

FINANCIAL REPORT TO RESIDENTS 2024

Edmonton

CITY OF EDMONTON, ALBERTA
FOR THE YEAR ENDED
DECEMBER 31, 2024



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FINANCIAL REPORT TO RESIDENTS 2024

The Financial Report to Residents provides highlights of the 2024 Annual Report and includes information on the 2024 financial results, operating and capital budgets, the economy and significant City accomplishments. The complete 2024 Annual Report is available at edmonton.ca/annualreport.

More detailed information on the planning and budgeting process is available at edmonton.ca/budget.

The financial information presented in this report is consistent with the 2024 Annual Report, which includes the consolidated financial statements (financial statements) for the City, prepared in accordance with Canadian public sector accounting standards (PSAS).

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INTRODUCTION

The 2024 Financial Report to Residents offers a summary of the City's annual financial position and operational successes. It outlines the allocation of resources to the operating and capital budgets demonstrating how taxes fund the services and infrastructure that Edmontonians rely on.

In 2024, City Council approved an 8.9 per cent tax levy increase, which allowed the City to take fiscally responsible steps to respond to budget challenges, inflationary pressures, rapid population growth and the changing service needs of Edmontonians, all of which affected the City's costs and revenues, adding significant pressure since the four-year budget was developed in 2022. The increase also made it possible for the City to continue to deliver the services Edmontonians rely on, and to move forward with the construction projects Edmontonians need now and into the future. This report provides residents with meaningful insights into the City's financial management and promote a greater understanding of Edmonton's financial well-being.

INTRODUCTION

The City of Edmonton is building a great city, now and for the future. We are investing in the things that matter to Edmontonians every day—programs and services, places to go and ways to get there.

Our City Council, including 12 ward Councillors and a Mayor, sets policies, approves budgets, passes bylaws and provides direction for the City Manager. The City Manager and City Auditor are Council's direct employees.

The City Manager leads the City's Administration and serves the public by implementing Council's vision and providing City services. Administration is made up of five departments, which work together to manage interrelated activities and lines of business.



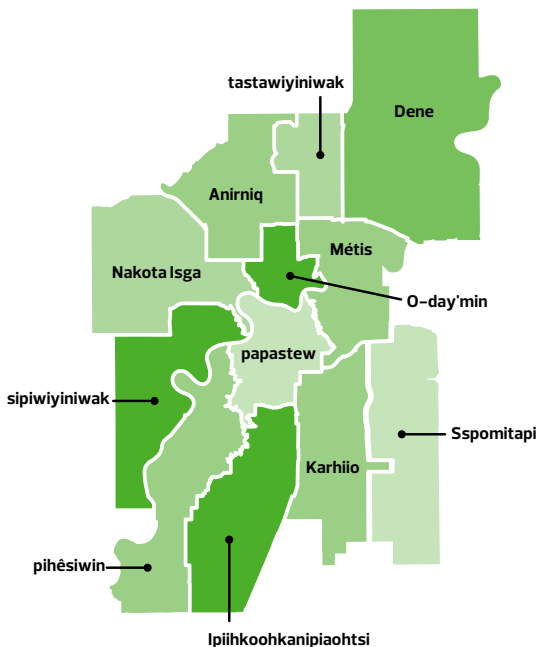
Back Row (left to right): Keren Tang – Ward Karhiio, Michael Janz – Ward papastew, Karen Principe – Ward tastawiyiniwak, Mayor Amarjeet Sohi, Tim Cartmell – Ward pihësiwin, Ashley Salvador – Ward Métis, Sarah Hamilton – Ward sipiwiyiniwak
Front Row (left to right): Andrew Knack – Ward Nakota Isga, Jennifer Rice – Ward Ipiihkoohkanipiahtsi, Anne Stevenson – Ward O-day'min, Jo-Anne Wright – Ward Spomitapi, Erin Rutherford – Ward Anirniq, Aaron Paquette – Ward Dene

MESSAGE FROM MAYOR

Reflecting on 2024, I am proud of this Council and employees across the organization for working together to find a balanced approach to managing our finances and addressing the budget challenges that we and so many other cities continued to face. Together, we've made budget decisions that protect the core services that Edmontonians rely on every day and allow us to continue investing in critical infrastructure projects. We have carefully weighed these decisions with a focus on finding savings and efficiencies to keep property taxes and user fees as manageable as possible for residents. We will continue to work closely and collaboratively with Administration and our partners in the community and in government to tackle today's challenges and support our development into a vibrant, urban and sustainable City of a million more people in the coming decades.



A. Sohi
Amarjeet Sohi, Mayor



MESSAGE FROM CITY MANAGER

The City of Edmonton's 2024 Annual Financial Report reflects the City's ongoing commitment to manage public funds responsibly and transparently. The corporation continues to navigate the pressures of inflation, a rapidly growing population and the evolving needs of Edmontonians. Budget challenges are complex but we will ensure we are maintaining, sustaining and growing a city for all Edmontonians through an ongoing commitment to efficiency and continual improvement. Together with City Council, Administration made meaningful progress in 2024 by carefully monitoring our revenues and managing expenses in order to protect the City's financial health.

When people leave their homes, they want to see a well-managed city. As City Manager, I am proud to lead our organization's workforce. Every day, City employees answer the call—whether that is maintaining the roads, bridges, pathways and transit that move people; delivering the emergency services and social supports people rely on; or activating attractions, recreation centres, sports fields and parks that make Edmonton a great place to call home. Whether it is day-to-day programs and services or transformational projects, the world is noticing why Edmonton is extraordinary.



[Signature]
Eddie Robar, City Manager

ECONOMIC OVERVIEW

EDMONTON AREA IN SQUARE KILOMETRES AND POPULATION

Alberta



782.47¹

Edmonton area in square km

1,190,458

Edmonton area population,
(as of July 1, 2024),
Statistics Canada

% OF POPULATION OF WORKING AGE, 2024

(as of July 1, 2024)



82.5%

Edmonton CMA²



84.8%

Canada³

¹ City of Edmonton Urban Planning and Economy

² Statistics Canada, Table 17-10-0148-01

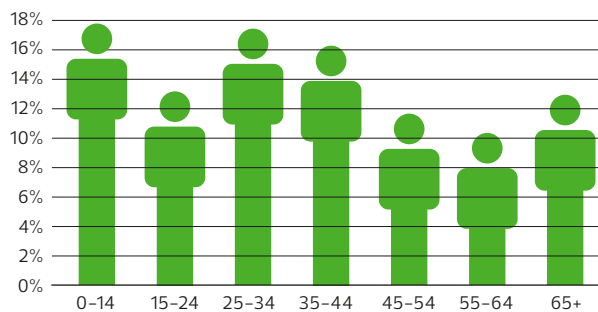
³ Statistics Canada, Table 17-10-0005-01

ECONOMIC OVERVIEW

AVERAGE AGE⁴ (as of May 11, 2021)

Edmonton	38.4
Alberta	39.0
Canada	41.9

EDMONTON POPULATION AGE DISTRIBUTION⁵ (as of July 1, 2024)



MEDIAN TOTAL INCOME, ALL FAMILIES⁶ (Statistics Canada, 2022)

\$111,110

Edmonton CMA

\$110,350

Alberta

\$101,840

Canada



Another year of record population growth combined with improving financial conditions (e.g. stabilizing consumer inflation, falling interest rates) supported further economic expansion in Edmonton and the census metropolitan area (CMA) in 2024, with activity peaking towards the end of the year.

