

Financial Statements

CITY OF CHESTERMERE

Year ended December 31, 2025

CITY OF CHESTERMERE

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the City of Chestermere is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the City's financial position as at December 31, 2025 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

City Council meets annually with management and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The City Council is also responsible for the engagement or re-appointment of the external auditors. The City Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Gregory, Harriman & Associates LLP, Chartered Professional Accountants, independent external auditors appointed by the City. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination, and their opinion on the City's consolidated financial statements.



Shannon Dean, Mayor

April 28, 2026



GREGORY
HARRIMAN
& ASSOCIATES LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council:

Opinion

We have audited the consolidated financial statements of City of Chestermere (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2025, and the results of its operations, changes in its net financial assets (debt) and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the City of Chestermere as at December 31, 2025, the results of its operations, change in its net financial assets (debt) and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibility 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 generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality'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 Municipality 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.



Strathmore, Alberta
April 29, 2026

Gregory, Harriman & Associates LLP
Chartered Professional Accountants

CITY OF CHESTERMERE

Statement of Financial Position

December 31, 2025, with comparative figures for 2024

	2025	2024
Financial Assets		
Cash (note 2)	10,839,154	11,830,899
Taxes and grants in place of taxes receivables (note 3)	3,108,232	2,000,138
Trade accounts receivable (note 4)	18,346,326	16,073,302
Property tax under-levy	61,462	18,828
Goods and Services Tax receivable	174,113	275,246
Land held for resale (note 17)	-	9,737,143
Agreements receivable (note 5 and 26)	1,197,879	1,336,795
Investments (note 6)	72,848,658	79,778,963
Investments in government business enterprise (notes 7 and 25)	64,612,347	61,727,715
	171,188,171	182,779,029
Liabilities		
Accounts payable and accrued liabilities (note 8)	7,352,102	11,194,778
Due to 1538974 Alberta Ltd. (notes 9 and 26)	51,066,464	40,507,268
Deposit liabilities	6,687,231	5,839,142
Deferred revenue (note 10)	41,098,905	38,831,557
Obligations under capital leases	36,949	73,702
Long-term debt (note 11)	1,376,458	1,626,568
	107,618,109	98,073,015
Net financial assets	63,570,062	84,706,014
Non-Financial Assets		
Tangible capital assets (Schedule 2)	163,246,566	131,090,835
Prepaid development credits (note 13)	18,858,794	16,701,090
Land held for resale - LT (note 17)	9,737,143	-
Inventory held for use	96,266	96,266
Prepaid expenses	184,187	340,938
Other assets	10,412	509,805
	192,133,368	148,738,934
Commitments (note 23)		
Contingencies (note 24)		
Accumulated surplus (note 15) (Schedule 1)	255,703,430	233,444,948



Shannon Dean, Mayor



Kent Edney, Chief Administrative Officer

See accompanying notes to financial statements.

CITY OF CHESTERMERE

Statement of Operations and Accumulated Surplus

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

	Budget (Unaudited)	2025	2024
Revenue:			
Net municipal property taxes (note 18)	26,830,247	26,665,012	21,609,833
Sale of goods and user charges (note 26)	9,976,850	9,831,926	9,623,046
Penalties and costs on taxes	320,000	556,188	381,741
Licenses and permits	3,660,650	6,012,687	5,753,733
Investment income	1,514,000	2,824,937	3,090,212
Government transfers for operating (note 19)	1,674,553	1,690,607	1,644,832
	43,976,300	47,581,357	42,103,397
Expenses (note 20) (Schedule 3):			
Legislative	640,868	599,963	400,034
Administration	10,039,851	10,361,205	9,223,688
Protective services	15,431,796	15,201,111	14,060,221
Roads, streets, walks and lighting	10,490,090	10,150,541	9,550,183
Environmental services	1,568,022	1,525,500	1,491,867
Family and community support	2,011,322	1,814,997	1,799,103
Planning and development	6,556,101	5,140,522	5,093,327
Parks and recreation	3,680,157	4,375,608	3,517,671
Culture	1,136,592	1,163,054	1,301,072
Loss (gain) on disposal of tangible capital assets	-	(6,201)	(3,199)
	51,554,799	50,326,300	46,433,967
Operating annual surplus (deficit)	(7,578,499)	(2,744,943)	(4,330,570)
Other:			
Government transfers for capital (note 19)	9,132,335	7,050,240	8,875,800
Developer levies	14,741,694	4,136,950	8,079,285
Contributed tangible capital assets	-	10,931,603	11,580,746
Subsidiary operations (note 25)	-	2,894,852	1,071,405
Annual surplus (deficit)	16,295,530	22,268,702	25,276,666
Accumulated surplus, beginning of year (note 15)	233,444,948	233,444,948	207,985,153
Other comprehensive income (loss) - subsidiary operations (note 25)	-	(10,220)	183,129
Accumulated surplus, end of year (note 15)	249,740,478	255,703,430	233,444,948

See accompanying notes to the financial statements.

CITY OF CHESTERMERE

Statement of Remeasurement Gains and Losses

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

	2025	2024
Accumulated remeasurement gains (losses) at the beginning of the year	(579,013)	(762,142)
Other comprehensive income of:		
Government business enterprise (note 25)	(10,220)	183,129
Accumulated remeasurement gains (losses) at end of year	(589,233)	(579,013)

See accompanying notes to the financial statements.

