



2025 ANNUAL REPORT

Celebrating Alberta's Most Livable Community



TOWN OF OKOTOKS

PROVINCE OF ALBERTA

For the Year Ended December 31, 2025

Town of Okotoks
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2025 Annual Report, for the year ended December 31, 2025
Prepared by: Corporate Strategist, Community Engagement and Corporate Finance

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Okotoks Land Acknowledgement

The Town of Okotoks acknowledges the original stewards of this land that we know and call Treaty 7 Territory, which includes the Blackfoot Confederacy First Nations, the Kainai, Siksika and Piikani. The Stoney Nakoda First Nations, which includes the Bearspaw, Chiniki and Goodstoney, the Dene First Nation of Tsuut'ina and the Métis Nation of Alberta. We vow to continue honouring and respecting the Indigenous Peoples Sacred and Traditional ways of life and will carry on this special relationship with the land so that generations to come can enjoy, use and live off the land as their ancestors did. We honour and respect this space, the water, the animals and all the beings who have a spirit and have been here long before us.

Watch the Town of Okotoks Land Acknowledgement video and learn more about our commitment to reconciliation at okotoks.ca/land-acknowledgement.



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SECTION 1: INTRODUCTION

This report highlights the progress and achievements accomplished in the past year and is aligned to the key strategic direction outlined in the 2022-2025 Strategic Plan and the Municipal Development Plan. The report also shares the Town's audited consolidated financial statements and a financial summary.

The annual report is divided into three sections:

Section 1: Introductory

An overview of the Town of Okotoks, including its municipal profile and government structure

- › Council Committees
- › Messages from the Mayor, Chief Administrative Officer and Chief Financial Officer
- › Town Vision and Mission Statements
- › Strategic Planning and Budgeting
- › A year-in-review, which provides an overview of key corporate activities and accomplishments based on the Town's strategic plan
- › Information to enhance the public's understanding of the Town's budgetary process and property taxes

Section 2: Financial

- › Information to enhance the public's understanding of the Town's fiscal results and overall financial position
- › Audited Consolidated Financial Statements

Section 3: Statistical Information

- › Financial and general statistics

Welcome to Okotoks

Rooted in Identity. Growing with Intention.

Framed by the Rocky Mountain foothills and the Sheep River Valley, Okotoks continues to evolve as one of the province's most livable and connected communities.

Okotoks remains a picturesque and connected community, home to more than 30,000 residents and recognized not only for its natural beauty and cultural richness, but for the unmistakable sense of belonging that comes with calling Okotoks home.

The Globe and Mail recognized Okotoks as Alberta's number one Most Livable Community in *Canada's 100 Most Livable Cities*, placing 29th nationally. The ranking evaluated 454 municipalities across Canada using nearly 60 indicators tied to quality of life, including safety, health care, housing, transportation, amenities, economic opportunity, and climate resilience.

While the recognition is significant, it simply reflects what residents already know: Okotoks is a community built around connection, opportunity, and quality of life. Here, neighbours know each other, pathways connect people and places, local businesses thrive, and residents of all ages have access to exceptional recreation, arts, culture, and community spaces.

Located just 18 km south of Calgary, Okotoks offers a rare balance, delivering urban amenities while preserving the warmth and character of a small town. Our historic downtown remains a vibrant gathering place, while our extensive parks, trails, sports fields, and recreational amenities continue to grow alongside our community.

As Okotoks continues to evolve, we remain focused on protecting what makes this community special. Growth is not simply about adding infrastructure or expanding neighbourhoods, it is about strengthening the shared identity that make Okotoks one of the most livable communities in Canada. Friendly, charming, and unique by design, Okotoks is a place where people feel connected, supported, and proud to call home.



ALBERTA

Okotoks

TREATY 7



Government Structure

The Municipal Government Act (MGA) defines the purposes of a municipality as follows:

- › To provide good governance
- › Foster the well-being of the environment
- › Foster the economic development of the municipality
- › Provide services, facilities or other things, that in the opinion of Council are necessary or desirable for all or a part of the municipality
- › Develop and maintain safe and viable communities
- › Work collaboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services

The Town of Okotoks consists of two branches:

- › A legislative branch, comprised of Town Council
- › An administrative branch, led by the Chief Administrative Officer (CAO)

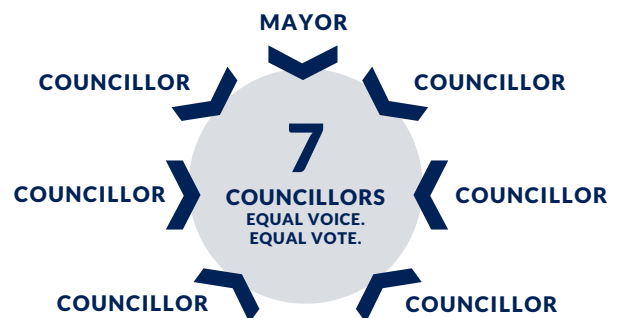
Legislative & Administrative Organization



Town Council

Town Council is elected at large by residents to serve a four-year term and governs in accordance with the powers granted under the (MGA). Council consists of a Mayor and six Councillors who provide strategic direction to Administration through a variety of plans, bylaws, policies and governance processes.

This report reflects a transition year in local governance. From January through October 2025, the 2021–2025 Council continued advancing key priorities, major infrastructure investments, and long-term community planning initiatives. Following Alberta’s municipal election in October 2025, a newly elected Council was sworn in to guide the next chapter of Okotoks’ growth and future direction through to the next municipal election in October 2029.



June 22, 2026

MESSAGE FROM

The Mayor

As I reflect on 2025, I want to begin with a sincere thank you to our community. It is an honour to serve Okotoks for a second term as your Mayor. Your trust means a great deal, and it's something I carry with me in every decision we make as Council.

This past year was one of both progress and perspective. An election year naturally brings different voices, ideas and priorities to the table. But what stood out most is something we saw again and again. No matter our differences, we care deeply about this community and about getting it right for the future. That shared commitment continues to guide our work.

Okotoks was recognized as Alberta's Most Livable Community by The Globe and Mail, and it's a distinction we can all take pride in. While that recognition is certainly worth celebrating, it didn't happen by chance. It speaks to the kind of community we've built together, one grounded in connection, care and a shared responsibility for the place we call home. Okotoks is a town where people feel connected, where neighbours know one another and where residents care deeply about where they live. That shared sense

of belonging is at the heart of what makes Okotoks such a livable community.



Mayor Tanya Thorn

“ Together, let's keep building a future rooted in connection and growing with purpose.” – Mayor Tanya Thorn

Over the past year, I've had many opportunities to connect with residents, whether at events, through formal engagement, or in everyday conversations. A common theme continues to emerge. People want a community that grows with intention, balances today's needs with tomorrow's realities, and stays rooted in the values that make Okotoks feel like home.

As Council, our role is to listen, to weigh those perspectives carefully, and to make decisions that are both responsible and forward-looking. That isn't always easy. There are competing priorities, real financial considerations and important trade-offs to navigate. But that's the work you've entrusted us to do.

Looking ahead, let's keep building on that trust. Let's keep asking questions, sharing ideas and working together. Because the future of Okotoks will always be strongest when it's shaped by the people who call it home.

Thank you for being part of this community, and for being part of what comes next.

With gratitude,

Tanya Thorn, BA, ICD.D (she/her)
Blackfoot Name: Óóhkotok Aakíí
Mayor, Town of Okotoks



Council Boards, Committees & Task Forces

Council has established committees under the Committees Bylaw to represent various civic interests and mandates. Committees are an important part of good governance for our community and contribute to the prosperity and sustainability of Okotoks. Committees examine issues and provide recommendations for approval by Council.

You are encouraged to get involved in the community by serving on one of Council's boards or committees.

For information on how to join a committee, visit okotoks.ca/committees.



2021-2025 Town Council

LEFT to RIGHT:
Gord Lang
Rachel Swendseid
Oliver Hallmark
Mayor Tanya Thorn
Ken Heemeryck
Cheryl Actemichuk
Brent Robinson



2025-2029 Town Council

LEFT to RIGHT:
Gord Lang
Carrie Penner
Stefan Dykema
Mayor Tanya Thorn
Oliver Hallmark
Michelle Walther
Ryan Nix

MESSAGE FROM

The Chief Administrative Officer

Celebrating Alberta's Most Livable Community

Oki (Blackfoot greeting) to everyone who calls Okotoks home.

This year, Okotoks was recognized as Alberta's Most Livable Community by The Globe and Mail and we are deeply honoured. What makes this recognition so meaningful is what it reflects about our community and the people who call it home.

Over the past year, I have been reminded that what makes Okotoks special is not just our parks, pathways, facilities and services, but it is the people who care deeply about this community. That pride is evident in the conversations we have; the feedback residents share and the way people continue to show up for one another.

Thoughtful planning and ongoing investment create the spaces, services and infrastructure that support daily life. Equally important are the relationships, trust and shared sense of connection that bring those spaces to life.



Chief Administrative Officer - Elaine Vincent

“2025 was a year of clarity, focus, and staying true to the values that define Okotoks.” - CAO Elaine Vincent

Together, these elements shape the livability we value and work to sustain.

October marked an important transition for the Town, with a municipal election and a newly elected Council taking office. Significant work was undertaken to support onboarding, maintain organizational continuity and prepare for the development of a new Strategic Plan and multi-year budget framework for 2027–2030.

Resident engagement continued to play a critical role in shaping priorities and informing decisions. The 2025 Citizen Satisfaction Survey saw a 72% increase in participation compared to 2022, demonstrating the strong level of interest and care residents have in the future of Okotoks. This feedback helps guide delivery service, long-term planning and future investment decisions.

In 2025, the Town's investment extended beyond infrastructure and core services to include recreation, culture, downtown revitalization, environmental stewardship, parks and community events. Together, these efforts contribute to a strong sense of belonging and quality of life in Okotoks.

Behind the scenes, important foundational work continued to strengthen the organization. This includes long-term infrastructure planning, financial stewardship, governance improvements and regional partnerships that will support a resilient and adaptable future.

Looking ahead, our focus remains on protecting the character of Okotoks, supporting the quality of life we enjoy here, and strengthening the connections that make people proud to call Okotoks home, today and for generations to come.

To Council, thank you for your leadership and commitment to thoughtful governance. To our Town team, thank you for your professionalism, expertise and care. And to residents, businesses, volunteers and community partners, thank you for continuing to shape the spirit and future of this remarkable town.

With sincere appreciation and gratitude,

Elaine Vincent
Blackfoot Name: Sesskummooakii
Chief Administrative Officer
Town of Okotoks

MESSAGE FROM

The Chief Financial Officer

Throughout 2025, the Town of Okotoks remained focused on balancing affordability, maintaining service levels and supporting long-term financial sustainability in a rapidly changing economic environment. Rising inflation, increasing operational costs and continued infrastructure pressures required thoughtful financial planning and disciplined decision-making across the organization.

At the Annual Budget Meeting in November 2024, Council approved amendments to the 2025 year of the Town's five-year budget, resulting in a total Operating Budget of \$80.386 million. The budget focused on maintaining the services residents have come to value most while responding to community feedback and evolving economic conditions.

Affordability remained a key priority throughout the budget process. The approved 2025 budget lowered the previously forecasted property tax increase while also introducing utility fee reductions and streamlining several municipal fees in response to rising household cost pressures and resident feedback.

Community input was an important driver in shaping the 2025 Budget. Results from the Budget Survey conducted in June 2024 showed that 69% of respondents felt they received fair, good or very good value for their property taxes. Across all evaluated services, maintaining existing service levels was the most common preference, identified by 65% of respondents. This feedback helped inform Council's decisions and reinforced the importance of balancing affordability with continued investment in the services and infrastructure residents rely on every day.

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



Chief Financial Officer - Katherine Van Keimpema

The budget also introduced several changes aimed at simplifying processes, modernizing service delivery and reducing costs for residents and businesses. These included streamlining business licensing requirements, moving to bi-weekly

garbage collection, eliminating dog licensing and transitioning curbside recycling funding to Extended Producer Responsibility in May 2025.

At the same time, Administration continued advancing long-term financial planning initiatives related to asset management, infrastructure planning and reserve strategies to help strengthen organizational resilience and support future decision-making. This work positions Okotoks to respond proactively to future opportunities and challenges while maintaining financial stability and flexibility.

Financial stewardship is about more than balancing budgets. It is making sure the Town remains resilient, adaptable and prepared for the future while continuing to deliver the services, infrastructure and quality of life residents expect. As Okotoks continues to evolve, maintaining strong financial discipline and long-term planning remains essential to supporting both current needs and future opportunities.

This Annual Report includes consolidated financial statements independently audited by Avail Chartered Professional Accountants and reviewed by both Council and Administration in accordance with Canadian public sector accounting standards. Together, these statements reflect the Town's ongoing commitment to transparency, accountability and responsible financial stewardship.

Warm regards,

Katherine Van Keimpema, CPA, CLGM
Chief Financial Officer, Town of Okotoks



Downtown



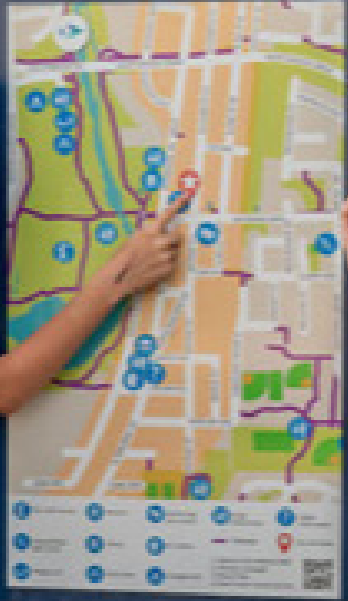
Elma Street 115m

Performing Arts Centre 135m



Riverfront 295m

Arts & Learning Campus | Library 300m



Town Vision and Mission Statements

VISION

A vibrant, resilient and connected community that fosters the wellbeing of land and people; a community to call home.

MISSION

The Town of Okotoks strives to create and nurture an environment in which people are able to pursue the fulfilment of their values, in harmony with the community.

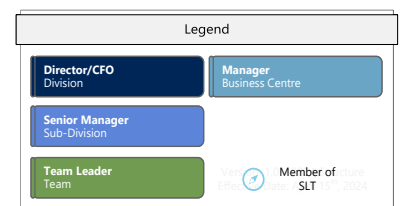
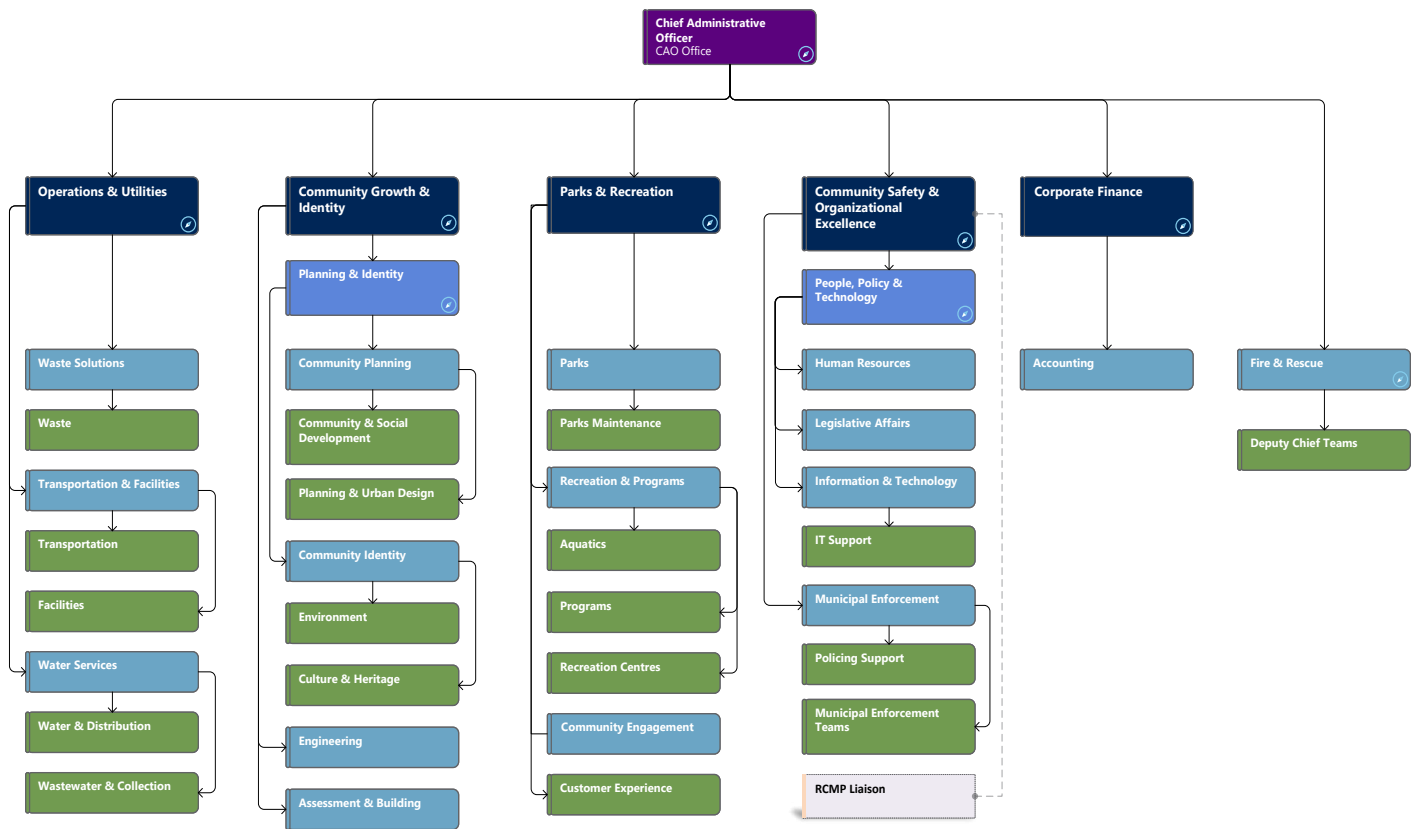
Administration

The Chief Administrative Officer (CAO) leads the Strategic Leadership Team (SLT) consisting of seven members. The SLT is the executive branch of Town Administration who work to make Council's strategic direction a reality.

Organizational Chart

Our organizational chart enables us to maintain an empowering environment:

- › Make decisions to meet the current and future needs of the clients they serve
- › Be flexible, nimble, and adapt to change quickly, while also having clear levels of authority and accountability



Using the challenges of today to create opportunities to thrive tomorrow



The Town's Strategic Plan aligns with the Municipal Development Plan (MDP) and was developed in consultation with residents. It reflects Council's priorities and commitment to deliver services that are in the best interest of Okotoks' citizens today and tomorrow.

VISION
A vibrant, resilient, and connected community that fosters the wellbeing of land and people; a community to call home

| | | | | | |
|--|---|--|---|---|---|
| <div style="text-align: center; font-size: 2em; margin-bottom: 10px;"> </div> <p>Responsibly Managed Growth We have flourishing spaces for all</p> <ul style="list-style-type: none"> ▶ Improve diverse housing options for individuals and families ▶ Achieve a supplemental water supply ▶ Review additional revenue generation opportunities to meet the needs of a growing community | <div style="text-align: center; font-size: 2em; margin-bottom: 10px;"> </div> <p>Strong Local Economy We are the easiest place to do business in Alberta</p> <ul style="list-style-type: none"> ▶ Focus on arts and culture as economic drivers ▶ Enhance the diversification of the tax base ▶ Review and update processes that may be barriers to businesses choosing Okotoks ▶ Develop downtown to attract new business | <div style="text-align: center; font-size: 2em; margin-bottom: 10px;"> </div> <p>Enhanced Culture & Community Health We are ready to welcome everyone</p> <ul style="list-style-type: none"> ▶ Enhance community dialogue and engagement with residents and organizations ▶ Take meaningful steps to address the Truth and Reconciliation Commission's calls to action ▶ Increase sport and recreational opportunities ▶ Provide timely access to relevant programs and services that support health and well-being | <div style="text-align: center; font-size: 2em; margin-bottom: 10px;"> </div> <p>Demonstrated Environmental Leadership We do things differently to thrive tomorrow</p> <p>Work towards achieving Municipal Development and Climate Action Plan targets for:</p> <ul style="list-style-type: none"> ▶ Climate Change ▶ Resilience Greenhouse ▶ Gas Emissions Water ▶ Conservation ▶ Energy Efficiency ▶ Land and Biodiversity | <div style="text-align: center; font-size: 2em; margin-bottom: 10px;"> </div> <p>Organizational Excellence We lead with passion and are focused on multidisciplinary collaboration, fostering creativity and innovation, allowing us to be agile and creative in serving our vibrant Town</p> <ul style="list-style-type: none"> ▶ Become the Employer of Choice ▶ Operationalize Asset Management ▶ Create a technology roadmap to advance access to data and information, improve client experience and decision-making | <p>VALUES</p> <ul style="list-style-type: none"> ▶ A Citizen Focus ▶ A Committed Town Team ▶ A Regional Focus ▶ Partnering for Success ▶ Transparency & Accountability ▶ Financial Responsibility ▶ Excellence and Prosperity ▶ Respect for the Planet ▶ Diversity, Equity, Inclusiveness and Accessibility |
|--|---|--|---|---|---|

Strategic Planning and Budgeting

Strategic planning and budgeting help ensure Council priorities, community needs, and long-term investments remain aligned as Okotoks grows and evolves.

