



Unaudited Financial Information December 31, 2025

Prepared by:
Treasury & Financial Services
March 24, 2026



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This City of Lethbridge 2025 Financial Information Report is produced by Treasury & Financial Services in cooperation with all City of Lethbridge departments.

Executive Summary - Unaudited 2025 Year End Financial Information

For Submission to the March 24 Council Meeting

This Unaudited 2025 Year End Financial Information provides City Council with highlights of the 2025 General Fund, Utility Fund and Reserve Funded Operations and an update on the City's financial position for the year ended December 31, 2025. The supporting Variance Discussion and Analysis has been prepared in cooperation with all Departments.

December 31, 2025 marks the third year of the City's multi-year budget cycle (2023-2026). Typically, to accommodate the four-year budget cycle, departments are expected to operate within their 48 month budget. If there is a shortfall after the third year, departments are expected to overcome the deficit by adjusting expenditures in the final year (2026); and if the experience after the third year results in net under expenditures, the departments have the ability to roll the amounts over to assist operations during the final year. The 2027 operating budget will be approved by City Council in 2026. This budget will be added to the current budget year cycle (2023-2027). At the end of the budget cycle, any remaining Uncommitted Budget Carryover is transferred to the MRSR in accordance with City Council Resolution.

The Unaudited Report is organized into the following sections: Corporate Accounts, Department Operations, Utility Funded Operations, and Reserve Funded Operations.

The Corporate Accounts ended the year with a positive variance of \$7,112,000. Specific positive and negative budget variances resulting from factors not attributable to the department management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility.

Significant corporate variances include:

- 1) Property Tax Revenue \$2,766,000 - This variance is due to higher than anticipated growth in residential and commercial properties of \$2,340,000, higher than budgeted federal and provincial grants in lieu of taxes of \$29,000, lower than budgeted tax appeals and tax cancellations of \$450,000. This is offset with higher than budgeted TRIP incentive of \$(26,000), Designated Industrial Area Tax amount of \$(25,000), and legal costs of \$(2,000).
- 2) Employee benefit accounts \$1,835,000 - This variance is due to net result of lower than expected pension rates, increases to CPP and WCB rates.
- 3) General Revenues \$416,000 - This surplus is primarily due to higher than budgeted penalties in tax of \$317,000, along with higher transfers from Water \$82,000 and Landfill \$26,000 to General Operations. These increases are slightly offset by \$(9,000) in lower than budgeted other general revenues.
- 4) Permit, development & license revenues \$233,000 - This variance is due to higher than budgeted inspection and permit revenue of \$233,000, primarily resulting from the construction of a couple of large projects that were undertaken in 2025.
- 5) Utility costs for tax supported City facilities \$1,362,000 - This surplus is due to positive variance of \$567,000 for electricity, \$597,000 for natural gas, \$87,000 for City Utilities, and \$111,000 overall utility surplus at the VisitLethbridge.com Arena.

The corporate surplus will be transferred to the MRSR in 2026 in accordance with City policy.

General Fund Department Operations ended the year with a positive variance of \$1,022,000 which represents 0.49% of the Departments' budgets. Significant areas contributing to the tax supported department variances are summarized below and described in more detail in the Variance Discussion and Analysis.

1) Planning and Design \$662,000 - The variance is primarily the result of vacant positions that have not yet been filled, an employee being temporarily assigned to the Lethbridge Land department, and lower-than-anticipated costs for training and contracted studies.

2) Fire and Emergency Services \$575,000 - Fire and Emergency Services operations ended the year with \$531,000 positive variance. This was mainly due to lower than budgeted wages from vacancies, leaves, attrition, and delays in finalizing the Collective Agreement, which created \$2,850,000 in savings. Additional surpluses resulted from delaying the Medical Supervisors initiative \$950,000, reduced training costs \$376,000, extra grant funding \$234,000, and higher fire revenues \$97,000. These positive variances were offset by large deficits tied to CBC and other transfers of \$(2,667,000), the end of the Lethbridge County contract \$(435,000), higher administration wages \$(330,000), increased spending on supplies and services \$(257,000), bad debt and lower EMS revenues \$(168,000), and higher fleet costs \$(119,000).

PSCC ended the year with a \$44,000 surplus. This was supported by higher 911 wireless and dispatch revenues \$183,000, along with smaller savings in training wages, contractual services, and travel of \$71,000. These were reduced by deficits in wages \$(112,000), equipment upgrades \$(71,000), marketing and assessments \$(15,000), and supplies and uniforms \$(12,000).

3) Recreation & Culture \$273,000 - Positive variance due to positive variance of \$393,000 in Arenas, \$307,000 in increased bookings at the Yates, \$102,000 in Aquatics, and contractual services of \$121,000 due to a surplus at Legacy Park. These were partially offset by deficits of \$(516,000) due to the deployment of additional staffing resources to support key initiatives leading to a temporary increase in wages, CBC transfers of \$(50,000), and negative variance of \$(84,000) in other areas.

4) Transit \$(685,000) - Transit Administration ended the year with a negative variance of \$(96,000), driven by higher than budgeted wage costs and the fall certification upgrade for the Transit garage. Fixed Route Operations were over budget by \$(203,000), mainly due to higher than expected repair costs for the bus fleet. Access-A-Ride Operations recorded a negative variance of \$(386,000), resulting from higher asset maintenance and wage costs, along with lower than budgeted revenue.

5) Storm Water \$(287,000) - The negative variance due to higher than budgeted maintenance costs relating to storm mainline repairs, catchbasin cleaning and lift station repairs.

Utility Funded operations to ended the year with a positive variance of \$2,508,000. Significant variances include:

1) Electric \$1,882,000 - This is primarily due to a negative variance of \$(123,000) for Transmission tariff, \$(262,000) for Fibre operations, and \$(164,000) for Distribution Tariff. These negative variances were offset by a positive variance of \$2,431,000 in Regulated Rate Tariff.

2) Waste Collection \$595,000 - Waste and Recycling collections have a combined positive variance of \$595,000 primarily due to lower than budgeted collection expenses which result from improved efficiencies achieved through route optimizations for waste and recycling.

3) Waste Processing \$(64,000) - Landfill operations ended of the year with a positive variance of \$1,126,000 primarily from higher than budgeted Landfill operations revenue and lower than budgeted operating costs of the Waste and Recycling Centres. This was offset by a negative variance of \$(235,000) in Material Recovery Facility ("MRF") operation and Organic processing primarily due to higher than budgeted operating costs, and a negative variance from Organics Processing of \$(955,000) primarily due to lower than budgeted revenue and higher than budgeted processing costs.

4) Wastewater ended the year in a balanced position - Revenues ended with a negative variance of \$(1,170,000) due to conservation efforts. This is offset by operating expenditure positive variance of \$1,170,000 primarily due to lower than budgeted energy costs and debenture debt surplus.

5) Water Utility ended the year with a positive variance of \$95,000 - Revenues ended the year with a positive variance of \$1,043,000 primarily due to a surplus in Regional revenues as well as irrigation revenues. Operating expenditures ended the year with a negative variance of \$(948,000) primarily due to higher than budgeted expenditures in Water administration, engineering and technical support accounts as well as additional allocation of operating surplus to 2023-2026 Watermain renewal program, which were offset by positive variances from Water Distribution and Water Treatment Plant operation.

We would like to acknowledge our staff across the organization for their commitment in compiling and analyzing the information required to produce this report. We are pleased with the results of this year and our Departments continue to do an admirable job of providing service to our community and managing budget funds responsibly. Our financial policies continue to serve the City of Lethbridge and its residents in maintaining a strong financial position for the future.

For additional details, please contact the CFO & Treasurer or the Controller.

Respectfully submitted,



Jennifer Jerred CPA, CA
Controller



Darrell Mathews CPA, CMA, CIA
CFO & Treasurer



Lloyd Brierley
City Manager



CITY OF LETHBRIDGE
Unaudited 2025 Summary of Operations
General Fund - Corporate Accounts

	Budget (Net Revenue) Net Expenditure	Actual (Net Revenue) Net Expenditure	Variance Pos (Neg)
General Fund			
Corporate Accounts			
Property Tax	\$ (191,443,900)	\$ (194,210,266)	2,766,366
General Revenues	(29,446,524)	(29,862,848)	416,324
Permit, development & license revenues	(5,000,100)	(5,233,167)	233,067
Employee benefit accounts	-	(1,834,963)	1,834,963
Grants to organizations	2,490,144	2,487,144	3,000
	(223,400,380)	(228,654,100)	5,253,720
Non-discretionary department variances			
Corporate fuel costs	2,223,200	1,727,157	496,043
Utility costs for tax supported City facilities	5,781,563	4,419,286	1,362,277
	8,004,763	6,146,443	1,858,320
	\$ (215,395,617)	\$ (222,507,657)	7,112,040

Note 1: The corporate surplus will be transferred to the MRSR in the following year in accordance with City policy.



CITY OF LETHBRIDGE

Unaudited 2025 Summary of Operations

General Fund - Department Operations

	2025	2025	2025	2024	2023-2025
	Budget	Actual	Variance	Roll Over	Balance
	(Net Revenue)	(Net Revenue)		Remaining	
	Net Expenditure	Net Expenditure	Pos (Neg)	Pos (Neg)	Pos (Neg)
Boards and Commissions					
Galt Museum	\$ 2,119,089	\$ 2,097,927	\$ 21,162	\$ 7,265	\$ 28,427
Lethbridge Police Services	46,791,345	46,791,345	-	45,166	45,166
Lethbridge Public Library	6,862,979	6,862,979	-	-	-
General Government					
City Clerk	613,833	573,774	40,059	153,437	193,496
Mayor & City Council Office	937,827	875,948	61,879	65,774	127,653
Pay-As-You-Go	14,635,000	14,635,000	-	-	-
Corporate Services					
Corporate Services Support	520,124	519,494	630	(87,961)	(87,331)
IT Services & Digital Transformation	5,721,238	5,721,238	-	657	657
Facility Services	8,143,705	8,143,705	-	-	-
Economic Development	336,672	297,435	39,237	(8,235)	31,002
Finance & Risk Management					
Risk & Controls	1,561,222	1,561,222	-	-	-
Treasury & Financial Services	3,728,824	3,588,278	140,546	102,567	243,113
Legal Services					
Legal Services	985,570	1,011,608	(26,038)	(52,821)	(78,859)
Procurement	1,509,472	1,525,600	(16,128)	77,583	61,455
Regulatory Services	1,976,308	2,007,674	(31,366)	178,526	147,160
People & Partner Services					
Communications & Engagement	567,183	579,529	(12,346)	-	(12,346)
Customer Service & Corporate Performance	880,535	880,535	-	95,340	95,340
Government Relations	1,345,142	1,403,488	(58,346)	713	(57,633)
Indigenous Relations	296,281	291,982	4,299	17,321	21,620
People & Culture	3,253,088	3,278,178	(25,090)	-	(25,090)
Community Services					
Community Services Support	922,859	904,212	18,647	1,289	19,936
Community Social Development	2,429,562	2,429,562	-	-	-
Entertainment & Event Services	1,253,788	1,197,337	56,451	(691,635)	(635,184)
Fire & Emergency Services	35,509,319	34,934,610	574,709	-	574,709
Parks	15,323,093	15,398,338	(75,245)	22,921	(52,324)
Recreation & Culture	13,561,880	13,288,589	273,291	266,433	539,724
Infrastructure Services					
Capital Planning & Engineering Services	1,793,927	1,637,508	156,419	54,570	210,989
Lethbridge Transit	14,490,656	15,175,894	(685,238)	465,620	(219,618)
Planning and Design	5,416,039	4,754,237	661,802	509,948	1,171,750
Stormwater	590,718	877,850	(287,132)	(201,001)	(488,133)
Transportation	16,489,984	16,299,820	190,164	233,433	423,597
	\$ 210,567,262	\$ 209,544,896	\$ 1,022,366	\$ 1,256,910	\$ 2,279,276

Notes:

Significant variances are explained within Section A-5 Variance Discussion and Analysis

At the end of the four-year budget cycle, any remaining Uncommitted Budget Carryover is transferred to the MRSR in accordance with City Council Resolution.

In 2024, \$444,672 of 2023 Uncommitted Budget Carryover was allocated as funding for 2025/2026 Lethbridge and District Exhibition Operating Grant.