CITY OF CHESTERMERE

Statement of Changes in Net Financial Assets

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

	Budget (Unaudited)	2025	2024
Annual surplus (deficit)	16,295,530	22,258,482	25,459,794
Acquisition of tangible capital assets	(23,874,029)	(29,857,304)	(15,972,387)
Contributed tangible capital assets	-	(10,931,603)	(11,580,746)
Amortization of tangible capital assets	8,625,596	8,599,252	7,755,641
Proceeds on disposal of tangible capital assets	-	40,126	209,067
Gain on disposal of tangible capital assets	-	(6,201)	(3,199)
Impairment of capitalized project costs	-	-	-
	(15,248,433)	(32,155,730)	(19,591,624)
(Increase) decrease in prepaid development credits	-	(2,157,704)	(4,174,397)
(Increase) decrease in land held for resale - LT	-	(9,737,143)	-
(Increase) decrease in inventory held in use	-	-	(3,149)
(Increase) decrease in prepaid expenses	-	156,751	(60,016)
(Increase) decrease in other assets	-	499,392	(144,205)
	-	(11,238,704)	(4,381,767)
Increase (decrease) in net financial assets	1,047,097	(21,135,952)	1,486,403
Net financial assets, beginning of year	84,706,014	84,706,014	83,219,611
Net financial assets, end of year	85,753,111	63,570,062	84,706,014

See accompanying notes to the financial statements.

CITY OF CHESTERMERE

Statement of Cash Flows

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

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	22,268,702	25,276,665
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets (Schedule 1 and 2)	8,599,252	7,755,641
(Gain) loss on disposal of tangible capital assets	(6,201)	(3,199)
Contributed tangible capital assets (Schedule 1)	(10,931,603)	(11,580,746)
(Increase) decrease in government business enterprise	(2,894,852)	(1,071,405)
Changes in non-cash working capital:		
(Increase) decrease in taxes and grants in place of taxes receivables	(1,108,094)	(448,102)
(Increase) decrease in trade accounts receivables	(2,273,024)	(3,845,932)
(Increase) decrease in property tax under-levy	(42,634)	38,071
(Increase) decrease in goods and services tax receivable	101,133	(173,393)
(Increase) decrease in prepaid development credits	(2,157,704)	(4,174,397)
(Increase) decrease in inventory for consumption	-	(3,149)
(Increase) decrease in prepaid expenses	156,751	(60,016)
(Increase) decrease in other assets	499,392	(144,205)
Increase (decrease) in accounts payable and accrued liabilities	(3,842,676)	4,058,466
Increase (decrease) in deposit liabilities	848,089	1,729,927
Increase (decrease) in deferred revenue	2,267,348	246,064
	11,483,879	17,600,290
Capital activities:		
Acquisition of tangible capital assets	(29,857,304)	(15,972,387)
Proceeds on disposition of tangible capital assets	40,126	209,067
	(29,817,178)	(15,763,320)
Investing activities:		
Purchase of investments (note 6)	(33,379,274)	(37,196,024)
Disposal of investments (note 6)	40,309,579	27,772,463
	6,930,305	(9,423,561)
Financing activities:		
Increase (decrease) in due to 1538974 Alberta Ltd.	10,559,196	15,080,323
Decrease (increase) in agreements receivable	138,916	134,504
Long term debt and capital leases: new debt and repayments	(286,863)	(785,436)
	10,411,249	14,429,391
Increase (decrease) in cash during the year	(991,745)	6,842,800
Cash, beginning of year	11,830,899	4,988,099
Cash, end of year	10,839,154	11,830,899

See accompanying notes to the financial statements.

CITY OF CHESTERMERE

Notes to Financial Statements

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

1. Significant accounting policies:

The City of Chestermere (the "City") is a municipality in the Province of Alberta. The financial statements are the representations of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada. Significant accounting policies adopted by the City are as follows:

(a) Reporting entity:

The financial statements reflect the assets, liabilities, revenue and expenditures, changes in net financial assets and change in financial position of the City.

1538974 Alberta Ltd., a subsidiary corporation controlled by the City of Chestermere, is accounted for on a modified equity basis, consistent with the public sector accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise is not consolidated, its accounting policies are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual other comprehensive income (loss) due to fair value adjustments on the statement of operations and accumulated surplus with corresponding increase (decrease) in the investment account (note 25).

Taxes levied (note 18) include operating requisitions for educational and other external organizations that are not controlled by the City Council.

The financial statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting:

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

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

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

CITY OF CHESTERMERE

Notes to Financial Statements

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

1. Significant accounting policies (continued):

(c) Use of estimates:

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates. The useful lives and related amortization of tangible capital assets represent an area where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

(d) Valuation of Financial Assets and Liabilities

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Investments	Fair value and amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Loans receivable and debt charges recoverable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost

(e) Investments:

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations. Investments in interest-bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

The City's bond investments, which are measured at amortized cost, use Level 1 inputs when fair value is disclosed.

