

CITY OF EDMONTON

2006 FINANCIAL RESULTS

The City of Edmonton 2006 financial results show solid fiscal management at a time of unprecedented growth. Tax-supported operations achieved a modest \$11.2 million surplus, a net 0.9 per cent of the expenditure budget. Increased revenue from a strong local economy was partially offset by increased winter road maintenance costs and other expenditures to meet the growing service needs. Revenues increased through:

- Growth in user fee funded areas such as transit, waste management, licenses and development permits.
- Higher than budgeted investment earnings due to interest rate increases and continued strong capital market performance.
- Additional government transfers to fund community, transportation and other municipal services.

The tax-supported surplus is added to the Financial Stabilization Reserve, available to address future emerging needs and to provide flexibility in times of revenue instability. With this addition, the target level - seven per cent of general government operating expenditures, to a maximum of \$85.0 million - will be reached in the Reserve. The excess of \$4.9 million has been approved for affordable housing initiatives, to provide support for the Ukrainian Canadian Archives and to fund activities which have carried forward into the 2007 calendar year.

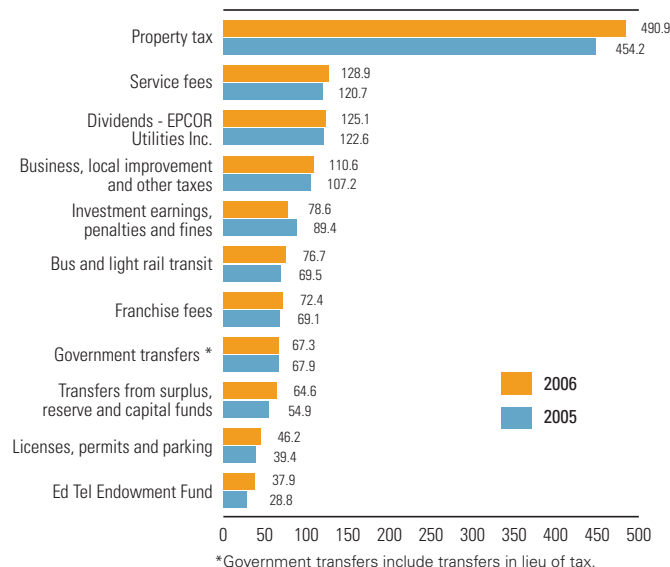
Included in this document are tables and charts outlining the 2006 revenues, expenditures and fund transfers for the tax-supported programs and services the City provides. Summarized information on utility and subsidiary operations is included in the table, Other Financial Information.

Consolidated financial statements, as audited by the independent accounting firm of Deloitte and Touche LLP, form part of the 2006 City of Edmonton Annual Report. The Annual Report is available for review on the City of Edmonton web site at www.edmonton.ca, or at any public library location.



WHERE THE MONEY TO RUN THE CITY COMES FROM

(millions of dollars)

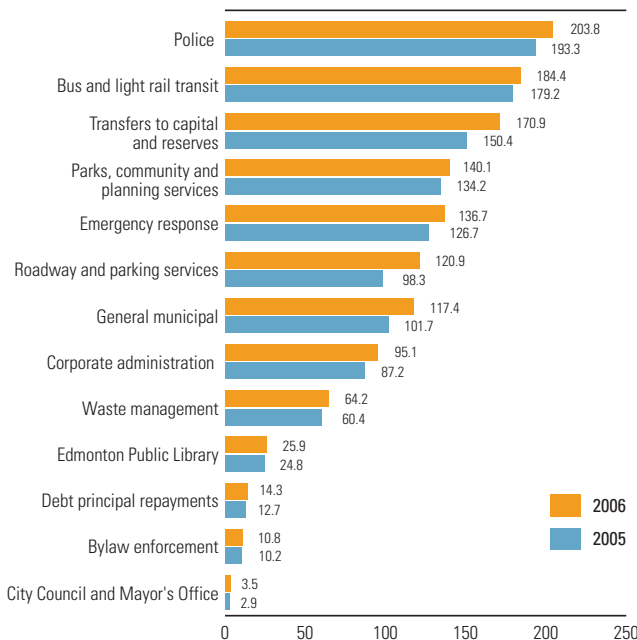


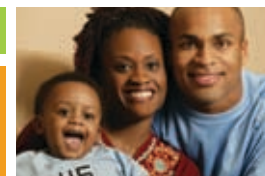
YOUR PRIORITIES

Edmontonians have said that some of their top priorities for increased funding are police services, public transit and road maintenance. This year, we continued to increase the investment for these priority areas.

