulting in water savings.

(5) Number of days in water restrictions are informational only and have no targets; they are operational responses to weather, infrastructure and water availability conditions.

Natural environment

Conserving and restoring Calgary's natural environment is vital for thriving ecosystems. Conserved natural areas help reduce climate risk through the provision of ecosystem services, such as managing stormwater, providing cooling, storing carbon and supporting Calgarians' health and wellbeing. *Table 9* highlights key metrics that support the preservation, conservation and restoration of the natural environment in Calgary. The percentage of Environmentally Significant Area (ESA) retained or added was 50 per cent. Average performance from 2019-2025 was 57 per cent, slightly below target. Amount of ESA protected will vary year-over-year as it depends on the annual number of approvals and pre-development landscape habitat types within those areas. Designating land as Environmental Reserve is a key tool for protecting lands in greenfield development, however, it is limited to lands meeting the definition of Environmental Reserve under the Municipal Government Act and does not apply to all ESAs such as naturally occurring tree stands, native grasslands, the full extent of riparian areas and river valleys and certain wetland types.

The habitat restoration metric has been removed from the 2025 report as part of a planned transition to outcome based reporting. The prior metric was activity based and did not measure ecological condition or outcomes. It is being replaced with a condition based metric that more directly reflects habitat health and ecological function. Development of the replacement metric is underway, and it will be included in future reporting once available.

Table 9: Calgary natural areas conservation and restoration

Conserving and restoring natural areas	Target	2024	**2025**
ESA protected and conserved			
ESA protected or conserved calculated at land use amendment/outline plan approval (%)	60	63	**50**
Protection and conservation relative to 2026 target		▲ 5%	**▼ 17%**

Climate-related community indicators

Climate-related community indicators measure community scale progress on climate action and can highlight areas of success and challenges. Although The City cannot directly control these metrics, it can influence them by leading through corporate action, community awareness efforts and supportive programs and policies.

Calgary community-wide GHG emissions

Community-wide GHG emissions measure all GHG emissions produced in Calgary across major sectors: transportation, residential buildings, non-residential buildings and waste. This includes Scope 1, Scope 2 and selected Scope 3 emissions (inbound and outbound transportation). The metric tracks progress toward The City's interim goal of a 65 per cent reduction from 2019 levels by 2030 and achieving the target of net zero by 2050. In 2024, Calgary's community-wide GHG emissions were 17 per cent lower than in 2019 and 4 per cent lower than in 2023. The largest year-over-year reductions came from the building sector; although, buildings remain the largest source of emissions overall. Key drivers of the 2024 decrease include a lower electricity grid emissions factor and reduced natural gas consumption.

Calgary community-wide GHG emissions per capita

Calgary's population grew by 17 per cent from 2019 to 2024. Community-wide GHG emissions per capita help assess whether emissions are decreasing relative to this growth. A decline from the base year signals positive progress. In 2024, Calgary's per capita GHG emissions were 30 per cent lower than in 2019 and 12 per cent lower than in 2023. While the population has increased, emissions have not risen proportionally — an encouraging trend. However, much steeper reductions in total emissions are still required to reach net zero by 2050. *Table 10* below provides details of Calgary's community-wide GHG emissions relative to 2019 baseline.

Table 10: Community-wide GHG emissions relative to 2019 baseline year

GHG emissions	2019 (baseline year)	2022	2023	2024
Community-wide GHG emissions				
GHG emissions ($MtCO_2e$)	18.2	16.4	15.7	15.1
Emissions relative to 2019 baseline		▼ 10%	▼ 14%	▼ 17%
Emissions relative to previous year			▼ 4%	▼ 4%
Community-wide GHG emissions per capita				
GHG emissions per capita (tCO_2e/person)	14.2	12.2	11.3	10.0
Emissions per capita relative to 2019 baseline		▼ 14%	▼ 20%	▼ 30%
Emissions per capita relative to previous year			▼ 7%	▼ 12%

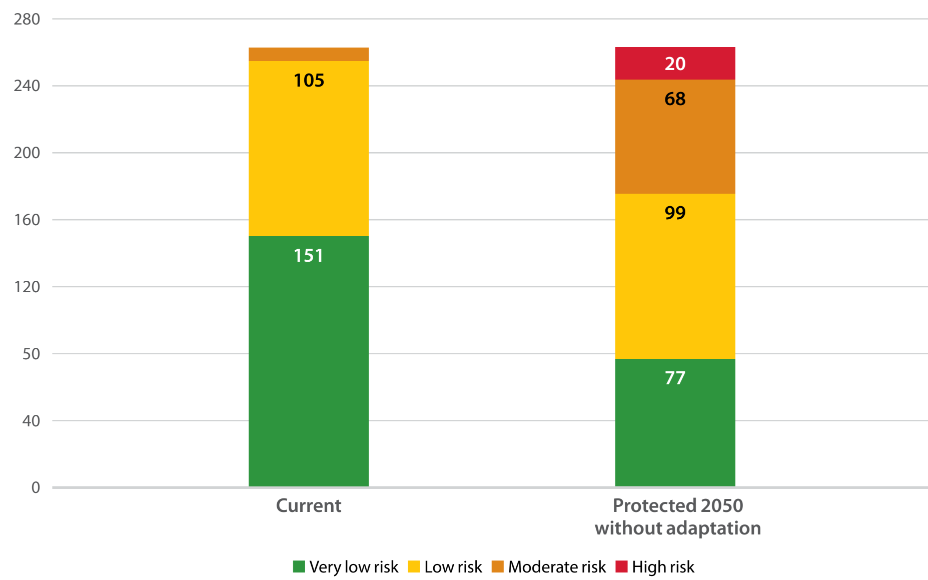
Note: Figures are rounded.