CITY OF CHESTERMERE

Notes to Financial Statements

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

1. Significant accounting policies (continued):

(f) Requisition over-levy and under-levy:

Over-levies and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. In situations where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and reflected as property tax revenue. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(g) Land held for resale:

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

(h) Tax revenue:

Tax revenue is recognized when the tax has been authorized by the bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal property tax revenue.

(i) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the City is directly responsible or accepts responsibility;
- the City expects future economic benefits will be expended; and
- a reasonable estimate of the liability amount can be made.

(j) Government transfers:

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

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

CITY OF CHESTERMERE

Notes to Financial Statements

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

1. Significant accounting policies (continued):

(k) Equity in investments:

Equity in investments includes the City's net investment in a subsidiary corporation, 1538974 Alberta Ltd. The amount consists of the original investment in common shares, plus the proportionate share of cumulative earnings of the subsidiary determined using the modified equity method in accordance with the City's accounting policies (note 1(a)).

(l) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	15-45
Buildings	25-50
Engineered structures – Roadway system	5-60
Machinery and equipment	5-40
Vehicles	10-25

There is an amortization charge in the year of acquisition and no amortization charge in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

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

(iii) Leases:

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

(iv) Inventories:

Inventories held for consumption are recorded at the lower of cost and replacement cost.

CITY OF CHESTERMERE

Notes to Financial Statements

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

1. Significant accounting policies (continued):

(m) Asset Retirement

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the City to incur retirement costs, 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 year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. 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. The City recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(n) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the City has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

CITY OF CHESTERMERE

Notes to Financial Statements

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

1. Significant accounting policies (continued):

(o) Deferred Revenues:

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using an average investment earnings monthly.

(p) Long-term debt:

Long-term debt is initially recognized net of any premiums, discounts, fees and transaction costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

CITY OF CHESTERMERE

Notes to Financial Statements

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

2. Cash:

	2025	2024
Cash	10,838,904	11,830,649
Petty cash	250	250
	10,839,154	11,830,899

3. Taxes and grants in place of taxes receivable:

	2025	2024
Current taxes and grants in place of taxes	2,329,853	1,434,746
Taxes in arrears	676,591	449,264
Local improvement levies	101,788	116,128
	3,108,232	2,000,138

4. Trade accounts receivable:

	2025	2024
Accounts receivable	2,031,733	1,480,831
Grants receivable	704,358	-
Mortgages receivable	77,156	77,156
	2,813,247	1,557,987
Developer levies receivable	15,533,079	14,515,315
	18,346,326	16,073,302

Mortgages receivable are amounts outstanding from City residents that have agreed to purchase property adjacent to their existing lot surrounding Chestermere Lake which was purchased by the City from Western Irrigation District. These mortgages receivable have a maturity date no later than 2035 and are non-interest bearing and unsecured.

CITY OF CHESTERMERE

Notes to Financial Statements

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

5. Agreements receivable:

	2025	2024
Alberta Capital Finance Authority (“ACFA”) – Great Plains Debenture (note 11)	1,197,879	1,336,795
	1,197,879	1,336,795
Less: current portion	(143,472)	(138,916)
	1,054,407	1,197,879

Principal and interest repayments on the ACFA Great Plains Debenture are due as follows:

	Principal	Interest	Total
2026	143,472	37,809	181,281
2027	148,176	33,105	181,281
2028	153,036	28,245	181,281
2029	158,055	23,226	181,281
2030	163,238	18,043	181,281
Thereafter	431,902	21,302	453,204
	1,197,879	161,730	1,359,609

The 1538974 Alberta Ltd. promissory note receivable relates to the ACFA debenture that was assigned to 1538974 Alberta Ltd. on December 13, 2013. The ACFA debenture consists of a long-term financing arrangement between the City and ACFA for the construction of the Great Plains Sanitary Sewer Line. The term of this financing is over 20 years with payments to include principal and interest.

6. Investments:

	2025	2024
Long Term Investments	46,295,621	70,267,395
Short Term Investments	26,553,037	9,511,568
	72,848,658	79,778,963

The City of Chestermere holds funds that are restricted in their use and are to be utilized as funding for capital projects and to meet trust obligations. Since the projects have not been completed, for which the funding has been received, \$47,081,778 (2024 – \$44,670,700) of the investment funds are not available for general use by the City. The City of Chestermere’s bond investments are carried at amortized cost. The fair value of these investments, determined using Level 1 inputs (quoted prices in active markets for identical securities), is \$72,430,676 (2024 – \$77,459,131). Fair value is disclosed for information purposes only. At year-end, the unrealized gain on investments is \$95,895 (2024 – unrealized loss of \$2,071,879).

CITY OF CHESTERMERE

Notes to Financial Statements

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

7. Investment in government business enterprise:

	2025	2024
1538974 Alberta Ltd. - 100% ownership: Common voting shares (56,050,123 shares)	56,050,123	56,050,123
Cumulative share of earnings	8,562,224	5,677,592
	64,612,347	61,727,715

On November 1, 2021, the City's Council announced its intent to completely dissolve 1538974 Alberta Ltd. in compliance with the Municipal Government Act and Business Corporations Act. The dissolution, expected to result in the operations of the Utility company being amalgamated in the City's operations, has not yet been completed. The current Council is reviewing this motion to dissolve 1538974 Alberta Ltd.