Along with population growth, Edmonton's labour force grew 2.0 per cent in 2024, however employment only grew modestly at 0.5 per cent. This resulted in a rise in the unemployment rate from 6.1 per cent in 2023 to 7.5 per cent in 2024.

On an annual basis, consumer inflation in the Edmonton CMA averaged 2.8 per cent. This was unchanged from 2023, primarily due to elevated shelter and food inflation. An acceleration in rented accommodation inflation (from 4.6 per cent in 2023 to 12.0 per cent in 2024) and still elevated owned accommodation inflation (6.3 per cent) more than offset a modest deflation in core utilities (-0.3 per cent). Borrowing conditions also improved in 2024, as the Bank of Canada lowered its policy interest rate twice in 2024, bringing it down to 3.25 per cent by year end.

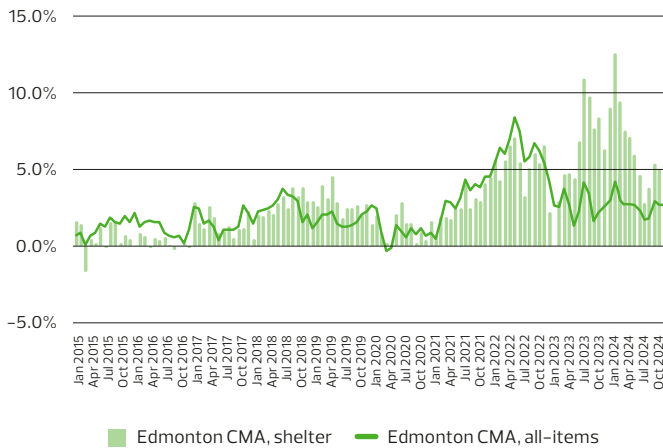
Growing housing demand was a major driver of Edmonton residential construction sector activity in 2024.

4 2021 Federal Census of Population
5 Alberta Treasury Board and Finance
6 Statistics Canada. Table 11-10-0009-01

The value of total building permits in 2024 totalled \$4.3 billion, a 29.0 per cent increase over 2023, with growth largely driven by building intentions for new residential structures, which were up 52.6 per cent and accounted for almost 59.0 per cent of all permits. There were a total of 13,484 housing starts in Edmonton in 2024, a record high since at least 1990, representing a 39.5 per cent increase over 2023. The growth in housing starts was led by apartments (47.9 per cent), primarily rentals, and single detached units (40.7 per cent).

Annualized Consumer Inflation – Edmonton CMA

Source: Statistics Canada



Value of Building Permits Issued – Edmonton (million of \$)

Source: City of Edmonton

Note: residential includes single, semi-detached, row and apartment structures, as well as miscellaneous residential building activity. Non-residential includes commercial, industrial and institutional structures.

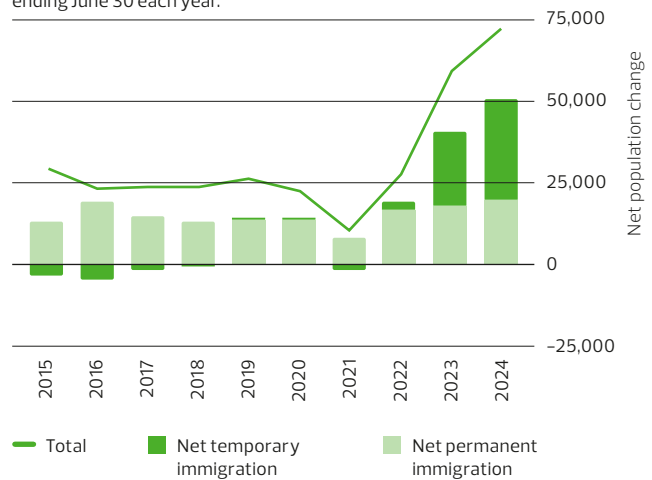


Edmonton's population grew by 5.7 per cent between 2023 and 2024, reaching an estimated 1,190,458 on July 1, 2024. This was the fastest growth rate since 2002. The CMA population also grew by 4.7 per cent over the same period. As of July 1, 2024, Edmonton's population made up 73.0 per cent of the CMA, its highest share since 2001. Net migration, especially from international migration, was the primary factor in CMA population change between 2023 and 2024. International migration to the CMA, including permanent and temporary (i.e. non-permanent) immigration, also reached its highest level since at least 2002. Net temporary immigration, which includes international students and temporary foreign workers, was almost 31,000 between 2023 and 2024, surpassing both net permanent immigration (almost 20,000) and domestic migration⁷ (almost 17,000). Net interprovincial migration also reached a new high since 2002, at 13,893.

Population change, select components – Edmonton CMA

Source: Statistics Canada

Note: figures reflect changes in estimates over the 12-month period ending June 30 each year.



⁷ Domestic migration is the sum of net interprovincial (between Alberta and other provinces) and net intraprovincial (between regions within Alberta) migration.



FINANCIAL HIGHLIGHTS

OPERATING BUDGET

In 2024, the City began the second year of the 2023–2026 multi-year operating budget. In the previous budget cycle and throughout the pandemic, the planned tax increases were reduced in response to the financial challenges Edmontonians were dealing with at the time. These low tax increases were no longer sustainable given the persistent period of high inflation that followed the pandemic combined with rapid population growth. Consequently, City Council approved an 8.9 per cent increase to the tax-supported operating budget, including 7.3 per cent for municipal services and 1.6 per cent for Edmonton Police Service. This increase allowed the City to maintain and continue to improve core public services while also carrying out previous commitments and transformational projects.

CAPITAL BUDGET

The 2023–2026 Capital Budget aims to balance renewal and growth projects so that capital investment maximizes benefits, reduces risk and provides service levels that meet the public's expectations. Approximately 30 per cent of 2023–2026 capital investment is earmarked for renewing roads, neighbourhoods, parks, City-owned buildings and transit vehicles, with the remaining 70 per cent supporting the planning and delivery of new infrastructure.



The City's Edge Fund invested over \$4.5 million into 17 businesses across eight industries to start, scale and grow in Edmonton. The fund addresses funding gaps for innovators and entrepreneurs, enabling innovation and diversifying the local economy.

2023–2026 BUDGETS

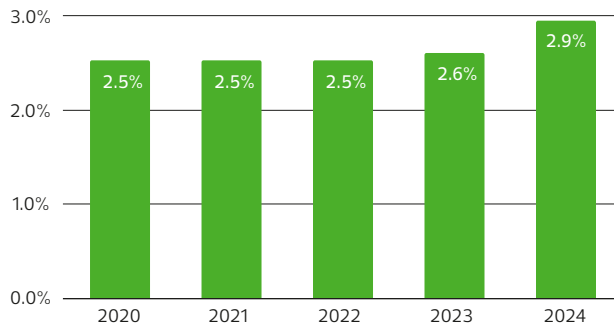
Guided by Edmonton's Strategic Planning Framework, the 2023–2026 operating and capital budgets are the City's four-year plan for where the City will get money (i.e. revenues) and how the City will spend it (i.e. expenditures). It maps out how property tax dollars and other funding will be allocated to provide the 70 services Edmontonians rely on every day, as well as the hundreds of construction projects a growing Edmonton needs now and into the future.