Community Climate Risk Index (CCRI)

The CCRI tool provides an average climate risk score for each community based on physical, social and economic factors (see *Figure 10*). It assesses the degree of climate risk and highlights the drivers of vulnerability within each Calgary community. The CCRI compares every community to the Calgary average and shows how they rank against one another. While all Calgary communities face climate risks, the CCRI highlights which ones are above or below the city average to help identify those at higher risk. There are currently eight communities at moderate projected climate risk. The CCRI projects that without implementing risk mitigation and adaptation strategies, this will increase to 88 communities at moderate or high risk by 2050.

This information helps The City develop strategies to support those vulnerable communities in mitigating and managing their physical climate risks. The CCRI is updated every five years, and the latest assessment was completed in 2025 with refreshed Statistics Canada census, infrastructure, land cover and tree canopy data.

Figure 10: Projected climate risk for Calgary communities
(number of communities)



Climate-related governance and disclosure metrics

Climate-related governance and disclosure metrics provide a snapshot of The City's performance in climate transparency, strategy and institutional readiness.

Carbon Disclosure Project (CDP)

The CDP is a leading global disclosure platform used by cities, companies, states and regions to report and manage climate and environmental impacts. The City has disclosed impacts annually through the CDP since 2016, reporting on climate mitigation and adaptation actions, and performance. In 2025, The City achieved an "A" score, reflecting best-practice climate disclosure and action.

Tracking Adaptation and Measuring Development (TAMD) score

The TAMD framework is a self-assessment tool used to evaluate institutional readiness for climate adaptation across eight indicators, including integration into planning, institutional coordination, budgeting and finance, organizational capacity, use of climate information, adaptation planning under uncertainty and partner participation and awareness. In 2025, The City achieved a TAMD score of 73 per cent (58/80), demonstrating continued improvement from 70 per cent in 2024 and indicating positive progress in adaptation readiness.

Summary and next steps

In 2025, The City strengthened climate governance, advanced risk-assessment practices and improved transparency across decision-making processes. Key achievements included the establishment of a standalone Climate and Environmental PCR, along with the following advancements:

- Expanded physical and transition climate risk assessments
- Enhanced the Climate Governance and Integration Framework
- Advanced flood and extreme heat resilience initiatives and natural asset restoration
- Improved the accuracy of corporate GHG emissions reporting and overall climate data quality through continued enhancements to the Climate and Environmental Analytics System

Together, these advances support more informed and disciplined decision-making that reduces climate-related risks, protects essential infrastructure and services and helps manage long-term costs for The City, Calgarians and businesses. In doing so, this work aligns with The City's vision of Calgary being a great place to make a living, a great place to make a life.

Looking ahead, The City will continue to evolve its climate governance, disclosures and risk-management processes — including aligning future reporting to the IPSASB climate-disclosure standard released in January 2026. This work will also include the advancement of transition-risk assessment (Phase 2), climate-financial impact analysis, refinement of the cross-corporate Climate Budget and deeper integration of climate considerations into asset management, capital planning, business unit risk registers and operational decision-making. Further enhancements to the Environmental Management System, hazard-consequence scoring, CEAS data quality and metrics will support stronger evidence-based planning, while the development of the 2027-2030 Climate Implementation Plan will guide the next phase of climate action.

Financial and Statistical Schedules Unaudited

(2021-2025)

Revenue by source unaudited

2021-2025 (in thousands)

	2025 Operating	2025 Capital	2025 Total	2024 Operating	2024 Capital	2024 Total
Property taxes	**$ 3,454,969**	**$ –**	**$ 3,454,969**	$ 3,190,867	$ –	$ 3,190,867
Community Revitalization Levy	**42,547**	**–**	**42,547**	41,409	–	41,409
Business improvement area relief	**–**	**–**	**–**	–	–	–
Revenue in lieu of taxes	**238,385**	**–**	**238,385**	266,526	–	266,526
Local improvement levies and special taxes	**11,448**	**–**	**11,448**	12,423	–	12,423
	$ 3,747,349	**$ –**	**$ 3,747,349**	$ 3,511,225	$ –	$ 3,511,225
Less: Provincial property taxes	**(1,036,118)**	**–**	**(1,036,118)**	(883,348)	–	(883,348)
Net taxes available for municipal purposes	**$ 2,711,231**	**$ –**	**$ 2,711,231**	$ 2,627,877	$ –	$ 2,627,877
Sales of goods and services	**1,481,246**	**–**	**1,481,246**	1,341,457	–	1,341,457
Government transfers						
Federal						
Debenture interest rebates	**–**	**–**	**–**	–	–	–
Revenue, cost sharing agreements and grants	**36,762**	**346,369**	**383,131**	8,857	221,456	230,313
Provincial						
Grants, entitlements, revenue and cost sharing agreements	**175,833**	**487,761**	**663,594**	169,756	463,392	633,148
	$ 212,595	**$ 834,130**	**$ 1,046,725**	$ 178,613	$ 684,848	$ 863,461
Other revenue						
Dividends from ENMAX	**$ 103,000**	**$ –**	**$ 103,000**	$ 95,000	$ –	$ 95,000
Other equity (loss) earnings in ENMAX	**404,117**	**–**	**404,117**	86,248	–	86,248
Developer contributions	**–**	**202,137**	**202,137**	–	145,368	145,368
Developer contributions-in-kind related to capital	**–**	**583,487**	**583,487**	–	345,075	345,075
Investment income	**457,332**	**–**	**457,332**	312,073	–	312,073
Fines and penalties	**75,882**	**–**	**75,882**	75,731	–	75,731
Licences, permits and fees	**170,295**	**–**	**170,295**	153,977	–	153,977
Miscellaneous revenue	**43,540**	**–**	**43,540**	44,051	–	44,051
	$ 1,254,166	**$ 785,624**	**$ 2,039,790**	$ 767,080	$ 490,443	$ 1,257,523
Total revenue	**$ 5,659,238**	**$ 1,619,754**	**$ 7,278,992**	$ 4,915,027	$ 1,175,291	$ 6,090,318