8. Accounts payable and accrued liabilities:

	2025	2024
Accrued liabilities	3,419,432	3,596,710
Trade accounts payable	2,634,152	6,331,916
Accrued vacation, sick leave, and short-term disability benefit payable	1,295,679	1,261,645
Accrued interest payable	2,839	4,507
	7,352,102	11,194,778

Sick leave and short-term disability benefits payable represent the estimated liability based on the City's recent years' experience. Accrued vacation liability represents the vacation that employees have earned and are entitled to within the next year.

9. Due to 1538974 Alberta Ltd.:

	2025	2024
Due to 1538974 Alberta Ltd.	212,541	350,350
Due to 1538974 Alberta Ltd. - developer levies	50,853,923	40,156,918
	51,066,464	40,507,268

Amounts due to 1538974 Alberta Ltd. are unsecured, non-interest bearing and repayable on demand. The amounts due to 1538974 AB Ltd. – developer levies balances for funds received accrue interest at rate consistent with ATB high interest savings accounts.

CITY OF CHESTERMERE

Notes to Financial Statements

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

10. Deferred revenue:

	2025	Received / receivable	Recognized	2024
Municipal Sustainability Initiative – capital	7,292,941	2,616,242	(5,038,235)	9,714,934
Local Government Fiscal Framework – capital	-	704,358	(704,358)	-
Developer Levies	29,126,117	8,713,968	(4,154,555)	24,566,704
Deferred operating grants	388,097	1,899,684	(1,933,473)	421,886
Canada Community Building Fund	4,274,036	1,474,442	(1,307,647)	4,107,241
Other deferred revenue	17,714	120,540	(123,618)	20,792
	41,098,905	15,529,234	(13,261,886)	38,831,557

(a) Municipal Sustainability Initiative (“MSI”) and Local Government Fiscal Framework (“LGFF”):

The MSI is a funding program aimed at providing financial support for critical core and community infrastructure projects and includes incentives to encourage collaboration and cooperation between neighboring municipalities. This population-based funding program includes operating, capital and affordable housing components. The balance represents funds brought forward from 2024 of \$9,714,934 (2023 – \$12,015,767), plus grant funds received in the current year of \$2,966,581 (2024 – \$2,262,222), plus accrued interest of \$354,019 (2024 – \$281,304), less \$5,742,593 (2024 – \$4,844,359) recognized as revenue in 2025.

(b) Canada Community Building Fund:

The federal Canada Community Building Fund (CCBF) provides predictable, long-term, stable funding for Canadian Municipalities to help build and revitalize public infrastructure while creating jobs and long-term prosperity. The balance represents funds brought forward from 2024 of \$4,107,241 (2023 – \$6,524,419), plus grant funds received in the current year of \$1,297,857 (2024 – \$0) plus accrued interest of \$176,585 (2024 – \$155,691), less \$1,307,648 recognized as revenue in 2025 (2024 – \$2,572,869).

All of the unexpended funds held in deferred revenue are supported by investments as outlined in note 6.

CITY OF CHESTERMERE

Notes to Financial Statements

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

11. Long-term debt:

	2025	2024
Debenture – Public works building and addition (a)	155,327	201,466
Debenture – CRCA operating (a)	23,252	68,080
Debenture – Weed Harvesters (a)	-	20,227
Tax supported debentures	178,579	289,773
Self-supported debentures – operating (a)	1,197,879	1,336,795
	1,376,458	1,626,568
Less: current portion	(215,573)	(250,110)
	1,160,885	1,376,458

Principal and interest are due as follows:

	Principal	Interest	Total
2026	215,573	47,512	263,085
2027	199,896	39,360	239,256
2028	207,794	31,462	239,256
2029	158,055	23,226	181,281
2030	163,238	18,043	181,281
Thereafter	431,902	21,301	453,203
	1,376,458	180,904	1,557,362

- a) Debenture debts, including self-supported debentures, are repayable to Alberta Capital Finance Authority and bear interest at rates ranging from 3.25% to 5.88% per annum, before provincial subsidy, and mature from 2026 to 2033. The weighted average interest rate is 3.58% (2024 – 3.69%). Debenture debt is issued on the credit and security of the City of Chestermere at large.

CITY OF CHESTERMERE

Notes to Financial Statements

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

12. Debt limit:

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the City of Chestermere be disclosed as follows:

	2025	2024
Total debt limit	77,577,461	75,274,023
Total long-term debt	(1,413,407)	(1,700,270)
Unused total debt limit capacity	76,164,054	73,573,753
Debt service limit	12,929,577	12,545,671
Debt servicing	(300,140)	(345,477)
Unused service on debt limit capacity	12,629,437	12,200,194

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. The calculation taken alone does not represent the financial stability of the City. Rather, the financial statements must be interpreted as a whole. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired.

Section 3 c. of the Capital Financing and Debt Management Council Policy #448 further restricts the debt level to 75% of the maximum level established by the Provincial regulation. The internally restricted total debt limit for 2025 is \$58,183,096 (2024 – \$56,455,517). The unused internally restricted total debt limit capacity for 2025 is \$56,769,689 (2024 – \$54,755,247).

