

ANNUAL
REPORT
2025



**Safety
Codes
Council**

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MESSAGE TO ALBERTANS

We are pleased to present the Safety Codes Council's 2025 Annual Report, which provides an opportunity not only to reflect on the past year, but to celebrate the conclusion of our 2021–2025 Strategic Plan.

The Council is mandated to play a key role in ensuring Alberta's structures and equipment are safe, accessible, and resilient, and the strategic plan enabled the Council to successfully navigate a period of ongoing significant economic, population, and technological change, while preparing the Council and the broader safety codes system to continue to meet Alberta's evolving needs in the future.

Through our unique role as a regulator, advisor, and educator, the Council advanced regulatory effectiveness, improved system oversight through risk-informed decision making, modernized education and accreditation, and built the foundations to expand innovation and data capabilities for the safety codes system.

In 2025, the Council focused on achieving the priorities of the 2021-2025 Strategic Plan. Some key achievements from this year include:

- Implementing the new accreditation standard and evaluation framework, positioning the Accreditation program to begin collecting data and applying risk-based approaches in 2027.
- Partnering with construction organizations to develop and launch a six-part educational video series that provides clear, practical guidance on permitting requirements, supporting safe, compliant construction practices across the province.
- Engaging industry experts to design and launch new educational resources that clarify when projects require professional involvement, the roles and responsibilities of those involved, and best practices for consistent application.
- Establishing a new advisory sub-council under the *New Home Buyer Protection Act*.
- Advancing an online portal to enable access to variance data, scheduled for launch in 2026.

As we move into 2026, the Council is guided by a new strategy — Elevate Alberta — and our 2026–2030 Corporate Plan. This next chapter builds on the foundation established over the past five years and sharpens our focus on the critical role Alberta’s safety codes system plays, not only in protecting people and communities, but in enabling investment, innovation, and long-term prosperity for the province. The Council is committed to working with partners across the system to realize this potential — creating the conditions for safe, resilient, and affordable structures, and for a regulatory environment that supports Alberta’s continued growth and competitiveness.

As you explore this Annual Report, we would like to highlight and thank the Council’s members for their expertise and service, our employees for their professionalism and dedication, and our many partners and stakeholders for their collaboration and trust. The progress reflected in this report — and the ambition for what comes next — would not be possible without you.

Sincerely,



Rob Bennett
President and Chief Executive Officer



Jill Matthew
Board Chair

OUR GUIDING PRINCIPLES

VISION

To be an outcomes and data driven, risk-based regulatory organization that helps keep Albertans safe in the built environment.

MISSION

Provide leadership by guiding, educating, supporting, and collaborating with all stakeholders in Alberta's safety codes system.

VALUES

Foster public confidence

Public confidence is established through transparency, accountability, and enhancement of public service.

Fuel innovation in the safety codes system

The Council responds to industry needs and system innovations by finding efficient and effective ways to drive meaningful change and invests in technologies to help meet the evolving needs of the safety codes system.

Utilize expertise

The Council's members and staff have deep and diverse expertise. Their talent and dedication to excellence strengthen the safety codes system.

Act with integrity

The Council demonstrates responsibility by upholding the highest ethical standards, acting with integrity and generating trust.

With the completion of the 2021-2025 Strategic Plan, the Council will be transitioning from the vision, mission, and values that guided the previous five years. Moving into 2026, the Council will lead the safety codes system through the lens of our new 2026 Strategy and 2026-2030 Corporate Plan, which establish the outcomes we are seeking to achieve and the decisions we will make, within our mandate, to ensure public safety, drive prosperity and create a competitive advantage for Alberta.

WHAT THE COUNCIL IS WORKING TO ACHIEVE

The Council is an independent, self-funded regulatory organization mandated to provide oversight of the safety codes system. The *Safety Codes Act* delegates authority and defines the Council's core roles and responsibilities.

As the Council delivers core legislated functions and services, it aims to advance three outcomes. Performance measures related to these outcomes are publicly reported to keep the Council accountable and support an outcomes- and data-driven approach.

OUTCOME 1

Delivery, oversight, and regulatory decision making under the *Safety Codes Act* is accessible, transparent, and efficient.

Core work supporting this outcome:

- Performing regulatory functions through issuing decisions and holding quasi-judicial hearings on appealable decisions. The Administrator of Certification certifies safety codes officers and master electricians. The Administrator of Accreditation accredits municipalities, agencies, corporations, and regional service commissions to administer the *Safety Codes Act* within a specified jurisdiction.
- Oversight of accredited municipalities, regional commissions, corporations, agencies, and Métis settlements to deliver safety codes services under the *Safety Codes Act* (permitting, inspections, and compliance).
- Delivering safety codes services in the province's unaccredited municipalities through ASCA's contracted inspection agencies; providing a permitting platform and technology support to all unaccredited municipalities; conducting permitting, inspection, and compliance activities for storage tank systems.
- Conducting audits of accredited organizations to ensure the administration and delivery of permitting and inspection services are compliant with the *Safety Codes Act*.

Appeals Data

- 9 notices of appeals received
- 7 hearings
- 0 appeals on variance refusals*
Note: one hearing decision has been appealed to the Court of King's Bench for judicial review in 2026.

Investigation Data

- 24 enquiries
- 22 complaints
- 7 investigations

PERFORMANCE MEASURE 1A

REGULATORY COMPLIANCE IN ACCREDITED AREAS OF THE PROVINCE

The Council is responsible for accrediting and providing oversight of all organizations that provide safety codes services. This measure demonstrates the Council's oversight of the organizations that it accredits to provide safety codes services to Albertans. Compliance with accreditation requires the organization's Quality Management Plan (QMP) or System (QMS) to adhere to Council policy, and that an Annual Internal Review self-reporting on their compliance has been completed. The QMP or QMS contains the terms and conditions of accreditation for an organization, and describes the scope, operational requirements, and service delivery standards that are to be met. Accredited organizations must submit an Annual Internal Review of the previous year's activities within 90 days of calendar year end to demonstrate compliance with their QMP and provide the Council with information regarding volume and types of activities completed by the organization.

# Council-accredited Organizations Data					
Total	Municipalities	Corporations	Agencies	Regional Service Commission	Joint Municipalities
433	299	93	40	1	39

Percentage of accredited orgs compliant with both requirements		
2023	2024	2025
87%	88%	80%

In 2025, 80% of accredited organizations met the program compliance requirements, against a target of 90%. The compliance rate comprises 92% of the 433 accredited organizations maintaining up-to-date Quality Management Plans, supporting consistent application and harmonization across the system, and 80% of organizations submitting an Annual Internal Review by the time of reporting. The Council continues to follow up with the accredited organizations throughout the year to achieve administrative compliance.

In previous years, the Council has typically reported on the number of audits conducted annually. However, the Council undertook a comprehensive review and rebuild of its audit program in 2025 with the goal of modernizing the process, strengthening consistency and transparency, and enabling risk-based oversight. The new audit program will be fully implemented within the Council's normal operations, starting in 2026, including enhanced reporting of audit program outcomes, in alignment with the Council's new strategy.