The City's multi-year approach allows Administration to align strategic plans, business plans and operating and capital budgets to ensure dollars are aligned to Council's vision. It also allows for better alignment with Council's election terms, providing the foundation for more informed and strategic financial decision-making. Funding can be reallocated across different years of the budget and needs can be assessed over a longer term to allow for more prudent and informed financial decision-making, while building stable program and service delivery, and infrastructure development.

The operating budget identifies how resources for the day-to-day costs required to run the City are allocated for services like fire rescue, parks, public transit and roadway maintenance. The approved budget resulted in a 8.9 per cent general property tax increase in 2024.

The capital budget strikes a balance between investments in the new infrastructure needed in a rapidly growing city like Edmonton and investments in maintaining and renewing the City's existing assets, valued at over \$34 billion. It is the plan for investing in Edmonton's infrastructure, including the planning and construction of buildings such as recreation centres and libraries, and transportation assets like light rail transit (LRT) lines and bridges. The foundation of the 2023–2026 Capital Budget is the 2023–2032 Capital Investment Outlook, a high level overview of the City's capital investment requirements over the next 10 years that supports the strategic direction of Council.

Municipal Property Tax as a % of Median Family Income



Notes:

- 1 Property tax calculated for median assessed value of a single detached house.
- 2 Data Source: Statistics Canada Table 11-10-0009-01; Estimates for 2023 and 2024 calculated by City of Edmonton.

COST OF CITY SERVICE TO EDMONTONIANS

According to the City's analysis of the most recent Statistics Canada data from 2023, the average monthly expenditure for a typical Edmonton household was \$10,287. This includes all expenses to live and enjoy life in Edmonton: food, shelter, household operations, clothing, transportation, health care, education and personal care, recreation and entertainment, insurance payments, pension contributions and taxes.

The average household spent \$3,591 per month on taxes, duties, premiums, levies and fees to all orders of government in Canada, amounting to 35 per cent of their monthly expenditure. Of this taxation expenditure, 67 per cent attributed to the federal government, 25 per cent to the provincial government and the remaining eight per cent to the City of Edmonton. Of this eight per cent City share, \$248 was municipal property tax and the remaining \$49 was municipal waste utility rates, which are paid for through EPCOR bills.

Average Monthly Household Spending

in 2023 – Typical 2-Income,

Owner-Occupied Edmonton Household **Monthly \$**

Federal Taxes	2,406
Shelter	1,749
Food	1,295
Transportation	1,043
Household Operations	981
Provincial Taxes	888
Health Care, Education & Personal Care	620
Recreation & Entertainment	568
Municipal Property Tax	248
Clothing	246
Insurance Payments & Pension Contributions	194
Municipal Utility Fees	49
Total	10,287

Notes:

- 1 A typical household is defined as a dual-income earning, owner-occupied household, with the primary earner earning 69% of gross household employment income, and the secondary earner earning 31% of gross household employment income. This split was determined by Statistics Canada census data (Table 98-10-0083-01).
2. Data Sources: Statistics Canada Survey of Household Spending in 2023 for Edmonton Census Subdivision; Statistics Canada Table 11-10-0028-01; Calculations by City of Edmonton.
3. Federal Taxes include federal income tax, Goods and Services Tax, Canada Pension Plan contributions, Employment Insurance premiums, federal carbon tax, and excise taxes on fuel, alcohol, tobacco, gaming and cannabis (excise taxes are calculated based on consumption data from the 2023 Survey of Household Spending).
4. Provincial Taxes include provincial income tax, education property tax, emergency 911 levy, excise duties on cannabis returned to the Province, and excise taxes on fuel, alcohol, tobacco, and gaming (excise taxes are calculated based on consumption data from the 2023 Survey of Household Spending).

FINANCIAL HIGHLIGHTS

WHERE YOUR MUNICIPAL TAX DOLLARS GO PER MONTH

\$274
Per month³



\$43

Police Service



\$30

Debt Repayment



\$28

Transit Service



\$23

Neighbourhood Renewal



\$23

General Expenses¹



\$21

Fire Rescue Services



\$21

Parks and Roads Services



\$20

Support Services²



\$14

Transfer to Capital (Pay-As-You-Go)



\$14

Community Recreation and Neighborhood Services



\$9

Planning and Development Services



\$6

Fleet and Facility Services



\$6

Other Boards, Agencies and Commissions



\$6

Social Development



\$5

Public Library



\$5

Governance and Oversight

¹ General Expenses includes Automated Enforcement, Capital Project Financing and corporate wide expenditures
² Support Services includes Financial and Corporate Services, and others such as Talent Management, and Workforce Safety and Employee Health
³ Distribution based on the 2024 approved operating budget

FINANCIAL RESULTS STATEMENT OF OPERATIONS

For the year ended December 31, 2024

(millions of \$)

	2024 Budget	2024 Actual	2023 Actual	2022 Actual Restated*	2021 Actual
Operating Revenues	\$ 3,947.1	\$ 4,001.6	\$ 3,674.1	\$ 3,433.8	\$ 3,358.5
Capital Revenues	1,618.5	800.3	762.5	633.5	527.1
Operating Expenses	3,871.5	3,819.8	3,658.7	3,426.0	3,093.5
Excess of Revenues over Expenses	\$ 1,694.1	\$ 982.1	\$ 777.9	\$ 641.3	\$ 792.1

*2022 is restated due to a new accounting standard implemented in 2023.

For further details see Note 1t in the 2023 City of Edmonton Consolidated Financial Statements.

The Statement of Operations provides a summary of revenue earned and expenses incurred over the year. The Excess of Revenue over Expenses has been trending upward over the past four years. The revenues include capital revenues that are used for funding assets, such as roadway systems and buildings, for which the related expenses will be reported in future years as the assets are used. Revenue and expenses include the results for the consolidated reporting entity, including general government tax-supported departments, enterprises, utilities and various other boards and organizations. General government (i.e. tax-supported) operations ended the year with a \$4.2 million deficit (0.1 per cent of budgeted tax-supported expenses) relative to the operating budget. The deficit is primarily the result of:

Higher-than-expected personnel costs, resulting from overtime in Fire Rescue Services and Edmonton Transit as well as increased staffing levels required at recreation centres to meet greater than expected demand and security needs.

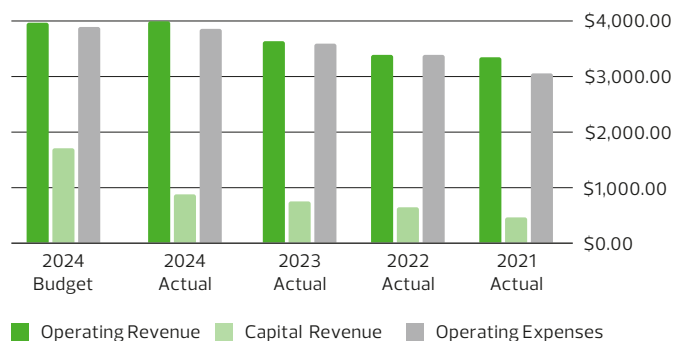
Lower-than-expected transit revenue resulting from shifts in fare purchasing behaviour and greater demand for discounted fare products.