13. Prepaid development credits:

		2025	2024
Rainbow Road Sanitary Trunk Phase 2	Sanitary	11,788,614	11,087,842
Rainbow Road Reservoir Tie-In*	Water	6,542,049	5,085,117
Chestermere Boulevard Design	Transportation	528,131	528,131
		18,858,794	16,701,090

(*) Part of the Sanitary Trunk Distribution West

CITY OF CHESTERMERE

Notes to Financial Statements

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

13. Prepaid development credits (continued):

Prepaid development credits are related to authorized offsite eligible capital projects being constructed and funded by the development community. Prepaid development credits are provided in lieu of offsite levy revenue and is tracked based on each eligible category, to ensure cross- subsidization does not occur. The timing of recording the activity is based on when an applicable development agreement is executed.

14. Equity in tangible capital assets:

	2025	2024
Tangible capital assets (Schedule 2)	277,251,724	236,929,539
Accumulated amortization (Schedule 2)	(114,005,158)	(105,838,704)
Long-term debt (note 11)	(1,376,458)	(1,626,568)
Operating portion of long-term debt (note 11)	1,221,131	1,404,875
Capital leases	(36,949)	(73,702)
	163,054,290	130,795,440

15. Accumulated surplus:

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

	2025	2024
Unrestricted surplus	4,905,774	5,421,234
Equity in business enterprise	64,612,347	61,727,715
Equity in land held for sale	9,737,143	9,737,143
Restricted surplus accounts:		
General Stabilization	4,694,101	14,160,557
Municipal New Capital Projects	25,056	3,635,163
Infrastructure Lifecycle, maintenance, and replacement	-	-
Special projects	5,316,659	4,716,658
Developer levy	3,358,060	3,251,038
	13,393,876	25,763,416
Equity in tangible capital assets (note 14)	163,054,290	130,795,440
	255,703,430	233,444,948

CITY OF CHESTERMERE

Notes to Financial Statements

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

16. Segmented disclosure:

The City of Chestermere provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of financial statements as disclosed in note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 3).

17. Land held for resale:

At December 31, 2025, the amount reflected in land held for resale relates to certain lands equaling approximately 97.4 acres. The City has entered into a Purchase and Sale agreement with an arm's length party effective as of January 11, 2022 (the "Agreement"). Under the terms of the Agreement, the purchaser is to acquire the subject lands, totaling 97.4 acres, by way of partial purchases over a period of up to five years. Consideration to be paid per acre is dependent on the date of closing for each partial purchase relative to the effective date of the Agreement. Dependent on the timing of completion of these partial purchases, total proceeds are expected to be a minimum of \$9.74 million. Any difference between these expected proceeds and actual final proceeds will be recognized as a gain or loss at that time.

Such partial purchases are subject to the satisfaction of various closing conditions as outlined within the Agreement. The City has received an initial deposit of \$500,000 in 2022 to be held in trust that is expected to be used as consideration paid for partial purchases completed. In the event the Agreement is terminated for any reason, other than default by the purchaser, the deposit and accrued interest will be refunded to the purchaser. Subsequent to year end, there have been no completed partial purchases of the subject lands under the Agreement.

In 2025, it was determined that the land won't be sold in foreseeable future, therefore the "Land held for sale" was reclassified from "Financial assets" to "Non-Financial assets" in the Statement of Financial Position.

CITY OF CHESTERMERE

Notes to Financial Statements

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

18. Taxes levied:

	Budget (Unaudited)	2025	2024
Taxation:			
Real property taxes	44,385,667	43,702,603	34,759,232
Linear property taxes	-	478,148	426,296
	44,385,667	44,180,751	35,185,528
Requisitions:			
Alberta School Foundation Fund	17,555,420	17,515,739	13,575,695
Net municipal taxes	26,830,247	26,665,012	21,609,833

19. Government transfers:

	Budget (Unaudited)	2025	2024
Transfers for operating:			
Provincial government	1,674,553	1,690,607	1,644,832
	1,674,553	1,690,607	1,644,832
Transfers for capital:			
Provincial government	9,132,335	7,050,240	8,875,800
Total government transfers	10,806,888	8,740,847	10,520,632

CITY OF CHESTERMERE

Notes to Financial Statements

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

20. Expenses by object:

	Budget (Unaudited)	2025	2024
Expenses by object:			
Salaries, wages, and benefits	24,672,491	24,681,379	22,210,333
Amortization of tangible capital assets	8,625,596	8,599,252	7,755,641
Contracted and general services (note 26)	8,447,500	8,109,395	6,908,223
Purchases from other governments	5,333,210	4,454,068	4,883,613
Goods and supplies	2,938,038	3,136,026	2,820,370
Transfers to individuals and organizations	1,429,394	1,258,088	1,755,419
Interest on long-term debt	38,570	16,248	34,384
Bank charges and short-term interest	70,000	78,045	69,183
Loss (gain) on disposal of tangible capital assets	-	(6,201)	(3,199)
Total expenses	51,554,799	50,326,300	46,433,967

CITY OF CHESTERMERE

Notes to Financial Statements

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

21. Salary and benefits disclosure:

Disclosure of salaries and benefits for elected municipal officials, the City Directors (previously called “Chief Administrative Officer”) and designated officers as required by Alberta Regulation 313/2000 is as follows:

Name	Title	2025			2024
		Salary (1)	Benefits and allowance (2)	Total	Total
Shannon Dean	Mayor	97,665	22,425	120,090	57,240
Janelle Sandboe	Deputy Mayor	46,931	16,979	63,910	34,128
Ritesh Narayan	Councillor	46,118	16,995	63,113	55,751
Murray Grant	Councillor	44,925	17,081	62,006	29,798
Kiran Randhawa	Councillor	45,980	17,244	63,225	30,425
Robert Schindler	Councillor	46,355	14,737	61,092	28,106
Rob Wawrzynowski	Councillor	46,648	19,379	66,027	28,454
Kent Edney	CAO	261,138	43,541	304,679	98,920
Patrick Vincent	Interim CAO	-	-	-	351,841
Designated Officers	Accurate Assessment Group Contract	269,866	-	269,866	224,976
Total		905,626	168,380	1,074,007	939,639

(1) Salary includes regular base pay and any other direct cash remuneration.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada pension plan (CPP), employment insurance (EI), health care, dental coverage, vision coverage, group life insurance, accidental disability/dismemberment insurance, long-term and short-term disability plans, professional memberships, tuition, conferences, travel & subsistence, cellular phone, computer/laptops, clothing, mileage and moving expenses.

CITY OF CHESTERMERE

Notes to Financial Statements

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

22. Local Authorities Pension Plan:

Employees of the City participate in the Local Authorities Pension Plan ("LAPP"), which is covered by the Alberta Public Sector Pension Plan Act. The Plan has a membership of 316,938 people. The LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The City is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% on pensionable earnings above this amount. Employees of the City are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 10.65% on pensionable salary above this amount.

Total current service contributions by the City to the LAPP in 2025 were \$1,606,300 (2024 – \$1,430,702). Total current service contributions by the employees of the City to the LAPP in 2025 were \$1,434,816 (2024 – 1,277,660).

At December 31, 2025 the LAPP disclosed an actuarial surplus of \$19.6 billion.

23. Commitments:

During 2005, the existing Storm Water Discharge Agreement, Lake Management Agreement, and Western Irrigation District Offsite Levies Agreement, were replaced with the Use of Works Agreement between the City and Western Irrigation District. Under this agreement, which is to be managed on a permanent and cooperative basis, the City must remit to the Western Irrigation District annual payments on or before August 1 of each year in perpetuity. These payments are expected to remain consistent subject only to changes based on the Consumer Price Index realized in each respective year, and the payment in 2026 is expected to be \$281,000 (2025 payment was \$250,113).

The City has capital leases for vehicles which require monthly payments and expire by December 2026.

Future minimum lease payments as at December 31, 2025, are as follows:

	Vehicles	Total
2026	37,055	37,055
	37,055	37,055

CITY OF CHESTERMERE

Notes to Financial Statements

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

24. Contingencies:

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

From time to time, the City is subject to claims and other lawsuits that arise in the ordinary course of operations, some of which may seek damages in substantial amounts. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely, and it can be estimated. As the time of the financial statement preparation, there has been no resolution or indication that the settlement of these actions will result in any material liabilities or would impact the City's financial condition in a significant manner.

25. Subsidiary operations:

1538974 Alberta Ltd. (formerly Chestermere Utilities Incorporated) was established in 2011 by the City to provide water, wastewater, stormwater, garbage collection and recycling services to the City. 1538974 Alberta Ltd. is a wholly owned subsidiary of the City. Under IFRS 15, Revenue from contracts with customers, contributions relating to tangible capital assets will be recognized in the financial statements of 1538974 Alberta Ltd. as revenue over the useful lives of those assets.

The following is condensed financial information for 1538974 Alberta Ltd. for the year ended December 31, 2025:

	2025	2024
Financial position:		
Current assets	8,484,812	9,002,926
Finance lease receivable	36,949	73,702
Property and equipment	137,818,000	130,346,933
Intangible assets	3,271,427	3,526,605
	149,611,188	142,950,166
Current liabilities	6,381,544	6,676,000
Derivative financial instruments	589,233	579,013
Deferred revenue	49,721,522	44,215,352
Long-term debt	21,922,547	23,368,091
	78,614,846	74,838,456
Shareholder's equity	70,996,342	68,111,710

CITY OF CHESTERMERE

Notes to Financial Statements

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

25. Subsidiary operations (continued):

	2025	2024
Results of operations:		
Revenue	22,363,395	19,582,508
Amortization	(4,045,227)	(3,707,264)
Financing costs	(1,063,596)	(1,578,414)
Operating expenses	(14,359,720)	(13,225,425)
Operating Income (loss)	2,894,852	1,071,405
Other comprehensive income (loss)	(10,220)	183,129
Total comprehensive income (loss)	2,884,632	1,254,534

26. Related party transactions:

The following summarizes the related party transactions between the City and 1538974 Alberta Ltd. All transactions and balances are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