PERFORMANCE MEASURE 1B

PERMIT COMPLIANCE IN UNACCREDITED AREAS OF THE PROVINCE

Through the Alberta Safety Codes Authority (ASCA), the Council provides oversight of permitting and inspections services in unaccredited regions of Alberta. This measure demonstrates compliance with permitting controls in three key safety and consumer protection factors:

- Ensuring the correct number of inspections have been done: At the time of permit issuance, the minimum required site inspections at specific project stages are planned and communicated to the permit applicant to ensure compliance and safety in the built environment.
- The permit expiry date: An appropriate expiry date is assigned to the permit based on the project type. This provides the permit applicant adequate time to complete the project and allows the safety codes officer to complete compliance monitoring and follow-ups.
- Fees collected as required in the ASCA's Service Reference Manual: Consistent application of fees and standards are an important consumer protection measure, as it ensures permit applicants are charged appropriate fees in accordance with the ASCA fee schedule.

ASCA Permits Issued Data					
Total	Building	Electrical	Gas	Plumbing	Private Sewage
9,579	1,408	4,275	2,400	918	578

Percentage of permits compliant with all three permitting control factors		
2023	2024	2025
97%	98%	98%

CONTINUED - PERFORMANCE MEASURE 1B

Number of ASCA Inspections Completed Data					
Total	Building	Electrical	Gas	Plumbing	Private Sewage
12,910	2,335	5,057	3,090	1,833	595

Storage Tank Systems Data		
97% storage tank systems sites with valid operating permit.	144 applications for storage tank work permits received.	578 inspections completed for storage tank systems.

ASCA permit compliance exceeded the 96% target in 2025, achieving compliance rates between 96% and 99% across all disciplines, including building, private sewage disposal systems, electrical, plumbing, and gas. Compliance reviews were conducted on 63% of the 9,579 permits issued during the year, a 3% increase over 2024. The non-compliances identified continued to be primarily administrative errors related to fees, expiry dates, and the number and type of planned inspections, stemming from manual data entry into eSITE, consistent with previous years. ASCA continues to hold quarterly meetings with its contractors to provide regular feedback and process training on non-compliances according to ASCA service delivery standards, as that has been a successful practice to support maintaining high levels of permit compliance. Annually, ASCA updates its Service Reference Manual and permit application guidelines to address key issues and gaps identified.

In 2026, the Council will develop new, enhanced target measures that better reflect substantive compliance, in alignment with the Council's new strategy.

OUTCOME 2

Safety codes officers have the knowledge and skills to fulfill their roles and responsibilities.

Core work supporting this outcome:

- Administering and delivering training and education for safety codes officers.

PERFORMANCE MEASURE 2A

SAFETY CODES OFFICER SATISFACTION WITH COUNCIL TRAINING

This measure demonstrates satisfaction with training provided by the Council. Safety codes officers require access to high-quality and accurate training to prepare them for their important roles and responsibilities. The Council is responsible for developing, delivering, and maintaining training courses for safety codes officers. These include base competency and technical courses, continuing education, and code update training.

of Certifications Data

- 2,595 total certifications
- 9 Amusement Rides
- 520 Building
- 492 Electrical
- 37 Elevators
- 1,051 Fire
- 160 Gas
- 4 Passenger Ropeways
- 173 Plumbing
- 149 Pressure Equipment

of Designations Data

- 1,897 total designations
- 7 Amusement Rides
- 438 Building
- 234 Electrical
- 34 Elevators
- 819 Fire
- 135 Gas
- 3 Passenger Ropeways
- 139 Plumbing
- 88 Pressure Equipment

of trainings completed by the Council in 2025

- 2,195 total trainings
- 613 Base Competency
- 777 Building
- 80 Electrical
- 411 Fire
- 56 Gas
- 69 Plumbing
- 22 Permit Issuers
- 159 Workshops (ConEd)
- 8 Other

of Certifications

- 2,317 certified Safety Codes Officers
- 1,641 SCOs with Designation of Powers
- 4,452 Master Electricians

% of Satisfaction

- 84% of course attendees satisfied with training offered by the Council, as indicated by course evaluations (agree and strongly agree).

The course satisfaction rating in 2025 was largely consistent with prior years. Certifications and designations remained consistent across disciplines and aligned with system-wide demand. The Council will maintain a target of 85% for 2026.

OUTCOME 3

Codes, standards, guidelines, and policies are clear, consistent, and informed by expert advice and industry.

Core work supporting this outcome:

- Providing expert advice and recommendations to the Minister of Municipal Affairs to help formulate safety codes and standards, and address emerging issues in the safety codes system.

PERFORMANCE MEASURE 3A ENGAGEMENT ON CODES AND STANDARDS

This measure monitors the Council's commitment to ensuring that its codes, standards, associated policies, and advice/recommendations to the Minister of Municipal Affairs have been appropriately informed by experts and industry. Engagement is beneficial for ensuring decisions are informed by current knowledge, incorporating diverse perspectives from those who will be impacted, and supporting the establishment of common goals to work towards together.

Percentage of recommendations on codes and standards made to Minister that the Council engaged on

2023	2024	2025
100%	100%	100%

Since 2023, the Council has consistently met its 100% target for engagement on codes and standards recommendations to the Minister of Municipal Affairs, reinforcing its role as a trusted source of timely, expert-informed advice. Engagement activities in 2025 included sub-council deliberations, focus groups, informal ongoing industry engagement, and surveys, supporting comprehensive system input. In 2026, the Council will develop a new target measure that better reflects the alignment and impact of codes and standards engagement on the Council's new strategy outcomes.

CLIENT SATISFACTION WITH THE COUNCIL'S PROGRAMS AND SERVICES

The Council conducts an annual client survey to understand client satisfaction, quality, and potential improvements for its programs and services in a way that aligns with the Council's Stakeholder Engagement Framework. Of the 1,337 respondents who used the Council's programs and services, 81% were satisfied or very satisfied overall when taking an average of each type of client group's responses, which is a decrease of 4% from 2024.

Overall satisfaction with the Council's programs and services remained strong in 2025 at 81%, reflecting continued confidence in the Council's mandate and core regulatory functions. Management continues to use the survey insights to guide ongoing, targeted improvements focused on digital modernization, clearer communication, as well as education and training enhancements, while maintaining the overall strength and stability of the Council's programs and services.

The target population for the 2025 survey included: safety codes officer certificate applicants/ holders; accredited organizations; permit issuers; Master Electrician Certificate applicants/holders; members; member nominating organizations; Alberta Safety Codes Authority permit applicants/holders; approved petroleum tank contractors; complainants; appeal appellants, proponents and decision makers; and the public.

Further information on this metric and other key findings of the Council's annual programs and services survey can be found on the Council's website.

Average per cent of users of programs and services who are satisfied or very satisfied overall satisfaction with Council's programs and services		
2023	2024	2025
80%	85%	81%

2025 STRATEGIC INITIATIVES

RESULTS OF THE COUNCIL'S 2025 STRATEGIC INITIATIVES

Guided by the 2021-2025 Strategic Plan, the Council delivered a series of change initiatives in 2025 intended to improve overall performance of the safety codes system.

PILLAR: IMPROVE REGULATORY EFFECTIVENESS AND EFFICIENCY

IMPLEMENTATION OF THE NEW ACCREDITATION STANDARD

In 2025, the Council's work to establish a new Accreditation Standard culminated in the completed implementation of enhancements to the accreditation program's regulatory framework. The new Accreditation Standard was implemented, enabling accredited organizations to develop and adopt risk-based quality management systems that support flexibility and innovation while maintaining strong public safety outcomes.