Revenue by source unaudited

2021-2025 (in thousands)

	2023 Operating	2023 Capital	2023 Total	2022 Operating	2022 Capital	2022 Total	2021 Operating	2021 Capital (Restated)(1)	2021 Total
	$ 2,945,083	$ –	$ 2,945,083	$ 2,804,643	$ –	$ 2,804,643	$ 2,685,513	$ –	$ 2,685,513
	39,790	–	39,790	36,034	–	36,034	38,100	–	38,100
	–	–	–	(64)	–	(64)	(4,295)	–	(4,295)
	403,535	–	403,535	338,972	–	338,972	251,571	–	251,571
	8,588	–	8,588	7,699	–	7,699	9,235	–	9,235
	$ 3,396,996	$ –	$ 3,396,996	$ 3,187,284	$ –	$ 3,187,284	$ 2,980,124	$ –	$ 2,980,124
	(789,392)	–	(789,392)	(780,928)	–	(780,928)	(771,111)	–	(711,111)
	$ 2,607,604	$ –	$ 2,607,604	$ 2,406,356	$ –	$ 2,406,356	$ 2,209,013	$ –	$ 2,209,013
	1,359,983	–	1,359,983	1,384,471	–	1,384,471	1,235,238	–	1,235,238
	–	–	–	–	–	–	–	14	14
	9,793	162,747	172,540	5,749	162,083	167,832	4,229	167,859	172,088
	169,513	299,569	469,082	222,081	197,560	419,641	150,551	248,520	399,071
	$ 179,306	$ 462,316	$ 641,622	$ 227,830	$ 359,643	$ 587,473	$ 154,780	$ 416,393	$ 571,173
	$ 82,000	$ –	$ 82,000	$ 62,000	$ –	$ 62,000	$ 58,000	$ –	$ 58,000
	(97,608)	–	(97,608)	233,628	–	233,628	237,777	–	237,777
	–	188,830	188,830	–	242,498	242,498	–	158,763	158,763
	–	288,695	288,695	–	240,901	240,901	–	212,169	212,169
	219,934	–	219,934	141,530	–	141,530	131,393	–	131,393
	77,650	–	77,650	74,089	–	74,089	64,421	–	64,421
	134,083	–	134,083	118,511	–	118,511	106,405	–	106,405
	43,243	–	43,243	56,291	–	56,291	51,798	–	51,798
	$ 459,302	$ 477,525	$ 936,827	$ 686,049	$ 483,399	$ 1,169,448	$ 649,794	$ 370,932	$ 1,020,726
	$ 4,606,195	$ 939,841	$ 5,546,036	$ 4,704,706	$ 843,042	$ 5,547,748	$ 4,248,825	$ 787,325	$ 5,036,150

(1) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022.

Favourable operating variance reconciliation unaudited

2022-2025 (in thousands)

	2025	2023[1]	2022[1]
Favourable operating variance[2]	**$ 259,308**	$ 237,756	$ 258,088
Timing differences	**–**	(1,348)	644
Tax-supported operating surplus	**$ 259,308**	$ 236,408	$ 258,732
Adjustments[3]			
Capital adjustments	**$ (604,458)**	$ (600,227)	$ (508,788)
PSAS adjustments	**(161,153)**	–	–
Consolidation adjustments	**23,858**	3,353	18,475
ENMAX adjustments	**404,117**	(120,612)	233,628
Gross debt charges	**204,415**	76,984	78,865
Reserve transfers	**771,956**	993,712	882,957
Tax-supported amortization and write-downs	**(609,378)**	(586,907)	(587,852)
Unrealized losses	**–**	(40,830)	–
Other	**–**	(13,433)	(14,935)
Net revenue (loss) before other contributions and transfers	**$ 288,665**	$ (51,552)	$ 361,082
Other contributions and transfers	**1,619,754**	939,841	843,042
Annual surplus	**$ 1,908,419**	$ 888,289	$ 1,204,124

(1) The favourable operating variance reconciliation was not disclosed in 2024 as the favourable operating variance was presented to Council after the 2024 Annual Financial Report. Comparatives are included only for years previously disclosed.

(2) 2025: The City's Quarterly Report EC2026-0089; 2023: Progress Update Report EC2024-0291; 2022: Performance Report EC2023- 0065

(3) The consolidated financial statements include The City and its subsidiaries for the year ended December 31. Other reports to Committees of Council and Council exclude subsidiaries and are prepared in accordance with the MGA, whereas these statements are prepared in accordance with PSAS. Accordingly, adjustments are required.

Expenses by function unaudited

2021-2025 (in thousands)

		2025		2024		2023		2022 (Restated)[1]		2021 (Restated)[2][3]
Planning and development services	**$**	**283,382**	$	236,089	$	200,982	$	169,090	$	139,037
Infrastructure services		**258,109**		243,144		377,687		394,227		305,924
Community services		**1,882,873**		1,626,943		1,565,365		1,389,104		1,321,442
Operational services		**2,379,395**		2,352,755		2,146,059		2,015,534		1,841,594
General government		**566,814**		526,276		367,654		375,669		372,172
Total expenses	**$**	**5,370,573**	$	4,985,207	$	4,657,747	$	4,343,624	$	3,980,169

Expenses by object unaudited

2021-2025 (in thousands)

		2025		2024		2023		2022 (Restated)[1]		2021 (Restated)[2][3]
Salaries, wages and benefits	**$**	**2,775,284**	$	2,523,359	$	2,237,853	$	2,056,226	$	1,973,073
Contracted and general services		**601,930**		684,507		597,112		628,315		495,941
Materials, equipment and supplies		**611,287**		539,526		592,803		499,660		373,623
Interest charges										
Tax-supported		**39,239**		45,026		42,124		27,575		21,848
Self-supported		**93,025**		80,828		74,761		76,000		78,347
Accretion		**11,254**		9,203		7,675		7,454		–
Utilities		**117,557**		118,952		125,774		123,681		106,309
Transfers		**350,772**		243,861		238,615		195,123		188,045
Amortization and write-downs		**760,717**		731,361		724,479		718,196		707,113
Loss on disposal of tangible capital assets		**9,508**		8,584		16,551		11,394		35,870
Total expenses	**$**	**5,370,573**	$	4,985,207	$	4,657,747	$	4,343,624	$	3,980,169

(1) Figures for 2022 have been restated for the adoption of PS 3280 Asset Retirement Obligations.