Town Council finalized the 2022–2025 Strategic Plan in September 2022 with a vision of “A vibrant, resilient, and connected community that fosters the wellbeing of land and people, a community to call home.” The plan identifies high-level priorities that align directly with the community’s long-term 60-year vision outlined in the Municipal Development Plan (MDP).

To support this vision, Administration established an overarching four-year Corporate Business Plan, along with individual plans for each Business Centre. These plans are reviewed annually and adjusted as needed to ensure Administration remains aligned with Council priorities and emerging community needs.

Council also approved a four-year budget to support the Corporate Business Plan and the delivery of municipal services, infrastructure, and strategic initiatives. In 2025, Council approved a one-year extension to the original planning cycle, creating a bridge year to support continuity and onboarding for the newly elected Council following the October 2025 municipal election.



Regular reporting helps ensure accountability, measure progress, and inform future decision-making. In addition to this Annual Report, Council and the community receive the following updates throughout the year:

- Corporate Progress Reports/Annual Report – updates on Corporate Business Plan initiatives, measures, and service levels.
- Financial Variance Reports – updates on capital and operating financial results.



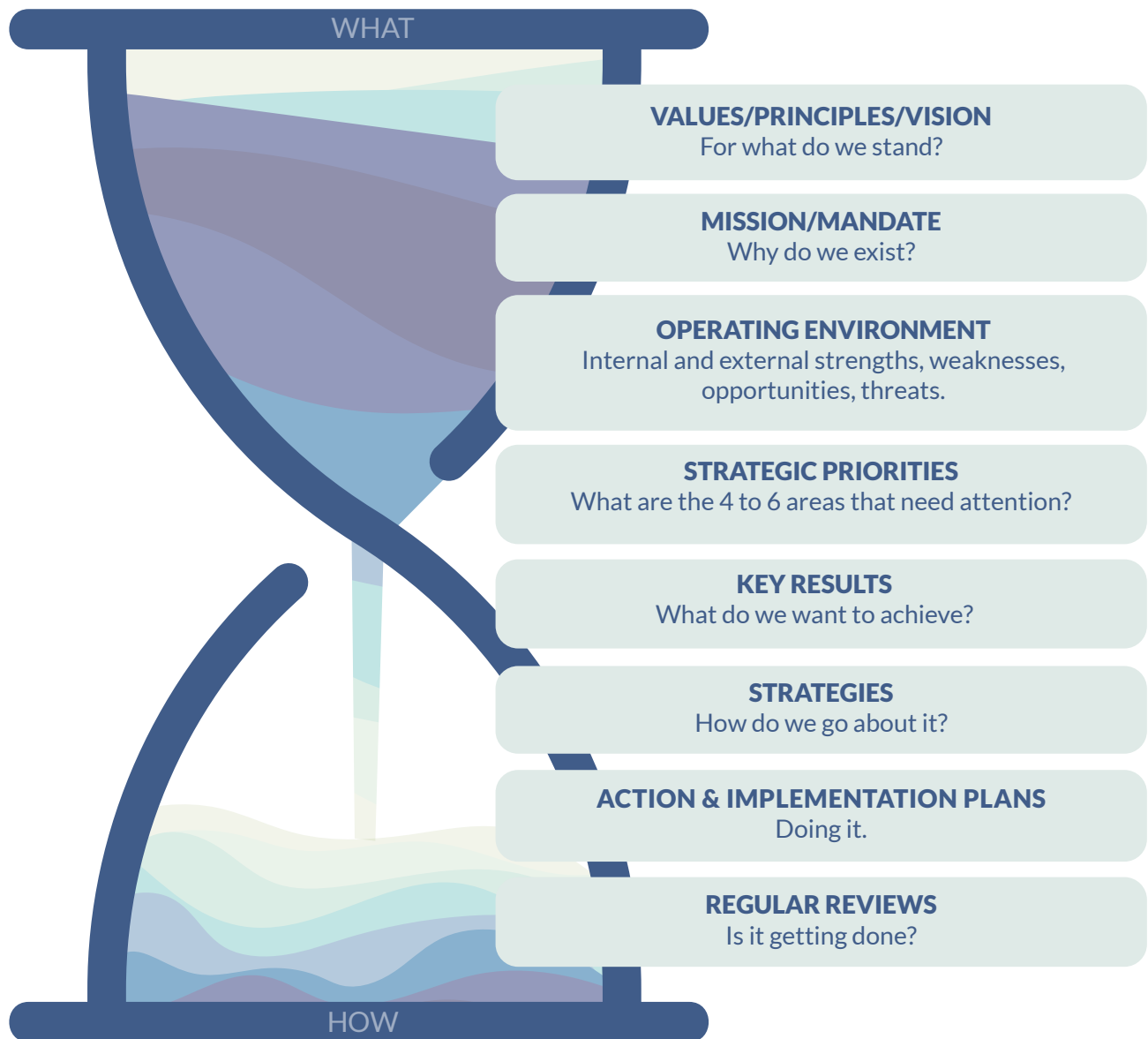
“Administration worked hard to find ways of maintaining the service levels that mattered most to our community, balancing the impacts of inflation, increased cost of goods and services, all while finding ways to save.”

– CFO Katherine Van Keimpema

Strategic Planning

Roles of Council and Administration What and Why vs. How

The hourglass is a visual representation of the connected, but distinct functions of Council and Administration: the “what” and the “how.” Council’s focus is reflective in the top half of the hourglass, or the “what”; Administration is focused on the bottom half, or the “how.”



Strategic Planning Process

Council has 3 roles that cannot be delegated:

1. Establish the policy & government framework for the Town;
2. Be the informed voice of the owners; and
3. Assure organizational performance

Roles of Council and Administration





Responsibly Managed Growth

We have flourishing spaces for all

Okotoks continues to be one of the most desirable communities in Alberta, bringing new opportunities alongside increasing demands on infrastructure, housing, transportation, services and public spaces. As the community looks to the future, the Town remains committed to managing growth in a way that protects what residents value most about Okotoks: its friendly atmosphere, small-town charm, strong sense of connection and exceptional quality of life.

To support this work, the Town continues advancing long-range planning, infrastructure investment and development strategies designed to strengthen a connected, resilient and sustainable community for both current and future residents.

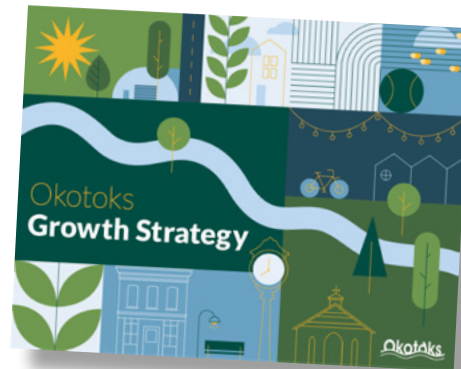
Growth

Growth Guided by Community Identity

In June 2025, Council approved the Okotoks Growth Strategy, establishing a long-term framework to help guide future growth in a way that reflects the community's identity, values and vision for the future.

The strategy was developed to support evidence-based and identity-driven growth planning while helping the Town respond to increasing demands related to housing, infrastructure, transportation, amenities and economic development. Council also established an annual growth rate target of 3% to 4% to help support long-term planning efforts.

Built around five guiding principles: socially connected communities, economic resilience, environmental stewardship, complete and integrated communities, and strategic long-term planning, the strategy emphasizes how growth can strengthen quality of life while preserving the character and sense of community residents value most about Okotoks.



The Growth Strategy also reinforces the importance of balancing affordability, community connection, environmental stewardship and infrastructure readiness as the community continues to evolve. The framework will help guide future decisions related to land use, housing, transportation networks, municipal services and community development.

More than a planning document, the Growth Strategy reflects the Town's continued commitment to shaping growth intentionally and responsibly while building a resilient, inclusive and future-ready community. Learn more at Okotoks.ca/growth-strategy.

River’s Edge Infrastructure Improvements

In 2025, the Town advanced the River’s Edge Infrastructure Improvements project, a significant investment focused on strengthening infrastructure capacity and supporting future growth and redevelopment opportunities in and around the downtown area.

The project was supported through more than \$5 million in provincial funding from Alberta’s Local Growth and Sustainability Grant (LGSG), helping fund critical underground utility and roadway upgrades needed to accommodate future residential, commercial and economic development.

Phase 1 of the project began in 2025, with the completion of a waterline upgrade on Riverside Drive, east of Northridge Drive. Next phases of the project will include sewer and road upgrades on Riverside Drive from Northridge Drive to east of Veterans; Veterans Way intersection upgrades; Daggett Street parking upgrades and deep utility and road upgrades on South Railway Street from east of Veterans Way to Lineham Avenue.

The River’s Edge project reflects the importance of strategic infrastructure planning in helping support economic resilience, investment readiness and sustainable community development over the long term.

Construction will continue through 2027 as work progresses to support a more connected, accessible and future-ready Okotoks.

Planning Fire Services for a Growing Community

The Town has been working to advance long-term planning for Fire and Rescue Services through the development of an Emergency Services Master Plan designed to support future growth, operational readiness and community safety.

In June 2025, Council approved the Fire Standard of Cover Governance Report and formally endorsed it as a risk-based approach to fire and rescue services planning within Okotoks. Council also approved the Effective Response Force for moderate-risk structure fires as the foundation for future deployment planning, helping align service delivery with community risk, operational needs and resident expectations.

Improving Traffic Flow Through Smarter Transportation Planning

In 2025, the Town began updating its Transportation Master Plan, including collecting current traffic count data to better understand travel patterns and support long-term transportation planning. This work will help guide future infrastructure investments and ensure the transportation network continues to provide reliable service as the community grows.

As part of this work, the Town completed a traffic signal timing coordination study for Southridge Drive, Northridge Drive, 32 Street and Highway 7. Updated signal timings were implemented to improve traffic flow, reduce delays, and lower fuel consumption and greenhouse gas emissions.

The improvements are estimated to save approximately \$650,000 in fuel costs each year, while supporting a safer, more efficient and environmentally sustainable transportation network. Work on the remaining components of the Transportation Master Plan will continue in 2026.

\$5 Million+

Provincial funding secured

2025 Milestone

Waterline upgrade completed on Riverside Drive

Future phases - road, sewer and intersection improvements through 2027





Planning for 338 Avenue

Progress continued in 2025 on the Functional Plan and Detailed Design for 338 Avenue, supporting long-term transportation planning and improved connectivity within the community. Building on the 338 Avenue Functional Study completed in 2024, the detailed design was completed in 2025 to help ensure the transportation network continues to evolve alongside the community’s growth and development needs.

Planning Future Growth in Northeast Okotoks

In 2025, the Town advanced local area planning in northeast Okotoks, including continued work on the North Point Neighbourhood Structure Plan (NSP) and development of the Thunder Stone Junction Neighbourhood Area Structure Plan (NASP).

Together, these initiatives support a coordinated approach to long-term growth, planning for both future residential neighbourhoods and employment lands. Work on the Thunder Stone Junction NASP focused on establishing a detailed framework for approximately 190 hectares of future employment lands located between Northridge Drive and Highway 2. The plan addresses land use, transportation connections, parks and open space, servicing and active transportation, helping support future economic development, local job creation and a more balanced non-residential tax base. The plan builds on policy direction set through the North Point and Trilogy Plains Area Structure Plans and is intended to support economic development, local job creation, and a more balanced non-residential tax base.

Public engagement was a key component of planning activities in 2025. The Town hosted a public open house in June 2025 and gathered input through online engagement tools, providing residents, landowners and stakeholders with opportunities to review concepts, ask questions and share feedback. Input received helped refine plan elements such as land use

transitions, mobility and overall design considerations. In late 2025, a draft of the Thunder Stone Junction NASP was released for public review, allowing additional feedback prior to finalization, while work on the North Point NSP continued to progress.

Planning Future Servicing for the Community Campus Area

In 2025, the Town continued planning work related to future land development, servicing requirements and transportation needs for the Community Campus area along 32 Street. The project is connected to future provincial capital planning decisions related to school site development and the long-term build-out of the surrounding area.

Throughout the year, work continued to define infrastructure and upgrade requirements, including services, access, transportation connections and related 32 Street improvements. This planning will help guide future project implementation as the area advances and ensure community facilities, school sites and surrounding development are supported by the infrastructure needed over time.

Planning for Future Cemetery Needs

Planning work continued in 2025 for the future development of new cemetery lands. Throughout the year, high-level design concepts and phased development planning progressed through consultant-led work focused on establishing a long-term vision for the future cemetery site.

A significant milestone was also achieved with the completion of the land transfer within the Tillotson neighbourhood, formally providing the Town with ownership of the future cemetery lands and allowing the project to continue into the design development stage.





Housing

Supporting Housing Affordability and Community Well-Being

In 2025, work continued on new affordable housing developments in the D'Arcy neighbourhood through a partnership involving Westwinds Communities and the Town of Okotoks, including one project supported by the Government of Alberta.

Supported by a \$3.3 million investment from the province's Affordable Housing Partnership Program, a 40-unit development will provide affordable housing for seniors, Assured Income for the Severely Handicapped (AISH) recipients and couples and individuals with modest incomes.

In addition, Westwinds Communities broke ground on a 10-unit development that will provide affordable housing for singles, couples, families and seniors with low to moderate incomes.

Together, these developments represent the culmination of nearly eight years of planning, partnership and collaboration aimed at addressing the growing need for affordable rental housing within the community and region.

The Town contributed municipally owned land to help support both projects, reflecting a long-term commitment to creating diverse housing options that allow residents of varying ages, incomes and life circumstances to continue living and thriving in Okotoks.

More than housing developments, these projects support broader community goals related to affordability, inclusion, social well-being and complete communities. They also reflect the importance of partnerships between municipal, provincial and community organizations in responding to evolving housing needs as the community continues to grow.

Water

Securing Long-Term Water Reliability

In 2025, construction continued for the Foothills Okotoks Regional Water Project, a significant regional infrastructure initiative designed to help secure a sustainable and reliable water supply for the community well into the future.

As one of the largest infrastructure investments currently underway in Okotoks, the project demonstrates a sustained commitment to responsible growth, regional collaboration and environmental stewardship. Work completed throughout the year included major watermain installations and critical connections within the Sheep River valley and along key transportation corridors. The project marks an important investment in the infrastructure needed to support future growth and economic development opportunities across the region.

Strengthening Water Infrastructure and System Reliability

Critical water infrastructure projects continued advancing in 2025 to support future growth, strengthen system reliability and improve water distribution capacity within the community.

Work progressed on the Zone 2S-3S Southwest Reservoir and Dedicated Water Main project, including the installation of new dedicated water mains that connect key areas of the community to the broader water distribution network.

The project is intended to support future treated water storage capacity in southwest Okotoks while improving the resilience and efficiency of the Town's water distribution system as the community continues to grow.

Construction of the Southwest Reservoir itself was deferred while additional options related to the future completion of the reservoir continue to be evaluated. Continued investment in essential infrastructure and services helps support community growth, strengthen operational resilience and maintain reliable water service for residents and businesses.

2025 MILESTONES

- ✓ Acquired key lands for the project and pipeline.
- ✓ Approximately 25kms of watermain installed between the confluence of the Bow / Highwood Rivers and Okotoks.
- ✓ Horizontal Collector Well Caisson installed.
- ✓ Project expedited to target spring 2026 seasonal interim water delivery to Okotoks, while working on the pump stations and raw water storage advances.

Water Stewardship – Leak Detection and Water Data Improvements

As part of the Town’s ongoing commitment to water stewardship and responsible infrastructure management, significant work in 2025 focused on enhancing leak detection capabilities and strengthening the quality and reliability of water system data.

The Town invested in updated equipment and technologies to improve the identification of underground watermain and service leaks that may otherwise go unnoticed. Combined with proactive field investigations, these efforts resulted in more leaks being identified and repaired throughout the distribution system.

By locating and addressing leaks earlier, the Town was able to reduce water loss, improve system efficiency and help conserve treated drinking water resources.

Additional work also continued through the Water Data Improvement Project, which focused on improving the accuracy, consistency and reliability of utility data and system monitoring practices. The initiative included building a framework to better leverage metering data, operational monitoring processes and data management practices to strengthen reporting and support long-term infrastructure planning.



We are all water stewards!

While the Foothills Okotoks Regional Water Project will support the growing water needs of new residential growth and business development in Okotoks, the Town remains committed to being a water-wise community that values conservation and responsible use of this critical resource. Ongoing stewardship efforts continue to support the Town’s long-standing culture of water conservation, with residents contributing to some of the lowest per-capita water consumption rates in Canada.

The seasonal outdoor watering schedule will continue to play an important role in helping manage water use responsibly and support long-term sustainability, even as new regional water infrastructure comes online.

Strengthening Wastewater Infrastructure and System Capacity

In 2025, work continued on several major sanitary infrastructure projects designed to strengthen wastewater system capacity, improve long-term reliability and support future community growth.

Construction progressed on the North Railway Sanitary Upgrade, which includes twinning and upsizing sanitary mains between North Railway Street and the Wastewater Treatment Plant. This work continued alongside the Regional Water Project to help coordinate major infrastructure improvements and minimize disruptions.

Additional design work also continued for sanitary capacity upgrades along Riverside Drive and South Railway Street. These projects focus on improving wastewater system capacity and supporting future development and infrastructure needs within key growth and redevelopment areas of the community.

Outdoor **Watering Schedule**

| WATER CONSERVATION STAGE | DAYS | ADDRESS | TIME *Select one watering option only | |
|--------------------------|-----------------------------|---------|--|-----------|
| | | | MANUAL | AUTOMATED |
| 1 & 2 | Mon & Thurs | ODD # | 6-8 AM or 8-10 PM | OR 2-4 AM |
| 1 & 2 | Tues & Fri | EVEN # | 6-8 AM or 8-10 PM | OR 2-4 AM |
| 3 | Mon | ODD # | 6-8 AM or 8-10 PM | OR 2-4 AM |
| | Fri | EVEN # | 6-8 AM or 8-10 PM | OR 2-4 AM |
| 4 & 5 | Outdoor Watering Prohibited | | | |

NOTE: Hand watering flowers, vegetable gardens, trees and shrubs using a container or hose with a manual trigger nozzle may be done at anytime in Stages 1-3, or from 8 PM - 8 AM in Stage 4.

GROWTH BY THE NUMBERS - 2025 HIGHLIGHTS

53 Below-Market Housing Units Added

113 Market Rental Units Introduced

24 Secondary Suites Constructed

25 km of Regional Water Main Installed

\$5M+ River's Edge Funding Secured



| MEASURES | 2022 | 2023 | 2024 | 2025 | TOTAL UNITS | TARGET |
|--|-------|-------|-------|-------|-------------|--|
| <i>Measures the organization wants to change through activity / policy</i> | | | | | | |
| Purpose Built Market Rental Units | | | | | | |
| • Development Permit Approved | 52 | 186 | 27 | 214 | 527 | |
| • Constructed | 0 | 48 | 119 | 113 | 280 | Increase |
| Below Market Rental Units | | | | | | |
| • Proposed Units | 42 | 53 | 9 | 112 | 328 | |
| • Development did not continue (outside of Municipal Control) | 37 | 39 | 0 | 0 | 76 | |
| • Constructed | 0 | 22 | 15 | 53 | 90 | Increase |
| Secondary/Accessory Suite Grant Units | | | | | | |
| • Proposed Units | 7 | 17 | 20 | 16 | 66 | |
| • Development did not continue (outside of Municipal Control) | 0 | 0 | 0 | 1 | 1 | |
| • Constructed | 7 | 11 | 16 | 24 | 61 | Increase |
| Percentage of multi-residential units in Okotoks | 21.7% | 22.2% | 22.4% | 23.4% | N/A | 40% multi-residential in Okotoks by 2080 |
| Under Development - NEW Growth Strategy measures | | | | | | |

| INDICATORS | 2022 | 2023 | 2024 | 2025 |
|---|--------------|------|------|------------------|
| <i>Indicators that the organization monitors that can influence outcomes</i> | | | | |
| Town of Okotoks population | 30,405 | N/A | N/A | Next report 2026 |
| Percentage of Okotokian owner household's spending 30% or more of income on shelter costs only | 14.2% | N/A | N/A | Next report 2026 |
| Percentage of Okotokian rental household's spending 30% or more of income on shelter costs only | 35.7% | N/A | N/A | Next report 2026 |
| Total number of unique Okotokian clients who were unhoused or at risk of houselessness (Okotoks Family Resource Centre) | 21 (Jul-Dec) | 35 | 55 | 57 |



Strong Local Economy

We are the easiest place to do business in Alberta

Okotoks continues to foster a diverse and resilient local economy where businesses can grow, entrepreneurs can innovate and residents can access meaningful employment opportunities close to home. As the community evolves, the Town remains focused on creating the conditions that support long-term economic prosperity and community well-being.