CITY OF LETHBRIDGE

Unaudited 2025 Summary of Operations

Summary of Utility Funds

	Budget	Actual	Variance Pos (Neg)
Utility Funded Operations			
Electric			
Revenue	\$ 115,494,580	\$ 106,231,112	\$ (9,263,468)
Expenses	115,494,580	104,349,134	11,145,446
Surplus (Deficit)	-	1,881,978	1,881,978
Waste Collection			
Revenue	15,191,510	15,333,554	142,044
Expenses	15,191,510	14,738,104	453,406
Surplus	-	595,450	595,450
Waste Processing			
Revenue	15,421,624	16,571,804	1,150,180
Expenses	14,789,353	16,003,873	(1,214,520)
Surplus (Deficit)*	632,271	567,931	(64,340)
Wastewater			
Revenue	21,476,700	20,306,734	(1,169,966)
Expenses	21,476,700	20,306,734	1,169,966
Balanced	-	-	-
Water			
Revenue	27,391,500	28,434,560	1,043,060
Expenses	27,391,500	28,339,075	(947,575)
Balanced	\$ -	\$ 95,485	\$ 95,485

Notes:

*Waste Processing budgeted transfer from prior year accumulated surplus.



CITY OF LETHBRIDGE
Unaudited 2025 Summary of Operations
Summary of Reserve Funds

	Budget	Actual	Variance Pos (Neg)
Reserve Funded Operations			
Airport			
Revenue	\$ 1,665,800	\$ 1,314,528	\$ (351,272)
Less expenditures	3,332,999	2,797,311	535,688
Plus tax supported funding	857,899	857,899	-
Transfer from the Reserve	(809,300)	(624,884)	184,416
Cemeteries			
Revenue	993,714	1,028,392	34,678
Less expenditures	1,580,033	1,467,784	112,249
Plus tax supported funding	586,319	586,319	-
Transfer to the Reserve	-	146,927	146,927
Community Lighting			
Revenue	9,900	1,312,442	1,302,542
Less expenditures	3,529,037	4,483,774	(954,737)
Plus tax supported funding	3,519,137	3,519,137	-
Transfer to the Reserve	-	347,805	347,805
Fleet Services			
Revenue	12,361,188	13,768,415	1,407,227
Less expenditures	9,020,433	10,391,420	(1,370,987)
Transfer to the Reserve	3,340,755	3,376,995	36,240
Parking			
Revenue	1,433,100	1,295,746	(137,354)
Less expenditures	841,885	1,077,172	(235,287)
Transfer from reserve to operations	(135,000)	(135,000)	-
Transfer to the Reserve	456,215	83,574	(372,641)
Real Estate & Land Development			
Less expenditures	1,290,692	1,254,882	35,810
Transfer from Subdivision Surplus	(1,290,692)	(1,254,882)	35,810
Risk Management			
Revenue	5,723,700	5,769,969	46,269
Less expenditures	5,412,743	4,424,807	987,936
Transfer to the Reserve	\$ 310,957	\$ 1,345,162	\$ 1,034,205

The following provides City Council with an overview of the operations of the City of Lethbridge:

1) a) General Fund - 2025 Corporate Accounts

Corporate Accounts surplus of \$7,112,040 - Specific positive and negative budget variances resulting from factors not attributable to the department management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility. The corporate surplus will be transferred to the MRSR in the following year in accordance with City policy. The major areas are summarized as follows:

Property Tax - ended the year with a positive variance of \$2,766,000. This is mainly due to higher than anticipated growth in residential and commercial properties of \$2,340,000, a positive variance in budgeted tax appeals and tax cancellations of \$450,000 and higher than budgeted federal and provincial grants in lieu of \$29,000. This is offset with higher than budgeted TRIP incentives \$(26,000), Designated Industrial Area Tax \$(25,000) and legal costs of \$(2,000).

General Revenues - ended the year with a positive variance of \$416,000. This is due to higher than budgeted penalties in taxes of \$317,000, a higher than budgeted transfer from Water to General Operations of \$82,000, and a higher than budget transfer from Landfill to General Operations of \$26,000. This is offset by lower than budgeted other general revenues of \$(9,000).

Permit, development & license revenues - ended the year with a positive variance of \$233,000. This variance is due to higher than budgeted inspection and permit revenue of \$233,000, primarily resulting from the construction of larger than typical projects that were undertaken in 2025.

Employee benefit accounts - ended the year with a positive variance of \$1,835,000. This surplus is the net result of lower than expected pension rates, increases to CPP and WCB rates. Pension rates were lower than anticipated when the budget was determined in 2022. Conversely, CPP rates increased higher than expected. WCB rates increased proportionately with industry rates.

Corporate fuel costs - ended the year with a positive variance of \$496,000. This is primarily due to a favourable price variance, as actual market fuel prices were significantly lower than the budgeted rate and were further improved by effective hedging activities. These price savings were partially offset by an unfavourable quantity variance due to higher-than-budgeted fuel consumption.

Utility costs for tax supported City facilities - ended the year with a positive variance of \$1,362,000. This variance is due to surpluses of \$567,000 for electricity, \$597,000 for natural gas, \$87,000 for city utilities, and an overall utility surplus of \$111,000 at the VisitLethbridge.com Arena.

1) b) General Fund - 2025 Department Operations

Departments ended the year with a positive variance of \$1,022,366 which represents 0.49% of the departments' budgets. At the end of the four-year budget cycle any remaining Uncommitted Budget Carryover is transferred to the MRSR in accordance with City Council Resolution.

Significant areas contributing to the tax supported department variances are described below:

Boards and Commissions

Galt Museum - ended the year with a positive variance of \$21,000. This positive variance consists of \$148,000 in grant funding received, revenues from admissions, retail sales and rentals at the Galt Museum and Fort Whoop-Up of \$61,000, and surpluses in contractual services, marketing and training of \$46,000. These variances are partially offset by negative variances in wages related to unbudgeted temporary positions \$(145,000), supplies for display box purchases \$(35,000), unsold inventory, IT-related expenses, and banking fees totaling \$(35,000) and unbudgeted honorariums of \$(19,000).

Lethbridge Police Service (LPS) - ended the year in a balanced position. Positive variances include position vacancies of \$1,664,000, operational budget cuts and cost mitigation of \$477,000, sales and impound revenues \$192,000, \$81,000 increase in Police Support Grant, and transfers of \$793,000 from Technology Fund, Lifecycle, Committed Budget Carryover, and Body Worn Camera funds. Additional government and non-government cost recoveries, mainly for wages, overtime and supplies, plus underspending in budgeted grant funded expenses had a positive variance of \$652,000. Negative variances include overtime \$(997,000), inflationary and volume increase in materials and supplies (\$640,000), increased fleet costs over budget \$(615,000), position reclasses \$(450,000), ammunition over budget \$(394,000), contracts and software cost increases \$(386,000), purchase of IT hardware \$(192,000), and increased legal costs over budget \$(185,000).

Lethbridge Police Service is facing a structural budget deficit whereby operating funding is insufficient to cover operating costs. To remain within budget, LPS has relied on a combination of short-term measures – deferring expenditures, limiting discretionary spending, delaying operational needs, and an over-reliance on contingency funds – and longer-term adjustments to realign resources, structurally reduce operating costs and implementing centralized asset management to direct limited funding to the highest priority.

Lethbridge Public Library - ended the year in a balanced position. Positive variances include unbudgeted revenues from federal grants of \$15,000, and general revenue/service fees of \$91,000. Under expenditures in contractual services of \$10,000, travel, education & recruitment of \$24,000, and net transfer to/from reserves of \$41,000. These positive variances are offset by over expenditures in wages & benefits due to medical leave continuity and staffing replacement costs of \$(49,000), building maintenance, equipment & supplies of \$(50,000), and information technology of \$(82,000).

General Government

Mayor & City Council Office - ended the year with a positive variance of \$62,000. This is due to a \$142,000 positive variance from less than budgeted travel, receptions and promotional events; of this amount \$(80,000) was transferred to CBC for Governance SPC.

Corporate Services

Facility Services - ended the year in a balanced position. Over the four year operating budget cycle, Facility Services manages their total four year operating budget based on the building fleets' needs determined through their four year Implementation Plan.

Finance & Risk Management

Treasury & Financial Services - ended the year with a positive variance of \$141,000. This positive variance is primarily due to higher than budgeted recoveries of \$266,000. Other positive variances include lower than budgeted wages related to delays in hiring of vacant positions and other related costs of \$252,000, travel & training, contractual services, and supplies of \$68,000 and banking charges and lower than budgeted bad debt of \$49,000. Department Committed Budget Carryover of \$29,000 was brought into operations to cover professional fees related to Asset Retirement Obligation assessments. These have been offset with a higher than budgeted computer software and maintenance costs of \$(75,000), a transfer to capital lifecycle of \$(245,000) for tax and assessment technology updates, and a transfer of \$(203,000) to Corporate Budget Carryover for future reviews or advisory support.

People & Partner Services

Government Relations - ended the year with a negative variance of \$(58,300). This is due to vacation payouts which led to a negative wage variance for the department.

Community Services

Community & Social Development - ended the year in a balanced position. This program is primarily Federally and Provincially grant funded. All grant funds are allocated against eligible project expenditures in accordance with the terms of the Federal or Provincial contribution agreements. Any grant funding received in excess of eligible expenses for the City's fiscal period, are required to be carried over and recorded as deferred revenue at the end of the year.

Entertainment & Event Services - ended the year with a positive variance of \$56,000. VisitLethbridge.com arena had a lighter event schedule than budgeted. An eight-game playoff run by the Hurricanes, several successful events and higher than budgeted satellite concession success contributed to a positive variance in Food and Beverage of \$273,000, in addition to reduced costs in building operations of \$166,000. Higher than budgeted suite revenue of \$105,000 along with careful management of labor costs resulted in a positive variance of \$98,000 and helped offset shortfalls in paid parking \$(213,000), sponsorship revenue of \$(174,000) due to a vacant position for five months, Hurricane game operation costs and transfer payment increase of \$(117,000) plus less events than budgeted in the Lounge resulted in a shortfall of \$(82,000), keeping the overall variance low.

Fire & Emergency Services - ended the year with a positive variance of \$575,000.

Fire and Emergency Services operations ended the year in a positive surplus of \$531,000.

This is due to positive variances in operations wages of \$2,850,000 arising from a combination of staff attrition, various leaves of absences, open positions as well as a delay in the finalization of the Collective Agreement, \$950,000 surplus due to the delay of Budget Initiative N-67 Medical Supervisors, a decrease in Fire/EMS & specialty teams training of \$376,000, Medical First Response and EMS grant funding of \$234,000, as well as additional fire revenues of \$97,000. This is offset by negative variance of \$(2,667,000) primarily due to CBC and other transfers, termination of the Lethbridge County contract of \$(435,000), a deficit in Administration wages of \$(330,000), a negative variance in supplies, equipment, maintenance and contractual services of \$(257,000), bad debt and declining EMS revenues of \$(168,000) as well as an increase in fleet of \$(119,000).

PSCC operations ended the year in a positive variance of \$44,000.

This is due to increased 911 wireless and other dispatch revenues of \$183,000, a \$35,000 positive variance in training wages, \$24,000 in contractual services as well as \$12,000 in travel and training. This is offset by a negative variance in wages of \$(112,000), equipment upgrades of \$(71,000), over budget in recruit marketing and assessments by \$(15,000) as well as \$(12,000) in supplies and uniforms.

Parks - ended the year with a negative variance of \$(75,000). The negative variance is comprised of transfers of \$(305,000) to the MRSR for snow removal, equipment costs of \$(194,000) due to maintenance costs, contractual services of \$(184,000) related to aquatic weed cutting, irrigation pump repairs, consultant fees and additional tree pruning and chipping expenses and other small variances of \$(104,000). Offsetting these deficits are positive variances in lifecycle projects of \$276,000 due to projects funded from CIPs, savings of \$243,000 due to no new park development and unbudgeted revenue of \$193,000 from grants received and special events.

Recreation & Culture - ended the year with a positive variance of \$273,000. This is due to positive variances in utilities at the Arenas of \$393,000 partially due to the elimination of the Carbon tax, revenue of \$307,000 primarily due to increased bookings at the Yates, and supplies of \$102,000 due to fewer purchases for Aquatics. Other positive variances include advertising and marketing, travel and training and contractual services of \$121,000. These positive variances are partially offset by negative variances in wages of \$(516,000) due to resourcing needs and transitions, a CBC transfer for future Canada Day events \$(50,000) and negative variance of \$(84,000) in other areas.