SERVICES SUPPORTED

(millions of dollars)





SUMMARY OF MUNICIPAL OPERATIONS (Note 1)

For the Year Ended December 31, 2006

Revenues (in thousands of dollars)	Budget 2006	Actual 2006	Expenditures (in thousands of dollars)	Budget 2006	Actual 2006
Taxation:			Police	\$ 205,182	\$ 203,766
Property	\$ 489,108	\$ 490,927	Bus and light rail transit	181,975	184,356
Business	96,544	97,640	Emergency response	138,861	136,687
Government transfers in lieu of tax	16,808	16,421	Roadway and parking services	108,669	120,904
Local improvements	10,390	9,856	General municipal (Note 3)	112,083	117,365
Other	2,200	3,065	Corporate administration (Note 2)	95,081	95,144
	615,050	617,909	Parks and recreation	87,581	92,343
General municipal services and other	116,355	128,944	Waste management	61,570	64,236
Bus and light rail transit	72,238	76,744	Community and family	29,061	28,204
Franchise fees	72,417	72,379	Edmonton Public Library	25,917	25,917
Government transfers	44,044	50,866	Planning services	19,402	19,660
Investment earnings	29,415	42,555	Bylaw enforcement	10,384	10,813
Ed Tel Endowment Fund contribution	37,860	37,823	City Council and Mayor's Office	3,793	3,450
Fines and penalties	35,255	36,046			
Licenses and permits	31,254	35,823	Municipal expenditures before transfers and debt principal repayments	1,079,559	1,102,845
Parking	9,007	10,399	Debt principal repayments	13,069	14,274
			Transfer to reserve fund	51,145	57,279
Municipal revenues before transfers and dividends	1,062,895	1,109,488	Transfer to capital fund (Note 4)	114,442	113,673
Dividends from EPCOR Utilities Inc.	125,100	125,100			
Transfer from operating surplus	51,546	51,656	Total Municipal Expenditures	1,258,215	1,288,071
Transfer from reserve fund	18,674	12,135			
Transfer from capital fund	-	856	Excess of revenues over expenditures	\$ -	\$ 11,164
Total Municipal Revenues	\$ 1,258,215	\$ 1,299,235			

Notes to Summary of Municipal Operations:

- Budget and Actual 2006 figures are consistent with those included in the City's audited consolidated financial statements.
- Corporate administration consists of personnel and administrative costs for Corporate Services, Assessment and Taxation, Corporate Business Planning, and Offices of the City Manager and City Auditor.
- General municipal expenditures consist of accommodation expenditures, tax expenditures, grants provided, subsidies to miscellaneous Boards and Authorities and general financial costs.
- Transfer to capital fund represents pay-as-you-go funding from general revenue for capital projects.

OTHER FINANCIAL INFORMATION

For the Year Ended December 31, 2006

(in thousands of dollars)	Revenues	Expenditures	Net income	Contribution to municipal operations
EPCOR Utilities Inc.	\$ 3,318,778	\$ 2,676,681	\$ 642,097	\$ 161,800
Ed Tel Endowment Fund (unaudited)	61,559	1,709	59,850	37,823
Sanitary Drainage Services (unaudited)	105,855	73,639	32,216	12,868
Land Drainage Services (unaudited)	17,212	10,806	6,406	
Edmonton Economic Development Corporation	26,616	25,971	645	
Edmonton Public Library	33,379	33,078	301	

The financial results provided above are consistent with those reported in the annual financial statements for the respective organizations or operations. The contribution to municipal operations reflects the amount, excluding taxation, included in the Summary of Municipal Operations. Edmonton Economic Development Corporation revenues include \$11,241 of tax levy funding. Edmonton Public Library revenues include \$ 25,917 of tax levy funding.