(2) The City underwent an organization re-alignment in 2022, with 2021 comparative figures restated.

(3) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022.

Financial position and annual surplus unaudited

2021-2025 (in thousands)

	2025	2024	2023	2022 (Restated)[1]	2021 (Restated)[2]
Financial assets	**$ 12,164,385**	$ 11,587,308	$ 10,621,576	$ 10,401,718	$ 9,423,987
Financial liabilities	**7,193,476**	6,690,176	6,098,275	6,118,793	5,874,125
Net financial assets	**$ 4,970,909**	$ 4,897,132	$ 4,523,301	$ 4,282,925	$ 3,549,862
Non-financial assets	**23,295,864**	21,615,810	20,441,970	19,857,891	19,418,040
Net assets	**$ 28,266,773**	$ 26,512,942	$ 24,965,271	$ 24,140,816	$ 22,967,902
Annual surplus	**1,908,419**	1,105,111	888,289	1,328,494	1,116,194

Acquisition of tangible capital assets unaudited

2021-2025 (in thousands)

	2025	2024	2023	2022	2021
Capital additions	**$ 1,859,949**	$ 1,546,033	$ 1,064,908	$ 875,668	$ 900,000

Net assets unaudited

2021-2025 (in thousands)

	2025	2024	2023	2022 (Restated)[1]	2021 (Restated)[2]
Operating fund	**$ 259,308**	$ 276,278	$ 236,408	$ 258,732	$ 143,422
Capital fund	**(33,358)**	133,775	234,414	170,440	141,009
Local improvements to be funded in future years	**58,332**	55,522	52,780	54,415	56,411
Obligation to be funded in future years[3]	**(234,449)**	(227,264)	(225,106)	(225,165)	(19,383)
Reserves	**3,883,283**	3,898,434	4,003,003	3,635,785	3,281,056
Equity in ENMAX	**3,470,480**	3,066,363	2,980,115	3,072,460	2,714,462
Equity in non-financial assets	**20,644,302**	18,936,371	17,752,754	17,174,149	16,650,925
Accumulated surplus	**$ 28,047,898**	$ 26,139,479	$ 25,034,368	$ 24,140,816	$ 22,967,902
Accumulated remeasurement gains (losses)	**218,875**	373,463	(69,097)	–	–
	$ 28,266,773	$ 26,512,942	$ 24,965,271	$ 24,140,816	$ 22,967,902

(1) Figures for 2022 have been restated for the adoption of PS 3280 Asset Retirement Obligations.

(2) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022.

(3) Obligation to be funded in future years consists of unfunded liabilities of $234,449 (2024 – $227,264) for the asset retirement obligations provision.

Net remeasurement gains (losses) for the year unaudited

2023-2025 (in thousands)

	2025[1]	2024[1]	2023[1]
Accumulated remeasurement gains (losses), beginning of year	**$ 373,463**	$ (69,097)	$ –
Adjustment to beginning of year balance	**–**	–	(287,994)
Adjusted accumulated remeasurement gains (losses), beginning of year	**$ 373,463**	$ (69,097)	$ (287,994)
Net remeasurement gains (losses) for the year	**(154,588)**	442,560	218,897
Accumulated remeasurement gains (losses), end of year	**$ 218,875**	$ 373,463	$ (69,097)

Consolidated investments unaudited

2023-2025 (in thousands)

	2025[2]	2024[2]	2023[2]
Fair Value			
Canadian fixed income	**$ 1,580,565**	$ 2,318,716	$ 2,344,688
Foreign fixed Income	**76,629**	615,692	416,013
Pooled fixed Income	**2,541,195**	1,137,367	1,154,266
Mortgages	**691,722**	634,247	615,637
Canadian equities	**–**	–	56
Global equities	**–**	138,679	115,269
Pooled equities	**1,170,658**	791,452	713,787
Infrastructure	**562,492**	483,073	399,987
Real estate	**135,980**	289,645	–
	$ 6,759,241	$ 6,408,871	$ 5,759,703
Cost			
Canadian fixed income	**$ 1,578,998**	$ 2,310,255	$ 2,371,423
Foreign fixed Income	**77,723**	605,790	423,308
Pooled fixed Income	**2,559,326**	1,158,688	1,194,758
Mortgages	**698,827**	648,620	636,877
Canadian equities	**–**	–	56
Global equities	**–**	113,113	103,801
Pooled equities	**1,086,260**	656,923	670,415
Infrastructure	**462,040**	403,423	399,987
Real estate	**134,755**	277,169	–
	$ 6,597,929	$ 6,173,981	$ 5,800,625

(1) Comparative figures for 2022-2021 cannot be provided in the same format due to the adoption of PS 3450 Financial Instruments in 2023.