Throughout 2025, the Town advanced initiatives that supported tourism development, downtown revitalization, regional collaboration and local business growth. These efforts helped strengthen Okotoks' competitiveness, support entrepreneurship, attract investment and enhance experiences that contribute to a vibrant local economy.

Supporting Arts, Culture and Events as Economic Drivers

Arts & Culture Activation Grant Program

This past year saw the Town continue to strengthen the role of arts, culture and community events in supporting economic activity, community connection and vibrant public spaces across Okotoks.

Building on previous investments in public art, cultural programming and community gathering spaces, the Town advanced initiatives focused on activating parks, public facilities and shared spaces while strengthening connections between arts, culture, tourism and economic development.

Through the Arts & Culture Activation Grant Program, four community-led projects delivered 42 activation events throughout the year. These events brought residents together through arts, culture and shared experiences while increasing the use of public spaces across the community.

The program helped support local artists and organizations, expand cultural programming opportunities and create experiences that encouraged residents and visitors to explore, gather and connect. The events also contributed to downtown vibrancy and advanced broader goals related to tourism development, placemaking and economic activity.

Together, these initiatives reflect the Town's commitment to fostering a creative and connected community where arts, culture and events contribute to both quality of life and a strong local economy.

Arts & Culture Activation Highlights

42 Community activation events delivered

4 Community-led projects funded

SUPPORTING
Local artists and cultural organizations

ACTIVATING
Parks, public spaces and gathering places

ADVANCING
Tourism, placemaking and local economic activity

Sports Tourism Grant

In 2025, the Town built on momentum by investing further in sport tourism to support local businesses, attract visitors and enhance community vibrancy.

Through the Sport Tourism Grant Program, the Town provided \$23,463 in funding to support five sporting events that brought participants, spectators and visitors to Okotoks from across the region and beyond.

Using the Sport Tourism Economic Assessment Model (STEAM), the five events generated an estimated economic impact of more than \$1.06 million through visitor spending on accommodation, food and beverage services, retail, transportation and other local businesses.

The program supports the goals of the Town's Economic Development Strategic Plan, Tourism Strategy and Recreation, Parks & Leisure Master Plan by strengthening Okotoks' position as a host community for sporting events and visitor experiences. In 2025, every \$1 invested through the program generated an estimated \$45 in economic activity, demonstrating the significant value of sport tourism in supporting local businesses and attracting visitors to the community.

Sport Tourism by the Numbers

5 Sporting events supported

\$23,463 Grant funding invested

\$1.06 Million
Estimated economic impact generated

\$45 Return - Economic activity generated for every **\$1** invested



Event Strategy

In June 2025, Council approved the Event Strategy: Vibrant Events, Stronger Identity as a planning document to help guide the delivery, support and evaluation of community events throughout Okotoks.

The strategy established a coordinated framework for how community events can continue contributing to economic activity and community connection, while reinforcing Okotoks' unique identity. It also supports a more intentional approach to event planning and facility use as Okotoks continues to grow and evolve.

Work over the year also included assessing opportunities to enhance event-supporting amenities, evaluating existing facilities and identifying ways public spaces and downtown gathering areas can further support tourism and local economic activity. Together, these efforts reflect the Town's ongoing commitment to fostering a vibrant and connected community, where events, arts and culture play a meaningful role in supporting economic development, strengthening community identity and enhancing quality of life for residents and visitors.



Top Economic Impact Event
- Tier 2 Boys and Girls Team Handball Provincial Championships
with **\$505,894** estimated economic impact

Downtown Okotoks

Planning for the Future of Downtown Okotoks

In May 2025, Council formally adopted Our Plan for Downtown: The Downtown Area Redevelopment Plan (ARP) following a public hearing, establishing a shared vision for the future of downtown Okotoks.

Community engagement was conducted in 2024 involving residents, businesses and key impacted groups. The statutory plan reflects a community desire for a downtown that remains vibrant, welcoming and connected while preserving the character and identity that make it unique.

The Downtown ARP provides direction for future land use, infrastructure investment and public realm improvements within the downtown core. The plan supports compact mixed-use development, improved pedestrian connections, enhanced public spaces, heritage preservation and opportunities to strengthen downtown as a destination for residents, businesses and visitors.

More than a planning document, the ARP provides a clear path for future revitalization efforts and investment. It helps align redevelopment, infrastructure improvements and public space enhancements to support economic vitality and a high-quality downtown experience.

The adoption of the Downtown ARP reflects the Town's commitment to thoughtful growth and revitalization, helping to shape a downtown that remains a welcoming gathering place, a strong economic hub and source of community pride for years to come. For more information, visit www.okotoks.ca/publications.



Investing in a More Connected and Vibrant Downtown

In 2025, the Town of Okotoks began a major, multi-year investment to revitalize the downtown core, focused on North Railway Street and surrounding areas. This work is aimed at improving safety, mobility and the overall downtown experience.

The first phase of the Downtown Improvement Project was completed in November 2025, marking a significant milestone in upgrading both visible and underground infrastructure. Work along North Railway Street and Lineham Avenue included underground utility upgrades, roadway reconstruction and intersection improvements to strengthen connectivity throughout the downtown core.

While much of the construction focused on renewing aging underground infrastructure, the project also delivered important enhancements to how people move through and experience downtown. Improvements supported safer pedestrian travel, better accessibility and stronger connections between businesses, public spaces and surrounding neighbourhoods.

Additional upgrades to streetscapes and public areas helped create a more welcoming and functional environment, with improvements designed to support local businesses and encourage residents and visitors to spend more time downtown. These investments contribute to a more vibrant and accessible community core.

The second phase of the project will continue in 2026, including further utility upgrades, sidewalk widening, streetscape enhancements and improvements to public spaces such as Triangle Park.

Overall, the 2025 work reflects the Town's continued commitment to investing in reliable infrastructure while creating a downtown that is accessible, connected and positioned to support long-term community and economic vitality. For more information, visit shapeourtown.okotoks.ca/downtown-plan.





COMPLETED / MAJOR MILESTONES

- **Downtown Area Redevelopment Plan (ARP)**
Adopted May 12, 2025, this plan established the long-term vision for downtown growth, redevelopment and public realm improvements.
- **Arts & Learning Campus Plaza Water Feature**
The Grand Opening was held in July 2025. This water feature added another very special community gathering and recreation space within the river valley and downtown area.
- **North Railway Street Downtown Enhancements**
Utility upgrades, roadway reconstruction and downtown revitalization improvements were completed from McRae Street to Poplar Avenue.
- **Downtown Art Gallery Parking Lot Upgrades**
This work expanded parking capacity in the area to support local businesses and downtown access.
- **Pisttoo Park Improvements**
Enhancing outdoor gathering and cultural event space connected to downtown.

DESIGN, PLANNING OR UNDER CONSTRUCTION

- **Triangle Park Improvements**
Triangle Park will see improved accessibility, landscaping and shaded seating areas to support downtown events and businesses.
- **South Railway Street Development**
This work will support future downtown redevelopment and connectivity improvements.
- **Riverside Drive Streetscape**
Enhancing the corridor between Northridge Drive and Veterans Way.
- **Daggett Street Parking Upgrades – Phase 2**
Continuing from Phase 1, this second phase will create additional downtown parking improvements.

**Removing Barriers to Businesses
Simplifying Business Processes and Improving
Access to Services**

In 2025, work continued to advance initiatives that simplify municipal processes, enhance service delivery and reduce barriers for businesses operating in Okotoks.

Building on amendments to the Business Licence Bylaw, Administration implemented process enhancements focused on creating a more streamlined and business-friendly experience for entrepreneurs, investors and local organizations.

Key initiatives include piloting online business applications and payment options, helping increase accessibility and convenience for businesses interacting with municipal services and updating the existing market business licence to align with changes to resident business licences. Positive feedback was received from both staff and the public as the Town continued modernizing how services and information are delivered.

Additional work throughout the year focused on strengthening the one-stop-shop experience for businesses, including ongoing reviews of Compliance Review and Encroachment Agreement processes, as well as updates to online information related to permits, approvals and bylaws that impact businesses.

The Town also made efforts to improve internal coordination and centralize business-related tools and resources, helping create a clearer, more consistent and user-friendly experience for residents, businesses and developers navigating municipal requirements.

Together, these initiatives reflect the Town’s continued commitment to supporting investment readiness, enhancing customer experience and creating conditions that encourage business growth, economic resilience and long-term prosperity within the community.

Diversification of The Tax Base

Tourism Strategy Guided by Community

Character and Identity

August 2025 marked a milestone with Council's approval of the Town's first Tourism Strategy, establishing a long-term approach to tourism that reflects the character, values and identity of the community.



The 2025-2030 Okotoks Tourism Strategy recognizes tourism as a way to support local businesses, enhance community vibrancy and contribute to economic resilience when growth is aligned with the qualities that make Okotoks distinctive. Rather than focusing solely on attracting visitors, the strategy emphasizes experiences and amenities that also benefit residents and the broader community.

Shaped through an extensive community engagement process involving more than 400 residents, businesses and community groups, the strategy highlights opportunities to strengthen collaboration, support local events and enhance experiences that showcase Okotoks' unique character. It also helps clarify the Town's role in supporting tourism and creating the conditions needed for long-term success.

The five-year strategy is guided by four strategic pillars: tourism management and collaboration; destination development; product and experience development; and marketing and promotion. Together, these priorities will help support sustainable tourism while strengthening the local economy and enhancing the visitor experience.

What Success Looks Like

- Increased visitor spending supports local businesses, employment, and economic prosperity.
- More overnight stays and longer visits, resulting in greater economic impact throughout the community.
- Enhanced tourism experiences and visitor services encourage repeat visitation and positive word-of-mouth.
- Stronger collaboration among tourism partners, businesses, event organizers, and the Town to support destination development.
- Sustainable tourism growth that strengthens community vibrancy while preserving Okotoks' unique character and quality of life.

To review the Tourism Strategy, visit: shapeourtown.okotoks.ca/tourism-strategy and www.okotoks.ca/publications

Supporting Economic Diversification and Long-Term Growth

Throughout 2025, the Town advanced implementation of its Economic Development Strategy, with a focus on supporting economic diversification, expanding investment potential and building long-term economic resilience within the community.

The strategy aims to position Okotoks as a competitive and attractive location for business investment, while contributing to a broader and more sustainable tax base. Work over the year focused on strengthening tourism and arts and culture, alongside efforts to improve investment readiness and business attraction.

Further efforts centered on enhancing Okotoks' value proposition for both new and expanding businesses by promoting the community as a place to invest, innovate and grow. This was achieved through continued work to support entrepreneurship, attract future investment opportunities and foster the conditions that build long-term business confidence and economic sustainability.



TOURISM STRATEGY AT A GLANCE

- ✓ First Tourism Strategy approved by Council
- ✓ 5-year roadmap established (2025–2030)
- ✓ 4 strategic pillars identified
- ✓ Community-informed through resident, business and community engagement
- ✓ Implementation planning underway

Strengthening Regional Partnerships

Regional Partnerships to Support Economic Growth

In 2025, the Town joined Invest Greater Calgary, a regional economic development initiative focused on attracting investment, supporting business growth and strengthening economic opportunities across the Calgary region.

As a founding member, Okotoks joined neighbouring municipalities and regional organizations in a coordinated effort to help position the Calgary region as a competitive destination for investment, innovation and workforce development.



Participation supports the Town’s Economic Development Strategic Plan by providing access to shared regional promotion, investment attraction resources and collaboration that can help advance local business growth and long-term prosperity.

By taking part in Invest Greater Calgary, Okotoks is helping strengthen regional competitiveness while ensuring local priorities are represented in broader economic development efforts.

| MEASURES | 2022 | 2023 | 2024 | 2025 | TARGET |
|--|-----------|-----------|-----------|--------------|------------------------|
| <i>Measures the organization wants to change through activity / policy</i> | | | | | |
| Ratio of Residential to Non-Residential Assessment Value | 86.5/13.5 | 87.3/12.7 | 87.5/12.5 | 88.0/12.0 | 80/20 by 2033 |
| Art Activation Grant – Total number of Events Created | N/A | N/A | 18 | 42 | N/A |
| Percentage of Art Activation Grant Used | N/A | N/A | 34% | 60% | 100% |
| Sport Tourism Grant Pilot – total number of events created | N/A | N/A | 3 | 2 | N/A |
| Under Review - Total number of new downtown evening and weekend events created (Events Implementation Plan) | 0 | 15 | - | Under Review | |
| Under Review – Number of downtown events hosted by external groups non-Town organized (Events Implementation Plan) | | | | | 45 events/year by 2033 |

| INDICATORS | 2022 | 2023 | 2024 | 2025 |
|--|------|------|------|------|
| <i>Indicators that the organization monitors that can influence outcomes</i> | | | | |
| Total Number of Business Licences (including non-resident licenses) | 2004 | 2147 | 2252 | 2360 |
| Total New Housing Starts (excluding secondary suites) | 284 | 447 | 354 | 311 |
| Estimated Residential Construction (\$Millions) | 65 | 102 | 100 | 66 |
| Total Industrial, Commercial and Institutional (ICI) Permits | 39 | 47 | 69 | 45 |
| Estimated Industrial, Commercial and Institutional (ICI) Construction (\$Millions) | 17.6 | 22 | 68 | 54 |



Enhanced Culture & Community Health

We are ready to welcome everyone

Okotoks is a connected, welcoming and resilient community where residents feel safe, supported and proud to belong. In 2025, the Town continued investing in programs, services and spaces that promote health, inclusion and connection. These efforts expanded opportunities for residents to stay active, enjoy cultural and recreational experiences, build neighbourhood connections and participate fully in community life. The Town also advanced work to support community safety and well-being while ensuring public spaces and services remain accessible, inclusive and responsive to evolving needs.

Honouring Indigenous Connection and Community Gathering Spaces

In July 2025, the Town celebrated the grand opening of iitopatopa Park, a new riverfront day-use area that enhances outdoor recreation, community connection and reflection on the cultural significance of the land.

Its opening was marked in ceremony by Blackfoot Elders and ceremonialists Dr. Mike Bruised Head, Blackfoot name Chief Bird and Shirlee Crow Shoe, Blackfoot name Ancient Buffalo Stone, honouring the Blackfoot knowledge, relationships and traditions that helped shape the park and its identity.

Located near Bill Robertson Park at 370068 40 Street East, the space includes a nature-themed playground, disc golf course and gathering areas that invite residents and visitors to enjoy the river valley.

The park's development was guided by the Town's Recreation, Parks and Leisure Master Plan, Social Wellness Framework and Community Life Purpose Statement, with planning informed by Indigenous engagement and a Traditional Knowledge and Land Use Assessment.

Following a site visit with a Blackfoot assessment team, Piikani Elder Shirlee Crow Shoe recommended the name iitopatopa [ee-doo-baa-dopa], meaning "a place where we return to often," which the Town formally adopted.

Expanding Recreation Opportunities Through Community Partnership

April marked the official groundbreaking of the new Okotoks Pickleball and Tennis Centre, celebrating a significant community-led recreation project developed in partnership with the Okotoks Pickleball and Tennis Centre Society.

Supported in part through \$1 million in funding from the Government of Alberta Community Facility Enhancement Program (CFEP) and \$1.5 million from the province's Active Communities Initiatives Grant (ACIG). The new facility represents an important investment in recreation, wellness and community connection.

Phase One of the program includes 12 indoor pickleball courts and one indoor tennis court, creating year-round opportunities for residents and visitors of all ages and skill levels to participate in active living and recreational sport.

The project reflects the growing demand for accessible indoor recreation space within the community and highlights the role public-private partnerships play in expanding community amenities and supporting quality of life in Okotoks.

Creating Recreation and Community Connection at Howard Park

The new All Wheel Skatepark at Howard Park officially opened in November 2025, creating more opportunities for recreation, social connection and active living for residents of all ages.

Designed for skateboarders, scooter riders, BMX riders and other action-sport users, the skatepark expands access to recreation amenities on the south side of town.

The project was shaped through several community engagement initiatives, including the Recreation, Parks and Leisure Master Plan, resident surveys and public design workshops, where residents and youth identified a strong need for more inclusive, youth focused recreation spaces. For more information on the All Wheel Skatepark, visit okotoks.ca/skate-park.

Inclusive Play Takes Shape at Howard Park

The Town advanced inclusive recreation in 2025 with the completion of a new playground at Howard Park, creating more opportunities for children and families of all abilities to play, connect and enjoy outdoor spaces together.

Located at 229 Woodhaven Drive, the playground benefits from a central location, strong connections to the pathway network and nearby community amenities, including the Viking Rentals Centre. The design supports inclusive play while improving access to recreation within the broader park system.



Community input helped guide the project from the outset. Local parents and caregivers took part in a planning workshop, sharing feedback on accessibility considerations, preferred play features and the needs of families using the space. Their input helped inform the final design and equipment selection.

Together with other recreation amenities at Howard Park, including the all-wheel skatepark, sports fields and ball diamond, the playground contributes to a growing multi-use destination for active living, inclusive recreation and community connection.

A New Hub for Youth Connection and Belonging

The new Youth Centre at the Okotoks Recreation Centre officially opened its doors in February, providing a vibrant and welcoming space designed with direct input from local youth and families.

Relocated to the main floor, the new Youth Centre was created to improve accessibility, visibility, safety and the overall experience for young people in the community. Throughout the planning process, youth, parents and guardians helped shape the design and function of the space by sharing ideas on everything from accessibility and programming to colour schemes, furnishings and gaming equipment.

ENHANCED CULTURE AND COMMUNITY HEALTH

The result is a modern, youth-focused space where young people can connect, unwind and build community in a safe and supportive setting. The new location features a TV gaming lounge, pool table, ping pong and air hockey tables, along with flexible multi-purpose areas for programs.

It offers a wide range of accessible, inclusive experiences that respond to the needs of local youth, ages 8–17. These include drop-in social time, themed activities, youth nights, family sessions and special events.

The grand opening celebration brought the community together with free roller skating, activities and the unveiling of the Optimist Donor Wall – recognizing the partnerships and community support that helped bring the project to life.

Planning for Future Recreation and Wellness Needs

Feasibility work and preliminary design continued in 2025 for a multi-phase expansion of the Okotoks Recreation Centre, helping prepare for the future recreation needs of our active and evolving community.

Guided by years of research, public engagement and long-term recreation planning, the project reflects strong demand for expanded indoor recreation, wellness and gathering spaces. Findings from the Recreation, Parks & Leisure Master Plan identified particular interest in additional leisure aquatic amenities, flexible recreation space and family-oriented indoor facilities.

The proposed expansion would strengthen the Recreation Centre as a more inclusive and accessible community hub, with plans for a new leisure pool and potential additions such as expanded dry sport and fitness space, indoor climbing wall and play structure, gathering areas and upgraded customer service amenities.

While construction timelines depend on future funding and phased implementation, the work completed in 2025 marked an important step toward expanding recreation infrastructure to meet future community needs.



Advancing Age-Friendly Outdoor Spaces and Buildings

Age-friendly planning continued through the identification of practical improvements to accessibility in outdoor spaces and public buildings for older adults and residents with disabilities.

Accessibility audit testing was completed in March 2025, and the volunteer training program has now been implemented to support future assessments. A soft launch with internal business centres was also completed in 2025, helping build organizational awareness and capacity to assess accessibility across municipal facilities. Findings from this work are helping to inform a new Sustainable Buildings Policy, which will include a general objective related to improving accessibility in Town facilities.

Building a More Connected and Accessible Community

In May 2025, Council approved the Active Transportation Implementation Plan (ATIP), a 10-year framework to guide future investments in walking, cycling and rolling infrastructure throughout Okotoks. Supported in part through funding from the Infrastructure Canada Active Transportation Fund, the plan reflects the Town's commitment to safety, accessibility, sustainability and quality of life as the community grows.

10-year
implementation
roadmap

\$50,000
Infrastructure
Canada grant
funding

WHAT THE PLAN ADVANCES

-  Accessibility
-  Transportation choice
-  Sustainability
-  Health and wellness
-  Community connectivity
-  Safety

Developed with extensive community input, the ATIP builds on the Town’s existing active transportation strategy and identifies priority improvements to strengthen connections between neighbourhoods, schools, parks, pathways, downtown destinations and other community amenities. The plan prioritizes improvements based on safety, accessibility, connectivity and public feedback, creating a practical roadmap that can adapt to future growth and transportation needs.

Recommended projects under consideration include new multi-use pathways and protected cycling infrastructure designed to improve mobility options for residents of all ages and abilities.

To view the Active Transportation Implementation Plan and learn more about active transportation in Okotoks, visit shapeourtown.okotoks.ca/AT-implementation-plan and okotoks.ca/publications

Strengthening Community Connection Through Inclusive Engagement

The Town is committed to reducing barriers to participation and creating meaningful opportunities for residents of all backgrounds and life stages to contribute to community decision-making. In 2025, this work continued through more inclusive, accessible approaches that made it easier for residents to share their perspectives and priorities.

As part of the Social Needs Assessment, the town partnered with community organizations to leverage trusted relationships and engage individuals who are often underrepresented or less likely to participate in traditional engagement processes. By connecting with people in the community spaces they already use, this approach helped reduce barriers to participation and brought a broader range of perspectives into conversations about community well-being, accessibility, and future planning. The engagement sessions were well attended and provided valuable insight to inform the Social Needs Assessment and related planning work.