Higher-than-anticipated material and contractor expenses primarily due to inflation.

Higher-than-budgeted tax losses related to property exemptions.

This deficit was partially offset by financial strategies to manage risk and provide flexibility for emerging items over the course of the budget cycle, delayed grant payments and higher revenue from recreation facility admissions related to increased demand.

Revenues and Expenses (millions of \$)

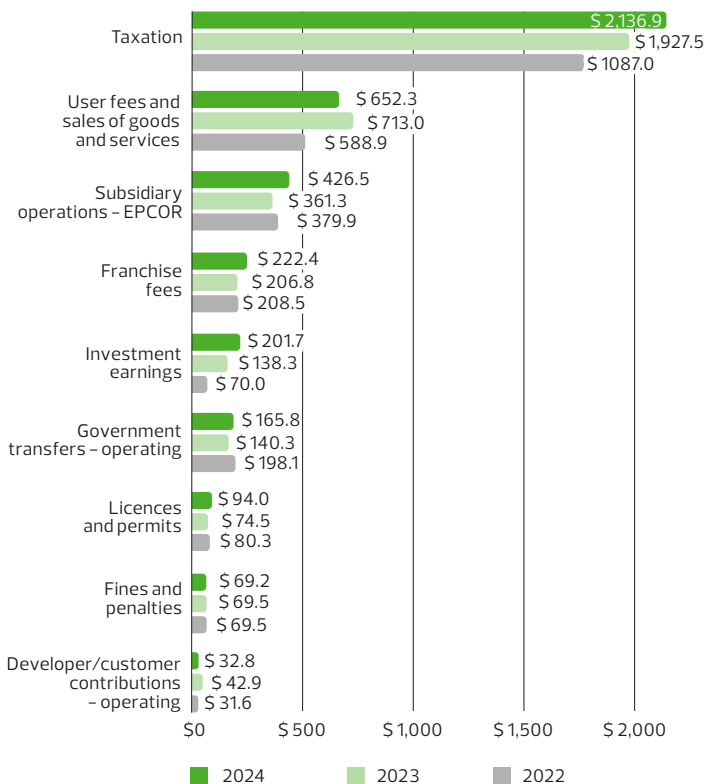


Over the past four years, operating revenue has been trending upward with a majority of revenue coming from property taxes, user fees, the City's investment in EPCOR (an incorporated utility wholly owned by the City of Edmonton), franchise fees and investment earnings. Capital revenues vary from year to year based on fluctuations in development activities and timing of significant capital projects. Expenses over the past four years reflect the demand for additional services and infrastructure that comes with a rapidly growing population, with 2021 being a notable exception when numerous City facilities and services were operating under health restrictions (including facility closures) due to enhanced COVID-19 safety measures.

OPERATING REVENUES

Where does the money come from?

Year-over-year comparison (millions of \$)



Property tax is the primary source of revenue available to the City to pay for municipal services. In 2024, the City collected \$2,136.9 million in net property taxes supporting these services, representing 53.4 per cent of the City's operating revenue, a slight increase from 52.5 per cent in 2023.

Net taxes for municipal services are collected annually to support operations, with certain amounts directed towards specific programs such as neighbourhood renewal, community revitalization and LRT expansion. The remaining tax revenues are applied generally across all departments.

WHAT CHANGED FROM LAST YEAR?

Overall, operating revenues increased by \$327.5 million from 2023, primarily due to increases in revenue from:

Property taxes collected increased by \$209.4 million due an 8.9 per cent tax increase for 2024 and assessment growth.

Subsidiary operations (EPCOR), driven by favorable changes in the fair market value of electricity purchase contracts within Energy Services, and higher Water Services revenue from increased rates, consumption and customer growth.

Investment earnings resulting from gains on the sale of global and U.S. equity holdings as part of the City's annual portfolio rebalancing, which realigned asset classes with investment policy targets.

Government transfers - operating, primarily due to higher federal and provincial grants, including funding for 50 additional Edmonton Police Service (EPS) officers, the Alberta Transit System Cleanup Grant and the 2 Billion Trees Program.

Licences and permits, primarily driven by a surge in residential and non-residential development permits reflecting increased building activity compared to the prior year.

Operating revenues were offset by lower user fees and sales revenue, mainly because of significantly higher land sales in the prior year, a revenue source that fluctuates considerably. This was partially offset by increased waste collection fees, as a result of customer growth and rate increases, higher transit fare revenue as ridership surpassed pre-pandemic levels and increased membership and admission revenues at recreation facilities and other city attractions due to increased attendance.

HOW DO RESULTS COMPARE TO BUDGET?

Operating revenues were higher than budgeted by \$54.5 million, or 1.4 per cent of the revenue budget. This was mainly due to the following situations:

Higher government transfers (operating), primarily due to greater-than-budgeted provincial grants, including funding for 50 additional Edmonton Police Service (EPS) officers, the Alberta Transit System Cleanup Grant and the 2 Billion Trees Program.

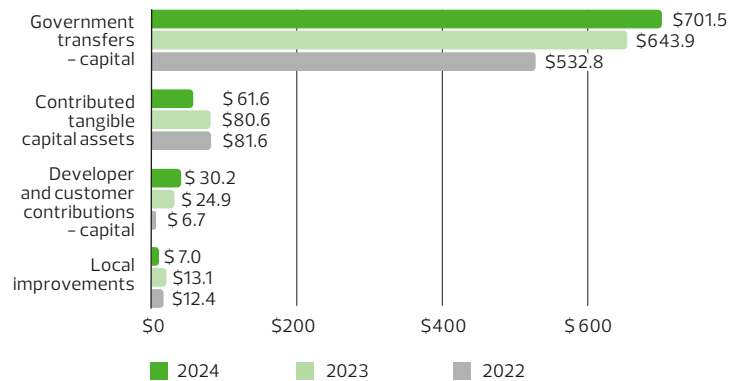
User fees and sales of goods and services exceeded budget due to anticipated recoveries for wildfire assistance, higher-than-expected demand at recreation and attraction facilities, special events and programs. Additionally, there were increased requests for EPS to perform information checks and extra duty policing. These favorable variances compared to budget were partially offset by decreased transit fare revenue resulting from changing purchasing behaviors and travel patterns, and lower-than-budgeted land sales due to sales timing and below-market prices.

Higher-than-budgeted revenue from licences and permits was primarily attributable to a surge in residential and non-residential development permits, due to higher-than-expected building activity in the city. The City also collected increased business licence revenue, related to higher business activity and a change in accounting treatment. Partially offsetting these gains were lower-than-budgeted permit revenues from On-Street Construction and Maintenance permits, regulated road use licences and agreements, detour fees, and developer sign and moving permits. Furthermore, development permits, land development applications and lot grading revenues were previously recognized immediately upon receipt of payment. However, due to accounting changes they are now recognized into revenue over the term, resulting in lower-than-budgeted revenues for these revenue streams.

CAPITAL REVENUES

Where does the money come from?

Year-over-year comparison (millions of \$)



Capital revenues are composed of funding sources for capital projects as approved by Council through the capital budget process.

WHAT CHANGED FROM LAST YEAR?