To strengthen oversight and accountability, the Council also finalized the Accreditation Program Evaluation Framework, which was developed through engagement with accredited organizations. Planning and implementation were completed in 2025, with data collection and reporting expected to begin in 2027.

As the new Accreditation Standard and Evaluation Framework are adopted across the safety codes system, they will improve regulatory efficiency, support data-driven and risk-based approaches, and strengthen accountability across the safety codes system while enabling accredited organizations to better tailor their compliance approaches.

PILLAR: STRENGTHEN PARTNERSHIPS WITH STAKEHOLDERS

GRASSROOT APPROACHES TO PUBLIC POLICY LEADERSHIP

The Council is accountable for supporting the Minister's public policy objectives for Alberta's safety codes system, including reviewing and formulating codes and standards and providing expert advice on matters of importance to the Minister.

In 2025, the Council advanced the implementation of the independent recommendations received in 2024 to strengthen the delivery of its public policy mandate. This work focused on proactively identifying and addressing system-level issues within the safety codes system, expanding and more effectively using standing and ad hoc working groups to access specialized expertise, and broadening the range of subject areas on which the Council provides advice to Municipal Affairs. The Council also began planning and aligning resources for early engagement in the 2030 code development cycle to ensure Alberta's needs are reflected in adoption deliberations.

Throughout the year, the Council played a critical leadership role in advancing priority public policy initiatives. This included supporting the Secondary Suites Working Group, engaging experts to inform the development of new professional involvement educational resources, and establishing a new advisory sub-council to support administration of the *New Home Buyer Protection Act*.

Looking ahead, the Council remains committed to further embedding grassroots public policy leadership into its ways of working—strengthening its role as an early, solutions focused partner within the safety codes system. This approach will continue to support public safety while enabling innovation and economic competitiveness across Alberta.

PILLAR: EVOLVE EDUCATIONAL PROGRAMMING

ENHANCE EDUCATION ON PROFESSIONAL INVOLVEMENT REQUIREMENTS

In 2025, the Council continued to modernize safety codes officer education, advancing curriculum design aligned with adult learning principles and practical, scenario-based approaches. This work included the development of a multi-discipline learning mentorship program, improved orientation to the certification process for safety codes officers, and ongoing continuous improvements to our education quality standards.

The Council also collaborated with the Association of Professional Engineers and Geoscientists of Alberta and the Alberta Association of Architects to design and deliver two professional involvement training resources for the broader safety codes system, which clarify when projects require professional involvement, strengthen understanding of stakeholder roles and responsibilities, and share best practices to support consistent application across the safety codes system. A second, more technical training resource focused on compliance oversight for projects requiring professional involvement, specifically for safety codes officers, is scheduled to launch in 2026.

Other key highlights the evolution of the Council's educational programming in 2025 included the development and launch of a six-part educational video series in partnership with the Professional Home Builders Institute and BILD Alberta. The series provides clear, practical guidance on permitting requirements, supporting safe, compliant construction practices across the province. The Council also made significant progress in redesigning its core competency education. This work is intended to establish a clearer, more coherent foundation for safety codes officer learning and address long-standing gaps in system understanding, professional judgment, and practical skills. New course modules are expected to launch by the end of 2026.

PILLAR: ENHANCE TECHNOLOGY TO DRIVE INNOVATION

INVESTMENTS IN INFORMATION TECHNOLOGY

The Council continued to strengthen its approach to investing in information technology throughout 2025, guided by our commitment to creating intentional, long-term value in the safety codes system. During the year, technology enablement was enhanced incrementally by improving alignment between digital tools and business processes, informed by analysis of the needs of safety codes system users and their interactions with the Council's platforms.

As we look forward to 2026 and the adoption of the Council's new strategy and corporate plan, our technology investment philosophy has evolved, placing more emphasis on incremental enhancements that are aligned with our strategy to build a strong foundation of processes and data to ensure effective investment in technology that enables better outcomes, transparency, and service excellence for users of the safety codes system.

During 2025, the Council initiated early work to develop an online permit application portal and gained valuable insight into the broader system context and the conditions needed for success through that process. This learning informed a deliberate decision to pause development, allowing time to more fully understand system-wide needs, underlying processes, and the data necessary to enable effective permitting services. This decision reflects responsible stewardship and a value led delivery approach.

While work on the online permit applications portal was paused in 2025, the Council continued to advance targeted technology investments, including development of a new orders and variances data portal, which is expected to launch mid year in 2026. Once in place, the portal will streamline how accredited organizations access, enter, and manage orders and variances information, reducing manual data entry and enabling more timely updates. By improving the quality, accuracy, and reliability of orders and variances data through real-time access, the portal will support greater efficiency, transparency, and informed oversight across the safety codes system.

In 2025, the Council invested approximately \$1 million in technology initiatives to support the advancement of our technology strategy. These investments included incremental system enhancements, the initial development of an online permit application portal, and the development of an orders and variances data portal. Of this amount, \$389,000 was capitalized as additions to capital assets in the financial statements, with the balance expensed in accordance with accounting policies.

PILLAR: HARNESS DATA AND ANALYTICS

ENHANCING DATA GOVERNANCE

In 2025, the Council advanced its data governance strategy by further developing the standards for data quality, stewardship, compliance, and security. In addition, the Council took key steps forward in initiating the development of the Council's future data platform by defining the data architecture, developing the data management capabilities required to support a system-wide data hub, and engaging key system partners in preparation for data acquisition and anticipated launch in 2026. The Council's future unified data platform will leverage high quality data to identify emerging trends, inform decision making, and enable innovation across the safety codes system.

PUBLICLY SHARE VARIANCE DATA

In 2025, the Council advanced its commitment to improving transparency and system learning by laying the groundwork for publishing variance data. The Council undertook targeted engagement with key safety codes system partners to clarify how variance data could be used to support decision-making, trend identification, and system improvement, and inform the approach to data preparation and release.

Throughout the year, resources were focused on preparing variance data and aligning it with the architecture of the Council's future unified data platform to ensure data quality, appropriate governance, and long-term scalability. As a result, the Council is positioned to begin releasing system variance data to safety codes system partners in mid-2026. Following the initial release, the Council will continue to iterate by enhancing analytical and trend analysis capabilities, supporting risk-informed assessments, evidence-based code recommendations, and innovation across the safety codes system.

REPORT FROM THE COUNCIL'S MEMBERS AND SUB-COUNCILS

MEMBERS

The Council consists of persons appointed by the Minister of Municipal Affairs and the Board of Directors. Persons appointed as members by the Board of Directors must include persons who are experts in fire protection, buildings, barrier-free building design, electrical systems, elevating devices, gas systems, plumbing systems, private sewage disposal systems, or pressure equipment. Further, these experts must include representatives of municipalities, business, labour, and persons with disabilities. Persons appointed by the Minister of Municipal Affairs are to represent the public.

With the addition of New Home Buyer Protection Sub-Council, appointed members must also include persons who are experts in or have experience with new home warranty coverage under the *New Home Buyer Protection Act*. For the purpose of providing advice and recommendations under the *New Home Buyer Protection Act*, it must also include representatives of builders, warranty providers, insurers, and homeowners.