Connecting with Council

In January 2025, Council approved the Annual Council Engagement Opportunities Plan, establishing a foundation for Council’s community engagement initiatives throughout the year. Together, these and other engagement efforts continue to shape future work, supporting a consistent approach aligned with the Community Engagement Policy and Toolkit.

Planning for a More Inclusive and Resilient Community

In April 2025, Council approved the Social Needs Assessment & Strategy as a planning document to help shape future decision-making, community partnerships and social well-being initiatives across the organization and community.

Developed over nine months, the strategy was informed through extensive community engagement involving more than 1,300 residents, community organizations and local partners. Through surveys, workshops, focus groups, outreach events and community conversations, residents shared perspectives on the opportunities and challenges facing the community today and into the future.

The engagement process placed particular focus on hearing from youth, seniors, newcomers and vulnerable populations to help ensure the strategy reflects a broad range of lived experiences and community needs.



“The plan establishes a long-term framework for creating a safer, more connected and accessible community for residents of all ages and abilities.” – CAO Elaine Vincent

1,300+ Residents and community partners engaged

400+ Youth voices contributed

90% Support for strengthening community connection

95% Support for increased community engagement

KEY PRIORITIES IDENTIFIED

- Community affordability
- Accessibility and inclusive services
- Strengthening community connections
- Community awareness and engagement
- Inclusive growth and planning

Several key priorities emerged through the work, including affordability, accessibility and inclusive services, strengthening community connections, increasing awareness and engagement, and supporting growth in a way that benefits all residents.

More than a standalone strategy, the document provides a framework for future planning, collaboration and community investment as Okotoks continues to grow. It also reinforces the Town’s commitment to community-informed decision-making while strengthening residents’ sense of belonging and connection to the community. To learn more about Social Needs Assessment & Strategy visit okotoks.ca/publications

Shaping Public Safety Priorities with Community Input

In early 2025, the Town invited residents to help shape local public safety priorities through a joint engagement process for Okotoks Municipal Enforcement and the Okotoks RCMP Annual Performance Plan. As part of this, Coffee with a Cop launched to give residents a relaxed way to connect with local officers in-person and talk about what matters most.

Through the Public Safety Survey and Public Safety Open House, residents identified the most important issues to them, helping ensure enforcement and policing efforts continue to reflect community needs, expectations and lived experience. Survey results showed that 93 per cent of respondents felt safe or very safe in Okotoks, reinforcing the community’s strong sense of safety and well-being.

93% of respondents felt safe or very safe in Okotoks.

This was the second consecutive year the Town used a joint engagement approach to inform local enforcement and policing priorities, demonstrating an ongoing commitment to transparency, collaboration and community-informed decision-making. To learn more visit shapeourtown.okotoks.ca/public-safety-survey

Strengthening Clarity in Emotional Support Animal Bylaws

In June 2025, Council approved amendments to the Livestock Emotional Support Animal Bylaw and the Responsible Pet Ownership Bylaw to improve clarity, consistency and responsible animal management in Okotoks.

The changes updated requirements for livestock emotional support animals, including weight limits, acceptable animal categories and where these animals are permitted. Administrative updates were also made to ensure the bylaws are easier to interpret and apply.

Together, the amendments support a balanced approach to community well-being, public safety and responsible pet ownership, while helping ensure municipal bylaws remain clear, practical and responsive to the needs of the community. To learn more visit www.okotoks.ca/bylaws



OKOTOKS RCMP PRIORITIES
 The Okotoks RCMP’s 2025 priorities, established by the Okotoks Detachment leadership team, are:
 1. Traffic safety
 2. Crime reduction
 3. Proactive police visibility



Improving Winter Road Maintenance Priorities

In November 2025, the Town introduced a refined approach to snow and ice control to strengthen coordination, support public safety and improve how winter maintenance priorities are applied across the community.

The criteria-based approach helps direct snow clearing to areas where access and mobility are most critical, including school zones, high-volume transportation corridors, emergency routes, commercial areas and other high-risk locations.

The update focused on modernizing how winter operations are prioritized and coordinated, rather than changing overall service levels. This approach helps maintain emergency access and supports more consistent service delivery during winter weather events.

The updated framework also introduced a new priority category for rural and annexed roads, helping align winter maintenance planning with Okotoks' continued growth.

| MEASURES <i>Measures the organization looks to impact through activity / policy</i> | 2022 | 2023 | 2024 | 2025 | TARGET |
|--|-------------|-------------|-------------|-------------|----------------------|
| Satisfaction with Municipal Communications | N/A | 77% | N/A | 62% | Increase |
| Satisfaction with engagement opportunities the Town has offered | N/A | 57% | N/A | 44% | Increase |
| Total amount of manicured, publicly accessible parks and open spaces | 176 ha | 181 ha | 184 ha | 189 ha | 250 hectares by 2076 |
| Total number of community gardens | N/A | 2 | 2 | 4 | 4 by 2033 |
| Total number of new or additional sport and recreational opportunity spaces provided since 2022 | N/A | 5 | 3 | 6 | Increase |
| Under Development - Percentage of homes within walking distance (400m) to a recreation facility, park or cultural facility | | | | | 100% by 2080 |

| INDICATORS <i>Indicators the organization monitors which can influence outcomes</i> | 2022 | 2023 | 2024 | 2025 |
|---|-------------|-------------|-------------|------------------|
| Perception of Quality of Life in Okotoks | 98% | N/A | N/A | 99% |
| Okotoks Municipal Crime Severity Index | 40.16 | 41.03 | 41.03 | Next report 2026 |
| Perception of Safety & Security | 95% | N/A | 92% | 93% |
| Total number of unique Okotoks clients accessing the Okotoks Family Resource Centre | | 806 | 896 | 975 |
| Total number of visits by Okotoks residents to the Okotoks Family Resource Centre | | 2563 | 3433 | 3437 |



Demonstrated Environmental Leadership

We do things differently to thrive tomorrow

Okotoks continued to advance environmental sustainability through practical, on-the-ground action. Guided by responsible stewardship of water, land, air and energy, the Town applied an environmental lens to planning, operations and service delivery, supporting ongoing progress in climate resilience, emissions reduction, water conservation, energy efficiency and biodiversity.

Improving Affordability and Reducing Waste

In May 2025, the Town of Okotoks transitioned to bi-weekly garbage collection as part of its ongoing efforts to balance affordability, service delivery and environmental sustainability. To support the change, residents received new 240-litre garbage carts, doubling the size of the Town's previous standard carts to maintain the same overall garbage capacity.

The service adjustment responded to resident affordability concerns by helping reduce utility costs, while also encouraging greater use of recycling and composting programs. The transition supports the community's environmental goals by helping reduce greenhouse gas emissions and the amount of waste sent to the landfill.

“*We've been able to pass savings on to residents by reducing the frequency of garbage collection while still collecting the same amount of waste from homes.*” – Mayor Tanya Thorn



Advancing Waste Diversion Efforts

The Town continued work on a Construction and Demolition (C&D) Waste Diversion Pilot aimed at reducing construction waste sent to the landfill and exploring opportunities to improve material recovery in the local construction sector.

Early pilot data demonstrated a diversion rate of approximately 21 per cent, with opportunities identified to increase diversion through improved source separation and contractor engagement. The pilot, conducted in partnership with a local builder and waste service provider, focused on source separation, tracking diversion performance, and identifying scalable waste diversion practices for future development projects.

As Okotoks continues to grow and new development occurs throughout the community, managing construction waste presents an important opportunity to support the Town's sustainability and circular economy goals.

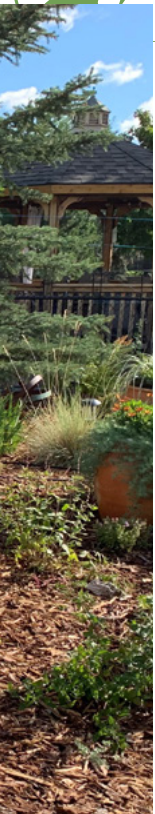
Developing Green Standards for Town Facilities

In 2025, the Town advanced work on new facility green standards to guide municipal building construction and retrofits toward higher energy efficiency and a lower carbon footprint. The policy was approved in August 2025.

Monitoring Local Air Quality

From August 2024 through July 2025, the Town hosted a portable air monitoring station to monitor ambient air quality in our community. Delivered in partnership with Alberta Environment and Protected Areas and the Calgary Regional Airshed Zone, the project provided real-time, high-quality data that had not previously been available locally, as monitoring has typically relied on stations in Calgary.

Results showed air quality in Okotoks was generally at low health risk and consistent with regional conditions.





Improving Energy Efficiency at Recreation Facilities

In 2025, the Town secured a \$195,000 Community Buildings Retrofit Initiative grant from the Federation of Canadian Municipalities to support energy efficiency planning at key recreation facilities.

The funding will help identify opportunities to reduce electricity and natural gas consumption and lower emissions at the Okotoks Recreation Centre, Viking Rentals Centre Arenas and Viking Rentals Centre Event Hall.

Supporting Home Energy Efficiency

With support from the ATCO Community Energy Fund, the Town expanded its DIY Energy Audit Kit program through a 2025 pilot, adding handheld indoor air quality monitors to every free booking.

The pilot also included four public workshops in the Maximizing Home Energy Efficiency series, led by industry experts and covering topics such as solar panels and heat pumps.

Over a four-month period, Town staff completed more than 30 home visits, helping residents identify practical ways to improve energy efficiency, reduce costs and make informed decisions about their homes.

4 Major Town solar installations completed

Addition of **271,000+ kWh** generated annually – total of **1.29 million kWh** generated in **2025**

Total of ~ **49 tonnes** annual greenhouse gas emissions reduced

630 tonnes CO₂e offset in 2025 for all four systems together

30% Project cost reduction through grant funding



FACILITY IMPACTS:

Operations Centre

50% of electricity needs offset by solar

Fire Hall No. 1

90% of electricity needs offset by solar

Investing in Renewable Energy and Long-Term Sustainability

The Town expanded its renewable energy infrastructure in 2025 with new solar photovoltaic (PV) systems at the Operations Centre and Fire Hall No. 1, advancing its Climate Action goal of corporate carbon neutrality by 2050.

The projects are the Town’s third and fourth major solar installations and part of a broader strategy to reduce corporate greenhouse gas emissions, improve energy efficiency, and strengthen sustainability across municipal operations. Town-owned facilities account for about 35 per cent of corporate greenhouse gas emissions in Okotoks. By generating renewable electricity onsite, the new systems will reduce reliance on grid power, lower long-term operating costs and shrink the environmental footprint of municipal facilities.

The Operations Centre system is expected to generate roughly 50 per cent of the facility’s electricity needs. At Fire Hall No. 1, the system is expected to generate an estimated 90 per cent of the building’s electricity requirements.

This initiative received support through the Municipal Electricity Generation Program, delivered by the Municipal Climate Change Action Centre with funding from the Government of Alberta. Grant funding offset approximately 30 per cent of total project costs.

The investment demonstrates the Town’s continued focus on balancing environmental responsibility, operational efficiency and long-term financial stewardship while investing in infrastructure that supports a resilient, future-ready community. For more information about the Town’s Climate Action initiatives, visit okotoks.ca/Climate-Action.



ENVIRONMENTAL EQUIVALENCIES:

For all **4 solar PV Systems:**



In 2025, generated the equivalent to the annual electricity use of **180** typical homes



In 2025, annual emissions reductions equivalent to combustion of **272,000 L** of gasoline



Reviewing Transit Service and Expanding a Hybrid Transit Model

In 2025, the Town reviewed transit service levels and availability to better understand growing demand and identify opportunities to improve mobility across Okotoks. This work, combined with increasing ridership, community feedback and recommendations from the Fixed-Route Transit Feasibility Study, helped guide the launch of a new fixed-route transit service.

The new service marks an important step in the evolution of public transportation in Okotoks. It establishes a hybrid transit model that combines the predictability of scheduled fixed routes with the flexibility of the Town's existing on-demand system, giving residents more reliable and accessible transportation options.

The fixed-route service is designed to improve convenience and connectivity by linking employment areas, community amenities and civic destinations. On-demand transit continues to play a critical role by serving areas beyond fixed routes and supporting residents with diverse mobility needs.

By expanding and integrating transit options, the Town is strengthening mobility, reducing reliance on single-occupancy vehicles and supporting a more sustainable, connected and accessible community.

Strengthening Accessible and Sustainable Transit

In October 2025, the Town expanded accessible transit service through a partnership with the Okotoks Lions Club, which donated two fully accessible vans to support the on-demand transit fleet.

The new vehicles increase capacity for residents with mobility challenges, improving access to services, supporting independence and helping more residents stay connected to the community.

The partnership reflects the important role local organizations and service clubs play in enhancing quality of life in Okotoks, while supporting the Town's commitment to safe, inclusive and accessible transportation options that meet the community's evolving needs.

The investment also supports municipal priorities related to accessibility, inclusion, and a transportation network that meets the community's evolving needs. Learn more about Okotoks Transit, including on-demand and fixed-route services, at okotokstransit.ca.

“Accessible transportation is about more than mobility, it's about independence and connection.” — Mayor Tanya Thorn

| MEASURES <i>Measures the organization wants to change through activity / policy</i> | 2022 | 2023 | 2024 | 2025 | TARGET |
|---|-------------|-------------|--------------|------------------|---|
| Greenhouse Gas Emissions (tonnes CO2e) - Municipally produced | 21,574 | 21,586 | 21,841 | Next report 2027 | Carbon neutrality by 2050 |
| Community Greenhouse Gas Emissions (tonnes CO2e) produced | 345,490 | 345,929 | 344,595 | Next report 2027 | Carbon neutrality by 2050 |
| Percentage of waste diverted from the landfill per year | 59% | 58% | 56% | 58% | Under Review |
| Summer Peak Water Usage Day - liters per capita per day (lpcd) | 373 | 382 | Under Review | Under Review | 324 liters per capita per day by 2030 (Average 20% reduction) |
| Total residential potable water usage: litres per capita per day (lpcd) | 165 | 172 | Under Review | Under Review | Under Review |
| Utilization of Water Conservation Incentive Programs | 98% | 97% | 100% | 100% | 100% grant funds used annually |
| Percentage coverage by urban forest canopy measured every 5 to 10 years | 6% | - | - | Next report 2027 | No net loss by 2050 |
| Percentage of electric energy used by Municipal facilities that is renewable | 7.5% | 7.2% | 6.9% | 9.0% | 100% by 2050 |
| Number of publicly accessible electric vehicle charging ports in Okotoks (Level 2 or higher) | | 7 | 15 | 15 | 20 by 2033 |
| Percentage of non-potable water used for public parks and landscaping | - | - | 29.75% | 28.50% | 25% of total irrigation water used is non-potable water |





Organizational Excellence

We lead with passion and are focused on multidisciplinary collaboration, fostering creativity and innovation, allowing us to be agile and creative in serving our vibrant Town

Organizational Excellence reflects the Town's commitment to building the people, systems and practices needed to deliver strong municipal services and effective governance. Through the combined efforts of Council, Administration and residents, Okotoks continues strengthening the foundation that supports a responsive, accountable and high-performing organization.

In 2025, work focused on employee development, process improvement, technology modernization and organizational resilience. Together, these initiatives help the Town deliver reliable services, make informed decisions and create value for the community.



Becoming an Employer of Choice

Building Leadership Capacity Through Succession Planning

In 2025, the Town began piloting a corporate Succession Planning Framework to support leadership continuity, employee development and long-term organizational resilience.

The Senior Leadership Team reviewed critical positions across the organization to better understand future workforce needs, potential retirement impacts and opportunities to support leadership development. This early work supported more informed planning for retirements, workforce changes and evolving service demands. The pilot established an important foundation for identifying where leadership development, knowledge transfer and employee growth may be needed to help retain the knowledge, skills and experience required to deliver municipal services over time.

Strengthening Learning and Development Across the Organization

The Town began work on a corporate Learning and Development Framework in 2025 to support employee growth, workplace safety and long-term organizational excellence.

Administration also refined how training and professional development are planned and supported, strengthening consistency and oversight across the organization. This includes safety training, job-specific certifications, first aid requirements, professional development opportunities and other regulatory training that supports municipal operations.



A key focus was ensuring employees have access to the knowledge and training needed to perform their roles safely, effectively and in compliance with occupational health and safety requirements and industry standards. These improvements also support Certificate of Recognition requirements, our Employee Value Proposition (EVP) and a more consistent approach to workforce development across business centres.

Together, these efforts highlight the Town's commitment to continuous learning and a skilled workforce that delivers safe, reliable and high-quality services.



Operational Asset Management

Building Better Infrastructure Decisions Through Asset Management

In 2025, the Town continued advancing its asset management program by strengthening the information used to plan, maintain and renew critical infrastructure.

A pilot project focused on water and sanitary infrastructure created a stronger foundation for understanding asset conditions, replacement values, and long-term lifecycle needs. Through this work, the Town tracked 17,478 water infrastructure assets and 4,939 sanitary infrastructure assets, representing a combined 22,417 assets with an estimated replacement value of \$765.4 million.

Water infrastructure represented 78 per cent of the inventoried infrastructure in the pilot, with an estimated replacement value of \$517 million. Sanitary infrastructure represented 22 per cent, with an estimated replacement value of \$248.4 million. Incorporating this information into the Town’s asset management system gives Operations improved data to support capital planning, budgeting and future investment decisions.

This work marks an important step toward a more proactive approach to infrastructure management. With better asset data, the Town can more clearly identify priorities, plan for future replacement needs and make informed decisions about where infrastructure investments will have the greatest impact.

Although the initial focus was water and sanitary infrastructure, work continued throughout the year to expand the asset inventory and improve data collection for additional asset classes, including stormwater systems, municipal facilities, recreation amenities, treatment plants and transportation infrastructure.



Modernizing Program and Service Delivery Through Technology

IT Strategic Plan Implementation

Implementation of the IT Strategic Plan continued in 2025, with a focus on modernizing digital infrastructure and strengthening information management across the organization. Key initiatives included migration to a cloud-based email platform, file storage and collaboration, along with development of a corporate Data Strategy. The Data Strategy encompasses a data governance model, an operational data warehouse and business intelligence tools designed to improve data quality, security, compliance and access to reliable information for decision-making.

ASSET MANAGEMENT SNAPSHOT 2025

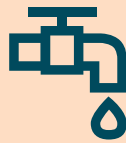


WATER INFRASTRUCTURE

17,478 Assets

78% of inventoried infrastructure

Replacement value:
\$517 million



SANITARY INFRASTRUCTURE

4,939 Assets

22% of inventoried infrastructure

Replacement value:
\$248.4 million

COMBINED SNAPSHOT

22,417

Assets Tracked

\$765.4 Million

Estimated Replacement Value

 **Celebrating Excellence**
2025 Awards

★ **National Recognition for a Signature Community Tradition**

In 2025, Light Up Okotoks received national recognition after winning the Canadian Event Award for Best Event for a City or Municipality.

This prestigious national recognition places Okotoks alongside Canada's largest urban centres and highlights the Town's remarkable ability to create community magic on a national stage. The Canadian Event Awards recognize excellence across community impact, logistics, sustainability, risk management and engagement, highlighting events that foster community spirit, support local businesses and create lasting memories for attendees.

Light Up Okotoks remains one of the community's largest and most anticipated annual events, drawing more than 15,000 residents and visitors to the downtown core each holiday season.

More than a holiday celebration, Light Up Okotoks brings people together, supports local businesses and creates lasting memories. It reflects the strong sense of connection and community spirit that help make Okotoks such a special place to live.

★ **National Recognition for Financial Reporting Excellence**

For the fifth consecutive year, the Town received the Canadian Award for Financial Reporting (CAnFR), recognizing excellence in transparency and public financial communication.

Strong communities depend on trust, accountability and responsible stewardship of public resources. This recognition reflects the Town's ongoing commitment to providing residents with clear, accessible and transparent financial information. See page 52 for more information.

★ **Economic Development Initiatives Receive Prestigious Awards**

The Town also received two Economic Developers Association of Alberta awards recognizing innovative approaches to supporting local businesses, strengthening partnerships and promoting economic opportunity.

A strong local economy contributes to a vibrant and resilient community by supporting jobs, local investment and the businesses that help shape everyday life in Okotoks.

The Town received the **Regional Collaboration and Partnerships Award** for Hometown Holidays & Reindeer Games, delivered in partnership with the Okotoks and District Chamber of Commerce. The initiative brought together coordinated promotions, festive programming and business engagement opportunities to increase foot traffic, encourage local spending and create a vibrant holiday experience throughout the community. The Reindeer Games shop-local campaign generated more than \$10,000 in verified spending at locally owned businesses while increasing downtown visitation and strengthening community pride.

Okotoks also accepted the **Marketing for Economic Development Outcomes Award** for the Good Morning Okotoks Podcast. The four-episode pilot podcast featured local entrepreneurs, sharing their business journeys, success stories and community impact. The podcast also highlighted interviews with local business owners focusing on their origins, growth and contributions to the community, helping showcase Okotoks as a strong place to live, work and invest. The campaign generated more than 120,000 views, increased YouTube subscribers by 5.3%, and prompted 30 businesses to express interest in participating in potential future episodes.