Capital revenues were higher than 2023 by \$37.8 million mainly due to the following reasons:

Government transfers - capital revenues (i.e. capital grants from other orders of government) increased due to an overall increase in capital activity in 2024 across numerous capital projects including LRT construction on Valley Line West and the Capital Line South extensions. This was partially offset by decreased activity on the Metro Line as the majority of the work on this capital project was completed in 2023. Additionally, a significant portion of the Yellowhead Freeway Conversion project is now complete with completion of the one remaining section expected in 2027.

Contributed tangible capital assets (i.e. assets built by external parties and contributed back to the City, such as developers building roads and contributing the road back to the City) were lower than the prior year due to a decrease in developer contributed infrastructure assets such as roads, sidewalks and streetlights for new neighbourhoods. This decrease was partially offset by an increase related to the contribution of the Citadel Theatre building in 2024.

HOW DO RESULTS COMPARE TO BUDGET?

Capital revenues of \$800.3 million were \$818.2 million lower than budget due to:

Government transfers – capital were \$703.0 million lower than budget due to the timing of several LRT projects (Metro Line: NAIT to Blatchford Extension, Capital Line and Valley Line West) and the recognition of the Investing Canada Infrastructure Program grant used to fund a portion of these projects. The Capital Line LRT project completed its design phase and construction preparation work is underway. While the Metro Line has been completed, procurement of six Light Rail Vehicles (LRVs) is still pending. The Valley Line West project reached 35 per cent completion, and will also include LRV procurement. Grant-eligible spending related to the Yellowhead Trail Freeway Conversion projects, funded through the Building Canada Fund program, also happened at a slower rate than originally planned, with expected completion now in 2027.

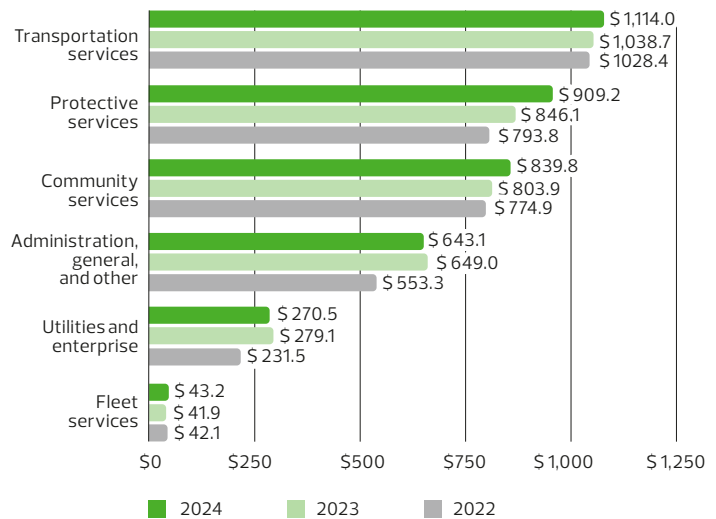
Contributed tangible capital assets were lower than budget because the amount of land and developer-contributed roadway assets varies depending on neighborhood development.

Developer and customer contributions were lower than budgeted, largely due to the timing of capital expenditures funded by partners or developers, including those for Imagine Jasper Avenue, park renewals and district energy sharing systems.

OPERATING EXPENSES

Where does the money go?

Year over year comparison (millions of \$)



The City provides a full range of local government services: maintaining the roads and public transit that move people; police, bylaw and fire rescue services to keep people safe; parks and waste management to keep our communities clean and healthy; and social programs and leisure activities to make Edmonton a great place in which to live, work and visit.

WHAT CHANGED FROM LAST YEAR?

Operating expenses increased by \$161.1 million over the prior year. This is a result of:

Increasing Transportation Services costs primarily due to the Valley Line Southeast LRT's first full year of operations, higher wages for renewed collective bargaining agreements and increased overtime. In addition, inflationary pressures further drove up fuel, material and contract costs. Snow and ice control expenses increased due to significant snowfall events in late 2024, which led to increased contractor callouts and higher contractor prices also driven by inflation.



Higher costs for Protective Services (i.e. Edmonton Police Service, Fire Rescue Services and Bylaw enforcement) resulted from increased wages for updated collective bargaining agreements, and higher benefit and WCB premiums. Additionally, there was increased operating costs due to inflation and to support expanded policing, driven by population growth, as permitted through Policy C604B Edmonton Police Service Funding Formula.

Increasing Community Services costs due to higher demand for recreation facilities and special events, resulting in higher operating costs, as well as inflationary cost pressures. There were also higher wages for unionized staff under collective bargaining agreements.

Increasing Waste Services Utility costs due to higher wages resulting from collective bargaining agreements, as well as higher contract costs for landfill fees and increased costs due to the closure of the Material Recovery Facility.

These higher costs are offset by lower land sales costs, which decreased due to the timing of land sales.



The City provided 49 days of operational support for approximately 1,845 evacuees from the Regional Municipality of Wood Buffalo and 2,856 evacuees from Jasper.

HOW DO RESULTS COMPARE TO BUDGET?

Operating expenses of \$3,819.8 million were lower than budget by \$51.7 million, or 1.3 per cent of the consolidated expense budget. This is due to the following circumstances:

Transportation services expenses were lower-than-budget due to reduced depreciation (reduction in the value of an asset with the passage of time, especially due to wear and tear), primarily resulting from slower than expected construction progress, specifically related to projects on Yellowhead Trail and Terwillegar Drive. This was offset by higher costs related to a change in accounting treatment, and the recognition of Public Private Partnership payments for the Valley Line Southeast LRT equally across the agreement's duration, which differs from the budget's use of fluctuating scheduled payments. There was also increased personnel costs resulting from higher wages and increased overtime, with inflationary pressures further driving up fuel, material and contract costs. Snow and ice control expenses increased due to significant snowfall events in late 2024.

Community Services experienced less-than-budgeted costs due to grant and rebate program delays resulting from slower than expected program uptake and both progress and delays on projects. Public housing grant payments were also lower due to delayed third-party commitments, primarily for the Affordable Housing Investment Program, related to ongoing construction delays. These were partially offset by higher-than-budgeted recreation facility costs, driven by unexpectedly higher demand for recreation, attraction facilities, programs and special events.

Land sales costs were lower than planned due to the timing of land sales.

These lower-than-budgeted costs were offset by higher Protective Services expenses, primarily due to Alberta Wildfire support with anticipated cost recovery, and increased personnel costs, mainly from higher benefit and WCB premiums.

FINANCIAL HIGHLIGHTS

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024
(millions of \$)

	2024	2023	2022 Restated*	2021	2020
Financial Assets	\$ 9,433.6	\$ 8,873.7	\$ 8,511.1	\$ 8,093.8	\$ 7,527.5
Liabilities	6,348.3	6,041.7	5,804.0	5,370.8	5,027.5
Non-Financial Assets	16,069.4	15,161.7	14,443.7	13,839.1	13,272.9
Accumulated Surplus	\$ 19,154.7	\$ 17,993.7	\$ 17,150.8	\$ 16,562.1	\$ 15,772.9

The Statement of Financial Position is a summary of what the City owns (assets) and owes (liabilities) at the end of each year. Accumulated surplus is an indicator of the City's overall financial viability that reflects the net economic resources the City has built up over time. The City maintains a stable accumulated

surplus balance due to its continued investment in Edmonton's infrastructure, its growing investment in EPCOR and robust reserve management.