To ensure the Council is diverse and inclusive of those working in the safety codes system, the Board of Directors required over 100 types of representation from members in 2025. These individuals represent diverse technical specialties and lived experiences, including engineering, architecture, building developers, manufacturing, safety codes officers, warranty providers, unions, municipalities, persons with disabilities, and education.

In 2025, there were 154 members and these members collectively volunteered over 4,400 hours. Volunteer hours were dedicated to activities such as voting at the Annual General Meeting, being administrative tribunal members that hear appeals under the *Safety Codes Act*, participating on sub-councils, and giving feedback during engagements.

SUB-COUNCILS

The *Safety Codes Act* indicates that the Board of Directors may establish sub-councils relating to any thing, process, or activity which the *Safety Codes Act* applies, which include members appointed by the Board of Directors and the Minister of Municipal Affairs. In December 2025, the New Home Buyers Protection Sub-Council was established.

In 2025, there were 13 sub-councils:

- Accessibility (formerly Barrier-Free)
- Amusement Rides
- Building
- Electrical
- Electrical Utilities
- Elevators
- Fire
- Gas
- **New Home Buyer Protection (New)
- Passenger Ropeways
- Plumbing
- Pressure Equipment
- Private Sewage Disposal Systems

** As the New Home Buyer Protection Sub-Council was created in December 2025, data related to this sub-council has not been collected.

They were directed by the Board of Directors to carry out the following activities:

- Review and make recommendations to the President and CEO on whether Albertan, national, and international codes and standards in their discipline should be altered or adopted for Alberta. Recommendations to adopt or alter a code or standard were made regarding 13 different codes or standards.
- Review Administrator direction, including Alberta Boiler Safety Association AB-500 and AB-600 series, when provided by Administrators appointed by the Minister, in the discipline for which it was established, and made three recommendations to the President and CEO after reviewing three AB-500 series documents.
- Make recommendations to the Board of Directors on the types of industry representation the Council needs to have in its membership to ensure it inclusively represents the expertise and diversity of the safety codes system. One recommendation was made on how to change the membership of the Council.
- Make recommendations to the Board of Directors on the suitability of nominees for Council membership. Fifty-two member recommendations were made.

BOARD OF DIRECTORS

In 2025, the Council welcomed two new board members: Kim Petrin and Lee-Ann Leitch.

Kim Petrin was appointed to the Board in March 2025. Kim is the Deputy City Manager of Urban Planning & Economy with the City of Edmonton. She is an urban planning professional with over 20 years of experience in the public and private sector, leading planning, policy, regulatory approvals, and economic development initiatives.

Lee-Ann Leitch was appointed to the Board in September 2025. Lee-Ann is a Chartered Professional Accountant with extensive leadership experience in governance and digital transformation in the sectors of post-secondary education, utilities, and health care.

This past year also saw the retirement and resignation of board members: Leigh Mulholland (appointed in 2023), Janet Jabush (appointed in 2022), and Brenda Desjardins (appointed in 2021). We thank these board members for their dedication and contributions to the Council as it delivered on its mandate and strategic plan.

On December 31, 2025, the Council's Board of Directors consisted of:

- Jill Matthew, Board of Directors Chair
- Eóin Cooke, Board of Directors Vice-Chair
- Brent Janke, Board Member (Audit and Risk Committee Chair)
- Sharilee Fossum, Board Member (Human Resources and Governance Committee Chair)
- Kara Westerlund, Board Member (Audit and Risk Committee Vice-Chair)
- Bo Jiang, Member, Board Member (Human Resources and Governance Committee Member)
- Russell Dauk, Board Member (Human Resources and Governance Committee Member)
- Chris Pullen, Board Member (Audit and Risk Committee Member)
- Kim Petrin, Board Member (Audit and Risk Committee Member)
- Lee-Ann Leitch, Board Member (Audit and Risk Committee Member)

The Board of Directors has established two standing committees to support the Board's strategic oversight and governance activities of the Council – the Audit and Risk Committee and the Human Resources and Governance Committee. Attendance for board and committee meetings was 81% during 2025.

VOLUNTARY DISCLOSURE

The Council has elected to voluntarily report disclosures, investigations, and wrongdoings, in alignment with *Public Interest Disclosure (Whistleblower Protection) Act* section 32.

There were no disclosures of wrongdoing filed with the Council's confidential Ethics Reporting hotline between January 1 and December 31, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis provides commentary on the Council's (the Council's) financial performance and financial position for the year ending December 31, 2025. It should be read in conjunction with the audited financial statements and accompanying notes.

OVERVIEW

Fiscal 2025 was a year of strong financial performance and strategic progress for the Council. Despite a dynamic and increasingly uncertain economic environment, the Council delivered solid operating results, driven by resilient construction activity in Alberta, prudent financial management, and disciplined execution of strategy. Revenues exceeded both budget and prior year levels, expenses were actively managed, and the Council maintained a robust financial position with healthy liquidity and reserves. These outcomes positioned the Council to continue supporting public safety, system innovation, and long-term sustainability while transitioning into the 2026–2030 Corporate Plan.

FINANCIAL OVERVIEW

The Council's financial results reflect the continued strength of Alberta's construction and permitting activity in 2025, along with prudent expense management and active stewardship of reserves and investments.

Monetary Indicators (\$000s)	2025 Actual	2025 Budget	2024 Actual
Total revenues	19,656	17,888	17,688
Total expenses	19,443	20,040	17,643
Salaries and benefits expenses	10,377	10,538	9,364
Excess (deficiency) of revenue over expenses	213	(2,152)	45

Other Financial Indicators	2025	2024	2023
Total compensation ratio	52.8%	52.9%	48.8%
Operating reserve ratio	62.6%	68.5%	76.6%
Working capital ratio	1.0	1.3	1.4