LIGHT UP OKOTOKS AT A GLANCE
32 years as a community holiday tradition.

More than **15,000 residents** and **visitors** attend annually.

More than **120 Town staff** are involved in delivering the event.

More than **50 volunteers** support the celebration.

More than **60 sponsors** and local businesses contribute to the event.

Continuous Improvement, Innovation and Service Optimization

Customer Experience Review

The Town continued to strengthen the overall customer experience by enhancing systems, streamlining processes, and expanding public accessibility. A key milestone was the July 2025 upgrade to the Town’s online recreation registration platform, which simplified program enrollment and created a more intuitive, user-friendly experience for residents.

Strengthening Decision-Making Through Enterprise Risk Management

In September 2025, Council approved the Town’s Enterprise Risk Management (ERM) Policy, establishing the foundation for a consistent corporate approach to identifying, assessing and managing risk across the organization.

The policy was informed by readiness and planning work that identified the need for a more formal and coordinated risk management framework. It provides guiding principles to support accountability, informed decision-making and long-term organizational resilience.

As the framework is developed, it will help ensure risks and opportunities are considered in strategic planning, service delivery, financial stewardship and organizational performance. It will also support stronger prioritization and a more proactive response to emerging challenges and opportunities.

This work strengthens governance by supporting more consistent corporate planning and operational decision-making across the organization.



Community Feedback Shaping Okotoks’ Future

The Town is committed to community-informed decision-making to ensure future investments stay aligned with what matters most to residents in Okotoks.

In June 2025, Council received the Community Priorities Survey results, offering valuable insight into residents’ perspectives on quality of life, municipal services and future priorities.

Conducted with support from Advanis, the survey gathered statistically valid feedback from 1,213 residents—a 72.6 per cent increase over the Town’s 2022 Citizen Satisfaction Survey—reflecting growing interest in community engagement and local decision-making.

Results showed residents continue to value Okotoks’ high quality of life, with 99 per cent rating it as good, very good or acceptable—well above provincial benchmarks.

The survey also identified key priorities, including transportation infrastructure, recreation planning and managing growth in ways that support connection, accessibility and livability.

Residents further expressed strong interest in engagement opportunities, particularly through online tools and expanded in-person options, reinforcing the value of accessible and transparent communication.

These findings will help guide future planning, strategic priorities and service delivery across the Town, including transportation, recreation infrastructure and long-term growth management. Review of these findings can be found at shapeourtown.okotoks.ca/community-priorities-survey

COMMUNITY PRIORITIES SURVEY HIGHLIGHTS

99% of residents rated quality of life as good, very good or acceptable.

1,213 survey responses were received.

Participation increased **72.6%** from 2022.

63% of residents feel they receive good or very good value from Town services and amenities.

RESIDENT PRIORITIES IDENTIFIED

- Transportation infrastructure
- Recreation planning and amenities
- Managing community growth
- More opportunities for engagement
- Accessible communication and information sharing

Supporting Civic Participation and Local Democracy

In 2025, residents participated in the municipal election to choose the Mayor and six Councillors who will serve on Okotoks Town Council for the 2025–2029 term. Through this local democratic process, voters helped shape the future direction of the community and the priorities that will guide municipal decision-making over the next four years.

The Town supported civic participation by offering advance voting opportunities and Election Day polling stations across the community. A total of 7,243 residents cast ballots, representing voter turnout of 31.69 per cent. Advance voting accounted for 1,993 ballots over five days, demonstrating strong use of flexible participation options.

The 2025 election also required extensive operational planning. Prior to the election, the province introduced new requirements that increased administrative complexity and required significant preparation by municipal election teams. In response, the Town implemented several changes to meet legislated requirements while also improving voting options and accessibility for residents.

For the first time, special mail-in ballots were offered to voters who were unable to attend advance voting or vote on Election Day. The Town also added a third Election Day voting location at D’Arcy Ranch Golf Club to provide another option for in-person voting.

As required by the province, votes were hand-counted for the first time in many years. This was a significant undertaking involving nearly 80 election workers. Careful preparation and coordination helped create a smooth experience for voters and allowed results to be delivered in under 10 hours after the polls closed.



2025 MUNICIPAL ELECTION HIGHLIGHTS
 Advance voting accounted for
1,993 ballots.

| Election Year | Total Voter Turnout | Eligible Voters | Percent Voter Turnout |
|---------------|---------------------|-----------------|-----------------------|
| 2025 | 7,243 | 22,859 | 31.69% |
| 2021 | 7,561 | 21,152 | 35.75% |
| 2017 | 5,672 | 19,775 | 28.68% |

| MEASURES | 2022 | 2023 | 2024 | 2025 | TARGET |
|--|------|------|------|------|------------------|
| <i>Measures the organization wants to change through activity / policy</i> | | | | | |
| Satisfaction with Service Experience | | | | | To be determined |
| Interactions with Town of Okotoks Employees | | | | | |
| • Helpfulness & courtesy of employees | 84% | - | - | 92% | |
| • Knowledge about the services they provide | 72% | - | - | 83% | |
| • Speed of response to inquiries & requests | 67% | - | - | 86% | |
| Permanent Employee Turnover Rate | 9.0% | 9.0% | 6.6% | 9.8% | To be determined |
| Likelihood to recommend Town of Okotoks as a good employer | 68% | - | 77% | 79% | More than 85% |
| Lost Time Injury Frequency Rate | 1.11 | 1.16 | 1.19 | 1.83 | To be determined |



2025 Budget Climate

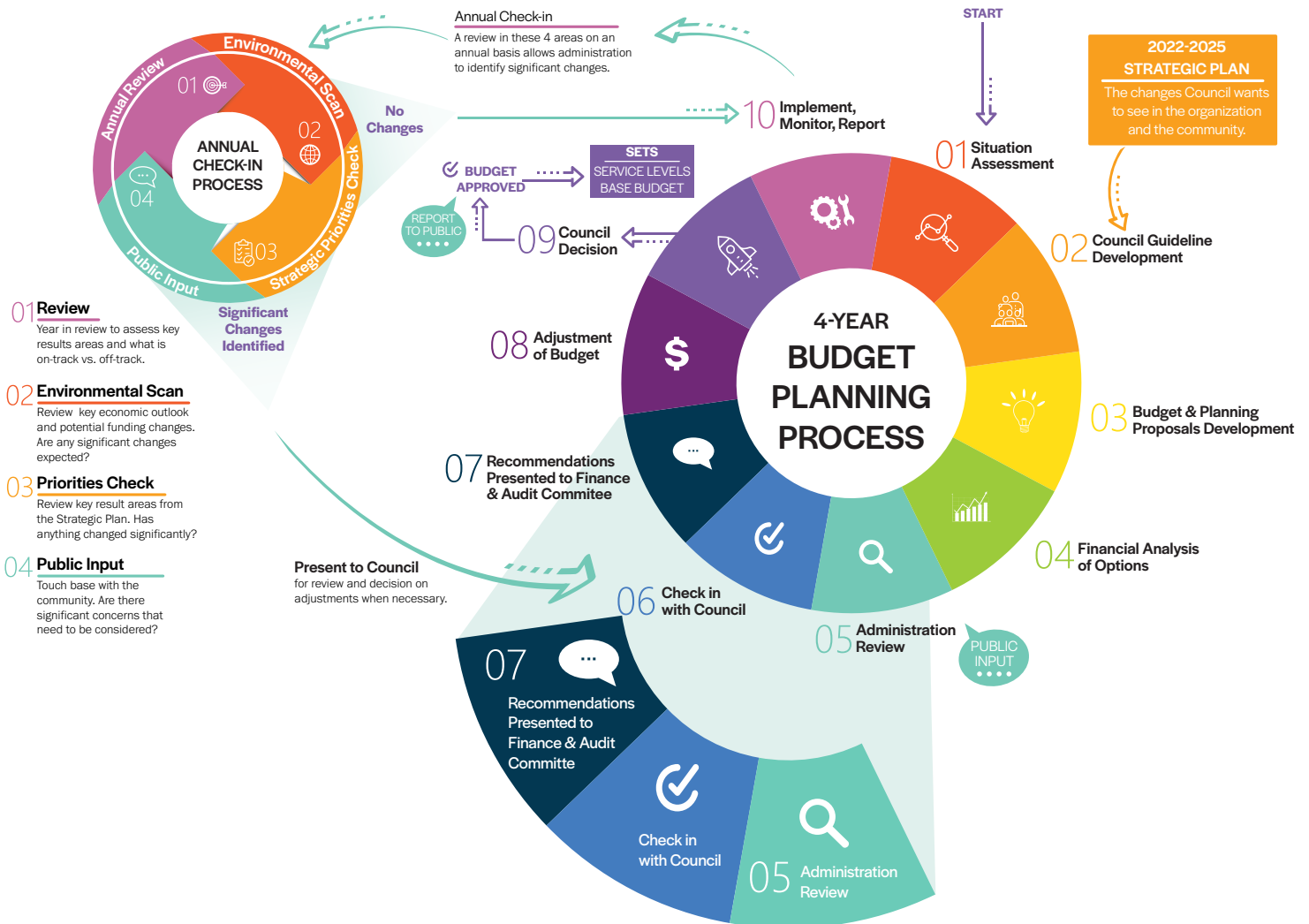
This is year four of the Town's 2022–2025 four-year budget cycle. Each year includes a check-in process that allows Council to make targeted adjustments as needed.

For 2025, budget discussions focused on three key priorities:

- Maintaining core service levels that residents value most
- Supporting affordability through lower-than-forecast property tax and utility impacts
- Streamlining fees and advancing long-term capital planning for growth

The Council-approved, updated 2025 budget focused on affordability, efficiency and responding to community feedback. The approved operating budget focused on maintaining the services residents rely on while reducing the previously forecast property tax increase and introducing utility fee reductions.

Council continued to balance near-term affordability with long-term financial sustainability. Strategic capital planning remained focused on major priorities such as the supplemental water solution, Okotoks Recreation Centre upgrades and future unfunded capital projects, while maintaining flexibility through the Town's debt strategy and reserve planning.





UNDERSTANDING YOUR 2025 MUNICIPAL PROPERTY TAXES

Each year, the Town of Okotoks collects property taxes to support a wide range of local programs and services. The receipt below illustrates how an average household's taxes were allocated in 2025 and provides a snapshot of the services supported by municipal funding.

This example is based on a single-family residential property assessed at \$670,500, which paid approximately \$2,926.80 in municipal property taxes for Town services.

| 5 ELIZABETH ST. TOWN OF OKOTOKS | |
|---|-------------------|
| RECEIPT | |
| MUNICIPAL TAXES | |
| PROTECTIVE SERVICES | |
| Fire Services | \$529.75 |
| RCMP & Municipal Enforcement | \$477.07 |
| INFRASTRUCTURE | |
| Parks (<i>pathways, mowing, cemetery</i>) | \$333.66 |
| Roads (<i>potholes, streets, snow clearing</i>) | \$333.66 |
| Permits & Planning | \$108.29 |
| Transit Services | \$102.44 |
| Community Development (<i>engineering</i>) | \$84.88 |
| Environment | \$32.19 |
| Economic Development | \$20.49 |
| COMMUNITY HEALTH | |
| Recreation Facilities (<i>arenas, pools</i>) | \$289.75 |
| Events, Programs, Culture & Library | \$190.24 |
| Community & Social Development | \$84.88 |
| CORPORATE SUPPORT | |
| Enabling Services & Administration | \$295.61 |
| Council | \$43.89 |
| TOTAL | \$2,926.80 |

Note: This amount does not include requisitions, which are collected on behalf of other agencies and appear separately on your tax bill. Requisitions support the Province of Alberta (for education) and Westwinds Communities (for seniors housing).

What You Receive for Your Tax Dollars

Community Safety & Emergency Services

- 24-hour police, fire, and emergency response
- Ongoing bylaw enforcement and community safety patrols

Roads & Pathways

- 234 km of maintained roads, with year-round street cleaning and seasonal snow removal
- 96.2 km of interconnected pathway systems for walking, biking, and mobility aids

Parks & Natural Spaces

- 180+ ha of manicured parks and open space
- 380+ ha of naturalized areas and river valley
- 18,000+ Town trees in maintained areas
- 2 community gardens
- 1 off-leash dog park
- 1 cemetery

Outdoor Amenities

- 90+ parks and 50+ playgrounds
- 30+ sports fields, 5 sport courts, 6 pickleball courts, 3 tennis courts
- 1 disc golf course, 1 multi-use sport court
- 14 outdoor natural skating surfaces
- 6 toboggan hills
- 4.7 km of single-track bike trails
- 2.8 km of cross-country ski trails
- 3 outdoor fitness equipment locations
- Skateboard Park, Spray Park, BMX Track, Pump Track, Outdoor Rink
- Public art

Indoor Recreation & Culture

- Okotoks Recreation Centre & Viking Rentals Centre (swimming pools, arenas, and events hall)
- Regional Fieldhouse
- Okotoks Art Gallery, Okotoks Museum & Archives, and Rotary Performing Arts Centre

Community Events & Programming

- Light Up Okotoks
- Taste of Okotoks
- Parade & Children's Festival
- National Day for Truth and Reconciliation
- Tipi Camp
- Nooks & Crannies Festival
- Many more year-round events and programs

Town Services

Over 250 services are funded through municipal taxes, user fees, and/or grants.

SECTION 2: FINANCIAL



Financial Management and Control

The Municipal Government Act (MGA) requires a municipality to prepare annual financial statements by May 1 each year for the prior year. The Town of Okotoks ensures a framework is in place to produce reliable financial results and reporting. The following items are the key components of that framework.

Plans

Town Council finalized the 2022–2025 Strategic Plan in September 2022 with a vision of "A vibrant, resilient, and connected community that fosters the wellbeing of land and people, a community to call home." This plan highlights high-level priorities that align directly to the 60-year vision that can be found in the Okotoks Municipal Development Plan (MDP).

To move toward this vision, Administration established an overarching four-year Corporate Business Plan, along with individual plans for each Business Centre. These plans are reviewed annually for any required changes to keep Administration on course.

Budget

2025 was the last year of a four-year budget cycle that started in 2022. Knowing there would be an election in the fall of 2025, the Town changed the timing of the budget cycle to a one-time five-year cycle to better align with Council's four-year term. This shift means the next four-year budget (2027-2030) will be approved by the new Council in the second year of the Council term to support the next strategic plan. In each subsequent year, incremental budget changes related to achieving Council strategic priorities may be presented and considered for approval by Council.

A projected variance for revenues and expenses compared to budget is prepared quarterly for Council, indicating whether an excess or deficiency is anticipated. If it appears a deficiency is projected, Council takes the necessary actions to eliminate this possibility.

Financial Policies

Approved by Council, the Town's financial policies contribute to strong governance and internal controls. These policies are in place to monitor financial activity and safeguard municipal assets. As with all Town policies, the financial policies are reviewed and amended as needed at least once per Council term.

Accounting and Finance

The Town maintains accounting processes that provide internal controls and ensure compliance with the standards and requirements set by the Public Sector Accounting Board and other legislative bodies. The accounting and finance services are administered under the direction of the Chief Financial Officer and the Chief Administrative Officer.

Audit

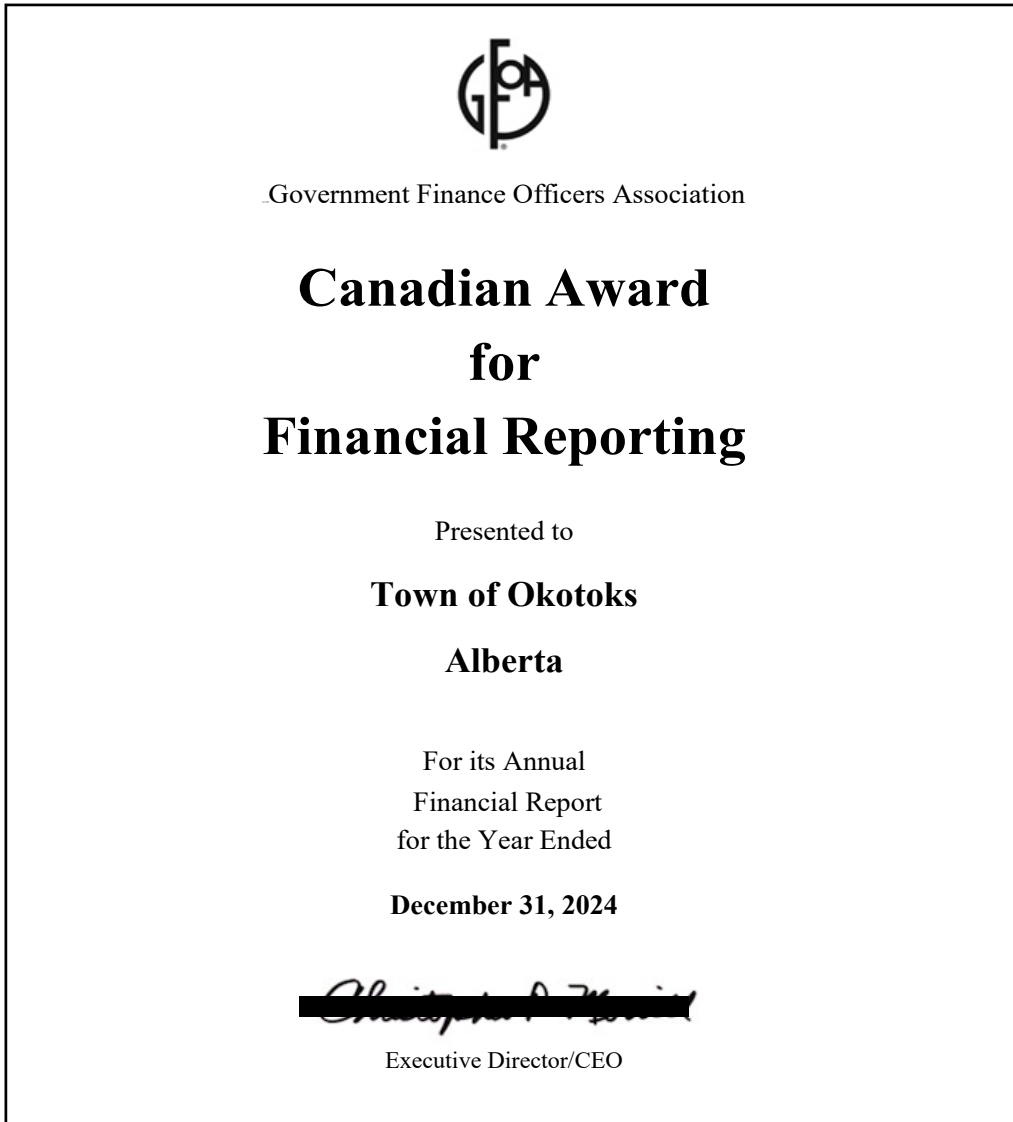
The MGA requires Council to appoint the external auditor to perform the audit of the Town's financial statement independent of management. Avail, Chartered Professional Accountants was awarded the contract for audit services and performs the audit work in compliance with Canadian Auditing Standards. The auditor's report, which forms part of the published financial statements, outlines the responsibilities assigned to the Town's management and those assigned to the auditor.

Letter of Transmittal

Government Finance Officers Association (GFOA) of the United States and Canada awarded a Canadian Award for Financial Reporting (CANFR) to the Town of Okotoks for its annual financial report for the fiscal year ended December 31, 2024. The CANFR program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a CANFR, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.



Financial Summary

Financial information is critical in maintaining viable communities and providing insight about the management of the Town's resources to all stakeholders. The following overview is intended to assist with understanding the Town's 2025 financial statements.

Revenue Sources

While property taxes contribute to the Town's revenue total, other revenue sources are also needed to pay for the cost of all of the services and programs. At the end of 2025, the Town's total operating and capital revenue for the year was \$143.98 million. Net municipal taxes increased in 2025 due to a Council approved 4% tax revenue increase and 1.5% new growth in residential and non-residential properties. The proportion of the revenue total provided by each revenue source was:

27% Property Tax: Bylaw 05-25⁽¹⁾

Residents paid 80% of the municipal property taxes, while businesses paid the remaining 20%.

19% Sales and User Fees: Bylaw 09-25 and amending Bylaw 25-25

These fees are established for certain goods and services that provide direct benefits to individual users including:

- 13%** utilities - water and waste services

- 6%** programs and facility admissions, permits, transit and cemetery services

4% Franchise Fees: Bylaw 36-23 (natural gas) and Bylaw 33-20 (electricity)

The Town receives these fees from Atco and Fortis in exchange for access to municipal land to locate the natural gas and electricity utility infrastructure. The utility providers collect the fees from the customers who use the natural gas and electricity services.

5% Government Transfers - Operating: Provided through agreements with the provincial and federal governments, these funds are used for operating programs and activities.

6% Other Revenue - Operating: This includes investment income, penalties on taxes and utilities, rentals, donations and gains on asset disposal.