*2022 is restated due to a new accounting standard implemented in 2023. For further details see Note 1t in the 2023 City of Edmonton Consolidated Financial Statements



\$9,433.6 FINANCIAL ASSETS

- Cash and cash equivalents
- Receivables
- Portfolio investments
- Land for resale
- Investment in EPCOR



\$6,348.3 LIABILITIES

- Accounts payable and accrued liabilities
- Deferred revenue
- Employee benefit obligations
- Asset retirement obligation
- Long-term debt



\$16,069.4 NON-FINANCIAL ASSETS

- Tangible capital assets
- Inventory of materials and supplies
- Prepays
- Other assets



\$19,154.7 ACCUMULATED SURPLUS

- Equity in EPCOR
- Ed Tel Endowment fund
- Reserves
- Equity invested in tangible capital assets
- Advances for construction
- Accumulated measurement gains/losses

FINANCIAL ASSETS (WHAT WE OWN)

Financial assets are those that can be used to discharge existing liabilities (what we owe) or finance future operations. The City's financial assets are mainly made up of an investment in EPCOR, portfolio investments and receivables.

In 2024, the City's financial assets were \$9,433.6 million, an increase of \$559.9 million over the prior year. This is mainly due to an increase in the City's investment in EPCOR and portfolio investments, and partially offset by a decrease in cash and cash equivalents.

EPCOR UTILITIES

The City's investment in EPCOR Utilities Inc. (wholly owned by the City of Edmonton) was \$5,172.1 million at the end of 2024, a \$380.4 million increase from the prior year. The net increase is due to EPCOR's reported net income of \$426.5 million for 2024, \$34.5 million of tangible capital assets contributed to EPCOR by the City and other comprehensive income of \$116.3 million. This is offset by \$3.9 million in amortization of contributed assets and a dividend of \$193.0 million paid to the City. EPCOR's financial performance is further discussed in EPCOR's annual report for 2024, which is available on the company's website.

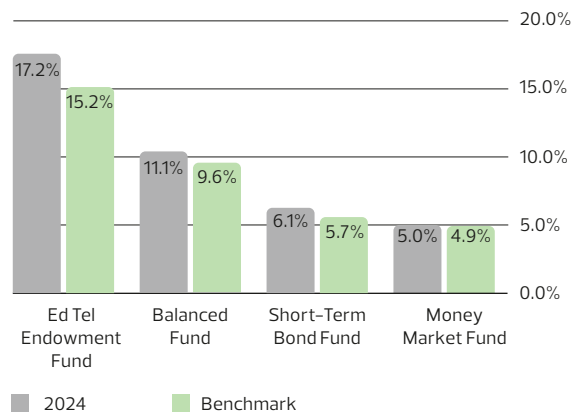
PORTFOLIO INVESTMENTS

Performance of the City's investment funds ranged from 5.0 per cent (Money Market Fund) to 17.2 per cent (Ed Tel Endowment Fund), reflecting each fund's asset mix.

In terms of general market conditions, global equities grew 21.0 per cent for the year, and U.S. equities gained 25.0 per cent. Canadian equities were up 21.7 per cent. The Canadian dollar depreciated 7.7 per cent against the U.S. dollar and Canadian fixed income securities increased 4.2 per cent for the year.

As a result, the Ed Tel Endowment Fund and Balanced Fund, both of which are invested in a mix of fixed income and equity markets in accordance with the City's investment policy, saw returns of 17.2 per cent and 11.1 per cent, respectively. Conversely, the Money Market Fund and Short-Term Bond Fund, which are invested solely in less volatile fixed income securities, had returns of 5.0 per cent and 6.1 per cent, respectively. Overall, the market value of the City's investment portfolio at year-end was \$2,848.5 million. At December 31, 2024, the unrealized gains on equity investments held was \$138.1 million.

2024 Performance vs. Benchmark



On a four-year basis, the City has generated strong positive returns and exceeded its policy benchmarks. Reviewing the results on a longer-term 10-year basis, all of the investment funds have continued to outperform their benchmarks while maintaining their upward trend.

The Ed Tel Endowment fund distributed dividends totalling \$46.4 million in 2024. Since its establishment, the fund has paid a cumulative dividend of \$1,060.1 million. By the end of 2024, the fund's market value stood at \$1,045.6 million.

More detailed information on investment performance and benchmarks is available in the Investment Committee 2024 Annual Report at: edmonton.ca/city_government/budget_finances/financial-reports

LIABILITIES (WHAT WE OWE)

The City of Edmonton ended 2024 with total liabilities of \$6,348.3 million, an increase of \$306.6 million over the prior year, mainly as a result of increased long-term debt and deferred revenue, partially offset by lower asset retirement obligations.

Tax-supported debt was borrowed to finance various capital projects, including the Valley Line, Metro Line and Capital Line LRT projects; Yellowhead Trail Freeway Conversion; Terwilligar Drive Expressway; Lewis Farms and Coronation community recreation centres, William Hawrelak Park Rehabilitation, and continued progression of Downtown and Quarters Community Revitalization Levy funded projects.

Deferred revenue is largely made up of government transfers (grants from other orders of government) provided to fund operating and capital expenditures. These are funds that are externally restricted until related expenses are incurred. The year-over-year increase was mainly due to capital funding received in advance of eligible expenditures for the Housing Accelerator Fund—a federal funding program administered by Canada Mortgage and Housing Corporation (CMHC) to rapidly create affordable housing for vulnerable populations—as well as the new Local Government Fiscal Framework Grant, which replaces the Municipal Sustainability Initiative capital grant program.



The City received an AA credit rating from S&P Global Ratings.

ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations are legal obligations associated with the retirement of capital assets. The City's asset retirement obligations reflect the estimated future costs related to the removal of asbestos in its buildings at retirement, landfill closure and post-closure care costs from its Clover Bar and Rundle Park landfill sites, and remediation of underground storage tanks. As of December 31, 2024, the City recorded a liability of \$192.2 million, a decrease in the obligation compared to 2022 mainly due to post-closure expenditures incurred during the year as well as the demolition of properties acquired as part of the Yellowhead Trail Freeway Conversion. This was partly offset by increases to the liability resulting from changes in estimates for the Clover Bar landfill post-closure liability.

DEBT

The City uses debt to finance capital expenditures under principles and limits established within the City's Debt Management Fiscal Policy. The policy is intended to support the City's long-term capital plans and strategies while maintaining long-term financial affordability, flexibility and sustainability.

The City's Charter Regulation AR39/2018 allows the City to establish its own debt limits provided the City obtains an external credit rating and develops a Council-approved debt policy. The City obtains a credit rating annually from Standard and Poor's (S&P). The City's 'AA' credit rating was affirmed by S&P, with a positive outlook in 2024. This rating reflects the City's solid financial position, despite facing pressures from rising capital project costs and the increasing debt required to meet the City's ambitious capital program. S&P indicated that its positive outlook signals confidence in Edmonton's ability to manage these challenges effectively.

The City's policies and strategies with respect to debt management are documented in the [2023-2026 Capital Budget](#) available on the City of Edmonton's website. This document comments on the City's use of debt financing to optimize resources dedicated to the acquisition, creation and rehabilitation of infrastructure.