	2025	2024
Statement of Financial Position:		
Due to 1538974 Alberta Ltd.	51,066,464	40,507,268
Agreements receivable	1,197,879	1,336,795
Statement of Operations:		
Sales of goods and user charges – sub-contract fees	2,685,800	2,685,800
Contracted and general services – utilities expense	(436,758)	(232,790)
Sales of goods and user charges – office space rental revenue	50,400	50,400
Sales of goods and user charges – general administrative	150	150

CITY OF CHESTERMERE

Notes to Financial Statements

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

27. Budget data:

The final 2025 operating budget was approved by Council on May 13, 2025. The 2025 capital budget was approved on December 18, 2024. These budgets have been reported in the financial statements for information purposes only. These budgeted amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained restricted surplus transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

A reconciliation of the approved budget to the balanced budget as per legislation is as follows:

	Budget (Unaudited)	Actual
Annual surplus	16,295,530	22,258,482
Less:		
Capital expenditures	(23,874,029)	(29,857,304)
Long-term debt repayments	(447,097)	(103,119)
Transfers to restricted surplus	(600,000)	(1,547,125)
Contributed tangible capital assets	-	(10,931,603)
Add:		
Amortization	8,625,596	8,599,252
Transfers from restricted surplus	-	13,916,665
Balanced budget / excess of revenue over expenses	-	2,335,248

CITY OF CHESTERMERE

Notes to Financial Statements

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

28. Financial instruments:

The City's financial instruments consist of cash, taxes and grants in place of taxes receivable, trade accounts receivable, property tax under-levy, agreements receivable, investments, investments in government business enterprise, accounts payable and accrued liabilities, due to 1538974 Alberta Ltd., deposit liabilities, obligations under capital lease and long-term debt. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. It is management's opinion that the City is not exposed to significant liquidity or currency risks arising from its financial instruments.

1) Interest rate risk:

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The City is exposed to financial risk from interest rate differentials between market interest rates and the rates used on their financial instruments.

2) Credit risk:

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

The City's exposure to credit risk on its cash and investments is mitigated as these assets are held with creditable financial institutions.

29. Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

CITY OF CHESTERMERE

Changes in Accumulated Surplus

Schedule 1

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

	Unrestricted surplus	Restricted reserves	Equity in business enterprise	Equity in land held for sale	Equity in tangible capital assets	2025	2024
Balance, beginning of year	5,421,234	25,763,416	61,727,715	9,737,143	130,795,440	233,444,948	207,985,153
Annual Surplus and OCI	22,258,482	-			-	22,258,482	25,459,795
Income (loss) in subsidiary operations	(2,884,632)	-	2,884,632			-	
Unrestricted funds designated for future use	(1,547,125)	1,547,125			-	-	-
Current year funds used for tangible capital assets	(15,940,640)	(13,916,665)			29,857,305	-	-
Contributed tangible capital assets	(10,931,603)	-			10,931,603	-	-
Disposal of tangible capital assets	33,925	-			(33,925)	-	-
Annual amortization expense	8,599,252	-			(8,599,252)	-	-
Long term debt related to capital lease obligations repaid	(36,753)	-			36,753	-	-
Long term debt related to tangible capital assets repaid	(66,366)	-			66,366	-	-
Change in accumulated surplus	(515,460)	(12,369,540)	2,884,632	-	32,258,850	22,258,482	25,459,795
Balance, end of year	4,905,774	13,393,876	64,612,347	9,737,143	163,054,290	255,703,430	233,444,948

CITY OF CHESTERMERE

Tangible Capital Assets

Schedule 2

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

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicle equipment	2025	2024
Cost:								
Balance, beginning of year	35,380,850	16,139,122	26,936,801	129,963,188	18,566,586	9,942,992	236,929,539	209,741,458
Acquisition of tangible capital assets	22,773,908	302,710	3,340,850	6,285,340	2,939,425	2,312,747	37,954,980	16,122,719
Construction in progress	-	-	27,544	803,126	692,713	1,310,544	2,833,927	11,430,414
Disposal of tangible capital assets	-	-	(6,817)	-	(377,323)	(82,583)	(466,723)	(365,052)
Balance, end of year	58,154,758	16,441,832	30,298,378	137,051,654	21,821,401	13,483,700	277,251,723	236,929,539
Accumulated amortization:								
Balance, beginning of year	-	7,230,074	7,842,809	74,648,231	10,420,405	5,697,185	105,838,704	98,242,248
Amortization of tangible capital assets	-	793,505	816,424	4,918,957	1,378,716	691,650	8,599,252	7,755,641
Accumulated amortization on disposals	-	-	(1,704)	-	(350,512)	(80,583)	(432,799)	(159,185)
Balance, end of year	-	8,023,579	8,657,529	79,567,188	11,448,609	6,308,252	114,005,157	105,838,704
Net book value of tangible capital assets	58,154,758	8,418,253	21,640,849	57,484,466	10,372,792	7,175,448	163,246,566	131,090,835
2024 Net book value of tangible capital assets	35,380,850	8,909,048	19,093,992	55,314,957	8,146,181	4,245,807	131,090,835	

The net book value of assets under construction and not yet subject to amortization is \$10,939,016 (2024 – \$14,852,242).