(2) Comparative figures for 2022-2021 cannot be provided in the same format due to the adoption of PS 3450 Financial Instruments in 2023. The total consolidated investments for those periods are as follows:

a. 2022 – Fair Value: $4,922,284, Cost: $5,206,794
b. 2021 – Fair Value: $4,923,251, Cost: $4,804,797

Continuity of long-term debt unaudited

2021-2025 (in thousands unless otherwise stated)

	2025	2024	2023	2022	2021 (Restated)[1]
Tax-supported					
Opening	**$ 272,247**	$ 299,179	$ 331,601	$ 367,268	$ 401,122
New issues	**6,109**	798	–	–	1,256
Repaid	**(26,394)**	(27,730)	(32,422)	(35,667)	(35,110)
Ending	**$ 251,962**	$ 272,247	$ 299,179	$ 331,601	$ 367,268
Tax-supported (% of total)	**8.26%**	9.19%	11.08%	12.30%	13.30%
Per capita (tax-supported)	**$ 162**	$ 182	$ 215	$ 247	$ 278
Self-supported					
Opening	**$ 2,380,620**	$ 2,123,443	$ 2,116,149	$ 2,183,523	$ 2,229,754
New issues	**319,851**	443,308	186,973	131,422	148,819
Repaid	**(202,499)**	(186,131)	(179,679)	(198,796)	(195,050)
Ending	**$ 2,497,972**	$ 2,380,620	$ 2,123,443	$ 2,116,149	$ 2,183,523
Self-supported (% of total)	**81.88%**	80.34%	78.64%	78.52%	78.80%
Per capita (self-supported)	**$ 1,603**	$ 1,596	$ 1,529	$ 1,575	$ 1,649
Self-sufficient tax-supported					
Opening	**$ 310,474**	$ 277,715	$ 247,343	$ 219,799	$ 214,268
New issues	**6,000**	49,000	46,500	44,500	22,500
Repaid	**(15,663)**	(16,241)	(16,128)	(16,956)	(16,969)
Ending	**$ 300,811**	$ 310,474	$ 277,715	$ 247,343	$ 219,799
Self-sufficient tax-supported (% of total)	**9.86%**	10.48%	10.28%	9.18%	7.90%
Per capita (self-sufficient tax-supported)	**$ 193**	$ 208	$ 200	$ 184	$ 166
Total City Debt	**$ 3,050,745**	$ 2,963,341	$ 2,700,337	$ 2,695,093	$ 2,770,590
ENMAX debt	**1,578,086**	1,467,222	1,722,502	1,606,493	1,455,813
Closing balance	**$ 4,628,831**	$ 4,430,563	$ 4,422,839	$ 4,301,586	$ 4,226,403
Debt servicing as a per cent of operating expenditures (net of recoveries) (tax-supported)	**0.64%**	0.85%	1.00%	1.03%	1.40%
Percentage of debt limit as per City Policy CP2020-05 (Note 15 f.)	**36.34%**	40.15%	39.96%	41.03%	47.80%
Per capita, total City debt	**$ 2,970**	$ 1,986	$ 1,944	$ 2,006	$ 2,093

(1) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022.

Financial capacity unaudited

2021-2025 (in millions)

		2025		2024		2023		2022		2021
Cash and cash equivalents	**$**	**698**	$	769	$	1,106	$	1,311	$	1,149
Investments		**6,759**		6,409		5,760		5,207		4,805
Receivables and other current assets		**480**		481		467		486		403
Financial assets	**$**	**7,937**	$	7,659	$	7,333	$	7,004	$	6,357
Bank indebtedness and short-term borrowing	**$**	**(496)**	$	(511)	$	(348)	$	(348)	$	(355)
Accounts payable and accrued liabilities		**(1,117)**		(1,029)		(930)		(965)		(828)
Deferred revenue		**(148)**		(130)		(107)		(107)		(99)
Capital deposits		**(1,513)**		(1,214)		(1,188)		(1,186)		(1,203)
Employee benefit obligations		**(533)**		(512)		(498)		(511)		(516)
Financial liabilities	**$**	**(3,807)**	$	(3,396)	$	(3,071)	$	(3,117)	$	(3,001)
Reserves	**$**	**(3,883)**	$	(3,898)	$	(4,003)	$	(3,636)	$	(3,281)
Financial capacity	**$**	**247**	$	365	$	259	$	251	$	75
Add: Remaining capacity on Short-Term Borrowing Bylaw[1]	**$**	**600**	$	600	$	600	$	600	$	600
Available financial capacity	**$**	**847**	$	965	$	859	$	851	$	675

(1) The City has a $400 million limit on commercial paper and a $60 million limit on its line of credit, leaving $340 million unutilized under the Short-Term Borrowing Bylaw.

Short-term liquidity unaudited

2021-2025 (in millions)

		2025		2024		2023		2022		2021
Cash										
Cash and cash equivalents	**$**	**698**	$	769	$	1,106	$	1,311	$	1,149
Less: Cheques issued in excess of deposits and operating facility		**(80)**		(101)		(49)		(48)		(48)
	$	**618**	$	668	$	1,057	$	1,263	$	1,101
Assets readily available for sale(1)(2)										
Within five business days(3)	**$**	**3,641**	$	4,158	$	3,792	$	3,208	$	3,336
In more than five business days, but less than one month(4)		**1,076**		428		347		308		352
	$	**4,717**	$	4,586	$	4,139	$	3,516	$	3,688
Liquid borrowing										
Capacity of short-term borrowing bylaw	**$**	**600**	$	600	$	600	$	600	$	600
Less: Commercial paper issued ($400 million limit)(5)		**(400)**		(400)		(300)		(300)		(300)
Less: Line of credit utilized ($60 million limit)		**–**		–		–		–		–
	$	**200**	$	200	$	300	$	300	$	300
Total	**$**	**5,535**	$	5,454	$	5,496	$	5,079	$	5,089

(1) The liquidity schedule has been updated to reflect changes in The City's investment structure, including a transition from separately managed accounts with directly-owned securities to pooled investment funds. The revised presentation classifies liquidity based on expected time to access cash, rather than by underlying asset type, to better align with current portfolio structure and liquidity management practices.

(2) Investment presented at fair value that can be sold or redeemed with minimal impact to their current fair value and settled in less than one month.

(3) This includes investments that trade in liquid public markets and can be converted to cash within five business days under normal market conditions, as well as pooled investments where liquidity is available within five business days through market settlement or fund redemption mechanisms.