Infrastructure Services

Capital Planning & Engineering Services - ended the year with a positive variance of \$156,000. Engineering Services finished the year with a positive variance of approximately \$41,000 and Infrastructure Systems finished the year with a \$115,000 positive variance primarily due to temporary staff vacancies.

Lethbridge Transit - ended the year with a negative variance of \$(685,000). Transit administration accounts finished the year with a negative variance of (\$96,000) primarily due to higher than budgeted wages as well as upgraded fall certification for the Transit garage. Fixed route operations finished the year over budget by approximately (\$203,000) due to greater than budgeted repair costs on the Transit bus fleet.

Access-A-Ride operations finished the year with a negative variance of \$(386,000) mainly due to higher than budgeted asset maintenance costs, wage costs, and lower than budgeted revenue. These deficits reflect growing pressure on the maintenance budget. The cost of vehicle parts and repairs has risen significantly due to inflation and supply-chain issues, while the budget for parts has not increased for several years as the City has worked to absorb inflation without raising operating budgets. As buses age and parts prices increase, maintenance needs are increasing faster than the available funding.

Planning and Design - ended the year with a positive variance of \$662,000. This variance is due to unfilled position vacancies, an employee secondment to the Lethbridge Land department, and lower than expected expenditures relating to training and contracted studies.

Stormwater - ended the year with a negative variance of \$(287,000). This variance is due to greater than budgeted repairs performed on Storm Sewer lift stations, as well as higher than budgeted repairs performed on both collection system pipes and catchbasin cleaning. As our infrastructure continues to age, the required maintenance is increasing. The current budget is not able to keep pace with growing maintenance demands.

Transportation - ended the year with a positive variance of \$190,000. Administration accounts finished the year with a positive variance of \$2,000. Roadway maintenance accounts finished the year with a negative variance of (\$8,000) due primarily to greater than budgeted road maintenance and repair activities. Traffic operations ended the year with a positive variance of \$196,000 mainly due to increased temporary traffic control revenue, and lower than budgeted spending in traffic signal maintenance accounts.

2) 2025 Utility Funded Operations

Electric Utility - ended the year with a positive variance of \$1,882,000 from operations, compared to its balanced budget, broken down as follows:

Fibre Operations - negative variance	\$	(262,000)
Distribution Tariff - negative variance		(164,000)
Rate of Last Resort (RoLR) - positive variance		2,431,000
Transmission Tariff - negative variance		<u>(123,000)</u>
Total Electric Operations - positive variance	\$	<u>1,882,000</u>

Fibre Operations - Fibre Operations ended the year with a negative variance of \$(262,000). This is due to decrease in revenue of \$(10,000), an increase in Cost of Capital of \$(28,000), increase in system operations of \$(193,000) and increase in Depreciation expenses of \$(32,000). These positive variances were offset by an decrease in Linear Property Tax of \$1,000.

Distribution Tariff - Distribution Tariff is ended the year with a negative variance of \$(164,000). This is due to a positive variance of \$454,000 from Transmission Access (the component of the Distribution Tariff which collects the funds required to cover fees from the AESO DTS invoices, and Rider C is used to match the costs and revenue). This is offset by a negative variance of \$(618,000) from Distribution Access (the component of the Distribution Tariff which collects funds required to pay for the distribution infrastructure required to connect Lethbridge customers to the provincial transmission system).

Rate of Last Resort (RoLR) - Rate of Last Resort(RoLR) ended the year with a positive variance of \$2,431,000. Due to the Alberta Government changing the regulation from the RRO to RoLR, which changed from pricing on a monthly basis to a two year fixed rate, the LEU increased the risk margin due to the 2 year timeline. This increased risk margin is the main reason for the surplus for 2025.

Transmission Tariff - Transmission Tariff ended the year with a negative variance of \$(123,000). Due to a shortfall in revenue of \$(869,000), decrease in Cost of Capital of \$13,000 (which includes Debt Interest), and a decrease in System Operations of \$110,000. This is offset by a decrease in depreciation expenses of \$546,000, and a decrease in Linear Property Tax of \$77,000.

The 2025 Electric Operations actual positive variance of \$1,882,000 will be transferred in 2026 to the Electric Utility Reserve in accordance with City Policy.

Waste Utility & Environment

Waste Collection - ended the year with a positive variance of \$595,000.

Waste services collection ended the year in a surplus position of \$247,000. Waste services collection revenues ended the year with a \$286,000 surplus. Waste services collection operations ended the year in a deficit position of \$(39,000).

Recycling Collections operations ended the year with a surplus of \$348,000, which includes a slightly lower than budgeted recycling collection revenue shortfall of \$(145,000). This was offset by a \$493,000 surplus in Recycling Collections expenses, driven by surpluses in curbside recycling, curbside organics, and curbside commercial operating accounts, totaling approximately \$449,000. These surpluses resulted from route optimizations and improvements in collection efficiencies. Organic waste diversion programs (Fall Leaf program, Yard Waste sites) and waste education programs finished the year with a surplus of \$82,000. Waste diversion depots ended the year with a surplus of \$12,000. However, these surpluses were partially offset by deficits in the E-Waste, paint, and toxic waste accounts of \$(50,000).

In 2025, \$(410,000) has been transferred to a newly established Waste Utility Reserve Fund to provide funding for projects including renewal, and expansion of infrastructure to ensure reliable operations and to meet growing community needs.

The accumulated surplus as at December 31, 2025 is \$5,216,000; 2024 was \$4,621,000.

Waste Processing - ended the year with a negative variance of \$(64,000).

The Landfill finished the year with a \$1,126,000 surplus. Landfill revenues ended the year in a surplus position of \$1,750,000 due to higher than budgeted tonnage volumes. Landfill operations finished the year in a deficit position of \$(624,000) due to higher than budgeted processing costs.

The Material Recovery Facility (MRF) ended the year in a deficit position of \$(235,000). MRF revenue ended the year in a slight surplus position of \$25,000. MRF operating costs ended the year in a deficit of \$(260,000) due to higher than budgeted operations costs.

Organics Processing ended the year in deficit position of \$(955,000). Organics processing revenue tonnage was less than expected, thus contributing to a revenue shortfall of approximately \$(625,000). Organics processing operating costs ended the year in a deficit position of \$(330,000) due to higher than budgeted processing costs.

In 2025, \$(7,588,000) of accumulated surplus has been allocated to repayment of debenture debt related to 2018-2027 CIP E-6 Curbside Recycling (MRF Building and Equipment).

In 2025, \$(578,000) has been transferred to a newly established Waste Utility Reserve Fund to provide funding for projects including renewal, and expansion of infrastructure to ensure reliable operations and to meet growing community needs.

The accumulated surplus as at December 31, 2025 is \$6,643,000; 2024 was \$13,688,000.

Wastewater Utility - ended the year in a balanced position. Revenues ended the year lower than budgeted by \$(1,170,000). This decrease is due to lower than budgeted Industrial revenues of \$(677,000), Commercial/General revenues of \$(355,000), and Residential revenues of \$(247,000). These shortfalls are slightly offset by positive variance from Regional revenues of \$80,000 and Miscellaneous revenues of \$29,000.

Operating expenditures ended the year with a positive variance of \$1,170,000. Wastewater Treatment Plant (WWTP) operations ended the year in a surplus position of \$679,000 due to lower than budgeted energy costs as well as lower than budgeted sludge disposal costs. Wastewater Administration and Technical Support finished the year in a \$37,000 surplus position due to a surplus in wastewater investigative surveys. Wastewater debenture debt accounts finished the year in a \$573,000 surplus. Sewer relining program ended the year under budget by \$513,000. Wastewater Collection system maintenance accounts ended the year in a deficit position of \$(632,000) due primarily to higher than budgeted sewer main and service connection repairs.

In 2025, \$(1,285,000) has been transferred to Wastewater Utility Reserve Fund to provide funding for the Wastewater Treatment Plant Expansion.

The accumulated surplus as at December 31, 2025 is \$3,955,000; 2024 was \$3,955,000.

Water Utility - ended the year with a positive variance of \$95,000. Revenues finished the year higher than budgeted by \$1,043,000, primarily due to Regional volumes being up approximately \$1,000,000 from 2024. This surplus also consists of higher than budgeted Irrigation revenue of \$135,000 and Residential revenue of \$112,000. This surplus is offset by lower than budgeted Commercial revenues of \$(204,000).

Operating expenditures ended the year in a deficit position of \$(948,000). Water administration, engineering and technical support accounts ended the year in a deficit position of \$(20,000). Water distribution systems and maintenance accounts finished the year in a surplus position of \$128,000. Water Treatment Plant (WTP) Operations finished the year with a slight surplus of \$11,000.

In 2025, an additional allocation of \$(985,000) from operating surplus has been made to the 2023-2026 Watermain renewal program to support the lifecycle replacement of aging Watermain infrastructure. Consistent with an increase in Water revenues is higher than budgeted contributions from the water utility to the general fund of approximately \$(82,000).

In 2025, \$(2,597,000) has been transferred to Water Utility Reserve Fund to provide funding for the Water Treatment Plant Expansion.

The accumulated surplus as at December 31, 2025 is \$9,344,000; 2024 was \$9,249,000.

3) 2025 Reserve Funded Operations

Airport Operations - ended the year with a positive variance of \$184,000. Revenues had a negative variance of \$(351,000) of which \$(458,000) relates to lower passenger, facility, parking, landing and terminal fees. This is offset by a favourable variance of \$107,000 in lease and other revenues. Although traffic volumes have increased at the Lethbridge Airport it continues to be serviced by only one major airline which has had an impact on revenue recovery to pre pandemic levels. Operating costs have a \$535,000 positive variance primarily due to contractual services of \$232,000, lower than budgeted wages of \$118,000 as seasonal employees were not required, marketing and insurance of \$61,000, lower utility costs of \$57,000, and other operating costs of \$67,000.

Traffic Safety Act Revenues - ended the year with a negative variance of \$(2,467,000). The variance is mainly a result of decreased fine and penalty revenue (\$2,571,000) offset by savings in contract hours being under budget of \$70,000, and supplies, repairs and other operating expense savings of \$34,000. Provincial changes have significantly reshaped the traffic enforcement act landscape, reducing the City's share of ticket and fine revenue (2020) and limits the ability to use technology to efficiently enforce traffic safety laws (2024). The result is a significant reduction in municipal traffic safety act revenue in excess of 60% per year.

Revenues include photo radar for the City of Lethbridge, Provincial violation fines (fines for speeding, failing to stop, etc.) and delivery of Photo Radar Enforcement for red light violations. In accordance with City Council policy, the Traffic Safety Act revenues will be directed to the Municipal Revenue Stabilization Reserve and does not impact the year end operating surplus. Lethbridge Police Service is solely responsible to enforce traffic safety legislation.

Cemeteries - ended the year with a positive variance of \$147,000. The 2025 net transfer to the Cemeteries Reserve is comprised of \$94,000 interest revenue and \$53,000 of operating surplus. The major factors that contributed to the operating surplus are as follows:

- i) Rights to Interment and Interment Services revenues were lower than budget by \$(59,000).
- ii) Surplus in various operational expenditures of \$112,000.

Community Lighting - ended the year with a positive variance of \$348,000. Roadway Lighting distribution and consumption charges ended the year in a surplus position of \$305,000 due primarily to lower than budgeted transmission and distribution charges to the street lighting network. Roadway lighting maintenance programs finished the year in a surplus position of \$43,000 mainly due to under expenditures in streetlight repair and maintenance. The net surplus will be transferred to the Community Lighting Reserve.

In 2025, \$1,303,180 of the Local Government Fiscal Framework ("LGFF") operating grant was allocated to eligible costs within Community Lighting. This resulted in a corresponding tax supported surplus. This amount was transferred to fund 2022-2031 CIP projects.

Fleet Services - Admin operations ended the year in a slight deficit due to increased overtime resulting from temporary leaves, and are partially offset by staff transition. Contractual services ended the year with a deficit due to the cost of complex repairs, and outsourcing work due to temporary leaves. The increase in equipment rental revenue was greater than the corresponding increase in unscheduled repairs and servicing. This surplus was transferred to the Fleet Reserve at year end.