FINANCIAL HIGHLIGHTS

The majority of City borrowing (86.7 per cent) is through the Government of Alberta's department of Treasury Board and Finance, using rates available to large municipalities in the bond market to determine the City's cost of borrowing. Interest rates are established at the time of borrowing and remain constant throughout the term of the debt, eliminating the risk associated with fluctuating interest rates. The other 13.3 per cent of the City's borrowings include the loan relating to the Canada Infrastructure Bank for Electric Buses - ZEB Program; the loan from the Federation of Canadian Municipalities for the Commercial Energy Efficient Rebate Program; and the loan from TransEd Partners General Partnership for Valley Line LRT from Millwoods to Downtown. Such borrowings were acquired on a competitive basis and under the most beneficial financing terms for the City.

The City limits tax-supported debt servicing to 18.0 per cent of tax-supported net expenditures and total debt servicing to 21.0 per cent of City revenue. Total debt servicing is permitted up to 26.0 per cent of City revenue for emergency purposes.

Debt Servicing Limits - Debt Management Fiscal Policy (millions of \$)

	2024	2023
Total debt service limit (26%)	\$ 939.2	\$ 871.2
Total debt servicing	391.9	420.7
Percentage used (%)	41.7	48.3
Total debt service limit (21%)	\$ 758.6	\$ 703.7
Total debt servicing	391.9	420.7
Percentage used (%)	51.7	59.8
Tax-supported debt service limit (18%)	\$ 514.6	\$ 481.7
Tax-supported debt servicing	337.1	366.8
Percentage used (%)	65.5	76.1

NON-FINANCIAL ASSETS (WHAT WE OWN)

Non-financial assets include physical assets that will be used for future services, such as land and buildings, as well as inventory and prepaid expenses. Public infrastructure is essential to all residents and businesses in Edmonton and critical to the competitiveness of our economy, quality of life and delivery of public services.

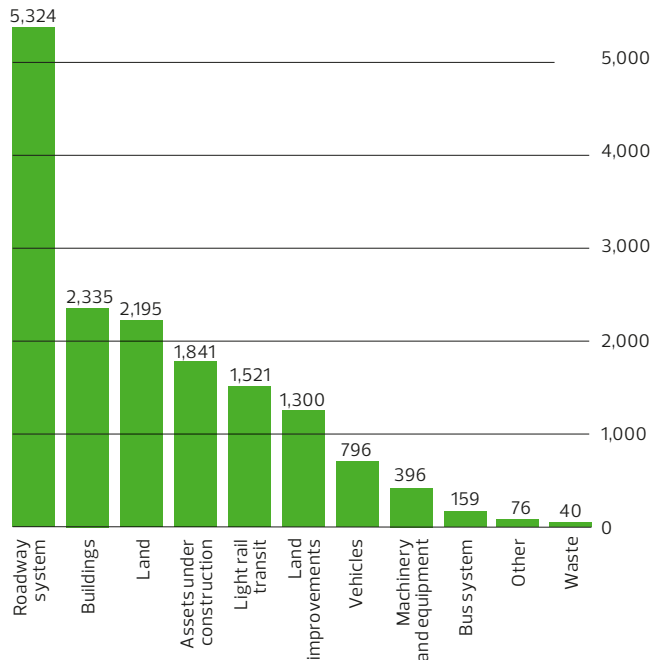


FINANCIAL HIGHLIGHTS

TANGIBLE CAPITAL ASSETS

At the end of 2024, the City owned \$15,956.0 million in capital assets, an increase of \$887.1 million over the prior year with a majority of the assets being roadway systems, buildings, land, assets under construction and LRT. In 2024, capital increased due to the expansion of Terwillegar Drive, Valley Line West and Capital Line South LRT construction, upgrades to the Coronation Community Recreation Centre and numerous neighbourhood renewal projects. The City also made substantial progress on major capital projects such as the Yellowhead Trail Freeway Conversion, the William Hawrelak Park Rehabilitation, the Lewis Farms Community Recreation Centre and Library and the development of a new transit bus garage.

2024 Net Book Value of Tangible Capital Assets by Category (millions of \$)



ACCUMULATED SURPLUS (ASSETS MINUS LIABILITIES)

Accumulated surplus is an indicator of the City's overall financial health. The City maintained a strong accumulated surplus, ending 2024 with a total of \$19,154.7 million. The accumulated surplus includes a number of reserves, one of the largest being the Financial Stabilization Reserve.

RESERVE BALANCES

The City employs reserves as a tool for careful financial planning, dedicating funds to future requirements and providing a mechanism for financial stabilization. The City's consolidated reserve balance (balances designated for future operating and capital expenditures) is \$1,028.6 million at the end of 2024, a decrease of \$31.6 million over the prior year balance of \$1,060.2 million.

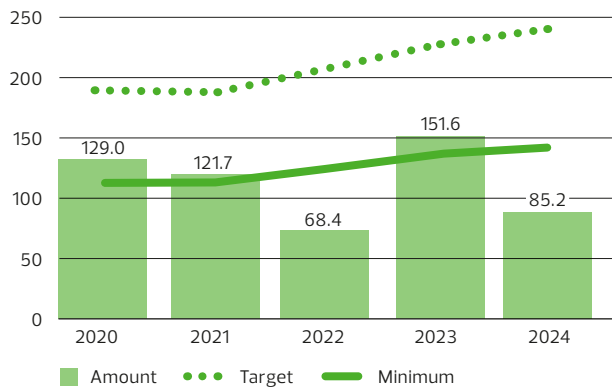


In June 2024, the City awarded the Design-Build contract for the Capital Line South LRT Extension to Phase 1 to Capital Line Design-Build Ltd., a member of the Ledcor Group of Companies, with AECOM as their design partner. Construction is set to begin in 2025.

FINANCIAL STABILIZATION RESERVE (FSR)

The FSR provides flexibility in addressing financial risks associated with revenue instability and emergent financial issues and to ensure the orderly provision of services to citizens.

Financial Stabilization Reserve
(millions of \$)



As of December 31, 2024, the unappropriated FSR balance stands at \$85.2 million. Throughout the year, several transactions affected this balance:

The 2023 general government (tax-supported operations) deficit of \$40.6 million was offset through a transfer from the reserve.

Funds from 2023 in the amount of \$25.8 million were appropriated within the FSR to fund projects and initiatives scheduled for 2024 that were not completed in 2023. As there was no tax-supported surplus in 2023, this was a direct draw on the reserve.

City Council approved the utilization of \$18.0 million from the unappropriated FSR to support priority initiatives spanning from 2025 to 2026, on a one-time basis.

A total of \$18.0 million in funding previously allocated in the FSR for certain projects was released back to the unappropriated FSR, as it was deemed unnecessary.

However, after accounting for the 2024 tax-supported deficit of \$4.2 million and Council-approved operating budget carry-forwards totalling \$23.3 million, the projected unappropriated FSR balance for 2024 is estimated at \$57.7 million. This figure falls \$85.2 million below the required minimum balance of \$142.9 million.

In accordance with City policy C629A, when the unappropriated FSR balance falls below the minimum, a strategy is required to achieve the minimum balance over a period not to exceed three years, starting with the subsequent year's operating budget. In December 2024, Council identified \$10.0 million in one-time savings for 2025 to replenish the FSR, and approved tax increases in 2025 of 0.5 per cent and 2026 of 0.6 per cent to restore the FSR back to the minimum balance over five years from 2025 to 2029. This required a Council-approved exemption to C629A to allow the repayment strategy to occur over five years instead of three.