(4) This includes investments held in pooled funds that may not trade daily in liquid public markets but provide access to cash through defined redemption and settlement timelines, which may exceed five business days but generally do not exceed 30 days. Liquidity is determined by fund-level redemption provisions rather than the underlying assets.

(5) In 2024, The City increased its limit on commercial paper issuance to $400 million.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Other financial and statistical schedules

Consolidated reserves unaudited

2021-2025 (in millions)

	2025	2024	2023	2022	2021[1]
Calgary Housing	**$ 66,063**	$ 57,805	$ 45,451	$ 38,306	$ 30,419
ENMAX Dividend Stabilization Reserve	**–**	–	–	18,000	18,000
Fiscal Stability Reserve	**1,093,256**	937,853	876,390	853,510	731,952
Other operating[2]	**61,201**	59,485	68,626	78,023	78,518
Total operating reserves	**$ 1,220,520**	$ 1,055,143	$ 990,467	$ 987,839	$ 858,889
Community Investment Reserve	**$ 139,701**	$ 156,814	$ 147,820	$ 130,265	$ 107,497
Debt Servicing Reserve	**–**	–	52,570	52,570	52,570
Established Area Investment Fund	**23,144**	32,391	36,007	44,899	51,200
Green Line Fund	**269,680**	182,753	172,799	183,539	152,310
Legacy Parks Reserve	**81,658**	64,555	61,625	34,039	19,695
Major Capital Project Reserve	**352,993**	430,281	412,687	282,189	380,991
Calgary Police Service Capital Reserve	**19,541**	25,218	30,194	37,985	41,195
Reserve for Future Capital and Lifecycle Maintenance and Upgrade Reserve (RFC/LMUR) Merged	**829,486**	962,386	977,167	792,182	633,449
Other capital[2]	**89,170**	82,514	82,563	80,484	85,376
Total capital reserves	**$ 1,805,373**	$ 1,936,912	$ 1,973,432	$ 1,638,152	$ 1,524,283
Calgary Parking Capital Reserve Fund	**$ 162,539**	$ 158,416	$ 169,955	$ 159,374	$ 159,374
Cash-in-Lieu Lifecycle Sustainment	**–**	–	37,376	36,220	37,435
Corporate Housing Reserve[3]	**77,517**	64,655	42,076	43,054	43,442
General Hospital Legacy Reserve	**17,702**	17,660	17,733	17,184	18,298
Planning and Development Services Sustainment	**77,660**	96,913	105,144	103,545	97,120
Opportunity Calgary Investment Fund	**67,885**	60,619	71,247	82,179	91,102
Perpetual Care of the Municipal Cemeteries Reserve	**26,726**	26,860	27,205	28,030	24,901
Land Servicing Reserve[3]	**138,434**	164,649	215,072	218,798	131,027
Utility Sustainment Reserve	**165,667**	215,183	245,719	202,589	164,201
Waste and Recycling Sustainment Reserve	**43,409**	31,675	53,340	69,148	83,565
Other sustainment	**79,851**	69,749	54,237	49,673	47,419
Total sustainment reserves	**$ 857,390**	$ 906,379	$ 1,039,104	$ 1,009,794	$ 897,884
Total reserves	**$ 3,883,283**	$ 3,898,434	$ 4,003,003	$ 3,635,785	$ 3,281,056

(1) In 2021, the Fiscal Stability Reserve and the Budget Savings Account merged. In addition, the RFC/LMUR merged with the Green Line Fund portion of the LMUR being segregated. General Hospital Legacy Reserve was segregated from Land Servicing Reserve and made its own reserve.

(2) In 2025, the Parking Revenues Reinvestment Reserve was reclassified from capital reserves to operating reserves in the consolidated financial statements. Balances in years prior to 2025 have been reclassified to conform to current year presentation.

(3) Certain prior year balances were reclassified from the Land Servicing Reserve to the Corporate Housing Reserve.

Green Line financial position unaudited

2021-2025 (in millions)

		2025		2024		2023		2022		2021
Financial assets	**$**	**4,579**	$	139	$	59	$	–	$	–
Financial liabilities		**180,389**		90,910		35,582		19,211		10,282
Net financial assets	**$**	**(175,810)**	$	(90,771)	$	(35,523)	$	(19,211)	$	(10,282)
Non-financial assets		**1,535,202**		1,274,239		961,228		726,134		633,226
Net assets	**$**	**1,359,392**	$	1,183,468	$	925,705	$	706,923	$	622,944

Green Line reserve unaudited

2021-2025 (in millions)

		2025		2024		2023		2022		2021
Green Line Fund	**$**	**269,680**	$	182,753	$	172,799	$	183,539	$	152,310

Green Line acquisition of tangible capital assets unaudited

2021-2025 (in millions)

		2025		2024		2023		2022		2021
Capital additions	**$**	**260,963**	$	313,011	$	235,094	$	92,908	$	77,757
Capital balance	**$**	**1,102,744**	$	841,781	$	528,770	$	293,676	$	200,768

Green Line budget unaudited

2021-2025 (in millions)

		2025		2024		2023		2022		2021
Total budget	**$**	**6,248,000**	$	6,248,000	$	5,543,000	$	5,543,000	$	5,543,000
Total cost to date		**1,664,463**		1,377,462		1,058,244		808,871		707,541
Remaining budget	**$**	**4,583,537**	$	4,870,538	$	4,484,756	$	4,734,129	$	4,835,459

Taxation and assessments unaudited

2021-2025 (in thousands unless otherwise stated)