Parking Operations - ended the year in a negative variance of \$(372,000). Parking revenues from both on-street and off-street collections were lower than budgeted by approximately \$(137,000). Parking operations accounts were over budget by approximately \$(235,000) due primarily to over expenditures in parking meter operating and maintenance costs. The shortfall results in a reduced transfer to the Acquire Off-Street Parking Reserve.

Risk Management - ended the year with a positive variance of \$1,034,000. This is due to higher than budgeted recoveries of \$46,000 and lower than budgeted expenses of \$988,000 primarily insurance claims and premiums. The Whoop Up Dr incident costs included in September forecast were settled directly from the insurance reserve.

Snow Clearing - Ice control and snow removal operations ended the year in a surplus position of \$600,000. In accordance with City Council policy, any annual surplus/deficit from sanding, snow and ice removal operations will be transferred to / funded from the MRSR.

Glossary of Terms

Committed Budget Carryover (CBC) - where, in a given year's budget, the City provides for specified expenditures which at year end are not expended/received, the department may transfer the unexpended funds with City Manager's approval. Such transfers are recorded in a reserve for budget appropriations unexpended.

Uncommitted Budget Carryover - prior year(s) tax supported budget variance between the approved budget and actual revenue or expenditures for the fiscal period. To accommodate the four year budget cycle, departments are expected to operate within the 48 month budget allocation. If there was a shortfall after the first three years, departments are expected to overcome the deficit by adjusting expenditures in the final year of the four-year budget (2026); and if the experience after the third year resulted in net under expenditures, the departments have the ability to roll over the amounts to assist with operations during the last year of the budget cycle. At the end of the four year budget cycle any remaining Uncommitted Budget Carryover is transferred to the MRSR in accordance with City Council Resolution.

Department Variance - the specific department budgeted variance between the approved budget and actual net expenditure for the fiscal period. These variances are the responsibility of the department.

Corporate Accounts - specific revenues and expenses are considered corporate in nature since variances are not attributable to operational decisions. These include employee benefits, property taxes and general revenues, permits, development and license revenues and grants to organizations. By City policy, the corporate portion of the General Fund surplus accrues to the Municipal Revenue Stabilization Reserve.

Corporate Fuel - variances due to market price fluctuations versus budgeted fuel costs for tax supported services (price variances for Fleet Service's units are offset against the Fleet Reserve).

Electric Utility Operating Surplus/(Deficit) - the City of Lethbridge Electric Utility's residual operating surplus/ (deficit) is applied to/ (from) the Electric Reserve.

Lifecycle Funds - Lifecycle funds are allocated to maintain high-priority capital assets. Examples of high priority maintenance items included in the operating budget are bridge maintenance, street upgrading, sidewalk/boulevard renewals, planning and overlay of arterials, storm sewer maintenance, utility infrastructure maintenance, parks/trails maintenance, irrigation automation, building maintenance and technology infrastructure.

Non-discretionary Department Variances - specific positive and negative budget variances resulting from factors not attributable to the department management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility. Similar to corporate accounts, the surplus or deficit accrues to the Municipal Revenue Stabilization Reserve.

Reserve Funded Operations -City services where the expenditures of the related operations are funded from specific revenue sources that are legally restricted for specified purposes.

Utility Costs for Tax Supported City Facilities - variances due to utility price fluctuations versus budgeted City facility utility costs. These variances are not attributable to management decisions.

Utility Funded Operations - the City sets fees and user charges for each utility operation at a level that fully supports the total direct and indirect cost of the utility. Therefore, these operations are accounted for separately from taxation supported operations.

Water, Wastewater and Waste Accumulated Surplus - the primary purpose of the surpluses is to set aside funds to provide for unanticipated or emergency expenditures that could not be reasonably foreseen during the preparation of the budget and/or for down payments on the utility's capital projects.

Corporate Budget Contingency 2023-2026

		2023		2024		2025		2026
Carryover		\$ 726,453	\$	546,453	\$	1,046,453	\$	-
Contingency Included in 2023-2026 Budget			\$	500,000	\$	1,000,000	\$	1,500,000
Allocated by City Council:								
Ongoing:								
Increase PAYG Funding for LDE Loan Payment	12/10/2024					(1,200,000)		(1,200,000)
One-time:								
L&RCHC and LHA Affordable Housing One-time funding	11/28/2023	(180,000)						
LDE Operating Budget (2025 & 2026)	12/10/2024					(846,453)		(300,000)
		<u>\$ 546,453</u>	\$	<u>1,046,453</u>	\$	<u>-</u>	\$	<u>-</u>

Note: As per Council resolution on November 25, 2019, the identified operational efficiencies from the Fiscal and Operational Performance Review Report with a realized net reduction will be identified as one-time or ongoing within the Corporate Contingency.

STATEMENT OF RESERVES AS AT DECEMBER 31, 2025



	December 31 2025	December 31 2024
Acquire Off Street Parking	\$ 887,953	\$ 781,352
Airport	3,689,702	4,314,586
Cemeteries	2,884,847	2,737,920
Central Business District Land Acquisition	123,232	270,374
Community Lighting	3,819,114	3,471,308
Electric	9,760,805	12,984,387
Fleet Services	14,452,784	15,333,199
Insurance	6,347,410	5,805,967
Major Capital Projects	26,077,212	19,615,247
Mayor Magrath Drive Beautification	123,915	121,852
Municipal Reserve Fund	417,608	403,767
Municipal Revenue Stabilization	44,374,891	38,482,257
Real Estate Holdings	4,768,833	5,955,131
Transit Bus	1,043,159	1,043,159
Urban Parks	3,963,789	3,645,466
Waste	988,167	-
Wastewater	3,946,663	2,661,610
Water	8,660,062	6,063,320
Total Reserves	\$ 136,330,146	\$ 123,690,902
Total Committed Funds	\$ 47,708,938	\$ 41,873,607
Current Internal Funding Requirements:		
Affordable Housing (CIP 2022-31 D-32)	3,274,137	3,874,137
Offsite Levy Account Shortfall LOC (Council March 25, 2025)	2,800,000	-
Offsite Levy Account Shortfall LOC (Council March 26, 2024)	1,038,431	1,038,431
Clean Energy Improvement Program (Council Nov 29, 2022)	292,318	589,318
	<u>7,404,886</u>	<u>5,501,886</u>
Total Committed Funds and Internal Funding Requirements	<u>\$ 55,113,824</u>	<u>\$ 47,375,493</u>

In addition to the above noted commitments, each reserve has been created by City Council for a specific purpose and will be applied to that purpose over future periods.

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Acquire Off Street Parking

The purpose of the Acquire Off Street Parking Reserve is to provide funding necessary to develop additional off-street parking and fund other parking related expenditures. Established: 1978.

Balance as at January 1, 2025		\$ 781,352
Add:		
Parking Revenues		
- Parking meters	1,130,041	
- Parking fines	349,178	
- Parking lots	162,841	
Park 'n Ride surplus	158,085	
		1,800,145
Less:		
Administration	546,812	
Parking enforcement	484,237	
Parking meter operations	363,226	
Parking lot operations	164,269	
Enhance downtown maintenance (snow clearing, street sweeping etc.)	135,000	
		1,693,544
Balance as at December 31, 2025		\$ 887,953

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Airport

The reserve was established July 1, 2018 when the City of Lethbridge acquired ownership of the airport. The future purpose of the reserve will be to provide capital financing of airport projects and support the general operations of the airport. Established: 2018.

Balance as at January 1, 2025		\$ 4,314,586
Less:		
Allocation to operations		624,884
Balance as at December 31, 2025		\$ 3,689,702

Committed Funds:

- Airport & Governance Operation (Budget 2019-22 N-98)		\$ 799,250
- Matching funds for ACAP grant (Council Dec 14, 2021)		82,705
		\$ 881,955

Cemeteries

The purpose of the Cemeteries Reserve is to provide for and make provision for the improvement, maintenance, management, control and operation of public cemeteries. Established: 1961.

Balance as at January 1, 2025		\$ 2,737,920
Add:		
Interest earnings		93,849
Allocation from operations		53,078
		146,927
Balance as at December 31, 2025		\$ 2,884,847

Funding commitments from this reserve are included in the 2023-2026 Operating Budget under Cemetery Reserve Projects.

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Central Business District Land Acquisition

The purpose of the Central Business District Land Acquisition Reserve is to establish a source of funding for parcels of land in the Central Business District. Established: 1976.

Balance as at January 1, 2025	\$	270,374
Add:		
Patio rental		750
Less:		
Urban Core Housing Incentive Program (Council Nov 2, 2020)		147,892
Balance as at December 31, 2025	\$	<u>123,232</u>

Committed Funds:		
- Urban Core Housing Incentive Program (Council Nov 2, 2020)	\$	<u>118,232</u>

Community Lighting

The purpose of the Community Lighting Reserve is to fund the replacement of community lighting assets. Established: 1997.

Balance as at January 1, 2025	\$	3,471,308
Add:		
Allocation from operations		347,806
Balance as at December 31, 2025	\$	<u>3,819,114</u>

Advances from the Community Lighting Reserve relating to the Metis Trail and Whoop Up Drive projects, will be repaid to the reserve from the Offsite Account over ten years.

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Electric

The purpose of the Electric Reserve is to provide capital financing of Electric Utility projects and to stabilize the effects of fluctuating operation surpluses and deficits. Established: 2016.

Balance as at January 1, 2025		\$ 12,984,387
Add:		
Allocation from Electric Capital	11,985,532	
Return on Equity	9,347,119	
	21,332,651	21,332,651
Less:		
Allocation to Electric Capital Projects	20,375,398	
Return on Investment to the General Fund	3,368,729	
2024 Electric Operating Deficit	812,106	
		24,556,233
Balance as at December 31, 2025		\$ 9,760,805

Other funding commitments from this reserve for Electric Utility projects are included in the 2022-2031 Capital Improvement Program (CIP).

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Fleet Services

The purpose of the Fleet Services Reserve is to provide for a self-sufficient pool of funds to allow for the ongoing replacement of fleet assets. Established: 1976.

Balance as at January 1, 2025		\$ 15,333,199
Add:		
Allocation from fleet operations	3,167,199	
Disposal Proceeds	848,215	
Asset replacement contributions - Lethbridge Police Service	209,797	
Asset replacement contributions	<u>136,910</u>	
		4,362,121
Less:		
Purchase of equipment	4,998,346	
Equipment lease program	<u>244,190</u>	
		<u>5,242,536</u>
Balance as at December 31, 2025		<u><u>\$14,452,784</u></u>
Committed Funds:		
- Equipment Purchases (Budget 2023-26)	\$ 23,092,400	
- Equipment Purchases (Budget 2019-22)	<u>1,878,000</u>	
	<u>\$ 24,970,400</u>	

Insurance

The purpose of the Insurance Reserve is to stabilize the effects of rising and unpredictable insurance premiums. Established: 1985.

Balance as at January 1, 2025		\$ 5,805,967
Add:		
Allocation from Operations		1,345,162
Less:		
Whoop Up Drive Emergency Bridge Repairs		<u>803,719</u>
Balance as at December 31, 2025		<u><u>\$ 6,347,410</u></u>

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Major Capital Projects

The purpose of the Major Capital Projects Reserve is to fund capital projects and buffer the effects of the short-term fluctuations in debt payments and capital expenditures on the Pay-As-You-Go plan. Established: 1989.

Balance as at January 1, 2025		\$ 19,615,247
Add:		
Pay-As-You-Go	4,061,345	
Interest Earnings	716,151	
Funds from Operations	315,000	
Project Surplus:		
New Fire Station #5 - West (CIP 2018-27 D-28)	895,395	
North Regional Park (CIP 2014-23 D-11)	512,047	
	6,499,938	
Less:		
Mobility Accessibility Audits (CIP 2022-31 D-46)	36,891	
Parks Master Plan (CIP 2022-31 D-48)	582	
Great Bear Blvd W (Council Dec 2, 2025)	500	
	37,973	
Balance as at December 31, 2025		\$26,077,212

Committed Funds:

- Galbraith Elementary School Modernization (Council June 25, 2024)		\$ 1,200,000
- Great Bear Blvd W (Council Dec 2, 2025)		314,500
- Indigenous Cultural Centre Site Planning (CIP 2022-31 D-42)		131,252
- Indigenous Place-making Strategy (CIP 2022-31 D-21)		62,914
- Mobility Accessibility Audits (CIP 2022-31 D-46)		37,131
		1,745,797
		<u>\$ 1,745,797</u>

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Mayor Magrath Drive Beautification

The purpose of the Mayor Magrath Drive Beautification Reserve is to provide funds to allow for beautification of Mayor Magrath Drive. Established: 1984.