18% Government Transfers - Capital: Provided through agreements with the provincial and federal governments, these funds are used for the construction or acquisition of tangible capital assets.

21% Other Revenue - Capital: This includes off-site levies, contributed assets and donated assets.

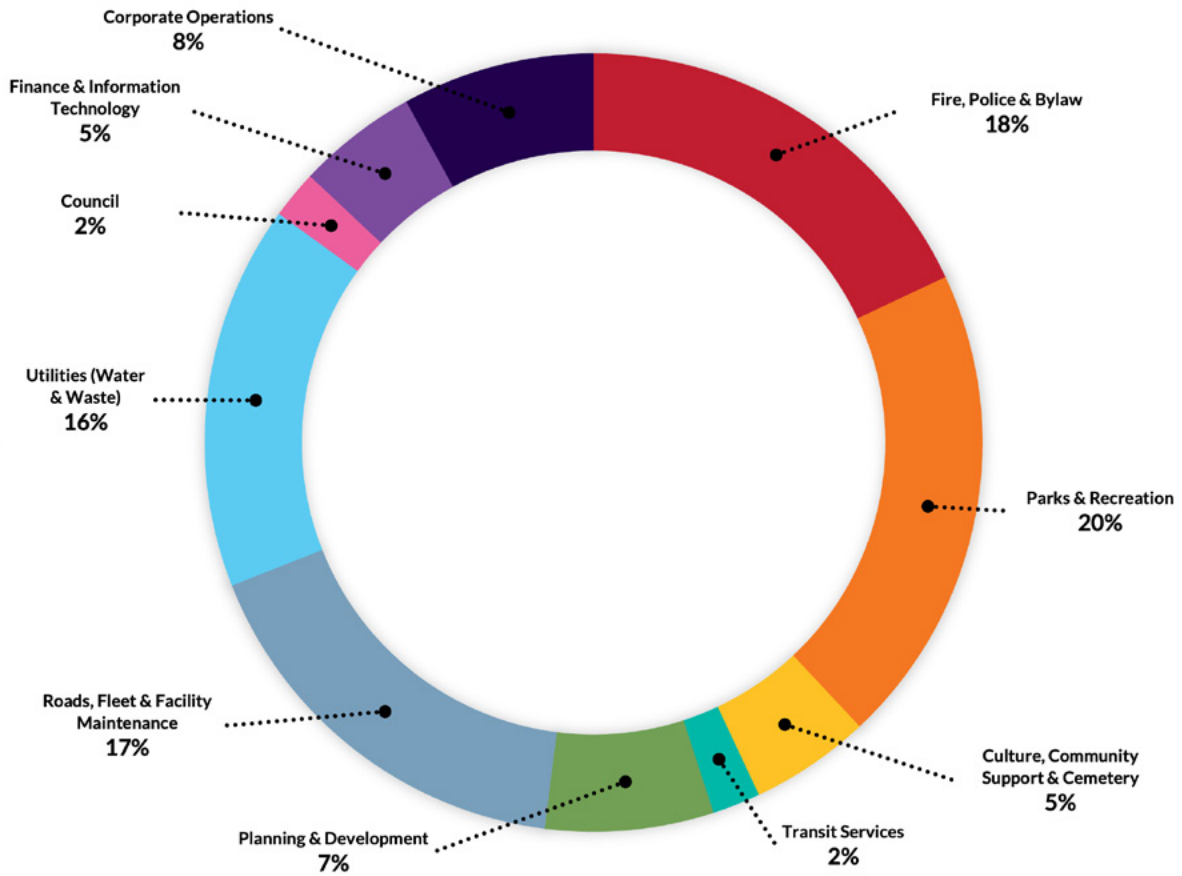
(1) The bylaw includes taxes requisitioned and collected by the Town but not used for the Town's operations. These requisitions are passed directly on to the Government of Alberta and Westwinds.



Distribution of Revenue Dollars

The Town uses revenue to deliver services and programs for the community as well as contribute to the accumulated surplus. During 2025, the Town incurred expenses totaling \$93.9 million. Total expenses increased due to higher amortization of tangible capital assets. The year-end accumulated surplus increased by \$50 million, primarily due to additions to the Town's Tangible Capital Assets.

The following service and program percentages are based on the total expenses for 2025.





Financial Position

The Town's ability to pay for its operations and provide future services are monitored using two key performance measures found in the Statement of Financial Position.

| FINANCIAL POSITION (\$ MILLIONS) | 2025 | 2024 |
|---|--------------|--------------|
| Financial assets | 130.1 | 106.8 |
| Liabilities | 99.8 | 51.4 |
| Net financial assets | 30.3 | 55.4 |
| Total non-financial assets | 502.2 | 427.1 |
| Accumulated surplus | 532.5 | 482.5 |

Net Financial Assets (or Debt)

This measure indicates whether financial means are available to settle existing obligations to external parties as well as assist with providing future services. The Town's year-end Net Financial Asset balance of \$30.3 million indicates that the financial assets exceed the liabilities and attests to the Town's stable position.

Accumulated Surplus (or Deficit)

This measure represents the net economic resources of the Town at the date of the Financial Statements. The measure is comprised of all the past activity results, both excess and deficiency, and also includes the Town's non-financial assets. The Town's year-end accumulated surplus of \$532.5 million, includes \$454.5 million of equity in Tangible Capital Assets and \$1.2 million of equity in Intangible Assets.

Financial Activities

The Statement of Operations presents the revenue and expenses of the Town on a consolidated basis, which includes both operating and capital activity.

| FINANCIAL ACTIVITIES (\$ MILLIONS) | 2025 BUDGET | 2025 ACTUALS | 2024 ACTUALS |
|---|--------------------|---------------------|---------------------|
| Revenue - operations | 80.4 | 88.2 | 83.0 |
| Expenses - operations | 89.1 | 93.9 | 83.4 |
| Deficit from operations | (8.7) | (5.7) | (0.4) |
| Revenue - capital | 9.0 | 55.8 | 22.9 |
| Surplus | 0.3 | 50.1 | 22.5 |
| Capital Asset Acquisitions | | | |
| Purchased capital assets | 37.0 | 70.0 | 24.2 |
| Contributed capital assets | 0.0 | 25.8 | 6.4 |
| Transferred capital assets | 0.0 | 0.0 | 0.2 |
| Total acquisitions | 37.0 | 95.8 | 30.8 |

This statement provides additional performance and accountability measures.

Excess (or Deficiency) of Revenue over Expenses

This performance measure shows whether the revenues raised in the year, including capital revenue from government transfers, developers and donations, were sufficient to cover the year’s expenses. It is important to consider trends over time and view the annual impact in the context of the Town’s overall financial position.

Budget to Actual Results

Annual budgets approved by Council convey the financial policy and resource decisions for the Town. As a result, a key component of financial accountability in the public sector is comparing the actual financial results with the originally planned results in the budget. To achieve this objective, the Statement of Operations includes the detailed original approved annual budget.

TOWN OF OKOTOKS
**Consolidated
Financial
Statements**

For the year ended December 31, 2025



OKOTOKS OLDE



INDEPENDENT AUDITOR'S REPORT

To: The Mayor and Members of Council of
the Town of Okotoks

Opinion

We have audited the consolidated financial statements of the Town of Okotoks which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

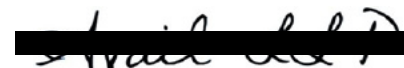
INDEPENDENT AUDITOR'S REPORT, continued

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

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

Lethbridge, Alberta

April 27, 2026



Chartered Professional Accountants

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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


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

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

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


Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements. Also, the Mayor and Council are responsible for the appointment of the Town's external auditors.

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



Chief Administrative Officer

April 27, 2026



Chief Financial Officer

April 27, 2026

TOWN OF OKOTOKS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025
(\$ thousands)

| | 2025 | 2024 |
|--|---------------|---------------|
| Financial assets | | |
| Cash and temporary investments (note 3) | \$ 52,691 | \$ 34,957 |
| Taxes and grants in place of taxes receivable (note 4) | 1,922 | 1,592 |
| Trade and other receivables (note 5) | 13,239 | 9,758 |
| Land held for resale | 1,045 | 1,334 |
| Loans receivable | 483 | 288 |
| Inventory held for resale | 62 | 77 |
| Investments (note 6) | 60,663 | 58,880 |
| | 130,105 | 106,886 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 31,845 | 12,838 |
| Employee benefit obligations (note 7) | 1,902 | 1,787 |
| Deposits | 1,455 | 1,322 |
| Deferred revenue (note 8) | 12,606 | 12,287 |
| Long-term debt (note 9) | 49,874 | 21,169 |
| Asset retirement obligation (note 10) | 2,087 | 2,037 |
| | 99,769 | 51,440 |
| Net financial assets | 30,336 | 55,446 |
| Non-financial assets | | |
| Prepaid expenses | 405 | 319 |
| Inventory for consumption | 93 | 63 |
| Intangible assets (note 11) | 1,231 | 1,283 |
| Tangible capital assets (schedule 2) | 500,471 | 425,387 |
| | 502,200 | 427,052 |
| Accumulated surplus (note 12 and schedule 1) | | |
| Accumulated operating surplus | 532,536 | 482,498 |
| Accumulated remeasurement gains (losses) | - | - |
| | \$ 532,536 | \$ 482,498 |

Commitments and contingencies (note 25)

Approved on behalf of Council:

Councillor _____

Councillor _____

TOWN OF OKOTOKS
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2025
(\$ thousands)

| | Budget (Unaudited) | 2025 | 2024 |
|---|-----------------------|----------------|---------------|
| Revenue | | | |
| Net municipal taxes (note 15) | \$ 39,048 | \$ 38,893 | \$ 36,491 |
| User fees and sales of goods | 23,154 | 27,977 | 26,162 |
| Government transfers for operating (note 16) | 5,332 | 6,420 | 6,128 |
| Franchise and concession contracts (note 17) | 6,100 | 5,954 | 5,904 |
| Investment income | 2,237 | 3,136 | 3,695 |
| Rental | 3,416 | 3,278 | 3,094 |
| Other | 388 | 955 | 710 |
| Penalties and costs of taxes | 550 | 689 | 571 |
| Donations | 162 | 314 | 135 |
| Gain on disposal of tangible capital assets | - | 561 | 124 |
| | 80,387 | 88,177 | 83,014 |
| Expenses (note 18) | | | |
| General government | | | |
| Council and other legislative | 1,788 | 1,671 | 1,579 |
| General administration | 12,966 | 12,277 | 12,613 |
| Protective services | | | |
| Police | 5,556 | 5,438 | 4,863 |
| Fire | 9,195 | 9,482 | 8,821 |
| Bylaw enforcement | 1,863 | 1,889 | 1,565 |
| Transportation services | | | |
| Common and equipment pool | 2,308 | 2,401 | 2,474 |
| Roads, streets, walks, lighting | 7,919 | 7,743 | 7,560 |
| Public transportation | 1,821 | 1,744 | 1,681 |
| Storm sewers and drainage | 1,467 | 6,263 | 1,233 |
| Environmental use and protection | | | |
| Water supply and distribution | 4,946 | 5,613 | 5,337 |
| Wastewater treatment and collection | 5,022 | 5,593 | 4,405 |
| Waste management | 3,962 | 4,078 | 3,587 |
| Public health and welfare | | | |
| Family and community support | 1,847 | 1,804 | 1,614 |
| Cemeteries and crematoriums | 347 | 384 | 335 |
| Planning and development | | | |
| Land use planning, zoning and development | 3,348 | 3,204 | 2,268 |
| Subdivision land and development | 3,181 | 3,212 | 3,839 |
| Recreation and culture | | | |
| Parks and recreation | 18,553 | 18,442 | 16,928 |
| Culture - libraries, museums, halls | 3,005 | 2,706 | 2,688 |
| | 89,094 | 93,944 | 83,390 |
| Deficiency of revenue over expenses before capital revenue | (8,707) | (5,767) | (376) |

Continued

Continued

TOWN OF OKOTOKS
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2025
(\$ thousands)

| | Budget (Unaudited) | 2025 | 2024 |
|---|-----------------------|-------------------|-------------------|
| Capital revenue | | | |
| Government transfers for capital (note 16) | 8,995 | 25,569 | 11,237 |
| Developer contributed tangible capital assets (note 19) | - | 25,801 | 6,367 |
| Offsite levies (note 8) | - | 4,146 | 4,007 |
| Capital donations | - | 289 | 1,242 |
| | <u>8,995</u> | <u>55,805</u> | <u>22,853</u> |
| Excess of revenue over expenses | 288 | 50,038 | 22,477 |
| Accumulated operating surplus, beginning of year | <u>482,498</u> | <u>482,498</u> | <u>460,021</u> |
| Accumulated operating surplus, end of year | <u>\$ 482,786</u> | <u>\$ 532,536</u> | <u>\$ 482,498</u> |

TOWN OF OKOTOKS
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
 For the year ended December 31, 2025
 (\$ thousands)

| | 2025 | 2024 |
|--|------|------|
| Accumulated remeasurement gains (losses), beginning of year | \$ - | \$ - |
| Unrealized gains (losses) attributable to: | | |
| Equity investments | - | - |
| Amounts reclassified to statements of operations: | | |
| Equity investments realized gains | - | - |
| Net remeasurement gains (losses) for the year | - | - |
| Accumulated remeasurement gains (losses), end of year | \$ - | \$ - |

TOWN OF OKOTOKS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2025
(\$ thousands)

| | Budget (Unaudited) | 2025 | 2024 |
|--|-----------------------|-----------|-----------|
| Excess of revenue over expenses | \$ 288 | \$ 50,038 | \$ 22,477 |
| Acquisition of tangible capital assets | (37,029) | (69,974) | (24,238) |
| Amortization of tangible capital assets | 13,395 | 19,749 | 13,381 |
| Contributed tangible capital assets | - | (25,801) | (6,367) |
| Net gain on disposal of tangible capital assets | - | (275) | (124) |
| Proceeds on disposal of tangible capital assets | - | 1,219 | 144 |
| Transfer of land held for resale to capital | - | - | (232) |
| Acquisition of intangible assets | - | - | (1,309) |
| Amortization of intangible assets | - | 52 | 26 |
| | (23,634) | (75,030) | (18,719) |
| Net change in inventory for consumption | - | (32) | (13) |
| Net change in prepaid expense | - | (86) | (111) |
| | - | (118) | (124) |
| Increase (decrease) in net financial assets | (23,346) | (25,110) | 3,634 |
| Net financial assets, beginning of year | 55,446 | 55,446 | 51,812 |
| Net financial assets, end of year | \$ 32,100 | \$ 30,336 | \$ 55,446 |

TOWN OF OKOTOKS
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2025
(\$ thousands)

| | 2025 | 2024 |
|--|------------------|------------------|
| Operating transactions | | |
| Excess of revenue over expenses | \$ 50,038 | \$ 22,477 |
| Adjustments for items which do not affect cash | | |
| Net gain on disposal of tangible capital assets | (275) | (124) |
| Amortization of tangible capital assets | 19,749 | 13,381 |
| Contributed tangible capital assets | (25,801) | (6,367) |
| Accretion of asset retirement obligation | 39 | 40 |
| Amortization of intangible assets | 52 | 26 |
| Transfer of land held for resale to capital | - | (232) |
| | 43,802 | 29,201 |
| Net change in non-cash working capital items | | |
| Taxes and grants in place of taxes receivable | (330) | (144) |
| Trade and other receivables | (3,480) | (2,643) |
| Inventory held for resale | 15 | 11 |
| Land held for resale | 289 | 840 |
| Loans receivable | (195) | (288) |
| Inventory for consumption | (32) | (13) |
| Prepaid expenses | (86) | (111) |
| Accounts payable and accrued liabilities | 19,007 | 2,750 |
| Employee benefit obligations | 115 | 255 |
| Deposits | 133 | 90 |
| Deferred revenue | 319 | (4,173) |
| Asset retirement obligation | 11 | 202 |
| | 59,568 | 25,977 |
| Capital transactions | | |
| Proceeds on disposal of tangible capital assets | 1,219 | 144 |
| Acquisition of tangible capital assets | (69,974) | (24,238) |
| Acquisition of intangible assets | - | (1,309) |
| | (68,755) | (25,403) |
| Investing transactions | | |
| Increase in investments | (1,783) | (1,683) |
| Financing transactions | | |
| Proceeds of long-term debt | 30,000 | 572 |
| Repayment of long-term debt | (1,296) | (1,031) |
| | 28,704 | (459) |
| Increase (decrease) in cash and temporary investments | 17,734 | (1,568) |
| Cash and temporary investments, beginning of year | 34,957 | 36,525 |
| Cash and temporary investments, end of year | \$ 52,691 | \$ 34,957 |

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

1. Significant accounting policies

The consolidated financial statements of the Town of Okotoks are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in fund balances and change in financial position of the reporting entity which comprises all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

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

(b) Basis of accounting

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

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

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

(c) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

There is measurement uncertainty related to asset retirement obligations as it involves estimates in determining settlement amount, discount rates and timing of settlement. Changes to any of these estimates and assumptions may result in change to the obligation.

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

1. Significant accounting policies, continued

(d) Valuation of financial assets and liabilities

The Town's financial assets and financial liabilities are measured as follows:

| Financial statement component | Measurement |
|--|--|
| Cash | Cost and amortized cost |
| Temporary investments | Amortized cost |
| Trade and other receivables | Lower of cost or net recoverable value |
| Investments | Fair value and amortized cost |
| Loans receivable | Amortized cost |
| Accounts payable and accrued liabilities | Cost |
| Bank indebtedness and long-term debt | Amortized cost |

(e) Inventories for resale

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

(f) Investments

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

(g) Deferred revenue

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

(h) Long-term debt

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

(i) Tax revenue

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

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2025
 (\$ thousands)

1. Significant accounting policies, continued

(j) Government transfers
 Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

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

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

(l) Contaminated sites liability
 Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(m) Non-financial assets
 Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

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

| | Years |
|-------------------------|-------|
| Land improvements | 15-75 |
| Buildings | 25-50 |
| Engineered structures | 25-75 |
| Machinery and equipment | 3-25 |
| Vehicles | 7-25 |

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

1. Significant accounting policies, continued

Amortization is charged in the month of acquisition and in the month of disposal. Assets under construction are not amortized until available for productive use.

- (ii) Contributions of tangible capital assets
Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.
- (iii) Intangible asset
Intangible assets are recorded at cost. The cost less residual value of the intangible assets with a finite life are amortized on a straight-line basis over their estimated useful life as follows:

| | Years |
|-------------------------|-------|
| Water licences - finite | 25 |

Intangible assets with an indefinite life are not amortized and are monitored annually for impairment.

- (iv) Leases
Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.
- (v) Inventories
Inventories held for consumption are recorded at the lower of cost and replacement cost.
- (vi) Cultural and historical tangible capital assets
Cultural and historical assets such as works of art, historical and heritage sites are not recorded as tangible capital assets but are disclosed.

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2025
 (\$ thousands)

1. Significant accounting policies, continued

(n) Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Town reviews the carrying amount of the liability. The Town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

2. Future accounting pronouncements

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Board (PSAB). While the timing of standard adoption may vary, certain standards must be adopted concurrently.

a) The Conceptual Framework of Financial Reporting in the Public Sector

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of the specific standards. The standard is applicable for the fiscal years beginning on or after April 1, 2026.

b) PS 1202 Financial Statement Presentation

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework. The standard is applicable for the fiscal years beginning on or after April 1, 2026.

The Town is continuing to assess the impact as it prepares for the adoption of these standards.

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

3. Cash and temporary investments

The Town has authorized a line of credit with TD Commercial Banking to a maximum of \$6,500. The line of credit bears interest at the prime rate. As at December 31, 2025, the line of credit was undrawn.

Included in cash is \$1,455 (2024 - \$1,322) of deposit liability funds which are not available for current purposes.

4. Taxes and grants in place of taxes receivables

| | | 2025 | | 2024 |
|---|----|-------|----|-------|
| Taxes and grants in place of taxes receivable | \$ | 1,466 | \$ | 1,319 |
| Arrears | | 456 | | 273 |
| | \$ | 1,922 | \$ | 1,592 |

5. Trade and other receivables

| | | 2025 | | 2024 |
|---------------------------------|----|--------|----|-------|
| Trade receivables | \$ | 5,409 | \$ | 5,062 |
| Utility receivables | | 2,636 | | 2,808 |
| Provincial grants | | 2,255 | | 407 |
| GST | | 1,492 | | 174 |
| Investment receivables | | 1,013 | | 1,079 |
| Federal grants | | 295 | | - |
| Recreation receivables | | 217 | | 303 |
| Allowance for doubtful accounts | | (78) | | (75) |
| | \$ | 13,239 | \$ | 9,758 |

6. Investments

| | 2025 | | 2024 | |
|-------|----------------|--------------|----------------|--------------|
| | Carrying value | Market value | Carrying value | Market value |
| Bonds | \$ 60,663 | \$ 60,938 | \$ 58,880 | \$ 57,730 |

The investments consist of bonds and principal protected notes that earn interest at rates between 1.67% and 5.30% with maturity dates between 2026 and 2035.