	2025	2024	2023	2022	2021
Tax rates					
Residential					
Municipal and library (Mills)	**3.87**	4.20	4.33	4.70	4.83
Provincial property (Mills)	**2.31**	2.28	2.24	2.46	2.58
Non-residential					
Municipal and library (Mills)	**17.97**	18.36	18.43	17.88	16.51
Provincial property (Mills)	**3.86**	3.63	3.64	4.05	4.10
Assessed values					
Residential	**$ 342,101,647**	$ 290,656,794	$ 258,699,495	$ 225,913,559	$ 208,942,946
Percentage of total	**84.62%**	82.97%	82.00%	80.43%	78.60%
Commercial (industrial and farm)	**$ 62,160,606**	$ 59,674,630	$ 56,883,120	$ 54,962,713	$ 57,012,414
Percentage of total	**15.38%**	17.03%	18.02%	19.60%	21.44%
Total assessment	**$ 404,262,253**	$ 350,331,424	$ 315,582,615	$ 280,876,272	$ 265,955,360
Tax levies					
Municipal property taxes					
Residential	**$ 1,321,495**	$ 1,224,830	$ 1,119,868	$ 1,054,942	$ 996,465
Non-residential	**1,108,442**	1,092,484	1,043,015	976,462	925,535
Community Revitalization Levy	**42,547**	41,409	39,790	36,034	38,100
Business improvement area relief	**–**	–	–	(64)	(4,295)
Revenue in lieu of taxes	**227,299**	256,731	396,343	331,283	243,973
Local improvement levies and special levies	**11,448**	12,423	8,588	7,699	9,235
	$ 2,711,231	$ 2,627,877	$ 2,607,604	$ 2,406,356	$ 2,209,013
Provincial property taxes					
Residential	**$ 789,292**	$ 656,501	$ 576,031	$ 547,974	$ 535,364
Non-residential	**235,740**	217,052	206,168	225,265	228,149
Revenue in lieu of taxes	**11,086**	9,795	7,193	7,689	7,598
	$ 1,036,118	$ 883,348	$ 789,392	$ 780,928	$ 771,111
Total taxes levied	**$ 3,747,349**	$ 3,511,225	$ 3,396,996	$ 3,187,284	$ 2,980,124
Percentage of total levies					
Property tax					
Residential property	**56.33%**	53.58%	49.93%	50.29%	51.40%
Non-residential property	**35.87%**	37.30%	36.77%	37.70%	38.71%
Local improvement levies	**0.30%**	0.35%	0.25%	0.24%	0.31%
Community Revitalization Levy	**1.14%**	1.18%	1.17%	1.13%	1.28%
Business improvement area relief	**0.00%**	0.00%	0.00%	0.00%	(0.14)%
Revenue in lieu of taxes	**6.36%**	7.59%	11.88%	10.64%	8.44%

Taxation and assessments unaudited

2021-2025 (in thousands unless otherwise stated)

	2025	2024	2023	2022	2021
Property tax – continuity					
Taxes receivable (January 1)	**$ 74,192**	$ 67,281	$ 66,856	$ 74,655	$ 72,131
Current levies – Property taxes	**3,526,571**	3,253,386	3,002,173	2,856,684	2,745,711
Non-tax items for collection	**1,518**	749	1,239	760	822
Penalties	**14,614**	16,969	15,770	14,506	8,081
Cancellation of tax arrears	**(2,956)**	(523)	(662)	(4,726)	(1,671)
Write-off of taxes	**(455)**	(29)	(320)	(384)	(510)
Total to be collected	**$ 3,613,484**	$ 3,337,833	$ 3,085,056	$ 2,941,495	$ 2,824,564
Collections during the year					
Current levies	**(3,469,838)**	(3,207,445)	(2,959,463)	(2,812,396)	(2,690,158)
Arrears	**(61,246)**	(56,196)	(58,312)	(62,243)	(59,751)
Subtotal	**$ 82,400**	$ 74,192	$ 67,281	$ 66,856	$ 74,655
Allowance for doubtful accounts	**–**	–	–	(2,621)	(2,621)
Taxes receivable (December 31)	**$ 82,400**	$ 74,192	$ 67,281	$ 64,235	$ 72,034
Percentage of current taxes collected	**96.02%**	96.09%	95.93%	95.61%	95.24%
Taxes outstanding as a percentage of the current year levy	**2.34%**	2.28%	2.24%	2.34%	2.72%
Other major tax levies					
Revenue in lieu of taxes					
Municipal consent and access fee	**$ 147,692**	$ 182,175	$ 308,499	$ 225,804	$ 165,339
Franchise fees	**64,246**	58,865	72,742	91,229	65,394
Other franchise fees	**14,848**	13,730	11,168	11,380	10,691
Governments					
Provincial	**7,999**	8,382	7,541	7,105	6,858
Federal	**3,600**	3,374	3,585	3,454	3,289
	$ 238,385	$ 266,526	$ 403,535	$ 338,972	$ 251,571
Net taxes available for municipal purposes					
Property taxes	**$ 3,454,969**	$ 3,190,867	$ 2,945,083	$ 2,804,643	$ 2,685,513
Community Revitalization Levy	**42,547**	41,409	39,790	36,034	38,100
Business improvement area relief	**–**	–	–	(64)	(4,295)
Revenue in lieu of taxes	**238,385**	266,526	403,535	338,972	251,571
Local improvement levies and special taxes	**11,448**	12,423	8,588	7,699	9,235
	$ 3,747,349	$ 3,511,225	$ 3,396,996	$ 3,187,284	$ 2,980,124
Less: Provincial property taxes					
Current year levy	**$ (1,035,896)**	$ (881,550)	$ (785,920)	$ (781,729)	$ (767,498)
Prior year adjustment (levy)	**(222)**	(1,798)	(3,472)	801	(3,613)
Net taxes available for municipal use	**$ 2,711,231**	$ 2,627,877	$ 2,607,604	$ 2,406,356	$ 2,209,013