Balance as at January 1, 2025	\$ 121,852
Add:	
Parking Lease Revenue	3,554
Less:	
Land Lease Taxes	<u>1,491</u>
Balance as at December 31, 2025	<u><u>\$ 123,915</u></u>

Municipal Reserve Fund

The Municipal Reserve Fund can only be used for prescribed purpose such as public parks and public recreation areas. Established: 1980.

Balance as at January 1, 2025	\$ 403,767
Add:	
Interest Earnings	<u>13,841</u>
Balance as at December 31, 2025	<u><u>\$ 417,608</u></u>

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Municipal Revenue Stabilization

The purpose of this reserve is to stabilize the effects of fluctuating interest revenue and General Operation surpluses and deficits on annual taxation requirements. All General Operation surpluses of prior years, return on investments, municipal consent and access fee/franchise fee and by-law enforcement revenue surpluses, internal financing recoveries, and other allocations from General Operations are added to the reserve. Budgeted allocations to General Operations are charged to the reserve and include municipal consent and access fee/franchise fee, by-law enforcement revenue shortfalls, and return on investments. Other charges to the reserve include any General Operation deficits of prior years, one time expenses, internal financing advances, and other allocations to General Operations. Established: 1985.

Balance as at January 1, 2025		\$ 38,482,257
Add:		
Electric Municipal Consent and Access Fee (MCAF)	11,495,226	
Investment and Interest Income (net of Trust Allocations)	10,035,841	
ATCO Franchise Fee	7,083,256	
MRSR Internal Financing Recoveries (Schedule 1)	4,235,079	
Return on Investment (Electric ROI)	3,368,729	
By-law enforcement	2,412,343	
2024 General Operating Surplus	2,022,145	
Commercial land lease revenue	1,083,333	
Snow Removal	599,869	
		42,335,821
Less:		
Budget Allocation to General Operations:		
Electric Municipal Consent and Access Fee (MCAF)	11,165,700	
ATCO Franchise Fee	6,310,000	
Allocation to General Operations	6,050,000	
By-law enforcement	4,310,000	
Return on Investment (Electric ROI)	2,674,300	
Allocation for TIPP discounts	1,012,418	
Commercial land debenture payment	1,000,189	
MRSR Internal Financing Advances (Schedule 2)	1,267,388	
MRSR One Time Allocations (Schedule 3)	2,653,192	
		36,443,187
Balance as at December 31, 2025		\$ 44,374,891

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Municipal Revenue Stabilization**Schedule 1:** MRSR Internal Financing Recoveries (year of final payment):

- Lethbridge Police Headquarters (2029)	\$ 1,284,200
- Lethbridge & District Exhibition: Agri-Food Hub (Trade Centre) (2034)	1,251,391
- ENMAX building (2026)	467,800
- Police technology (2033)	430,200
- ATB Centre - Phase 1 (Ice Complex) (2029)	288,500
- Parks Asset Management (2028)	204,400
- Fibre Connectivity Pilot (2037)	137,100
- Affordable Housing (2039)	105,700
- Clean Energy Improvement Program (2044)	<u>65,788</u>
	<u>\$ 4,235,079</u>

Schedule 2: MRSR Internal Financing Advances:

- Affordable Housing (CIP 2022-31 D-32)	\$ 600,000
- Police technology (Council Nov 28, 2023)	370,388
- Clean Energy Improvement Program (Council Nov 29, 2022)	<u>297,000</u>
	<u>\$ 1,267,388</u>

Schedule 3: MRSR One Time Allocations:

- Encampment Response Strategy (Council Apr 18, 2023)	585,129
- School Gym Upsizing (CIP 2018-27 D-17)	283,331
- Lethbridge & District Exhibition City Resourcing (Council Dec 18, 2023)	265,986
- EDL - Creative Industries Cluster Ignition (Budget 2023-26 N-41)	205,455
- Body Worn Cameras (Council July 29, 2025)	201,111
- Broadband Pilot Project (Council Mar 22, 2022)	186,832
- Land Use Bylaw Update (Budget 2023-26 C-5.5)	103,320
- EDL - Market Intelligence (Budget 2023-26 N-42)	102,500
- EDL - Agrifood Cluster Ignition (Budget 2023-26 N-39)	100,000
- EDL - Supply Chain & Logistics Cluster Ignition (Budget 2023-26 N-40)	92,035
- Nord-Bridge Senior Centre (Budget 2023-26 N-51)	75,000
- Indigenous Curator (Budget 2023-26 N-32)	59,500
- Economic Development Strategy (Council July 29, 2025)	50,021
- Missing & Murdered Indigenous Women & Girls Work Plan (Council Jan 12, 2021)	46,285
- EDL - Operational Excellence (Budget 2023-26 N-43)	41,500
- CPTED Grant (Budget 2023-26 C-11.1)	41,176
- Chinook Arch Municipal Membership Fees (Budget 2023-26 N-34)	40,554
- Interfaith Food Bank (Council Nov 28, 2023)	37,500
- Lethbridge Food Bank (Council Nov 28, 2023)	37,500
- Lethbridge Soup Kitchen (Council Nov 28, 2023)	37,500
- Tourism Lethbridge - Sport & Meeting Development (Budget 2023-26 N-56)	21,500
- Chinook Arch Library Membership Fees (Budget 2023-26 N-66)	18,657
- Indigenous Programming (Budget 2023-26 N-31)	10,800
- Heart of the City Housing (Budget 2015-18 N-4)	5,000
- Tourism Lethbridge - Airport Marketing for Tourism (Budget 2023-26 N-57)	<u>5,000</u>
	<u>\$ 2,653,192</u>

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Municipal Revenue Stabilization

Committed Funds:

2015-2018:

- Heart of Our City Housing (Budget 2015-18 N-4, amended Jul 4, 2017)	\$	174,945
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2019-2022:

- Invasive Pest Management Urban Forest Disease (Budget 2019-22 N-58)		2,000,000
- Airport Incentive Framework (Council Jan 18, 2022)		894,083
- Missing & Murdered Indigenous Women & Girls Work Plan (Council Jan 12, 2021)		189,349
- Broadband Pilot Project (Council Mar 22, 2022)		85,286

2023-2026:

- Body Worn Cameras (Council July 29, 2025)		1,062,889
- Land Use Bylaw Update (Budget 2023-26 C-5.5)		941,681
- Encampment Response Strategy (Council Apr 18, 2023)		895,802
- Lethbridge & District Exhibition Operating Grant (Council Jan 23, 2024)		703,736
- Economic Development Strategy (Council July 29, 2025)		424,979
- EDL Creative Industries Cluster Ignition (Budget 2023-26 N-41)		384,115
- Procure to Pay (Budget 2023-26 N-7)		150,000
- Lethbridge & District Exhibition City Resourcing (Council Dec 18, 2023)		138,055
- CPTED Grant (Budget 2023-26 C-11.1)		89,994
- Habitat for Humanity (Council Nov 28, 2023)		75,000
- Nord-Bridge Senior Centre (Budget 2023-26 N-51)		75,000
- Indigenous Curator (Budget 2023-26 N-32)		59,700
- Chinook Arch Municipal Membership Fees (Budget 2023-26 N-34)		57,091
- Salute Our Veterans Project (Budget 2023-26 C-1)		47,747
- Interfaith Food Bank (Council Nov 28, 2023)		37,500
- Lethbridge Food Bank (Council Nov 28, 2023)		37,500
- Lethbridge Soup Kitchen (Council Nov 28, 2023)		37,500
- Chinook Arch Library Membership Fees (Budget 2023-26 N-66)		26,264
- EDL Operational Excellence (Budget 2023-26 N-43)		24,000
- Indigenous Programming (Budget 2023-26 N-31)		20,000
- EDL Market Intelligence (Budget 2023-26 N-42)		5,000
- Tourism Lethbridge - Airport Marketing for Tourism (Budget 2023-26 N-57)		5,000

	\$	<u>8,642,216</u>
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Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Municipal Revenue Stabilization

	<u>Current 2025/26</u>
Internal Loan Requirements:	
Affordable Housing (CIP 2022-31 D-32)	\$ 3,274,137
Offsite Levy Account Shortfall LOC (Council March 25, 2025)	2,800,000
Offsite Levy Account Shortfall LOC (Council March 26, 2024)	1,038,431
Clean Energy Improvement Program (Council Nov 29, 2022)	<u>292,318</u>
	<u>\$ 7,404,886</u>

As at December 31, 2025 internal advances amounting to approximately \$42,374,979 were outstanding from this reserve. These amounts will be recovered, with interest, in future years.

In addition, amounts to the following community groups remain committed against this reserve. These amounts have been recorded as receivables by the City at December 31, 2025.

	Year	Maturity	Original Amount	Balance as at December 31 2025	Annual Payment
Lethbridge Hurricanes	2012	2031	\$ 2,500,000	\$ 1,000,000	\$ 166,667
Lethbridge Fish & Game Assoc. (CIP 2018-27 D-40)	2021	2040	400,000	300,000	20,000

Real Estate Holdings

The purpose of the Real Estate Holdings Reserve is to provide a source of funding for land acquisitions within the city. Established: 1929.

Balance as at January 1, 2025	\$ 5,955,131
Add:	
Rental Income	2,972
Less:	
Purchase of 427 Stafford Drive South (Council Dec 16, 2025)	1,000,000
Demolition of 714 7 Street South (Council April 29, 2025)	185,883
Land Lease Taxes	<u>3,387</u>
	<u>1,189,270</u>
Balance as at December 31, 2025	<u><u>\$ 4,768,833</u></u>

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Transit Bus

The purpose of the Transit Bus Reserve is to provide funding for the City portion of new transit equipment including maintenance and replacement of Lethbridge Transit and ACCESS-A-Ride (AAR) technology and equipment. Established: 1985.

Balance as at January 1, 2025	\$ 1,043,159
Balance as at December 31, 2025	<u><u>\$ 1,043,159</u></u>

Urban Parks

The purpose of the Urban Parks Reserve is to provide funds for the ongoing operation and maintenance of the Urban Parks system. Established: 2025.

Balance as at January 1, 2025	\$ 3,645,466
Add:	
Allocation from operations	675,800
Less:	
Playground projects	<u>357,477</u>
Balance as at December 31, 2025	<u><u>\$ 3,963,789</u></u>

Committed Funds:	
- Parks Irrigation Central Control (CIP 2022-31 D-19)	<u>\$ 57,750</u>

Waste

The purpose of the Waste Reserve is to provide funds for projects including renewal, and expansion of infrastructure to ensure reliable operations and to meet growing community needs. Established: 2025.

Balance as at January 1, 2025	\$ -
Add:	
Allocation from Waste operations	660,200
Carbon Credits	<u>327,967</u>
	<u>988,167</u>
Balance as at December 31, 2025	<u><u>\$ 988,167</u></u>

Reserve Analysis
For the period January 1, 2025 to December 31, 2025

Wastewater

The purpose of the Wastewater Reserve is to provide funds for the Wastewater Treatment Plant expansions. Established: 2023.

Balance as at January 1, 2025		\$ 2,661,610
Add:		
Allocation from Wastewater operations		1,285,053
Balance as at December 31, 2025		\$ 3,946,663

Committed Funds:	
WWTP Process & Electrical Upgrades (CIP 2022-31 E-26)	\$ 826,000

Water

The purpose of the Water Reserve is to provide funds for the Water Treatment Plant expansions. Established: 2023.