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2025
 (\$ thousands)

7. Employee benefit obligations

| | 2025 | 2024 |
|------------------------------|-----------------|-----------------|
| Vacation and overtime | \$ 1,122 | \$ 1,065 |
| Long-term service benefit | 542 | 541 |
| Health care spending account | 238 | 181 |
| | \$ 1,902 | \$ 1,787 |

Vacation and overtime

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

Long service benefits

The long service benefit liability is comprised of one day salary per year of service (at current pay rates) for those employees with ten or more years of service, as per policy. The liability will be paid upon retirement subject to compliance with the terms and arrangements at that time.

Health care spending account

The health care spending account liability is comprised of unused balances in employees accounts, which can be carried forward for up to two years.

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

8. Deferred revenue

| | 2025 | Received | Recognized | 2024 |
|---|------------------|------------------|------------------|------------------|
| Municipal Sustainability Initiative | | | | |
| - capital | \$ - | \$ - | \$ 1,404 | \$ 1,404 |
| Local Government Fiscal Framework - operating | - | 438 | 438 | - |
| Water For Life | - | 7,500 | 13,532 | 6,032 |
| Services not yet provided | 2,271 | 2,548 | 2,999 | 2,722 |
| Other federal grants | - | - | 100 | 100 |
| Clean Energy Improvement Program | 170 | - | 87 | 257 |
| Other Provincial grants | 4,294 | 4,637 | 398 | 55 |
| Resource Centre grant | 19 | 19 | 13 | 13 |
| Local Government Fiscal Framework | 644 | 3,448 | 2,804 | - |
| AMWWP - capital | 802 | 802 | - | - |
| Canada Community Building Fund | 1,654 | 6,568 | 4,914 | - |
| | <u>9,854</u> | <u>25,960</u> | <u>26,689</u> | <u>10,583</u> |
| Offsite levy - community facilities | 2,752 | 1,219 | 171 | 1,704 |
| Offsite levy - transportation | - | 1,522 | 1,522 | - |
| Offsite levy - water | - | 981 | 981 | - |
| Offsite levy - sanitary | - | 1,472 | 1,472 | - |
| | <u>2,752</u> | <u>5,194</u> | <u>4,146</u> | <u>1,704</u> |
| | <u>\$ 12,606</u> | <u>\$ 31,154</u> | <u>\$ 30,835</u> | <u>\$ 12,287</u> |

9. Long-term debt

| | 2025 | 2024 |
|----------------------------------|------------------|------------------|
| Tax-supported debt | \$ 4,604 | \$ 4,932 |
| Self-supported debt | | |
| Offsites | 39,318 | 15,665 |
| Offsites future capital projects | 5,380 | - |
| Self-supported debt | <u>44,698</u> | <u>15,665</u> |
| | <u>49,302</u> | <u>20,597</u> |
| Clean energy improvement program | 572 | 572 |
| | <u>\$ 49,874</u> | <u>\$ 21,169</u> |
| Current portion | <u>\$ 1,680</u> | <u>\$ 915</u> |

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

9. Long-term debt, continued

Tax-supported debt represents the amount funded by municipal taxes. Self-supported debt represents the amount funded through self-supported municipal operations including offsite levies collected from developers, water and sanitary. In addition, Clean Energy Improvement Program debt represents the amount funded through individual taxpayers.

Debenture debt

Principal and interest repayments are due as follows:

| | Principal | Interest | Total |
|------------|------------------|------------------|------------------|
| 2026 | \$ 1,680 | \$ 1,633 | \$ 3,313 |
| 2027 | 1,734 | 1,579 | 3,313 |
| 2028 | 1,790 | 1,523 | 3,313 |
| 2029 | 1,848 | 1,464 | 3,312 |
| 2030 | 1,907 | 1,404 | 3,311 |
| Thereafter | 40,343 | 13,530 | 53,873 |
| | \$ 49,302 | \$ 21,133 | \$ 70,435 |

Debenture debt is repayable to the Treasury Board and Finance and TD Commercial Banking. Debentures outstanding at December 31 bear interest at rates ranging from 2.42% to 3.85% (2024 - 2.42% to 3.12%) per annum, before Provincial subsidy, and mature in periods 2037 through 2050.

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

Interest on long-term debt amounted to \$1,104 (2024 - \$553).

The Town's total cash payments for interest in 2025 were \$1,014 (2024 - \$558).

Clean Energy Improvement Program

Federation of Canadian Municipalities operating loan is for the Clean Energy Improvement program. Interest only is paid until the end of 2027 and after which the loan will be repayable by semi annual principal and interest payments. The loan matures in 2049.

Principal and interest repayments are due as follows:

| | Principal | Interest | Total |
|------------|---------------|---------------|---------------|
| 2026 | \$ - | \$ 11 | \$ 11 |
| 2027 | - | 16 | 16 |
| 2028 | 27 | 11 | 38 |
| 2029 | 27 | 11 | 38 |
| 2030 | 27 | 10 | 37 |
| Thereafter | 491 | 94 | 585 |
| | \$ 572 | \$ 153 | \$ 725 |

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

10. Asset retirement obligation

Asbestos abatement

The Town owns and operates several buildings that are known to have vermiculite and chrysotile, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 - Asset retirement obligations, the Town recognized an obligation relating to the removal and post-removal care of the vermiculite and chrysotile in these buildings. The buildings had an estimated useful life of 50 years when they were purchased, of which remaining useful lives are between 23 to 35 years.

The Town has a relatively small amount of underground asbestos cement pipe for water and wastewater services. This old pipe is being remediated as the pipe is replaced.

Water wells abandonment

The Town owns and operates many water source wells throughout the Town. The Town is required to properly abandon these wells at the end of their useful life.

Estimated costs have been discounted to the present value using a discount rate of 2.00% per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the capital assets. The Town has not designated assets for settling the abatement activities.

| | 2025 | 2024 |
|--------------------------------|-----------------|-----------------|
| Balance, beginning of year | \$ 2,037 | \$ 1,795 |
| Liabilities incurred | 10 | 376 |
| Liabilities settled | - | - |
| Change in estimated cash flows | - | (174) |
| Accretion expenses | 40 | 40 |
| Balance, end of year | \$ 2,087 | \$ 2,037 |

11. Intangible assets

| | 2025 | | 2024 | |
|-------------------------|----------|--------------------------|----------|----------|
| | Cost | Accumulated amortization | Net | Net |
| Water licences - finite | \$ 1,310 | \$ 79 | \$ 1,231 | \$ 1,283 |

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(\$ thousands)

12. Accumulated operating surplus

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

| | 2025 | 2024 |
|---|-------------------|-------------------|
| Unrestricted surplus | \$ 48,595 | \$ 24,009 |
| Capital and operating reserves (note 14) | 74,538 | 73,118 |
| Offsite levies reserve (note 14) | (46,290) | (18,665) |
| Equity in tangible capital assets (note 13) | 454,462 | 402,753 |
| Equity in intangible assets (note 11) | 1,231 | 1,283 |
| | \$ 532,536 | \$ 482,498 |

13. Equity in tangible capital assets

| | 2025 | 2024 |
|---|-------------------|-------------------|
| Tangible capital assets (schedule 2) | \$ 703,304 | \$ 609,141 |
| Accumulated amortization (schedule 2) | (202,833) | (183,754) |
| Asset retirement obligation (note 10) | (2,087) | (2,037) |
| Long-term debt (note 9) | (49,302) | (20,597) |
| Long-term debt - future capital projects (note 9) | 5,380 | - |
| | \$ 454,462 | \$ 402,753 |

14. Reserves

Reserves for operating and capital activities are as follows:

| | 2025 | Transfer in | Transfer out | 2024 |
|-------------------------|------------------|------------------|------------------|------------------|
| Operating | | | | |
| Infrastructure services | \$ 16,983 | \$ 2,842 | \$ 600 | \$ 14,741 |
| Corporate | 2,110 | - | 100 | 2,210 |
| | 19,093 | 2,842 | 700 | 16,951 |
| Capital | | | | |
| Corporate | 37,738 | 6,019 | 2,295 | 34,014 |
| Community services | 4,884 | 145 | - | 4,739 |
| Infrastructure services | 12,823 | 6,427 | 11,018 | 17,414 |
| | 55,445 | 12,591 | 13,313 | 56,167 |
| Offsite levies | | | | |
| Transportation | (560) | 1,522 | 257 | (1,825) |
| Water | (28,562) | 981 | 25,777 | (3,766) |
| Sanitary | (17,168) | 1,472 | 5,566 | (13,074) |
| Community facilities | - | 171 | 171 | - |
| | (46,290) | 4,146 | 31,771 | (18,665) |
| | \$ 28,248 | \$ 19,579 | \$ 45,784 | \$ 54,453 |

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

15. Net municipal property taxes

| | Budget (Unaudited) | 2025 | 2024 |
|---|-----------------------|------------------|------------------|
| Net municipal taxes (excluding requisitions) | | | |
| Real property taxes | \$ 38,742 | \$ 38,591 | \$ 36,198 |
| Linear property taxes | 297 | 287 | 284 |
| Government grants in place of property taxes | 6 | 12 | 6 |
| Special assessments and local improvements | 3 | 3 | 3 |
| | <u>39,048</u> | <u>38,893</u> | <u>36,491</u> |
| Requisitions | | | |
| Alberta School Foundation Fund | 20,571 | 20,703 | 16,816 |
| Seniors Lodge | 711 | 711 | 671 |
| Provincial DIP | 3 | 3 | 3 |
| | <u>\$ 21,285</u> | <u>\$ 21,417</u> | <u>\$ 17,490</u> |

16. Government transfers

| | Budget (Unaudited) | 2025 | 2024 |
|---|-----------------------|------------------|------------------|
| Transfers for operating: | | | |
| Provincial government | \$ 1,936 | \$ 2,034 | \$ 2,073 |
| Federal government | 109 | 432 | 54 |
| Other local government transfers | 3,215 | 3,870 | 3,821 |
| Transfer from local boards and agencies | 72 | 84 | 180 |
| | <u>5,332</u> | <u>6,420</u> | <u>6,128</u> |
| Transfers for capital: | | | |
| Provincial government | 5,655 | 20,382 | 8,495 |
| Federal government | 3,340 | 5,187 | 2,742 |
| | <u>8,995</u> | <u>25,569</u> | <u>11,237</u> |
| | <u>\$ 14,327</u> | <u>\$ 31,989</u> | <u>\$ 17,365</u> |

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

17. Franchise and concession contracts

Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 is as follows:

| | Budget (Unaudited) | | 2025 | | 2024 |
|----------------------|-----------------------|----|-------|----|-------|
| ATCO* - natural gas | \$ 2,400 | \$ | 2,287 | \$ | 2,257 |
| Fortis - electricity | 3,700 | | 3,667 | | 3,647 |
| | \$ 6,100 | \$ | 5,954 | \$ | 5,904 |
| *Net of property tax | \$ 165 | \$ | 186 | \$ | 172 |

18. Expenses by object

| | Budget (Unaudited) | | 2025 | | 2024 |
|---|-----------------------|----|--------|----|--------|
| Salaries, wages and benefits | \$ 39,105 | \$ | 39,335 | \$ | 36,564 |
| Contracted and general services | 19,112 | | 16,678 | | 16,992 |
| Materials, goods, supplies and utilities | 8,946 | | 8,968 | | 8,918 |
| Bank charges and short term interest | 87 | | 159 | | 146 |
| Interest on long term debt | 913 | | 1,104 | | 553 |
| Transfers to organizations and others | 1,845 | | 1,937 | | 1,719 |
| Purchases from other governments | 5,691 | | 5,615 | | 5,045 |
| Provision for allowances | - | | 22 | | 6 |
| Amortization of tangible capital assets | 13,395 | | 19,749 | | 13,381 |
| Accretion of asset retirement obligation | - | | 39 | | 40 |
| Amortization of intangible assets | - | | 52 | | 26 |
| Loss on disposal of tangible capital assets | - | | 286 | | - |
| | \$ 89,094 | \$ | 93,944 | \$ | 83,390 |

19. Developer contributed tangible capital assets

Contributed assets consist of the following asset types:

| | | 2025 | | 2024 |
|----------|-----------|------|-------|------|
| Water | \$ 708 | \$ | 4,056 | |
| Sanitary | 1,395 | | 1,572 | |
| Storm | 9,488 | | 739 | |
| Parks | 4,843 | | - | |
| Roads | 9,367 | | - | |
| | \$ 25,801 | \$ | 6,367 | |

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

20. APEX supplementary pension plan

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees. The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the Town. Employees of the Town are required to make current service contributions to APEX of 2.42% (2024 - 2.42%) on pensionable earnings up to \$188 (2024 - \$181). The Town is required to make current service contributions to APEX of 2.96% (2024 - 2.96%) on pensionable earnings up to \$188 (2024 - \$181).

Total current service contributions by the Town to APEX in 2025 were \$119 (2024 - \$112). Total current service contributions by the employees of the Town were \$97 (2024 - \$91).

21. Local authorities pension plan

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pensions Plans Act. The LAPP is financed by the employer and employee contributions and by investment earnings of the LAPP Fund.

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

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

Total current service contributions by the Town to the LAPP in 2025 were \$2,381 (2024 - \$2,116). Total current service contributions by the employees of the Town to the LAPP in 2025 were \$2,127 (2024 - \$1,890).

At December 31, 2024, the LAPP disclosed an actuarial surplus of \$19.56 billion.

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

22. Salary and benefits disclosure

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

| | (1) Salary | (2) Benefits & allowances | 2025 | 2024 |
|-------------------------------------|---------------|---------------------------------|--------|--------|
| Council | | | | |
| T. Thorn, Mayor | \$ 109 | \$ 4 | \$ 113 | \$ 109 |
| S. Dykema | 8 | 1 | 9 | - |
| O. Hallmark | 49 | 8 | 57 | 55 |
| K. Heemeryck | 42 | 1 | 43 | 47 |
| G. Lang | 48 | 1 | 49 | 47 |
| R. Nix | 8 | 1 | 9 | - |
| C. Penner | 7 | 1 | 8 | - |
| B. Robinson | 42 | 7 | 49 | 52 |
| R. Swendseid | 42 | 1 | 43 | 46 |
| M. Walther | 8 | 1 | 9 | - |
| C. Actemichuk | - | - | - | 11 |
| Chief Administrative Officer | 305 | 44 | 349 | 344 |
| Designated Officer, Senior Assessor | \$ 119 | \$ 22 | \$ 141 | \$ 137 |

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, vacation payouts and any other direct cash remuneration.

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

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

23. Segmented disclosure

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

Refer to the schedule of segmented disclosure (schedule 3).

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police, and fire. Transportation includes roads, streets, walks and lighting. Planning and development includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management.

24. Contaminated sites liability

The Town did not identify any financial liabilities in 2025 (2024 - nil) as a result of contaminated sites.

25. Commitments and contingencies

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

b) No provisions have been made for any potential legal claims that may be filed against the Town, as management believes the Town has minimal exposure as at December 31, 2025.

c) The Town also participates in the following boards, authorities and associations:

- Foothills Regional Emergency Services Commission
- Foothills Regional Services Commission
- Okotoks Public Library Board
- Westwinds Communities

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

26. Debt limits and debt servicing limit

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

| | 2025 | 2024 |
|----------------------|------------------|-------------------|
| Total debt limit | \$ 138,485 | \$ 130,531 |
| Total debt | 49,302 | 20,597 |
| | \$ 89,183 | \$ 109,934 |
| Debt servicing limit | \$ 23,081 | \$ 21,755 |
| Debt servicing | 3,313 | 1,446 |
| | \$ 19,768 | \$ 20,309 |

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

* The Town has internally restricted the Debt Limit and Debt Servicing Limit amounts to 75% of the values permissible by Alberta Regulation 255/00, or \$103,864 and \$17,311 respectively.

27. Financial instruments

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. It is management's opinion that the Town is not exposed to significant interest, liquidity or currency risk arising from these financial instruments.

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

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

28. Budget amounts

The 2025 budget for the Town was approved by Council on November 19, 2024 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

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

| | | | |
|---------|---|----|----------|
| | Budgeted surplus per financial statements | \$ | 288 |
| Less: | Capital expenditures | | (37,029) |
| | Long-term debt repayments | | (966) |
| | Transfers to reserves | | (7,969) |
| Add: | Amortization | | 13,395 |
| | Transfers from reserves | | 32,281 |
| <hr/> | | | |
| Equals: | Balanced budget | \$ | - |
| <hr/> | | | |

29. Approval of financial statements

These financial statements were approved by Council and Management.

30. Comparative figures

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

TOWN OF OKOTOKS
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2025
 (\$ thousands)

| | Schedule of changes in accumulated operating surplus | | | Schedule 1 | | |
|--|--|---------------------|-----------------------------------|-----------------------------|-------------------|-------------------|
| | Unrestricted | Restricted reserves | Equity in tangible capital assets | Equity in intangible assets | 2025 | 2024 |
| Balance, beginning of year | \$ 24,009 | \$ 54,453 | \$ 402,753 | \$ 1,283 | \$ 482,498 | \$ 460,021 |
| Excess of revenue over expenses | 50,038 | - | - | - | 50,038 | 22,477 |
| Unrestricted funds designated for future use | (19,546) | 19,546 | - | - | - | - |
| Restricted funds used for operations | 1,654 | (1,654) | - | - | - | - |
| Restricted funds used for tangible capital assets | - | (44,097) | 44,097 | - | - | - |
| Current year funds used for tangible capital assets | (25,877) | - | 25,877 | - | - | - |
| Contributed tangible capital assets | (25,801) | - | 25,801 | - | - | - |
| Disposal of tangible capital assets | 943 | - | (943) | - | - | - |
| Amortization of tangible capital assets | 19,749 | - | (19,749) | - | - | - |
| Asset retirement obligation accretion expense | 40 | - | (40) | - | - | - |
| Asset retirement obligation incurred | 10 | - | (10) | - | - | - |
| Long-term debt related to tangible capital assets issued | 24,620 | - | (24,620) | - | - | - |
| Long-term debt related to tangible capital assets repaid | (1,296) | - | 1,296 | - | - | - |
| Amortization of intangible assets | 52 | - | - | (52) | - | - |
| Change in accumulated surplus | 24,586 | (26,205) | 51,709 | (52) | 50,038 | 22,477 |
| Balance, end of year | \$ 48,595 | \$ 28,248 | \$ 454,462 | \$ 1,231 | \$ 532,536 | \$ 482,498 |

TOWN OF OKOTOKS
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2025
 (\$ thousands)