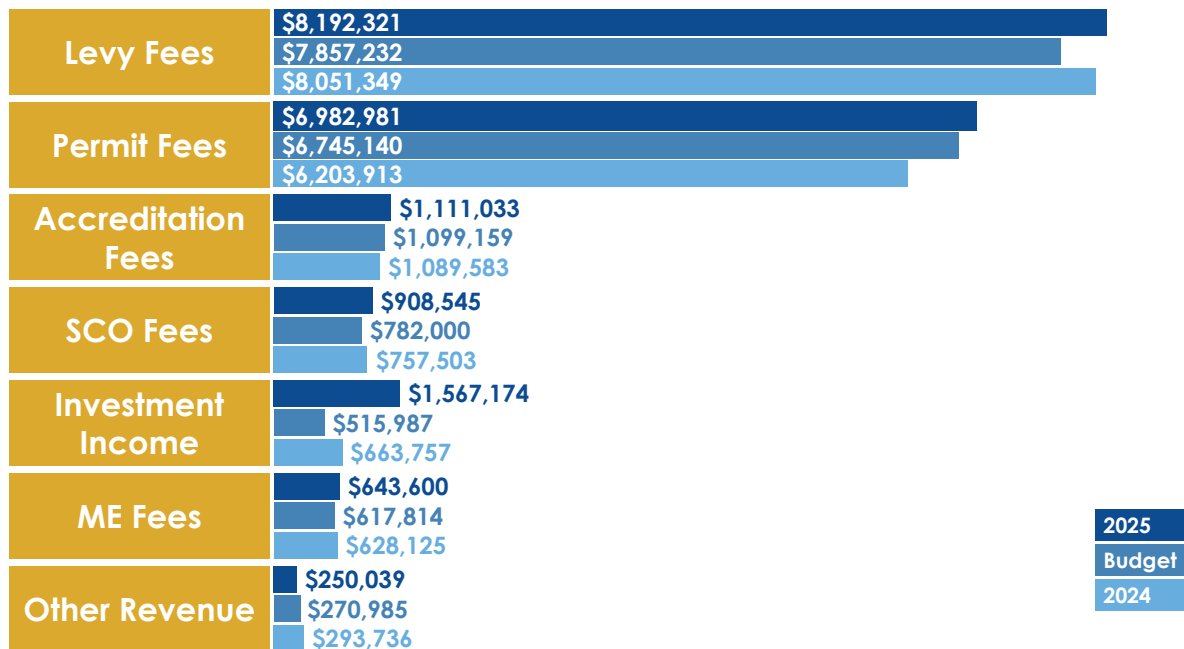
REVENUES

Total operating revenue amounted to \$19.7 million, which represents a significant increase of \$2 million (11.1%) compared to the same period in 2024 and outperformed the budget by \$1.8 million (9.9%).

Operating revenues were anchored by levy fees and permit fees. Overall, levy fee revenue was approximately \$335,000 (4.3%) higher than budget and \$141 thousand (1.8%) higher than the prior year. Permit fee revenue also exceeded expectations, coming in \$238 thousand (3.5%) above budget and \$780 thousand (12.6%) higher than the prior year. This strong performance in both levy and permit fees was largely due to continued robust construction activity across Alberta, including both accredited and unaccredited jurisdictions. Increased building permits and steady demand in the construction sector contributed to higher fee volumes and revenue generation.

Investment income also contributed positively to the Council's financial results in 2025. Strong market conditions, together with active portfolio management, resulted in realized investment gains in excess of \$1 million during the year. These gains strengthened the Council's financial position and supported the prudent reinvestment of funds into short-term, highly liquid investment instruments.

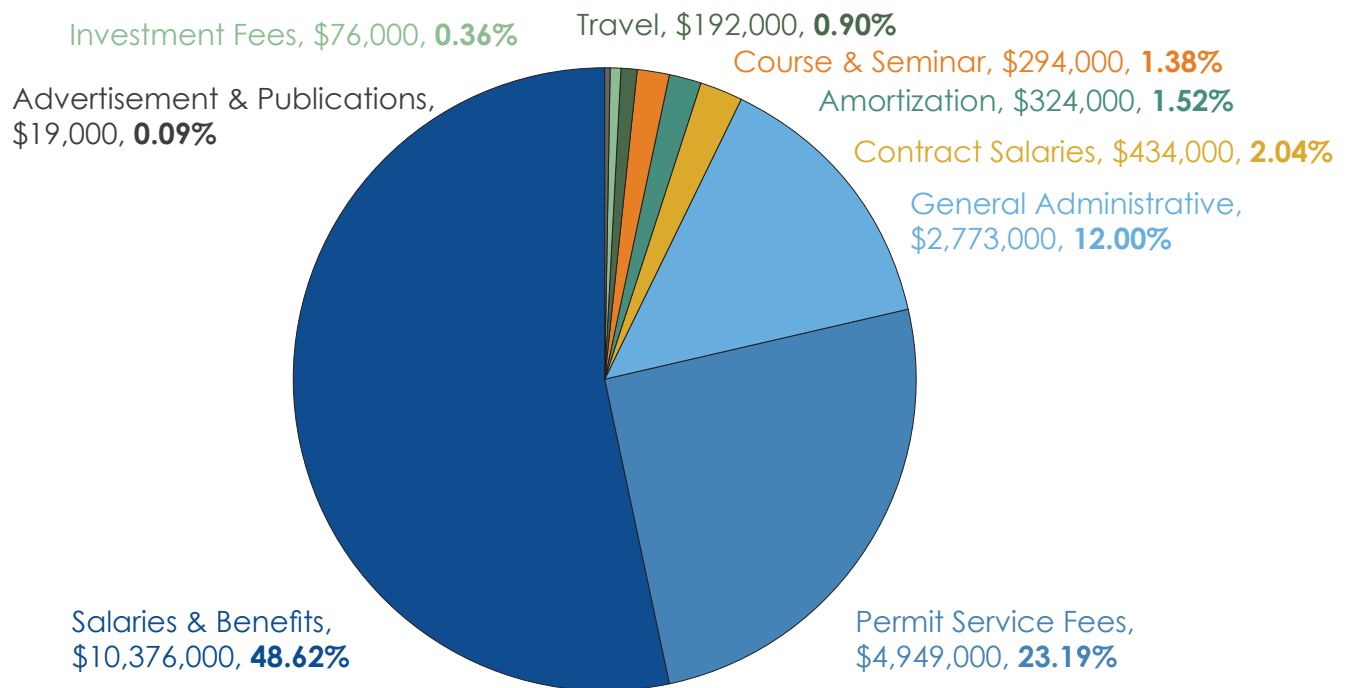
The liquidated investment proceeds remain readily available and are positioned for withdrawal and deposit into the Council's designated bank account as part of the Government of Alberta's Centralized Liquidity Solution, in accordance with Treasury Board of Finance requirements. This approach preserves capital, maintains liquidity, and supports responsible financial stewardship while ensuring alignment with provincial cash management practices.



EXPENSES

Total expenses were \$19.4 million in 2025, representing an increase of \$1.8 million (10.2%) compared to 2024, reflecting the planned expansion of the Council's workforce to support strategic priorities and align with the Council's long-term resource and talent management philosophy. This investment in internal capacity enabled the Council to advance key initiatives and deliver projects primarily using internal resources, reducing reliance on external contractors.

Despite higher year-over-year expenses, total expenses were \$598,000 (3.0%) below budget, demonstrating disciplined cost management and effective resource allocation. Favourable variances were driven largely by reduced contractor costs, as internal expertise was leveraged to deliver projects efficiently while maintaining strong financial oversight.



CASH AND INVESTMENTS

Year-end cash balances decreased by approximately \$1.2 million compared to the prior year, reflecting the planned expansion of the Council's workforce to execute approved strategic initiatives. This change reflects the timing and application of resources built through cumulative surpluses from prior years, rather than liquidity pressure or unplanned cost growth.

At the same time, the overall market value of the investment portfolio increased by approximately \$700,000 year-over-year, supporting continued financial flexibility, capital preservation, and resilience.

NET ASSETS AND RESERVES

The Council's reserve position remains strong and continues to support long-term sustainability and risk resilience. As of December 31, 2025, the operating reserve ratio was 62.6%, representing approximately 7.5 months of total expense coverage. The working capital ratio was 1.0, reflecting adequate short-term liquidity. These indicators, together with disciplined financial management practices, provide the capacity to manage revenue volatility and support strategic investments while maintaining operational stability.