CITY OF CHESTERMERE

Segmented Disclosure

Schedule 3

Year ended December 31, 2025

	General Government	Protective services	Roads, streets, walks and lighting	Planning and development	Parks, recreation, and environmental services	Family and community support	Subsidiary operations	Total
Revenue:								
Net municipal property taxes	26,665,012	-	-	-	-	-	-	26,665,012
User fees and sales of goods	4,681,189	922,207	57,728	7,885,151	2,108,376	189,962	-	15,844,613
Government transfers for operating	313,752	624,181	-	60,000	14,526	678,148	-	1,690,607
Investment income	2,824,937	-	-	-	-	-	-	2,824,937
Other revenues	556,188	-	-	-	-	-	-	556,188
	35,041,078	1,546,388	57,728	7,945,151	2,122,902	868,110	-	47,581,357
Expenses:								
Salaries, wages, and benefits	5,299,520	9,088,571	2,088,905	4,273,912	2,927,643	1,002,828	-	24,681,379
Amortization of tangible capital assets	701,083	836,300	5,395,333	2,022	1,664,514	-	-	8,599,252
Contracted and general services	4,652,168	430,417	717,006	837,955	1,043,967	427,882	-	8,109,395
Purchases from other governments	-	4,451,654	2,414	-	-	-	-	4,454,068
Goods and supplies	230,209	394,169	1,932,217	26,633	516,342	36,456	-	3,136,026
Transfers to individuals and organizations	143	-	-	-	910,114	347,831	-	1,258,088
Interest on long-term debt	-	-	14,666	-	1,582	-	-	16,248
Bank charges and short-term interest	78,045	-	-	-	-	-	-	78,045
Loss (gain) on disposal of tangible capital assets	-	-	-	-	(6,201)	-	-	(6,201)
Impairment of capitalized project costs	-	-	-	-	-	-	-	-
Adjustment on land held for resale	-	-	-	-	-	-	-	-
	10,961,168	15,201,111	10,150,541	5,140,522	7,057,961	1,814,997	-	50,326,300
Operating annual surplus (deficit)	24,079,910	(13,654,723)	(10,092,813)	2,804,629	(4,935,059)	(946,887)	-	(2,744,943)
Government transfer for capital	768,093	2,650,766	2,704,581	-	926,800	-	-	7,050,240
Development levies	-	25,322	181,720	-	3,929,908	-	-	4,136,950
Contributed tangible capital assets	-	-	5,246,603	-	5,685,000	-	-	10,931,603
Subsidiary operations	-	-	-	-	-	-	2,884,632	2,884,632
Annual surplus (deficit)	24,848,003	(10,978,635)	(1,959,909)	2,804,629	5,606,649	(946,887)	2,884,632	22,258,482

CITY OF CHESTERMERE

Segmented Disclosure

Schedule 3 (continued)

Year ended December 31, 2024

	General Government	Protective services	Roads, streets, walks and lighting	Planning and development	Parks, recreation, and environmental services	Family and community support	Subsidiary operations	Total
Revenue:								
Net municipal property taxes	21,609,833	-	-	-	-	-	-	21,609,833
User fees and sales of goods	4,010,472	1,031,328	67,398	8,592,243	1,594,608	80,730	-	15,376,779
Government transfers for operating	313,751	611,366	-	-	12,100	707,615	-	1,644,832
Investment Income	3,090,212	-	-	-	-	-	-	3,090,212
Other revenues	381,741	-	-	-	-	-	-	381,741
	29,406,009	1,642,694	67,398	8,592,243	1,606,708	788,345	-	42,103,397
Expenses:								
Salaries, wages, and benefits	4,640,149	7,840,871	1,917,962	4,132,405	2,742,788	936,158	-	22,210,333
Amortization of tangible capital assets	767,545	621,819	5,119,065	2,022	1,245,190	-	-	7,755,641
Contracted and general services	3,857,691	482,335	482,597	941,013	793,656	350,931	-	6,908,223
Purchases from other governments	-	4,723,575	160,038	-	-	-	-	4,883,613
Goods and supplies	269,226	391,621	1,851,649	17,887	267,006	22,981	-	2,820,370
Transfers to individuals and organizations	10,806	-	-	-	1,255,580	489,033	-	1,755,419
Interest on long-term debt	9,122	-	18,872	-	6,390	-	-	34,384
Bank charges and short-term interest	69,183	-	-	-	-	-	-	69,183
Loss (gain) on disposal of tangible capital assets	-	(3,553)	-	-	354	-	-	(3,199)
	9,623,722	14,056,668	9,550,183	5,093,327	6,310,964	1,799,103	-	46,433,967
Operating annual surplus (deficit)	19,782,287	(12,413,974)	(9,482,785)	3,498,916	(4,704,256)	(1,010,758)	-	(4,330,570)
Government transfer for capital	795,653	1,926,408	4,492,414	-	1,661,325	-	-	8,875,800
Development levies	-	33,157	8,046,128	-	-	-	-	8,079,285
Contributed tangible capital assets	-	-	7,873,746	-	3,707,000	-	-	11,580,746
Subsidiary operations	-	-	-	-	-	-	1,254,534	1,254,534
Annual surplus (deficit)	20,577,940	(10,454,409)	10,929,503	3,498,916	664,069	(1,010,758)	1,254,534	25,459,795