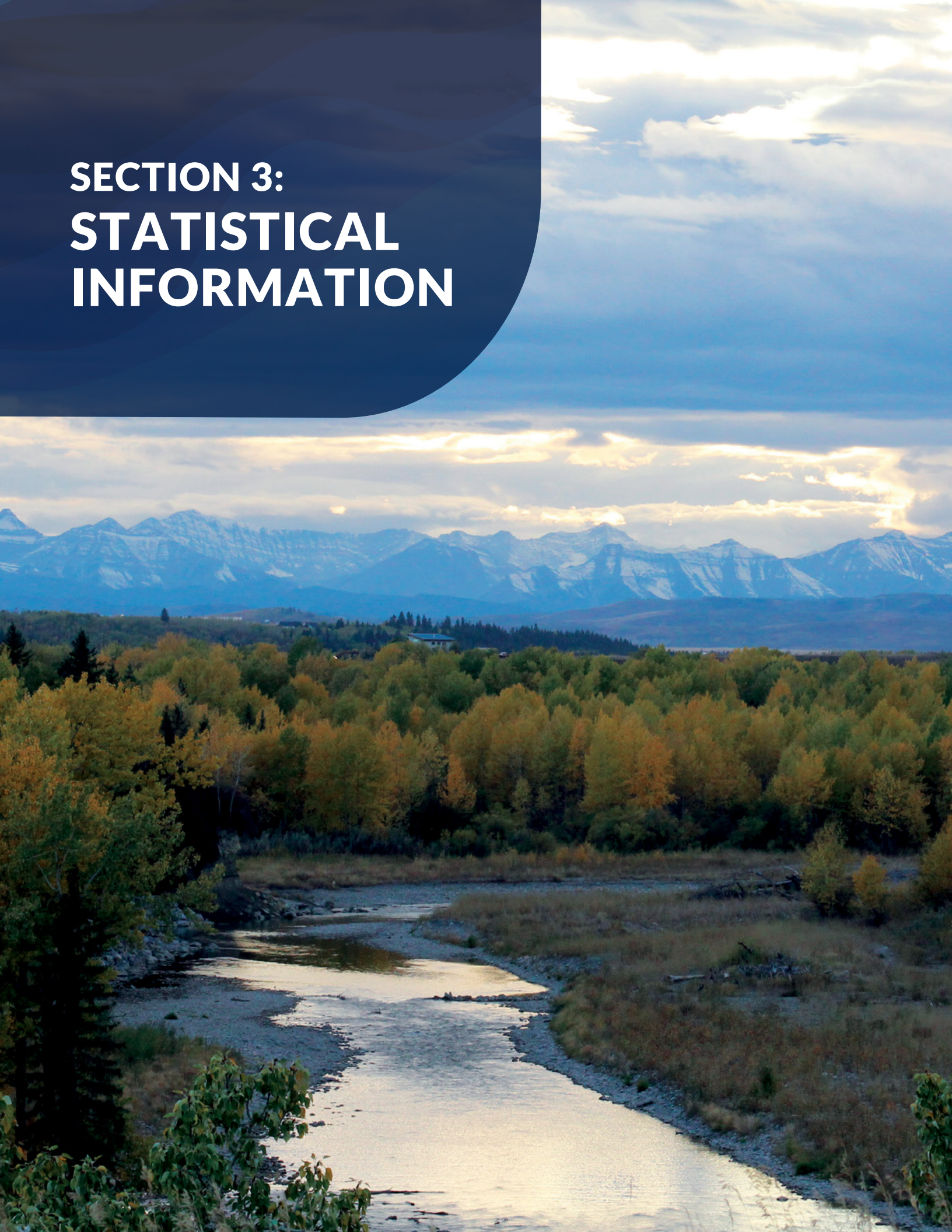
| | Schedule 2 | | | | | | | | |
|--|------------------|-------------------|-------------------|-----------------------|-------------------------|-----------------|--------------------------|-------------------|-------------------|
| | Land | Land improvements | Buildings | Engineered structures | Machinery and equipment | Vehicles | Construction in progress | 2025 | 2024 |
| Schedule of tangible capital assets | | | | | | | | | |
| Cost: | | | | | | | | | |
| Balance, beginning of year | \$ 43,031 | \$ 39,267 | \$ 140,185 | \$ 317,882 | \$ 36,296 | \$ 9,285 | \$ 23,195 | \$ 609,141 | \$ 578,787 |
| Acquisitions | 605 | 4,041 | 420 | 25,550 | 943 | 1,261 | 62,956 | 95,776 | 30,837 |
| Transfers | 6 | 4,644 | 2,038 | 9,671 | - | - | (16,359) | - | - |
| Disposals | (416) | - | (279) | (744) | (9) | (165) | - | (1,613) | (483) |
| Balance, end of year | 43,226 | 47,952 | 142,364 | 352,359 | 37,230 | 10,381 | 69,792 | 703,304 | 609,141 |
| Accumulated amortization: | | | | | | | | | |
| Balance, beginning of year | - | 19,149 | 38,852 | 100,867 | 20,477 | 4,409 | - | 183,754 | 170,836 |
| Annual amortization | - | 1,473 | 3,236 | 12,678 | 1,598 | 764 | - | 19,749 | 13,382 |
| Disposals | - | - | (42) | (458) | (6) | (164) | - | (670) | (464) |
| Balance, end of year | - | 20,622 | 42,046 | 113,087 | 22,069 | 5,009 | - | 202,833 | 183,754 |
| Net book value | \$ 43,226 | \$ 27,330 | \$ 100,318 | \$ 239,272 | \$ 15,161 | \$ 5,372 | \$ 69,792 | \$ 500,471 | \$ 425,387 |
| 2024 net book value | \$ 43,031 | \$ 20,118 | \$ 101,333 | \$ 217,014 | \$ 15,820 | \$ 4,876 | \$ 23,195 | \$ 425,387 | |

During the current year the Town reassessed the useful life of the cement storm and wastewater pipes. The result of this reassessment was changing the estimated useful life from 65 years to 50 years. The effect of the change in estimate was an increase to engineered structures amortization expense of \$5,267.

TOWN OF OKOTOKS
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025
(\$ thousands)

| Schedule of segmented disclosure | Schedule 3 | | | | | | | Total |
|--|--------------------|---------------------|-------------------------|------------------------|------------------------|--------------------------|------------------------|-----------|
| | General government | Protective services | Transportation services | Environmental services | Public health services | Planning and development | Recreation and culture | |
| Revenue | | | | | | | | |
| Net municipal taxes | \$ 38,893 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 38,893 |
| User fees and sales of goods | 3,214 | 732 | 1,598 | 16,972 | 269 | 3,350 | 1,842 | 27,977 |
| Government transfers for operating | - | 2,366 | 4 | 571 | 883 | 105 | 2,491 | 6,420 |
| Franchise and concession contracts | 5,954 | - | - | - | - | - | - | 5,954 |
| Investment income | 3,136 | - | - | - | - | - | - | 3,136 |
| Rental | 422 | 2 | - | - | - | 21 | 2,833 | 3,278 |
| Other | 417 | - | 112 | 152 | - | 117 | 158 | 955 |
| Penalties and costs of taxes | 546 | - | 13 | 118 | - | - | 12 | 689 |
| Donations | - | - | - | - | 3 | - | 310 | 314 |
| Gain on disposal of capital assets | 508 | 7 | 2 | - | - | - | 44 | 561 |
| | 53,090 | 3,107 | 1,729 | 17,813 | 1,155 | 3,593 | 7,690 | 88,177 |
| Expenses | | | | | | | | |
| Salaries, wages and benefits | 8,587 | 9,701 | 2,663 | 3,835 | 1,282 | 4,444 | 8,823 | 39,335 |
| Contracted and general services | 2,212 | 860 | 2,794 | 3,637 | 143 | 1,849 | 5,183 | 16,678 |
| Materials, goods, supplies and utilities | 1,058 | 553 | 2,617 | 2,443 | 70 | 28 | 2,199 | 8,968 |
| Bank charges and short term interest | 28 | 2 | - | - | - | 49 | 80 | 159 |
| Interest on long term debt | 954 | 150 | - | - | - | - | - | 1,104 |
| Transfers to organizations and others | 3 | - | - | - | 609 | - | 1,325 | 1,937 |
| Purchases from other governments | 200 | 4,691 | - | 290 | - | 48 | 386 | 5,615 |
| Provision for allowances | 2 | 2 | - | - | 3 | (2) | 17 | 22 |
| Amortization of tangible capital assets | 853 | 849 | 9,789 | 5,045 | 80 | - | 3,133 | 19,749 |
| Accretion of asset retirement obligation | - | - | 2 | 35 | - | - | 2 | 39 |
| Amortization of intangible assets | 52 | - | - | - | - | - | - | 52 |
| Loss on disposal of tangible capital assets | - | - | 286 | - | - | - | - | 286 |
| | 13,949 | 16,808 | 18,151 | 15,285 | 2,187 | 6,416 | 21,148 | 93,944 |
| Surplus (deficit) of revenue over expenses before capital revenue | 39,141 | (13,701) | (16,422) | 2,528 | (1,032) | (2,823) | (13,458) | (5,767) |
| Other | | | | | | | | |
| Government transfers for capital | 415 | 1,321 | 6,685 | 15,787 | - | - | 1,361 | 25,569 |
| Developer contributed tangible capital assets | - | - | 18,855 | 2,103 | - | - | 4,843 | 25,801 |
| Capital donations | - | - | 182 | - | - | - | 107 | 289 |
| Offsite levies | - | - | 1,521 | 2,454 | - | - | 171 | 4,146 |
| | 415 | 1,321 | 27,243 | 20,344 | - | - | 6,482 | 55,805 |
| Surplus (deficit) of revenue over expenses | \$ 39,556 | \$ (12,380) | \$ 10,821 | \$ 22,872 | \$ (1,032) | \$ (2,823) | \$ (6,976) | \$ 50,038 |

SECTION 3: STATISTICAL INFORMATION





GENERAL STATISTICS

(unaudited)

| GENERAL ¹ | 2021 | 2016 | 2011 | 2006 | 2001 |
|----------------------|--------|--------|--------|--------|--------|
| Population | 30,405 | 29,016 | 24,511 | 17,150 | 11,689 |
| Number of Dwellings | 10,750 | 9,840 | 8,704 | 5,927 | 3,804 |

| AGE DEMOGRAPHICS ¹ (YEARS) | 2021 | 2016 | 2011 | 2006 | 2001 |
|---------------------------------------|-------|-------|-------|-------|-------|
| 0 to 14 | 21.6% | 24.1% | 24.8% | 25.4% | 27.5% |
| 15 to 29 | 16.9% | 17.1% | 19.1% | 21.2% | 19.8% |
| 30 to 44 | 20.3% | 23.4% | 24.2% | 24.3% | 27.3% |
| 45 to 59 | 20.5% | 20.1% | 20.6% | 20.3% | 17.9% |
| 60 and over | 20.7% | 15.3% | 11.3% | 8.8% | 7.6% |

| INFRASTRUCTURE ² (KM) | 2025 | 2024 | 2023 | 2022 | 2021 |
|----------------------------------|------|------|------|------|------|
| Roads | 171 | 166 | 165 | 165 | 164 |
| Water Mains | 158 | 154 | 156 | 154 | 152 |
| Wastewater Mains | 138 | 136 | 137 | 135 | 134 |
| Storm Drainage Mains | 138 | 136 | 137 | 135 | 133 |

| CONSUMER PRICE INDEX ¹ (12 MONTH CHANGE % FOR JAN - DEC) | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|------|------|------|------|------|
| Alberta | 2.1% | 2.5% | 3.0% | 6.0% | 4.8% |
| Canada | 2.4% | 1.8% | 3.4% | 6.3% | 4.8% |

¹ Statistics Canada

² (2020-2021) Municipal Statistical Information Return and (2022-2025) Municipal Financial Information Return

GENERAL STATISTICS

(unaudited)

| PERMITS - VALUE ¹ (\$ THOUSANDS) | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|----------------|----------------|----------------|---------------|---------------|
| Residential | 65,781 | 68,947 | 102,148 | 64,917 | 52,741 |
| Commercial | 17,436 | 65,385 | 15,279 | 14,206 | 3,119 |
| Industrial | 2,100 | 3,500 | - | 3,200 | 90 |
| Institutional | 34,629 | - | 7,000 | 205 | 26 |
| Total | 119,946 | 137,832 | 124,427 | 82,528 | 55,976 |

| PERMITS - NUMBER ISSUED ¹ | 2025 | 2024 | 2023 | 2022 | 2021 |
|--------------------------------------|------------|------------|------------|------------|------------|
| Development | 62 | 87 | 73 | 58 | 64 |
| Building | 676 | 863 | 626 | 590 | 587 |
| Total | 738 | 950 | 699 | 648 | 651 |

¹ (2020-2021) Municipal Statistical Information Return and (2022-2025) Municipal Financial Information Return

FINANCIAL STATEMENTS

\$ thousands (unaudited)

| REVENUE BY SOURCE | 2025 | 2024 | 2023 | 2022 | 2021 |
|------------------------------------|----------------|----------------|---------------|---------------|---------------|
| Net municipal taxes | 38,893 | 36,491 | 34,540 | 32,274 | 29,954 |
| User fees and sales of goods | 27,977 | 26,162 | 25,782 | 21,426 | 20,067 |
| Franchise fees | 5,954 | 5,904 | 4,467 | 4,495 | 3,963 |
| Other revenue - operating | 8,933 | 8,329 | 7,819 | 6,322 | 5,292 |
| Government transfers for operating | 6,420 | 6,128 | 5,458 | 4,931 | 5,881 |
| Government transfers for capital | 25,569 | 11,237 | 3,051 | 7,311 | 19,062 |
| Other revenue - capital | 30,236 | 11,616 | 3,018 | 3,990 | 4,592 |
| Total | 143,982 | 105,867 | 84,137 | 80,749 | 88,811 |

FINANCIAL STATEMENTS

\$ thousands (unaudited)

| EXPENSES BY FUNCTION | 2025 | 2024 | 2023 | 2022 | 2021 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| General government | 13,948 | 14,192 | 14,134 | 12,244 | 10,177 |
| Protective services | 16,809 | 15,249 | 15,045 | 12,767 | 12,194 |
| Transportation | 18,151 | 12,948 | 12,144 | 11,479 | 10,895 |
| Environmental | 15,284 | 13,329 | 12,440 | 11,139 | 11,581 |
| Public health | 2,188 | 1,949 | 2,785 | 1,525 | 1,352 |
| Planning and development | 6,416 | 6,107 | 5,227 | 5,069 | 4,898 |
| Parks, recreation and culture | 21,148 | 19,616 | 18,198 | 18,093 | 15,956 |
| Total | 93,944 | 83,390 | 79,974 | 72,316 | 67,054 |

| EXPENSES BY OBJECT | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|---------------|---------------|---------------|---------------|---------------|
| Salaries, wages and benefits | 39,335 | 36,564 | 32,641 | 30,111 | 27,088 |
| Contracted and general services | 16,678 | 16,992 | 16,048 | 14,505 | 14,472 |
| Materials, goods, supplies and utilities | 8,968 | 8,918 | 9,766 | 7,203 | 5,985 |
| Bank, interest and other | 3,222 | 2,424 | 3,434 | 2,200 | 1,007 |
| Purchases from other governments | 5,615 | 5,045 | 5,176 | 5,922 | 5,843 |
| Tangible capital assets | 20,074 | 13,421 | 12,908 | 12,375 | 12,659 |
| Intangible capital assets | 52 | 26 | - | - | - |
| Total | 93,944 | 83,390 | 79,974 | 72,316 | 67,054 |

| EXCESS OF REVENUE OVER EXPENSES & ACCUMULATED SURPLUS | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|----------------|----------------|----------------|----------------|----------------|
| Total revenue | 143,982 | 105,867 | 84,137 | 80,749 | 88,811 |
| Total expenses | 93,944 | 83,390 | 79,974 | 72,316 | 67,054 |
| Excess of revenue over expenses | 50,038 | 22,477 | 4,163 | 8,433 | 21,757 |
| Accumulated Surplus, beginning of year | 482,498 | 460,021 | 455,858 | 447,425 | 425,668 |
| Accumulated Surplus, end of year | 532,536 | 482,498 | 460,021 | 455,858 | 447,425 |

TAXATION

\$ thousands (unaudited)

| TAX RATE ¹ | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|------------------|------------------|------------------|------------------|------------------|
| Municipal - Residential & Farmland | 0.004365 | 0.004693 | 0.005357 | 0.005524 | 0.005554 |
| Municipal - Non-Residential | 0.007639 | 0.007813 | 0.008571 | 0.008194 | 0.008246 |
| Education - Residential & Farmland | 0.002372 | 0.002190 | 0.002384 | 0.002529 | 0.002606 |
| Education - Non-Residential | 0.003489 | 0.003216 | 0.003506 | 0.003720 | 0.003280 |
| Seniors - Residential & Farmland | 0.000087 | 0.000093 | 0.000109 | 0.000118 | 0.000124 |
| Seniors - Non-Residential | 0.000087 | 0.000093 | 0.000109 | 0.000118 | 0.000124 |
| Annexed - Residential | 0.003356 | 0.003638 | 0.003874 | 0.003954 | 0.003948 |
| Annexed - Farmland | 0.011455 | 0.003638 | 0.010868 | 0.010209 | 0.009681 |
| Annexed - Non-Residential | 0.007639 | 0.007813 | 0.008138 | 0.009332 | 0.009500 |
| | | | | | |
| TAXABLE ASSESSMENTS | 2025 | 2024 | 2023 | 2022 | 2021 |
| Residential | 7,167,676 | 6,263,838 | 5,145,327 | 4,727,119 | 4,459,026 |
| Non-Residential | 1,022,209 | 942,577 | 804,874 | 751,276 | 739,272 |
| Total | 8,189,885 | 7,206,415 | 5,950,201 | 5,478,395 | 5,198,298 |
| | | | | | |
| COLLECTION OF TAXES | 2025 | 2024 | 2023 | 2022 | 2021 |
| Total taxes collected | 59,980 | 53,837 | 50,730 | 47,443 | 46,711 |
| Total taxes receivable | 1,922 | 1,592 | 1,448 | 1,827 | 1,596 |
| Tax arrears, end of year (prior to allowance for doubtful accounts) | 456 | 273 | 308 | 143 | 350 |
| Arrears as a % of total taxes levied | 0.8% | 0.5% | 0.6% | 0.3% | 0.8% |
| | | | | | |
| TAXATION | 2025 | 2024 | 2023 | 2022 | 2021 |
| Residential/Farmland | 31,316 | 29,363 | 27,520 | 26,156 | 24,895 |
| Non-Residential | 7,574 | 7,125 | 7,017 | 6,116 | 5,938 |
| Local Improvement | 3 | 3 | 3 | 3 | 3 |
| Municipal | 38,893 | 36,491 | 34,540 | 32,275 | 30,836 |
| Requisitions | 21,417 | 17,490 | 15,811 | 15,399 | 15,127 |
| Total Taxes | 60,310 | 53,981 | 50,351 | 47,674 | 45,963 |

¹ MGA Part 10, Division 2, Section 355: A tax rate is calculated by dividing the amount of property tax revenue required by the total assessment of all property on which that tax rate is to be imposed

TAXATION

\$ thousands (unaudited)

| REQUISITIONS | 2025 | 2024 | 2023 | 2022 | 2021 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Education | 20,703 | 16,816 | 15,158 | 14,752 | 14,483 |
| Seniors (Westwinds Communities) | 711 | 671 | 650 | 645 | 642 |
| Designated Industrial Properties | 3 | 3 | 3 | 2 | 2 |
| Total | 21,417 | 17,490 | 15,811 | 15,399 | 15,127 |

Top 5 Corporate Taxpayers

1. Anthem Properties Group Ltd (D'Arcy Crossing Mall)
2. Wal-Mart Canada Corporation
3. Rio Trin Properties Inc (Cornerstone Mall)
4. Costco Wholesale Canada
5. Sobeys

LONG-TERM DEBT

\$ thousands (unaudited)

| LONG-TERM DEBT | 2025 | 2024 | 2023 | 2022 | 2021 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Tax-supported | 4,604 | 4,932 | 5,251 | 5,684 | 6,260 |
| Self-supported | 44,698 | 15,665 | 16,377 | 17,207 | 18,012 |
| Total | 49,302 | 20,597 | 21,628 | 22,891 | 24,272 |
| Debt per capita (\$) | 1,622 | 677 | 711 | 753 | 798 |

| DEBT LIMITS | 2025 | 2024 | 2023 | 2022 | 2021 |
|-----------------------------|---------|---------|---------|---------|---------|
| Provincial limit | 138,485 | 130,531 | 119,699 | 108,634 | 101,022 |
| Provincial limit available | 89,183 | 109,934 | 98,071 | 85,743 | 76,750 |
| Percentage used | 35.6% | 15.8% | 18.1% | 21.1% | 24.0% |
| Internal limit ¹ | 103,864 | 97,898 | 89,774 | 81,476 | 75,767 |
| Internal limit available | 54,562 | 77,301 | 68,146 | 58,585 | 51,495 |
| Percentage used | 47.5% | 21.0% | 24.1% | 28.1% | 32.0% |

¹ Internally restricted to 75% of provincial limit

NET FINANCIAL ASSETS & ACCUMULATED SURPLUS

\$ thousands (unaudited)

| NET FINANCIAL ASSETS | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|----------|----------|----------|----------|----------|
| Excess of revenue over expenses ¹ | 50,038 | 22,477 | 4,163 | 8,433 | 21,757 |
| (DECREASE): acquired TCA ² , contributed assets, gain on disposal of TCA | (96,050) | (32,270) | (16,145) | (15,186) | (26,722) |
| INCREASE: amortization, proceeds on disposal of TCA, net change in inventory and prepaid expense | 20,902 | 13,427 | 13,136 | 12,318 | 13,096 |
| Increase (decrease) during the year | (25,110) | 3,634 | 1,154 | 5,565 | 8,131 |
| Beginning of year ³ | 55,446 | 51,812 | 50,658 | 45,093 | 36,962 |
| End of year ³ | 30,336 | 55,446 | 51,812 | 50,658 | 45,093 |

| ACCUMULATED SURPLUS | 2025 | 2024 | 2023 | 2022 | 2021 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Unrestricted | 48,595 | 24,009 | 24,222 | 22,810 | 21,173 |
| Operating Reserves | 19,093 | 16,951 | 14,571 | 12,345 | 12,019 |
| Capital Reserves | 55,445 | 56,167 | 52,012 | 50,053 | 45,942 |
| Off-site Levies | (46,290) | (18,665) | (15,312) | (12,673) | (12,498) |
| Equity in TCA ² | 454,462 | 402,753 | 384,528 | 383,323 | 380,789 |
| Equity in Intangible Assets | 1,231 | 1,283 | - | - | - |
| Total | 532,536 | 482,498 | 460,021 | 455,858 | 447,425 |

1 Statement of Operations

2 Tangible Capital Assets

3 Statement of Financial Position

TANGIBLE CAPITAL ASSETS

\$ thousands (unaudited)

| TANGIBLE CAPITAL ASSET ACQUISITIONS | 2025 | 2024 | 2023 | 2022 | 2021 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Land and improvements | 4,646 | 982 | 2,793 | 21 | 1,385 |
| Buildings | 420 | 1,185 | 1,809 | 228 | - |
| Engineered structures | 25,550 | 6,566 | 748 | 27 | 2,029 |
| Machinery and equipment | 943 | 905 | 349 | 569 | 1,160 |
| Vehicles | 1,261 | 1,807 | 264 | 745 | 427 |
| Construction in progress | 62,956 | 19,392 | 10,046 | 13,569 | 21,618 |
| Total | 95,776 | 30,837 | 16,009 | 15,158 | 26,619 |

Friendly. Charming. Unique.



Okotoks

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