Balance as at January 1, 2025		\$ 6,063,320
Add:		
Allocation from Water operations		2,596,742
Balance as at December 31, 2025		\$ 8,660,062

Committed Funds:	
Water Treatment Plant Process Redundancy (CIP 2022-31 E-12)	\$ 5,820,195
Water Treatment Plant Medium Voltage Upgrades (CIP 2022-31 E-13)	4,646,393
	\$ 10,466,588

TOTAL RESERVES as at December 31, 2025	\$ 136,330,146
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TOTAL COMMITTED FUNDS		\$ 47,708,938
TOTAL CURRENT INTERNAL LOAN REQUIREMENTS		7,404,886
TOTAL FUNDING REQUIREMENTS		\$ 55,113,824

**CITY OF LETHBRIDGE
COMMITTED BUDGET CARRYOVERS
AS AT DECEMBER 31, 2025**



	2025 Balance	2024 Balance
Department Committed Budget Carryovers		
Boards and Commissions		
Lethbridge Police Services	70,490	119,690
Lethbridge Public Library	160,966	151,255
General Government		
City Clerk	171,396	504,426
Mayor & City Council Office	380,953	285,186
Corporate Services		
Airport	86,949	110,076
Finance & Risk Management		
Risk & Controls	139,872	103,898
Treasury & Financial Services	52,931	140,399
Legal Services		
Legal Services	432,372	420,734
Regulatory Services	30,000	30,000
People & Partner Services		
Customer Service & Corporate Performance	142,754	548,185
Communications & Engagement	91,884	107,049
Government Relations	120,178	127,900
People & Culture	229,057	203,769
Indigenous Relations	142,000	-
Community Services		
Community & Social Development	1,654,755	1,415,090
Community Services Support	123,550	153,788
Fire & Emergency Services	1,351,554	810,642
Recreation & Culture	98,664	60,412
Parks	145,707	-
Infrastructure Services		
Capital Planning & Engineering Services	510,265	403,094
Planning & Design	24,559	60,886
	\$ 6,160,856	\$ 5,756,479
Corporate Committed Budget Carryovers		
Lethbridge & District Exhibition Operating Funding	3,359,433	4,657,165
Corporate Transfers	373,690	-
Operational Review and MCC Funding	399,135	653,046
	\$ 4,132,258	\$ 5,310,211
Uncommitted Budget Carryovers		
Current Year Unexpended (Note 1)	1,022,366	782,285
Prior Year Unexpended (Note 1)	\$ 1,256,910	\$ 545,453
	\$ 2,279,276	\$ 1,327,738

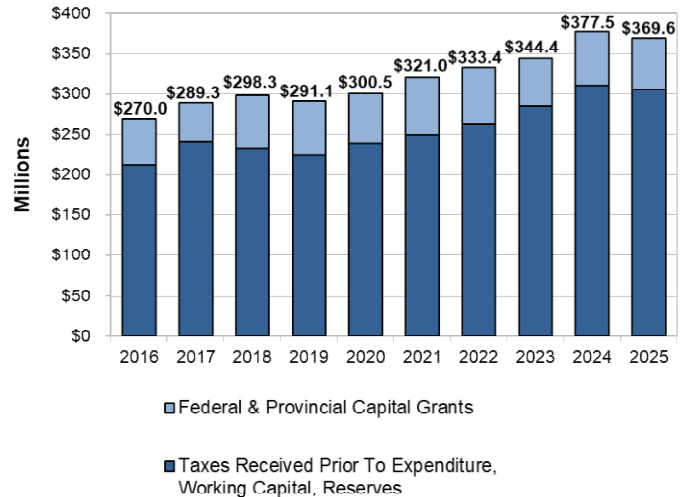
Note 1 - At the end of the four year budget cycle, any remaining Uncommitted Budget Carryover is transferred to the MRSR in accordance with City Council Resolution.

Investment Summary

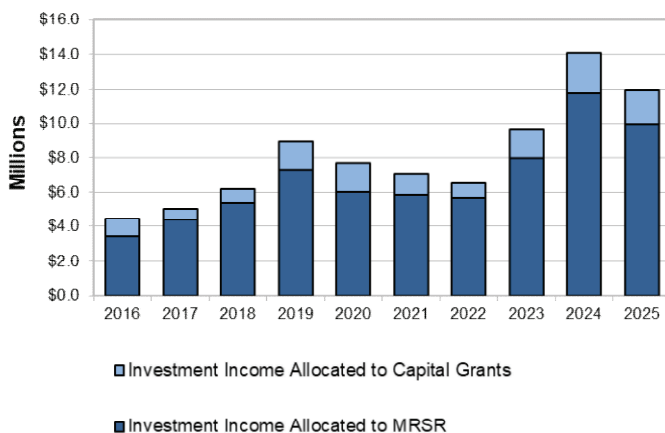
As at December 31, 2025

The City of Lethbridge maintains a significant investment portfolio. This investment portfolio consists of reserves, capital funds, Provincial and Federal grants, and operating funds. These funds are invested between the time of their receipt and their use to maximize the opportunity of investment returns to the City of Lethbridge. The timing of these transactions, as well as the size of reserves and the amount of internal financing approved are the main factors influencing the size of the investment portfolio.

Average Portfolio Size

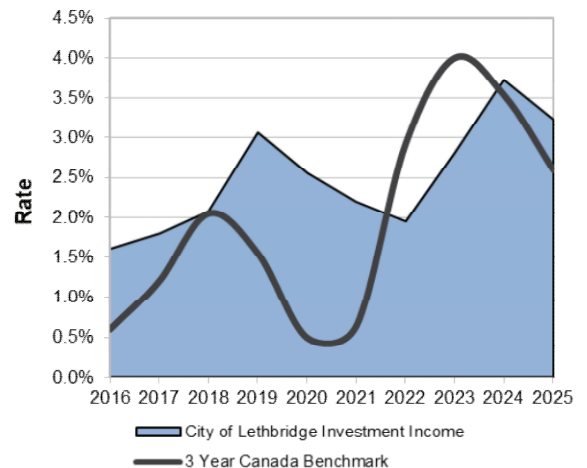


Total Investment Income



Total investment income decreased to \$11,939,960 in 2025 from \$14,086,950 in 2024. Portfolio yields declined during the period as inflation continued to ease toward the Bank of Canada’s target range (2-3%). With inflationary pressures moderating, market expectations shifted toward a more accommodative monetary policy stance. As maturing investments were reinvested at lower rates, the average yield of the City’s investment portfolio decreased accordingly. As the economy continues to respond to inflationary pressures, we continue to monitor our short-term and long-term investment strategy to meet our investment income target. The City of Lethbridge 2025 average portfolio yield of 3.23% (2024: 3.73%) is higher than the 2025 average Government of Canada 3-Year Benchmark¹ yield of 2.60% (2024: 3.53%).

Average Portfolio Yield



¹ Benchmark based on actual mid-market closing yields of selected Canada bond issues that mature approximately in the three-year term. This is a reasonable benchmark for the City of Lethbridge given our average portfolio term and our risk restrictions

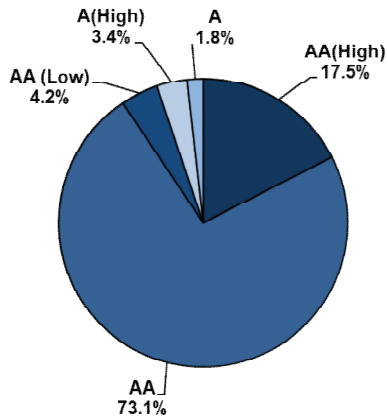
City of Lethbridge

Section B-3 (cont'd)

Investment Summary

As at December 31, 2025

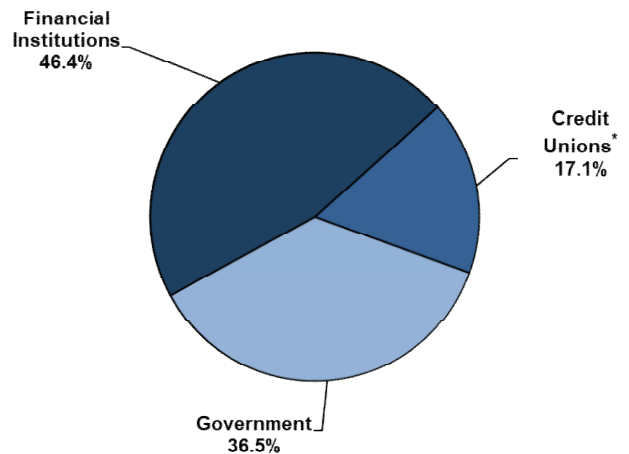
**Portfolio Distribution by Rating
December 31, 2025**



The City of Lethbridge's first investment objective is safety of principal, and accordingly the City invests only in institutions with a minimum credit rating of R1 or A. A Company having an R1 rating is considered high-grade prime credit. Its ability to repay current liabilities as they come due is very high. The R1 rating is further broken down into High (R1H), Middle (R1M) and Low (R1L). The short-term ratings of R1H, R1M, and R1L are roughly equivalent to the long term ratings of AAA, AA, and A respectively.

Our current portfolio is diversified among 7 different brokerage firms and 19 different institutions from the Government and Financial Institution sectors.

**Portfolio Distribution by Type
December 31, 2025**



*Principal is guaranteed by the Provinces of Alberta or BC

SUMMARY OF SUBDIVISION SURPLUS
For the period January 1, 2025 to December 31, 2025

	<u>Dec 31, 2025</u>	<u>Dec 31, 2024</u>
INDUSTRIAL	\$ 3,392,300	\$ 4,306,300
RESIDENTIAL	(1,394,300)	5,324,900
NET SUBDIVISION SURPLUS	<u>\$ 1,998,000</u>	<u>\$ 9,631,200</u>

**INDUSTRIAL SUBDIVISION SURPLUS
FUNDING ANALYSIS**
For the period January 1, 2025 to December 31, 2025

Development Operations Funding**Funds Received from Subdivision Development****Funds Used for Subdivision Development**

Sherring Industrial Park

\$ 171,300

Net Funds Used for Subdivision Development Operations(171,300)**Other Activity Funding****Funds Received:**

Lift Station Funding (Sanitary)

(Note 2) 98,500

Lease Revenue

11,700

110,200**Funds Used:**

Debt Payment - ACFA

(Note 1) 559,100

Allocation in Lieu of Property Taxes

293,800

852,900

Net Funds Used for Other Activities(742,700)**Net decrease in Industrial Subdivision Surplus**

(914,000)

Industrial Subdivision Surplus Balance January 1, 2025

4,306,300

Total Industrial Balance December 31, 2025\$ 3,392,300**Funds Committed for Future****Sherring:****Notes:**

- 1 In December 2016 council approved additional debenture borrowing through Alberta Capital Financing Authority (ACFA) to finance the expansion costs associated with Sherring Industrial Park. As at December 31, 2025 the remaining balance of ACFA loans is \$4,099,000
- 2 To finance the deficit balance in the Industrial Subdivision Surplus Account related to the startup costs associated with the Sherring Industrial Park, Council approved a "line of credit loan" of up to \$5,500,000. On March 23, 2021 Council approved an additional \$14,000,000 line of credit loan to fund the commitments for the expansion of Sherring Industrial Park. Loan payments will be based on cashflow availability within the Industrial Subdivision Surplus. As at December 31, 2025 the balance remaining to be paid to the MRSR from Industrial Subdivision Surplus on the total line of credit loans is \$19,500,000.

**RESIDENTIAL SUBDIVISION SURPLUS
FUNDING ANALYSIS**
For the period January 1, 2025 to December 31, 2025

Section C-1 (Cont'd)

Development Operations Funding

Funds Received from Subdivision Development

RiverStone	\$ 3,199,100	
Crossings	2,926,200	
	6,125,300	
Total Funds Received from Subdivision Development		6,125,300

Funds Used for Subdivision Development

Crossings	7,311,300	
RiverStone	2,797,600	
Watermark	99,900	
SunRidge	2,300	
	10,211,100	
Total Funds Used for Subdivision Development		10,211,100

Net Funds Used for Subdivision Development Operations (4,085,800)

Other Activity Funding

Funds Received:

Rental Revenue	500	
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Funds Used:

Real Estate & Land Development Operations	1,255,000	
Debt Payment ACFA - Watermark	853,300	
Affordable Housing	255,900	
Allocation in Lieu of Property Taxes	108,900	
Parks Maintenance	90,000	
New School Site Development (D-18)	52,600	
Weed Control	9,200	
Pest Control	9,000	
	2,633,900	

Net Funds Used for Other Activities (2,633,400)

Net decrease in Residential Subdivision Surplus (6,719,200)

Residential Subdivision Surplus Balance January 1, 2025 5,324,900

Total Residential Subdivision Surplus Balance December 31, 2025 \$ (1,394,300)

Funds Committed for Future

Subdivisions:

Crossings	\$ 2,956,600	
RiverStone	1,582,000	
	4,538,600	

Other Projects (including 2023-2026 Operating Budget Funding):

Operating Budget Funding

Parks Capital	1,346,500	
Urban Core Housing (previously Heart of Our City Housing)	406,600	
Affordable Housing	306,600	(Note 1)
Other	112,500	
Allocation in Lieu of Property Taxes	108,900	
	2,281,100	

CIP Projects (2018-2021):

New School Site Development (D-18)	425,000	
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CIP Projects (2022-2025):

New School Site Development (D-27)	15,800	
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Total Committed Funds \$ 7,260,500

Notes:

- 1 Affordable Housing - as at December 31, 2025 \$186,600 has been committed to the Affordable Housing Fund.
- 2 On July 8, 2013, City Council approved the sale of approximately 66.5 acres in the Crossings commercial area. As at December 31, 2025, \$27,603,200 has been received with amended final close date of December 31, 2027 (previously December 31, 2025). Due to slowed market conditions and reassignment of agreement an additional extension was requested and approved by Council July 9, 2024.