In 2024, more than 20 crosswalks/ alleyways were painted and more than 50 traffic control boxes were wrapped with vibrant artwork as a part of the Vibrant Street initiative.

ACCOMPLISHMENTS

ACCOMPLISHMENTS

EDMONTON'S ACCOMPLISHMENTS IN 2024

The City continued to operate the 70 services Edmontonians rely on every day. Several services had significant achievements in 2024:

ETS ridership reached 61.6 million in 2024. This is a 15 per cent increase over 2023.

ETS provides 2.3 million annual conventional transit service hours. As a result of Council funding 70,000 annual service hours, ETS was able to grow its conventional bus network with more peak service hours.

Through the Enhanced Transit Safety Plan, more resources and safety measures were added than previous years, including Transit Peace Officers and surveillance cameras.

The City planted a new record of 342,157 trees and shrubs. This surpassed the previous record of over 230,000 planted in 2023.

The Change Homes for Climate Solar Rebate Program reopened in summer 2024, and for the first time, it was dedicated to providing direct financial support to multi-unit residential properties.

Several new services and facilities opened in 2024, including:

Stony Plain Road bridge over Groat Road reopened.

The new NAIT/Blatchford Market LRT station opened for passenger service. The new station can accommodate 4- and 5-car trains, providing additional transit capacity as ridership demand warrants.

The City launched its first-ever Entertainment District on Rice Howard Way. This allowed attendees to take food and drinks from nearby businesses out onto the street to enjoy live music, games and patio space.



SERVING EDMONTONIANS TODAY AND INTO THE FUTURE

Edmontonians continued to look at the City for leadership and support in 2024, including for businesses, communities and the most vulnerable Edmontonians. The City invested in creating spaces people felt comfortable in and excited about through many initiatives, including:

The Downtown Vibrancy Fund invested over \$3.9 million into 37 projects, which included events, business support, placemaking, lighting and public safety.

The Clean Energy Improvement Program provides homeowners with low-cost financing of up to \$50,000 for undertaking a minimum of three energy retrofits.

The City awarded Winter Patio Grants to 27 businesses, providing up to \$2,000 per business to spend on eligible winter patio expenses.

The City launched the Chinatown Vibrancy Fund, which invested \$480,000 into a dozen cultural projects such as the Dragon Boat Festival, Van Bloc Party and Azure Dragon of the East mural.

The newly developed Centennial Plaza, located between Stanley A. Milner Library and the Westin Hotel opened, creating a welcoming and family-friendly space in downtown.

Like many cities across Canada, Edmonton has been focused on creating more affordable housing.

The City saw 2,879 new and renovated affordable housing units committed to or in development. This surpasses the target of 2,700 units, as set out in the 2023–2026 Affordable Housing Strategy.

The City has helped create a total of 916 units of supportive housing since 2019.

The Blatchford Office ended the year with almost 100 per cent of the land that's ready for building construction in the first stages either sold, with a sale agreement in place or with active builder interest.

The Change Homes for Climate Solar Rebate Program reopened and for the first time, it was dedicated to providing direct financial support to multi-unit residential properties.

Edmonton was named one of the "Best Affordable Places to live in Canada" by Maclean's Magazine.

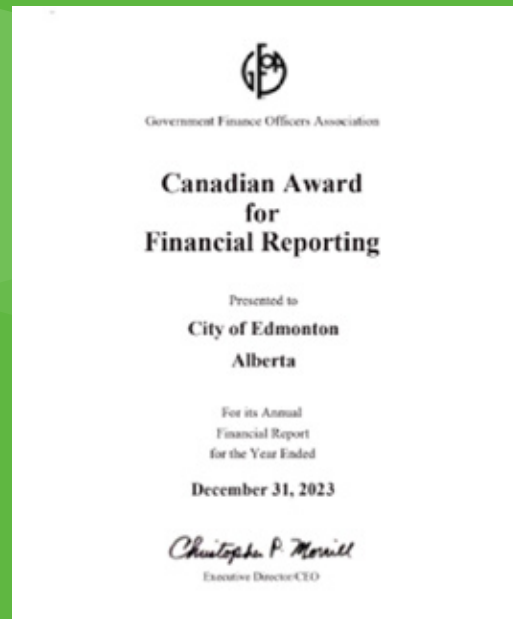
ACCOMPLISHMENTS

RECOGNITION FOR ACHIEVEMENT

The City of Edmonton continues to be recognized in the financial sector for a high standard of achievement.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Edmonton for its annual financial report for the fiscal year, ending December 31, 2023. The Canadian Award for Financial Reporting program was established to encourage Canadian municipal governments to publish high quality financial reports, and to provide peer recognition and technical guidance for officials preparing these reports. To receive this award, a government unit must publish an easily readable and efficiently organized annual financial report that conforms to program standards. Such reports should go beyond the minimum requirements of public sector accounting standards 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 and in 2024 Edmonton received this award for the 31st consecutive year for its December 31, 2023 annual financial report.

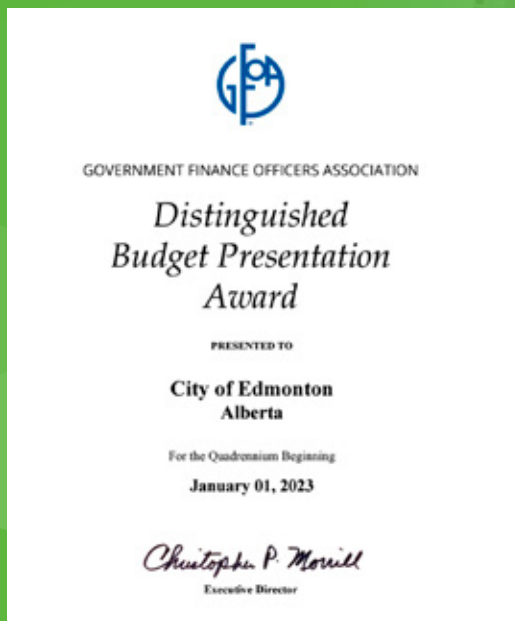
The GFOA established the Popular Annual Financial Reporting Awards Program to recognize local governments that produce high quality summarized annual financial reports. The reports must be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. The City received the Popular Annual Financial Reporting Award for the 2023 Financial Report to Residents for the tenth consecutive year.



ACCOMPLISHMENTS

DISTINGUISHED BUDGET PRESENTATION

The City also received the GFOA award for Distinguished Budget Presentation for the 2023–2026 fiscal years beginning January 1, 2023 and ending December 31, 2026. To be eligible for this award, a governmental unit must publish a budget document of the highest quality that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.



Learn more about the City's financial performance and related information regarding significant financial policies, strategies and events.

[2024 Annual Report](#)
[2024 Investment Committee Annual Report](#)

Gain insight into investment fund performance and see how the City's investment assets are managed.

For more information about the City of Edmonton, visit edmonton.ca or call 311.

If you have questions about the 2024 Financial Report to Residents, mail or phone:

The City of Edmonton, Financial and Corporate Services
5th Floor, Chancery Hall, 3 Sir Winston Churchill Square
NW, Edmonton, AB, Canada T5J 2C3 Phone: 311



FINANCIAL REPORT TO RESIDENTS 2024