Net Assets and Reserves (\$000s)	2025	2024
Sustainment and growth fund	11,971	11,877
The Council restricted	3,000	3,000
ASCA restricted	1,135	1,080
Investment in capital assets	940	876
	17,046	16,833

OPERATING ENVIRONMENT, RISKS, AND OPPORTUNITIES

The Council's primary revenue sources are closely linked to construction and permitting activity. In 2025, Alberta's economy remained resilient, supported by strong population growth and elevated construction activity. Key indicators reflect both strengths and emerging moderation.

Looking ahead, forecasts for 2026 point to continued but more moderate growth, with Alberta real GDP expected to increase by roughly 2.1%. Over the next two to three years, the operating environment is expected to remain sensitive to several risks, including uncertainty in the Canada-U.S. trade relationship and potential tariff escalation on key imports (such as steel and aluminum), persistent cost pressures in materials and labour, and the possibility of construction activity normalization as borrowing costs and project financing conditions evolve. These factors could increase cost pressures on construction and reduce or delay project starts, which may in turn affect the Council's primary revenue streams.

Management continues to incorporate these risks into financial planning through scenario analysis, disciplined budgeting, and liquidity management. The Council will continue to monitor leading indicators and maintain flexibility in spending and investment decisions to sustain service delivery and strategic progress under changing economic conditions.

STRATEGIC ALIGNMENT: 2026–2030 CORPORATE PLAN AND STEWARDSHIP OF NET ASSETS

The Council enters the 2026–2030 planning period from a position of financial strength. Accumulated net assets and operating reserves provide capacity to responsibly reinvest in the safety codes system while maintaining adequate resilience against revenue volatility and economic uncertainty.

The 2026–2030 Corporate Plan outlines a five-year roadmap to advance the Council's winning aspiration: to be a world-class safety codes leader that ensures public safety, drives prosperity, and enables a competitive advantage for Alberta.

A key feature of the Corporate Plan is the disciplined reinvestment of historical cumulative reserves to fund multi-year strategic initiatives. The 2026 operating budget includes a planned deficit of approximately \$3.3 million funded through reserves. Planned 2026 reserve-funded investments include:

- **Innovation Hub (\$844,000).** Supporting safety codes system innovators in collaborating, experimenting, and launching new solutions to address current and future challenges in the safety codes system.
- **Service Excellence and Continuous Improvement (\$953,000).** Modernizing and improving services and processes to enhance customer experience, reduce friction, and support consistent delivery across the safety codes system.
- **Data Centre of Excellence (\$675,000).** Increasing evidence-based decision-making by identifying, collecting, maintaining, and analyzing critical safety codes system data and sharing insights and advice to customers and decision-makers.
- **Technology and Infrastructure Advancement (\$590,000).** Strengthening technology foundations and enabling digital modernization to support operational efficiency, data enablement, and future innovations (including responsible adoption of automation and AI-enabled capabilities where appropriate).

These investments are intended to strengthen the safety codes system, enhance public value for Albertans, and improve the Council's ability to deliver on its mandate in a changing environment. Strong governance oversight, enhanced forecasting, and ongoing stress testing will continue to guide the responsible use of reserves. This approach supports transparency and discipline in how reserves are planned, allocated, and reinvested to deliver long-term value while maintaining financial sustainability.

Overall, the Council's 2025 results demonstrate sound financial stewardship and provide a stable foundation for implementing the 2026–2030 Corporate Plan. The Council will continue to align financial resources with strategic priorities and to manage risks proactively to support public safety, system performance, and long-term resilience.

Financial Statements of

SAFETY CODES COUNCIL

Year ended December 31, 2025



KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Members of Safety Codes Council

Opinion

We have audited the financial statements of Safety Codes Council (the "Council"), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2025, its results of operations, its changes in net assets, its remeasurement gains and losses 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 auditor's report.

We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is responsible for assessing the Council'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 Council or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional 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 Council'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 Council'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 Council 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Edmonton, Canada

May 7, 2026

SAFETY CODES COUNCIL

Financial Statements

Year ended December 31, 2025

Financial Statements

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SAFETY CODES COUNCIL

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,012,282	\$ 4,243,650
Accounts receivable	765,470	683,315
Prepaid expenses and deposits	459,753	325,755
	<u>4,237,505</u>	<u>5,252,720</u>
Investments (note 2)	15,966,809	15,247,177
Capital assets (note 3)	1,304,611	1,396,714
	<u>\$ 21,508,925</u>	<u>\$ 21,896,611</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 987,940	\$ 946,187
Deferred revenue (note 4)	3,257,199	2,921,922
Current portion of deferred lease inducements (note 5)	206,723	206,723
	<u>4,451,862</u>	<u>4,074,832</u>
Deferred lease inducements (note 5)	275,631	482,354
Net assets:		
Sustainment and growth fund	11,971,462	11,877,058
Internally restricted (note 6)	4,134,617	4,079,857
Invested in capital assets	940,492	876,537
	<u>17,046,571</u>	<u>16,833,452</u>
Accumulated remeasurement gains (losses)	(265,139)	505,973
	<u>16,781,432</u>	<u>17,339,425</u>
Commitments (note 7)		
Subsequent events (note 10)		
	<u>\$ 21,508,925</u>	<u>\$ 21,896,611</u>

See accompanying notes to financial statements.

On behalf of the Council:

Brent Janke

Director

Jill Matthew

Director

SAFETY CODES COUNCIL

Statement of Operations

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

	2025	2024
Revenues:		
Levy fees	\$ 8,192,321	\$ 8,051,349
Permit and Registration fees (note 4)	6,982,981	6,203,913
Investment income	1,567,174	663,757
Accreditation fees (note 4)	1,111,033	1,089,583
Safety Codes Officer program fees (note 4)	908,545	757,503
Master Electricians Program certification fees	643,600	628,125
Other revenue	250,039	293,736
	<u>19,655,693</u>	<u>17,687,966</u>
Expenses:		
Salaries and benefits	10,376,542	9,363,950
Permit service fees	4,949,132	4,641,929
General and administrative (note 8)	2,773,913	2,153,559
Contract salaries and remuneration	434,842	595,208
Amortization of capital assets	324,628	300,009
Course and seminar costs	294,504	256,061
Travel (note 8)	192,679	223,541
Investment management fees	76,433	71,993
Advertising and publications	19,901	36,499
	<u>19,442,574</u>	<u>17,642,749</u>
Excess of revenues over expenses	\$ 213,119	\$ 45,217

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Changes in Net Assets

Year ended December 31, 2025 with comparative information for 2024

	Sustainment and growth fund	Internally restricted (note 6)	Invested in capital assets	2025 Total	2024 Total
Balance, beginning of year	\$ 11,877,058	\$ 4,079,857	\$ 876,537	\$ 16,833,452	\$ 16,788,235
Excess (deficiency) of revenues over expenses	537,747	-	(324,628)	213,119	45,217
Purchase of capital assets, net	(388,583)	-	388,583	-	-
Transfers	(54,760)	54,760	-	-	-
Balance, end of year	\$ 11,971,462	\$ 4,134,617	\$ 940,492	\$ 17,046,571	\$ 16,833,452

Statement of Remeasurement Gains and Losses

Year ended December 31, 2025 with comparative information for 2024

	2025	2024
Accumulated remeasurement gains (losses), beginning of year	\$ 505,973	\$ (153,181)
Unrealized gains on investments	305,318	671,987
Realized amounts reclassified to the statement of operations on investments	(1,076,430)	(12,833)
Accumulated remeasurement gains (losses), end of year	\$ (265,139)	\$ 505,973