OFFSITE ACCOUNT ANALYSIS
For the period January 1, 2025 to December 31, 2025

Revenues**Net Offsite Levies**

Prairie Arbor Phase 2C	168,337
Crossings Stage 2 Ph 7B	117,964
2401 Westside Drive	712,257
Garry Station Stage 1 Phase 8A	196,196
Legacy Ridge Stage 3 Phase 16A	320,936
Crossings Stage 2 Phase 9A (COL)	956,340
Crossings Phase 15 (COL)	579,348
Riverstone Phase 18A (COL)	883,960
Prairie Arbor Phase 3	1,216,908
Piers Phase 1	2,230,844
Total Net Levies	<u>7,383,090</u>

Other Revenues

Debenture Debt Funded Projects	*
General Interest	(41,212)
Total Other Revenues	<u>(41,212)</u>

Total Revenues

7,341,878

Allocations**Offsite/Oversize Credits**

Legacy Ridge Stage 3 Phase 16A	14,762
2401 Westside Drive	26,655
	-
Total Oversize Credits	<u>41,417</u>

Other Costs

Debt Payment - ACFA	6,154,409
Interest Accrual - ACFA	(16,515)
	<u>6,137,894</u>

Total Allocations6,179,311**Net Increase in Offsite Account**

1,162,567

Add: Offsite Account Balance January 1, 2025

-

Projected Offsite Account Balance December 31, 20251,162,567

City of Lethbridge
External Borrowings
As At December 31, 2025

Section C-3

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2025	Per Capita 106,550	Year of Maturity
Self Supported (Alberta Treasury Board and Finance)								
Airport								
CFC Unit	58,926	2018	16	3.239%	4,748	35,036		2034
Entrance Sign	47,904	2018	16	3.239%	3,860	28,482		2034
Parking Lot	254,357	2018	16	3.239%	20,496	151,234		2034
Runway Signs	24,588	2018	16	3.239%	1,981	14,619		2034
Fence, Garage, Tanks, Roof	167,708	2018	17	2.765%	12,432	103,239		2035
Underground Fuel Tanks	75,365	2018	20	3.108%	5,088	52,372		2038
Land Development								
Watermark - Phase 1 Middle School	7,500,000	2017	10	2.671%	859,562	1,663,236		2027
Commercial Land Servicing	12,222,000	2017	15	2.768%	1,001,170	6,331,429		2032
Sherring Industrial Park	2,000,000	2018	15	3.046%	167,100	1,112,881		2033
Sherring Industrial Park	2,900,000	2018	15	3.201%	244,962	1,716,867		2033
Sherring Industrial Park	1,900,000	2020	15	2.033%	147,598	1,269,250		2035
Offsite Levy								
Garry Drive Reservoir	5,700,000	2011	15	3.013%	475,124	464,599		2026
SE Regional Lift Station	3,600,000	2014	15	2.814%	295,865	1,111,911		2029
Northwest Lethbridge Utility Servicing	1,000,000	2010	20	4.124%	73,909	330,872		2030
Metis Trail	1,800,000	2015	15	2.569%	145,362	614,022		2030
Metis Trail	2,800,000	2015	15	2.459%	224,337	1,049,418		2030
Metis Trail Deep Utilities	2,000,000	2015	15	2.569%	161,513	682,247		2030
Metis Trail Deep Utilities	2,200,000	2015	15	2.459%	176,264	824,543		2030
Northwest Lethbridge Utility Servicing	600,000	2011	20	3.292%	41,190	222,608		2031
Northwest Lethbridge Utility Servicing	15,000,000	2011	20	3.145%	1,016,134	5,516,797		2031
Metis Trail (Temple Blvd To Coalbrook Gate)	4,100,000	2021	10	2.850%	474,091	2,597,697		2031
Northwest Lethbridge Utility Servicing	2,900,000	2012	20	2.922%	192,500	1,132,111		2032
Metis Trail (Walsh to Whoop Up Dr)	5,000,000	2017	15	3.023%	417,071	2,613,591		2032
Whoop Up Dr (McMaster to Mauretania)	2,500,000	2017	15	3.023%	208,536	1,306,795		2032
Metis Trail (Temple Blvd To Coalbrook Gate)	2,600,000	2022	10	4.690%	328,701	1,823,391		2032
Metis Trail (Walsh to Whoop Up Dr)	2,500,000	2018	15	3.046%	208,875	1,391,101		2033
Whoop Up Dr (McMaster to Mauretania)	1,500,000	2018	15	3.051%	125,370	883,997		2033
Metis Trail (Walsh to Whoop Up Dr)	1,400,000	2018	15	3.201%	118,257	828,832		2033
Sherring Industrial Park	4,300,000	2018	15	3.201%	363,219	2,545,699		2033
Metis Trail (Walsh to Whoop Up Dr)	800,000	2019	15	2.443%	64,020	488,716		2034
Sherring Industrial Park	4,200,000	2019	15	2.552%	338,762	2,708,730		2034
University Drive (Community Stadium to Sunridge)	1,000,000	2020	15	2.033%	77,683	668,026		2035
Metis Trail (Walsh to Whoop Up Dr)	217,470	2020	15	1.789%	16,595	151,331		2035
North Scenic Dr (Uplands Blvd N to 40 Ave)	241,559	2020	15	1.789%	18,433	168,094		2035
University Drive (Community Stadium to Sunridge)	3,500,000	2020	15	1.789%	267,075	2,435,552		2035
Whoop Up Dr (McMaster to Mauretania)	434,548	2020	15	1.789%	33,159	302,390		2035
Subtotal					8,331,042	45,341,715	425.54	
Self Supported (Federation of Canadian Municipalities)								
Clean Energy Improvement Program	2,542,900	2023	21	2.000%	-	2,542,900		2048
Subtotal					-	2,542,900	23.87	
Total Self Supported						8,331,042	47,884,615	449.41
Taxation Supported (Alberta Treasury Board and Finance)								
General								
ATB Centre - Phase 2 (Leisure Complex)	12,000,000	2016	15	2.798%	985,091	5,406,400		2031
ATB Centre - Phase 2 (Leisure Complex)	5,000,000	2017	15	2.420%	399,476	2,389,352		2032
ATB Centre - Phase 2 (Leisure Complex)	38,000,000	2017	15	3.023%	3,169,740	19,863,288		2032
ATB Centre - Phase 2 (Leisure Complex)	6,950,000	2018	15	3.051%	580,879	4,095,852		2033
ATB Centre - Phase 2 (Leisure Complex)	3,387,182	2019	15	2.443%	271,059	2,069,215		2034
Total Taxation Supported						5,406,245	33,824,107	317.45
Utility Supported (Alberta Treasury Board and Finance)								
Water								
Public Operations Site	1,500,000	2012	15	2.627%	121,640	235,497		2027
Public Operations Site	1,250,000	2013	15	2.959%	103,796	248,358		2028
Public Operations Site	500,000	2013	15	3.586%	43,389	122,374		2028
Public Operations Site	1,000,000	2013	15	3.295%	85,030	241,004		2028
Public Operations Site	550,000	2015	15	2.235%	43,358	184,643		2030
Public Operations Site	1,071,500	2016	15	2.351%	85,182	437,076		2031
Water Reservoir Upgrades	800,000	2016	15	2.151%	62,683	351,074		2031
Water Reservoir Upgrades	500,000	2016	15	2.798%	41,045	225,267		2031
Water Treatment Plant Residuals Management	7,000,000	2019	15	2.298%	554,358	4,483,945		2034
Water Treatment Plant Residuals Management	2,500,000	2019	15	2.552%	201,644	1,612,339		2034
Water Treatment Plant Residuals Management	1,000,000	2020	15	2.033%	77,683	668,026		2035
Total Utility Supported						1,419,808	8,809,603	82.68

City of Lethbridge
External Borrowings (Continued)
As At December 31, 2025

Section C-3 (Cont'd)

	Original Principal	Year of Borrowing	Term	Interest Rate	Annual Payment	Year End Balance 2025	Per Capita	Year of Maturity
							106,550	
Utility Supported (Continued)								
Wastewater								
WWTP Headworks & Clarifier	500,000	2011	15	3.013%	41,678	40,754		2026
Public Operations Site	1,071,500	2016	10	1.860%	58,960	58,417		2026
WWTP Headworks & Clarifier	500,000	2016	10	1.782%	54,809	54,085		2026
WWTP Headworks & Clarifier	700,000	2017	15	2.420%	55,927	334,509		2032
WWTP Primary Clarifier Replacement	2,200,000	2018	15	3.201%	185,833	1,302,451		2033
WWTP Primary Clarifier Replacement	4,000,000	2019	15	2.443%	320,100	2,443,582		2034
WWTP Primary Clarifier Replacement	3,500,000	2019	15	2.298%	277,179	2,241,972		2034
WWTP Headworks and Clarifier Upgrade	3,700,000	2019	15	2.552%	298,433	2,386,262		2034
WWTP Primary Clarifier Replacement	2,400,000	2019	15	2.552%	193,578	1,547,846		2034
WWTP Primary Clarifier Replacement	3,100,000	2020	15	2.033%	240,818	2,070,881		2035
					1,727,315	12,480,759	117.14	
Waste & Recycling								
Curbside Recycling	3,000,000	2019	10	2.208%	335,984	1,125,688		2029
Curbside Recycling	500,000	2019	10	2.397%	56,530	214,396		2029
Recycling Depot	1,000,000	2016	15	2.798%	82,091	450,533		2031
Curbside Recycling	250,000	2021	10	2.850%	28,908	158,396		2031
Perimeter Berms & Fencing	800,000	2017	15	2.420%	63,916	382,296		2032
Recycling Depot	420,000	2017	15	3.023%	35,034	219,542		2032
Construction & Demolition Processing Area	765,800	2017	15	2.768%	62,731	396,712		2032
Perimeter Berms & Fencing	1,000,000	2017	15	2.768%	81,915	518,035		2032
Gas & Leachate Management Systems	400,000	2017	15	2.768%	32,766	207,214		2032
Sustainability Enhancements	700,000	2023	10	5.170%	90,529	587,036		2033
Waste & Recycling Centre Site Enhancements	1,000,000	2019	15	2.298%	79,194	640,563		2034
Gas & Leachate Management Systems	500,000	2019	15	2.552%	40,329	322,468		2034
Waste & Recycling Centre Site Enhancements	700,000	2019	15	2.552%	56,460	451,455		2034
Waste Processing Facility Upgrade	450,000	2019	15	2.552%	36,296	290,221		2034
Waste & Recycling Centre Site Enhancements	770,000	2020	15	1.789%	58,757	535,821		2035
Waste & Recycling Centre Disposal & Cell Dev	800,000	2020	15	1.789%	61,046	556,698		2035
Waste & Recycling Centre Disposal & Cell Dev	3,266,000	2025	10	3.620%	392,189	3,266,000		2035
Gas & Leachate Management Systems	1,700,000	2021	15	3.120%	142,780	1,320,816		2036
Waste & Recycling Centre Disposal & Cell Dev	1,100,000	2021	15	3.120%	92,387	854,646		2036
Gas & Leachate Management Systems	300,000	2023	15	5.290%	29,224	272,214		2038
Waste Processing Facility Upgrade	2,669,000	2023	15	5.290%	259,993	2,421,799		2038
Waste & Recycling Centre Site Enhancements	1,400,000	2023	15	5.290%	136,377	1,270,333		2038
Gas & Leachate Management Systems	1,500,000	2025	15	3.890%	132,939	1,500,000		2040
Waste & Recycling Centre Disposal & Cell Dev	3,700,000	2025	15	3.890%	327,916	3,700,000		2040
Waste & Recycling Centre Site Enhancements	3,000,000	2025	15	4.030%	268,452	3,000,000		2040
					2,984,743	24,662,882	231.47	
Electric								
Electric Infrastructure Replacement	2,000,000	2011	15	3.013%	166,710	163,017		2026
Electric Infrastructure Replacement	3,000,000	2012	15	2.627%	243,280	470,993		2027
Electric Infrastructure Replacement	4,000,000	2015	15	2.385%	318,775	1,494,136		2030
Northwest Substation	4,500,000	2015	15	2.459%	360,541	1,686,565		2030
Northwest Substation	4,400,000	2016	15	2.351%	349,792	1,794,804		2031
Northwest Substation	1,200,000	2016	15	2.151%	94,025	526,612		2031
Electric Infrastructure Replacement	5,500,000	2016	15	2.351%	437,240	2,243,505		2031
Electric Infrastructure Replacement	1,110,000	2016	15	2.798%	91,121	500,092		2031
Electric Infrastructure Replacement	3,155,000	2017	15	2.768%	258,443	1,634,402		2032
Distribution Extension & Improvement	1,900,000	2018	15	3.051%	158,801	1,119,729		2033
Distribution Extension & Improvement	5,500,000	2018	15	3.201%	464,583	3,256,127		2033
Substation Transformer Upgrades	1,500,000	2019	15	2.443%	120,038	916,343		2034
Substation 13.8kV Switchgear Upgrades	1,800,000	2019	15	2.443%	144,045	1,099,612		2034
Distribution Extension & Improvement	3,200,000	2019	15	2.298%	253,421	2,049,803		2034
Distribution Extension & Improvement	4,000,000	2020	15	2.033%	310,733	2,672,105		2035
					3,771,548	21,627,845	202.98	
Total Utility Supported					9,903,414	67,581,089	634.27	
Total External Borrowings December 31, 2025					\$ 23,640,701	\$ 149,289,811	\$ 1,401.13	