Demographic and other information unaudited

2021-2025

	2025	2024	2023	2022	2021
Population(1)	**1,558,700**	1,509,800	1,422,200	1,347,800	1,321,600
Change due to natural increase	**8,400**	7,500	7,700	7,200	8,400
Change due to net migration	**40,500**	80,200	66,600	19,100	6,100
Housing activity					
Annual applications for residential units					
Total residential(2)	**25,116**	21,298	17,751	15,733	16,426
Change	**17.93%**	19.98%	12.83%	(4.22)%	8.39%
Single family housing permits issued	**4,584**	5,343	4,552	4,133	4,140
Change	**(14.21)%**	17.38%	10.14%	(0.17)%	52.43%
MLS average selling price ($)(3)	**$ 625,859**	$ 606,052	$ 536,805	$ 516,878	$ 490,027
New housing price inflation(4)	**(2.70)%**	0.10%	(0.90)%	7.70%	8.00%
Building permits, applied for					
Number of applications	**23,291**	25,081	20,594	18,566	21,113
Change	**(7.14)%**	21.79%	10.92%	(12.06)%	20.81%
Value, in thousands	**$ 7,713,876**	$ 9,333,956	$ 5,978,800	$ 5,740,316	$ 5,687,998
Change	**(17.36)%**	56.12%	4.15%	0.92%	65.37%
Inflation, CPI annual increases(5)					
Calgary	**2.04%**	3.37%	3.80%	7.20%	3.18%
Alberta	**1.95%**	2.93%	3.30%	6.40%	3.18%
Canada	**2.05%**	2.42%	3.90%	6.80%	3.36%
Unemployment rate(6)					
Calgary	**7.40%**	7.40%	6.00%	6.10%	9.10%
Alberta	**7.20%**	7.00%	5.90%	5.80%	8.70%
Canada	**6.80%**	6.40%	5.40%	5.30%	7.50%

Top ten industries in Calgary (by the number of residents employed)(7)

1. Professional, scientific and technical services
2. Wholesale and retail trade
3. Health care and social assistance
4. Construction
5. Finance, insurance, real estate, rental and leasing
6. Transportation and warehousing
7. Educational services
8. Accommodation and food services
9. Manufacturing
10. Forestry, fishing, mining, quarrying, oil and gas

(1) The population figures are estimates from Spring Calgary and Region Economic Outlook (Spring 2026) using alternative demographic data from Statistics Canada and the Alberta Government.

(2) The methodology for annual applications for residential units was updated in 2025 to a unit-based approach that includes secondary suites; results are not directly comparable to prior year figures.

(3) Calgary Real Estate Board

(4) Statistics Canada. New Housing Price Index: Interactive Dashboard

(5) Statistics Canada. Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted

(6) Statistics Canada. Table 14-10-0464-01 Labour force characteristics by province, territory and economic region, annual

(7) Statistics Canada. Table 14-10-0466-02 Employment by industry and economic region, annual.

Demographic and other information unaudited

2021-2025

	2025	2024	2023	2022	2021 (Restated)[1]
Revenue sources – City general[2]	**$ 4,009,360**	$ 3,626,538	$ 3,352,290	$ 3,143,764	$ 2,710,848
As a % of revenue					
Taxes and revenue in lieu of taxes	**60.33%**	63.63%	64.23%	64.37%	70.62%
General	**33.77%**	30.66%	30.14%	28.53%	27.21%
Government transfers	**3.33%**	3.09%	3.19%	5.13%	0.03%
Dividends from ENMAX	**2.57%**	2.62%	2.44%	1.97%	2.14%
Interest charges – City general					
As a % of operating expenses					
Before subsidy	**3.23%**	3.30%	4.03%	3.20%	3.37%
After subsidy	**3.23%**	3.30%	4.03%	3.20%	3.37%
Interest charges – consolidated					
Before subsidy (000s)	**$ 117,557**	$ 125,854	$ 116,885	$ 103,575	$ 100,542
Share of operating expenses	**2.93%**	3.39%	3.00%	3.20%	3.10%
After subsidy (000s)	**$ 117,557**	$ 125,854	$ 116,885	$ 103,575	$ 100,528
Share of operating expenses (net of subsidy)	**2.93%**	3.39%	3.00%	3.20%	3.10%
Debt service limit (principal + interest)					
Total debt service limit (000s)	**$ 1,499,192**	$ 1,366,161	$ 1,346,977	$ 1,302,441	$ 1,151,307
Total debt service (000s)	**762,031**	738,974	617,440	625,510	650,614
Percentage used	**50.83%**	54.09%	45.80%	48.00%	56.50%
Debt limit					
Total debt limit (000s)	**$ 8,566,813**	$ 7,806,635	$ 7,697,013	$ 7,442,520	$ 6,578,898
Total debt (000s)	**3,113,313**	3,134,275	3,075,366	3,053,548	3,141,306
Percentage used	**36.34%**	40.15%	40.00%	41.00%	47.80%
Municipal full-time equivalents (excluding ENMAX)					
Total full-time equivalents – City	**18,620**	17,645	17,256	16,373	15,894
Total full-time equivalents – Related Authorities	**1,103**	1,079	1,071	1,191	1,197
Full-time equivalents per 1,000 population – City	**11.95**	11.83	12.42	12.19	12.01
Full-time equivalents per 1,000 population – Related Authorities	**0.71**	0.72	0.77	0.89	0.90
Area, square kilometres	**852**	852	852	848	848
Km of roads (lane km)	**22,488**	22,161	21,952	21,732	21,440
Km of roads (centreline km)	**8,766**	8,639	8,555	8,475	8,371
Transit passenger trips, annual (000s)	**93,077**	101,150	89,966	56,910	41,175
Km of wastewater mains	**5,502**	5,346	5,208	5,160	5,107
Km of water mains	**5,590**	5,485	5,359	5,360	5,338
Km of storm drainage mains	**4,995**	4,862	4,753	5,493	5,465

(1) Figures for 2021 have been restated for the correction of certain tangible capital asset related adjustments identified in 2022.

(2) Figures are in thousands and before consolidation eliminations.

(3) In 2025, the methodology for transit passenger trips was updated to reflect improvements to CTrain data with the onboard Automatic Passenger Counter system providing better data. Years prior to 2025 have not been restated.