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Cash Flows

Year ended December 31, 2025 with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 213,119	\$ 45,217
Item not involving cash:		
Amortization of straight-line rent	(50,669)	(50,669)
Amortization of capital assets, net of amortization of tenant inducements	324,628	300,009
Changes in non-cash operating working capital:		
Accounts receivable	(82,155)	137,722
Prepaid expenses and deposits	(133,998)	(76,340)
Accounts payable and accrued liabilities	41,753	117,846
Deferred revenue	335,277	(73,459)
	<u>647,955</u>	<u>400,326</u>
Investing activities:		
Net purchase of investments, including reinvested investment income	(1,490,740)	(591,760)
Capital and financing activities:		
Purchase of capital assets	(388,783)	(187,026)
Proceeds from disposal of capital assets	200	4,300
	<u>(388,583)</u>	<u>(182,726)</u>
Decrease in cash and cash equivalents	(1,231,368)	(374,160)
Cash and cash equivalents, beginning of year	4,243,650	4,617,810
Cash and cash equivalents, end of year	<u>\$ 3,012,282</u>	<u>\$ 4,243,650</u>

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Notes to Financial Statements

Year ended December 31, 2025 with comparative information for 2024

The Safety Codes Council (the "Council") is a corporation established under the Safety Codes Act of the Province of Alberta (Revised Statutes of Alberta 2000, Chapter S-1) (the "Province"). The industry-based Council is comprised of a Council Chair, a Board of Directors, and Sub-councils in the following areas: amusement rides, boilers and pressure vessels, buildings, electrical, elevators, fire, gas, plumbing, barrier free and passenger ropeways.

The Council is responsible for reviewing, formulating and managing significant components of the administration of Alberta's safety system. The Council's mandate is to:

- develop and recommend safety codes and standards;
- promote uniform safety standards and practices;
- develop and administer a program to certify and designate Safety Codes Officers;
- develop and administer a program to accredit safety system partners;
- administer appeals for certification, accreditation and orders issued under the Safety Codes Act;
- administer the Master Electricians' program;
- establish and operate safety information and training programs;
- develop and administer a province wide electronic permitting system for use by accredited entities administering the Safety Codes Act;
- engage in any other activities as directed by the Minister responsible for the Safety Codes Act; and
- oversee the delivery of permits and inspections for Albertans who live in unaccredited areas of the province through the Alberta Safety Codes Authority (ASCA), including performing all compliance monitoring services for storage tank systems.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

1. Significant accounting policies:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations (the "standards").

(a) Revenue recognition:

(i) Contributions

The Council follows the deferral method of accounting for contributions which include government grants. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(ii) Levy fees

Levy fees are charged on issued permits and permit related service fees under the Safety Codes Act. The fees are recognized at a point in time when the levy is charged on the issued permits.

(iii) Permit and Registration fees

Permit and Registration fees are earned from providing safety code services such as issuance of permits for building, electrical, plumbing and gas ("ASCA") and storage tanks ("STS"). Permit fees are earned over time as performance obligations are satisfied based on pre-determined stages required to complete permitting activities. Annual fees charged on existing permits are recognised into revenue on a straight-line basis over the related annual period.

(iv) Accreditation fees

Accreditation fees are charged to accredited agencies and accredited corporations who provide safety codes services and compliance monitoring. The fees are recognized on a straight-line basis over the related annual period.

(v) Other fees and revenues

Other fees and revenues are recognized when earned or when the related services are provided, there is persuasive evidence of an arrangement, amounts are determinable, and ultimate collection is reasonably assured.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

1. Significant accounting policies (continued):

(b) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and short-term deposits which are highly liquid with original maturities of less than three months which are held for the purpose of meeting short-term cash commitments.

(c) Capital assets:

Capital assets are recorded at cost. Amortization is provided using the following method and annual rates:

Asset	Basis	Useful Life
Furniture and fixtures	Straight line	5 years
Equipment	Straight line	5 years
Computer hardware	Straight line	3-5 years
Computer software	Straight line	3-10 years
Leasehold improvements	Straight line	Over lease term

Copyrights are not amortized.

Capital assets that are not in use at year-end are not amortized.

When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset shall be written down to the asset's fair value or replacement cost. A write-down is not reversed in a future period.

(d) Leases:

Leases are classified as capital or operating leases. A lease that transfer substantially the entire benefits and risks incidental to ownership is classified as a capital lease. All other leases are accounted for as operating leases, wherein rental payments and related lease inducements, including "free-rent" periods or significant "step-up" provisions, are amortized on a straight-line basis and recognized as reductions of rent expense over the term of the lease. Lease inducements received for the purchase of capital assets are recognized as reductions in amortization expense on a straight-line basis over the term of the related lease.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

1. Significant accounting policies (continued):

(d) Leases (continued):

Deferred lease inducements represents the unamortized value of tenant inducements and straight-line rent.

(e) Contributed services:

Contributed supplies and services that would otherwise have been purchased are recorded as contributions and expenses. Such transactions are measured at the fair value at the date of contribution, when a fair value can be reasonably determined.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market and derivative financial instruments are recorded at their fair values. All other financial instruments are subsequently recorded at cost or amortized cost unless the Council has elected to record the instruments at fair value. The Council has elected to record its investments in pooled funds at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value of financial instruments are recognized in the statement of remeasurement gains and losses until they are realized, when they are reclassified to the statement of operations.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

Transaction costs are incremental costs directly attributable to the acquisition or issuance of a financial asset or a financial liability. Transaction costs are added to the carrying value of financial instruments recorded at cost or amortized cost when they are initially recognized. Transaction costs associated with financial instruments recorded at fair value are expensed upon initial recognition.

All financial instruments recorded at cost or amortized cost are assessed for impairment on an annual basis. When financial assets are impaired, impairment losses are recorded in the statement of operations.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

1. Significant accounting policies (continued):

(f) Financial instruments (continued):

The standards require the Council to classify fair value measurements using a fair value hierarchy, which includes three levels (the "Level") of information that may be used to measure fair value:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

The Council's investments in pooled funds are classified as Level 2 investments and are valued at the unit values supplied by the pooled fund administrators, which represents the Council's proportionate share of the fair value of the underlying net assets of the funds.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Significant amounts subject to such estimates and assumptions include the valuation of investments and the carrying amount of capital assets. Actual results could differ from those estimates.

(h) Related party transactions:

The Council enters into transactions with related parties in the normal course of operations. These transactions are measured at the exchange amount which is the amount of consideration established and agreed by the related parties.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

1. Significant accounting policies (continued):

(i) Future accounting changes:

The following future accounting standards will be applicable to the Council for fiscal periods beginning January 1, 2027:

(i) Revised Conceptual Framework for Financial Reporting in the Public Sector

The revised conceptual framework provides guidance and highlights considerations fundamental for the application of consistent concepts in the absence of specific standards. It replaces conceptual aspects of section PS 1000, *Financial Statement Concepts*, and Section PS 1100, *Financial Statement Objectives*.

The standard also sets out the objectives of financial reporting, qualitative characteristics of financial information, definitions of the elements of financial statements, and concepts related to recognition, measurement, presentation, and disclosure.