City of Lethbridge
Internal Borrowings
As At December 31, 2025

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2025	Per Capita 106,550	Year of Maturity
Taxation Supported								
General								
ENMAX Expansion	\$ 5,392,000	2010	15	3.488%	\$ 467,761	\$ 451,996		2026
Parks Asset Management	1,666,000	2012	15	2.599%	135,539	260,864		2027
Parks Asset Management	833,000	2014	15	2.814%	68,842	257,035		2029
ATB Centre - Phase 1 (Ice Complex)	2,904,000	2014	15	2.814%	239,997	966,285		2029
Lethbridge Police Headquarters	13,125,000	2014	15	2.814%	1,084,698	4,994,093		2029
ATB Centre - Phase 1 (Ice Complex)	240,000	2016	15	2.151%	18,890	105,273		2031
Lethbridge Police Headquarters	1,276,000	2016	15	2.151%	100,431	559,700		2031
ATB Centre - Phase 1 (Ice Complex)	234,000	2017	15	3.023%	19,634	122,219		2032
Lethbridge Police Headquarters	940,000	2017	15	3.023%	78,872	490,967		2032
Lethbridge Police Headquarters	240,000	2018	15	3.051%	20,178	141,341		2033
Lethbridge & District Exhibition: Agri-Food Hub	10,000,000	2024	10	4.300%	1,251,391	9,178,609		2034
ATB Centre - Phase 1 (Ice Complex)	127,096	2021	15	2.040%	9,921	96,874		2036
Fibre Connectivity Pilot - Industrial Park	1,435,500	2022	15	4.870%	137,087	1,223,992		2037
Affordable Housing	1,125,863	2024	15	4.610%	105,628	1,072,138		2039
Affordable Housing	600,000	2025	15	3.890%	53,550	600,000		2040
Police Technology	line of credit			float	430,200	-		n/a
Total General					<u>4,222,619</u>	<u>20,521,386</u>	<u>192.60</u>	
Self Supported								
Land Development								
Sherring Industrial Park	5,500,000	2007	n/a	float	n/a	5,500,000		n/a
Sherring Industrial Park	14,000,000	2021	n/a	float	n/a	14,000,000		n/a
						<u>-</u>	<u>19,500,000</u>	<u>183.01</u>
Offsite Levy								
Offsite Levy Shortfall	2,800,000	2024	n/a	4.610%	n/a	1,761,569		n/a
						<u>-</u>	<u>1,761,569</u>	<u>16.53</u>
Residential Property Owners								
Clean Energy Improvement Program	661,500		21	float	various	592,024		2048
						<u>-</u>	<u>592,024</u>	<u>5.56</u>
Total Self-Supported						<u>-</u>	<u>21,853,593</u>	<u>205.10</u>
Total Internal Borrowings December 31, 2025					<u>\$ 4,222,619</u>	<u>\$ 42,374,979</u>	<u>\$ 397.70</u>	
Funding from:								
Municipal Revenue Stabilization Reserve						<u>\$ 42,374,979</u>		



**CITY OF LETHBRIDGE
CAPITAL MAINTENANCE LIFECYCLE FUNDS SCHEDULE
AS AT DECEMBER 31, 2025**

	December 31 2025	December 31 2024
Boards and Commissions		
Lethbridge Police Services	\$ 1,314,166	\$ 1,376,497
Photo Radar Equipment	716,998	706,398
Lethbridge Public Library	389,934	449,361
Corporate Services		
Information Technology - Corporate Systems	7,741,775	8,274,669
Information Technology - Hardware & Devices	4,079,403	4,495,225
Information Technology - Emergency Services	11,902,905	10,779,442
Facility Services	11,171,363	8,673,917
Airport	-	105,000
Finance & Risk Management		
Risk & Controls	1,442,916	1,762,420
People & Partner Services		
Customer Service & Corporate Performance	-	35,500
Legal Services		
Legal Services	218,514	124,910
Community Services		
VisitLethbridge.com Arena	439,357	439,357
Fire & Emergency Services	2,276,639	1,862,720
Public Safety Communications Centre	503,014	382,014
Recreation & Culture	658,759	1,321,922
Parks Maintenance and Management	2,103,893	2,767,872
Infrastructure Services		
Urban Revitalization	5,400	1,639
Water	175,027	-
Transportation	1,985,812	1,985,812
Lethbridge Transit	448,150	725,844
Storm Sewer Maintenance	661,044	661,044
Waste Utility & Environment	3,620,016	3,544,630
	\$ 51,855,085	\$ 50,476,193

Housing Fund (Affordable Housing Capital Grant)

	2021	2022	2023	2024	2025
Opening Balance	\$ 1,633,233	\$ 1,721,621	\$ 1,421,621	\$ 1,241,621	\$ 322,484
Funding Approved in Operating Budget	150,000	150,000	150,000	150,000	150,000
	1,783,233	1,871,621	1,571,621	1,391,621	472,484
Allocations					
Affordable Housing Capital Projects:					
YWCA	-	-	-	-	165,887
Aboriginal Housing	-	180,000	-	-	120,000
Concept Investment Partners	-	-	-	1,069,137	-
Blackfoot Family Lodge	-	90,000	210,000	-	-
Green Acres Foundation	-	180,000	120,000	-	-
LRCHC	61,612	-	-	-	-
Total Capital Allocated	61,612	450,000	330,000	1,069,137	285,887
Closing Balance (Note 1)	\$ 1,721,621	\$ 1,421,621	\$ 1,241,621	\$ 322,484	\$ 186,597
Funds Committed for Future					
Affordable Capital Housing Projects:					
YWCA					17,140
Aboriginal Housing Society					-
My City Care					150,000
Unallocated					19,457
Total Committed Funds					\$ 186,597

Note 1: As at December 31, 2025, \$186,597 of the 2025 closing balance remains in Residential Subdivision Surplus. Based on the Affordable Housing Committee submission to City Council on October 15, 2013, the annual contribution from Residential Subdivision Surplus will be used to fund the Affordable Housing Capital Project Grant.

Affordable Housing One-Time Capital Funding

	Budget	Previously Paid	2025 Paid	Committed	Unallocated
CIP 2022-2031 D-32 Affordable Housing					
Aboriginal Housing - Legacy Ridge Housing Project (2901 Stafford Dr N)	\$ 1,500,000	\$ (900,000)	\$ (600,000)	\$ -	\$ -
Concept Investment Partners Ltd. - Affordable Housing Project (1730 10 Ave S)	225,863	(225,863)	-	-	-
Green Acres Foundation - Crossing Project	1,104,433	-	-	(1,104,433)	-
My City Care - MyCityCare Housing	350,000	-	-	(350,000)	-
Settle Ease Canada - Affordable Housing for Newcomers (BASH)	209,704	-	-	(209,704)	-
Unallocated	1,610,000	-	-	-	(1,610,000)
Balance	\$ 5,000,000	\$ (1,125,863)	\$ (600,000)	\$ (1,664,137)	\$ (1,610,000)
Funding Held In CIP Reserve					
Green Acres Foundation - Abbey Road Terrace Project	\$ 225,000	\$ (225,000)	\$ -	\$ -	\$ -
Balance (Note 2)	\$ 225,000	\$ (225,000)	\$ -	\$ -	\$ -

Note 2: This project was funded through the Major Capital Project Reserve.

GST Rebates

	2021	2022	2023	2024	2025
Opening Balance	\$ 3,680,794	\$ 4,211,383	\$ 4,911,467	\$ 5,523,123	\$ 6,154,883
GST Rebates	1,425,959	1,598,253	1,718,090	1,743,509	1,705,302
	5,106,753	5,809,636	6,629,557	7,266,632	7,860,185
Allocations					
Community Capital Grant Program	450,000	450,000	450,000	450,000	450,000
Strategic Building Asset Management	250,000	250,000	250,000	250,000	250,000
Fee Assistance Program	-	-	200,000	200,000	200,000
Capital Asset Plan & Register	161,300	161,300	161,300	161,300	161,300
Capital Asset Management Maintenance Fees	34,070	36,869	45,134	50,449	56,541
Total Capital Allocated	895,370	898,169	1,106,434	1,111,749	1,117,841
Closing Balance	\$ 4,211,383	\$ 4,911,467	\$ 5,523,123	\$ 6,154,883	\$ 6,742,344
Funds Committed for Future					
2022-2031 CIP Matching funds \$10M (City Council May 11, 2021)					3,000,000

Major Community Event Hosting Grant As of December 31, 2025

Background: This information is an update regarding the Major Community Event Hosting Grant including approved events and the remaining available funds. Please refer to City Council policy CC55 "Major Community Event Hosting Policy" for more information regarding this grant.

Total Budget 2015-2018	\$	1,000,000	
Less Allocated:			
Tour of Alberta 2016		(275,049)	
Southern Alberta Summer Games 2016		(79,194)	
U16 Canadian National Soccer Championships 2016		(30,000)	
World Mixed Double & World Sr Curling 2017		(100,000)	
Japanese Garden Society: Canada 150 Celebration 2017		(73,700)	
Cdn Championships Trampoline Gymnastics 2018		(50,250)	
U of L 50th Anniversary Celebration 2017		(50,000)	
West Cdn U16 Football Championships 2017		(15,000)	
Exhibition Grandstand Anniversary Concert 2017		(37,587)	
Can-Am Police-Fire Games 2022 - Bid only		<u>(10,875)</u>	
2015-2018 Available			278,345
Total Budget 2019-2022		1,000,000	
Less Allocated:			
U Sports Men's Hockey 2019		(125,000)	
World's Men's Curling Championships 2019		(500,000)	
Alberta Summer Games 2021		(73,000)	
National Association of Friendship Centres AGM 2019		(47,500)	
Brier Bid 2022		<u>(355,845)</u>	
2019-2022 Overallocated			(101,345)
Total Budget 2023-2026		1,000,000	
Less Allocated:			
Lethbridge & District Exhibition 2024		<u>(967,000)</u>	
2023-2026 Available			33,000
Total Available			<u>\$ 210,000</u>