(ii) PS 1202 – Financial Statement Presentation

PS 1202 introduces a new financial reporting model for public sector entities and replaces section PS 1201, *Financial Statement Presentation*. The standard sets out general and specific requirements for the presentation of information in general purpose financial statements, including changes to the structure and content of the financial statements, updated terminology and enhanced minimum presentation requirements.

The financial statement presentation principles are based on the Revised Conceptual Framework and must be adopted concurrently with the Revised Conceptual Framework.

The Council is currently assessing the impact of these new standards on its future financial statements.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

2. Investments:

	Level	2025	2024
Cash and cash equivalents	1	\$ 8,107,536	\$ 1,183,497
Pooled funds:			
Bond Fund	2	6,916,172	9,194,673
Canadian Equity Fund	2	480,626	2,094,422
Global Equity Fund	2	462,475	2,609,489
Emerging Market Equity Fund	2	-	165,096
		\$ 15,966,809	\$ 15,247,177

In 2022, the Province of Alberta established the Centralized Liquidity Solution (“CLS”) as its centralized cash-pooling structure under Ministerial Order No. 19/2022. The CLS requires participating provincial corporations, including the Council, to deposit surplus cash with a financial institution designated by Treasury Board and Finance (“TBF”). During 2025, the Council executed the CLS agreement and began implementing the program’s requirements. This included initiating the planned liquidation of investments held in pooled funds (including both restricted and unrestricted accounts) and reallocating proceeds into cash and cash equivalents. Treasury Board and Finance directed the Council in 2025 to fully liquidate its investment portfolio by June 2026, with the resulting surplus cash to be deposited into the designated CLS account.

3. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 734,289	\$ 715,474	\$ 18,815	\$ 50,308
Equipment	252,975	83,490	169,485	30,819
Computer hardware	1,330,642	1,051,234	279,408	318,410
Computer software	1,885,444	1,488,439	397,005	386,660
Leasehold improvements	1,563,258	1,165,127	398,131	568,750
Copyrights	41,767	-	41,767	41,767
	\$ 5,808,375	\$ 4,503,764	\$ 1,304,611	\$ 1,396,714

Included in computer software is \$70,442 (2024 - nil) relating to assets under development, that are not amortized as the assets are not yet available for use.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

4. Deferred revenue:

	Balance, December 31, 2024	Amounts received	Revenue recognized	Balance, December 31, 2025
Permit and Registration fees	\$ 2,810,082	\$ 7,263,055	\$ (6,982,981)	\$ 3,090,156
Safety Codes Officer program fees	97,629	915,471	(908,545)	104,555
Accreditation fees	14,211	1,111,033	(1,111,033)	14,211
Government grant	-	50,000	(1,723)	48,277
	<u>\$ 2,921,922</u>	<u>\$ 9,339,559</u>	<u>\$ (9,004,282)</u>	<u>\$ 3,257,199</u>

5. Deferred lease inducements:

	2025	2024
Straight-line rent	\$ 118,229	\$ 168,894
Tenant inducements	364,125	520,183
	<u>482,354</u>	<u>689,077</u>
Current portion of deferred lease inducements	206,723	206,723
	<u>\$ 275,631</u>	<u>\$ 482,354</u>

The Council recognized \$50,669 (2024 - \$50,669) of amortization of deferred straight-line rent as a reduction in rent expense and \$156,054 (2024 - \$156,054) of amortization of deferred tenant inducements as a reduction in amortization expense.

6. Internally restricted net assets:

The Council maintains internally restricted net assets in the amount of \$3,000,000 to manage sustainability risk over the medium term and \$900,000 as a contingency to manage risk associated with ASCA. Access to these and any other internally restricted net assets is granted by resolution of the Board of Directors. The transfer in the current year relates to the realized investment income earned on the underlying investment portfolio.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

7. Commitments:

	Office lease
2026	\$ 396,702
2027	411,395
2028	139,580
	<hr/> \$ 947,677 <hr/>

8. Related party transactions:

The Province provides certain services to the Council, including monitoring services of accredited entities as part of the Municipal Support Program, at no cost. The costs for these services are not recognized in the financial statements.

Related parties include key management personnel and members of the Board of Directors of the Council. Transactions with key management personnel primarily consist of compensation related payments. Members of the Board of Directors are remunerated by the schedules as set out by Order in Council 466/2007. Board of Directors remuneration aggregates to \$54,993 (2024 - \$44,528) and is included in general and administrative expense in the statement of operations. Other costs consist of Board member development of \$10,754 (2024: \$5,885) and travel related to meeting attendance of \$11,935 (2024 - \$20,205) which is included in travel expense in the statement of operations.

9. Financial instrument risks:

(a) Risk management:

The Council is exposed to a number of different financial risks arising from its use of financial instruments, including market price risk, credit risk, interest rate risk and liquidity risk. The Council's overall risk management processes are designed to identify, manage, and mitigate risks associated with its financial instruments. The Council has a formal investment policy, which is reviewed and approved by the Board of Directors annually, which establishes the nature of acceptable investments for its investment portfolio. As a result of this investment policy, the Council's investments are currently all in pooled funds.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

9. Financial instrument risks (continued):

(b) Market price risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market, including fluctuations in foreign exchange rates. As the Council's investments are in pooled funds and recorded at fair value with fair value changes recognized in the statement of operations and statement of remeasurement gains and losses as appropriate, changes in market conditions will directly result in an increase (decrease) in net assets. Although the pooled funds may ultimately hold publicly traded investments, the pooled fund units themselves, which are denominated in Canadian dollars, are not listed in an active market and their values are impacted by the fair values and the indirect market impacts on the underlying investments in those funds. Market price risk is managed by the Council through its investment guidelines and policies, as monitored by the management of the Council and its investment manager and by maintaining diversity in its investment portfolio (see note 2).

(c) Credit risk:

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered with the Council. In relation to the Council's activities, credit risk arises from the issuance of permits by accredited third parties and subsequent remittance of levies to the Council. This risk is mitigated through the Council's ongoing due diligence of accredited organizations, and the number of accredited organizations issuing permits. In relation to the Council's investment portfolio, the Council is indirectly exposed to credit risk of the underlying investments of those funds. The Council manages credit risk by investing in diversified pooled funds. The Council believes that its cash and cash equivalents are held with reputable financial institutions and accounts receivable are owing from credit worthy and reputable entities. The maximum amount of credit risk is represented by the carrying amounts of financial assets recorded in the statement of financial position. The Council does not have a history of experiencing significant losses as a result of credit risk.

(d) Interest rate risk:

The Council is indirectly exposed to interest rate risk associated with the underlying interest-bearing instruments in its pooled funds. To manage the Council's interest rate risk, guidelines and investment policies are set and monitored by management of the Council and its investment manager.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2025 with comparative information for 2024

9. Financial instrument risks (continued):

(e) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities under both normal and stressed conditions. Market events could lead to certain investments within the pooled funds becoming illiquid, however the diversity and quality of the Council's investments are designed to help ensure that liquidity is available to pay liabilities as they come due. The Council also maintains cash on hand for liquidity purposes and to settle its financial liabilities, which are generally short-term in nature.

10. Subsequent events:

Subsequent to December 31, 2025, the Council liquidated additional tranches of its investment portfolio as part of the ongoing implementation of the Centralized Liquidity Solution (see note 2).



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