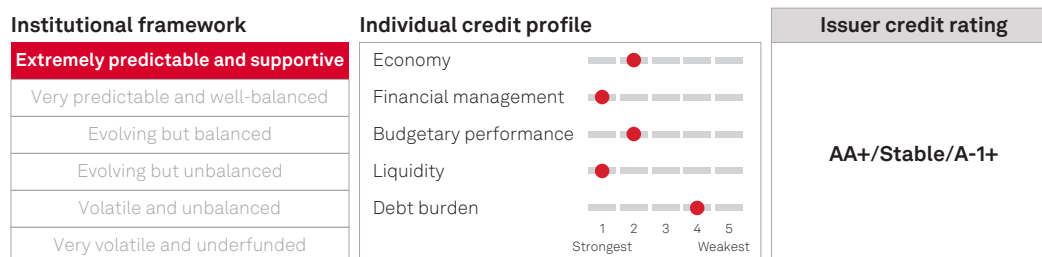


City of Edmonton

July 22, 2026

This report does not constitute a rating action.

Ratings Score Snapshot



Primary Contact

Elisa Lopez cortes
Toronto
1-416-507-2574
elisa.lopez.cortes
@spglobal.com

Secondary Contact

Hector Cedano, CFA
Toronto
1-416-507-2536
hector.cedano
@spglobal.com

Credit Highlights

Overview

Credit context and assumptions	Base-case expectations
The energy sector contributes to Edmonton's tax base; however, exposure to the oil industry remains a strain on the economy.	Edmonton will post robust budgetary performance; its light rail transit (LRT) main projects are near completion, allowing narrow after-capital deficits.
We expect management will stay focused on tax sustainability, supporting sound fiscal practices.	We expect the city's high debt burden to start modestly shrinking as capital grants and the wind down of capital projects reduce the need for new debt issuance.
An extremely predictable and supportive institutional framework supports the ratings.	Robust liquidity will continue to support Edmonton's creditworthiness.

Research Contributor

Divy Rangan
CRISIL Global Analytical Center,
an S&P Global Ratings affiliate
Gurgaon Haryana

Edmonton will generate robust operating surpluses, underpinned by sustained revenue growth despite a slowdown in population growth. Capital expenditures, largely driven by growth-related LRT infrastructure projects, are likely to decline over the medium term as these projects will complete by 2028. As a result, S&P Global Ratings expects capital deficits of less than 5% in the period 2026-2028. The city also uses prudent fiscal management, and capital support from senior levels of government will help to offset new debt issuance. Furthermore, Edmonton's robust liquidity position and strong institutional framework will continue to support the city's creditworthiness.

Outlook

The stable outlook reflects our expectation that the city's strong management, in addition to the capital grants from senior levels of government, will strengthen after-capital deficits in the next two years and beyond, averaging less than 5% of total revenues. We expect that Edmonton's tax-supported debt burden will modestly decrease by fiscal 2028 and that free cash will well exceed the next 12 months' debt service costs.

Downside scenario

We could lower the ratings if, over the next two years, deterioration in management practices or higher-than-expected capital spending leads to sustained after-capital deficits of more than 5% of total revenues and an increasing debt burden.

Upside scenario

Although we view it as unlikely in the next two years, we could raise the ratings if Edmonton sustains a strong financial position with consistent after-capital surpluses accompanied by a reduction in its debt burden.

Rationale

Economic resilience persists amid energy sector concentration; population growth decelerates but remains positive

Edmonton, the capital of Alberta, serves as a major urban center for research, manufacturing, and supply services supporting the province's energy sector and oil sands. While the city is working to diversify, the economy remains concentrated in volatile energy-related activities.

Population growth is expected to slow to 1.7% in 2026 and remain at this level in the next few years, a shift attributed to stricter federal policies on international immigration. Despite trade uncertainty dampening business confidence, we assume the local economy will mirror the Canadian economy; in this base-case scenario, the economy shows resilience due to strong household spending and the reversal of job losses (see "[Economic Outlook Canada Q3 2026 Resilient, Not Strong](#)," June 24, 2026.) Furthermore, the city's GDP per capita is estimated to be US\$59,500 in 2026, which is higher than Canada's.

In our view, the management team is experienced and has a prudent approach to debt and liquidity policies. Management employs comprehensive business plans and formal risk management frameworks, including the integration of a carbon budget alongside financial budgets to achieve emissions reduction targets. The team develops four-year operating and capital budgets, with the next cycle planned for 2027–2030, as well as 10-year capital and operating investment plans, and provides regular progress updates throughout the fiscal year. Following the municipal election in 2025, we do not anticipate any significant changes to budget processes or strategic priorities. The city has also shown a consistent willingness to raise taxes when necessary to support its fiscal objectives.

As do other Canadian municipalities, Edmonton benefits from an extremely predictable and supportive local and regional government framework that has demonstrated high institutional stability and evidence of systemic extraordinary support in times of financial distress. Although provincial governments mandate a significant proportion of municipal spending, they also provide

operating fund transfers and impose fiscal restraint through legislative requirements to pass balanced operating budgets. Municipalities generally have the ability to match expenditures well with revenues, except for capital spending, which can be intensive. Any operating surpluses can fund capital expenditures and future liabilities (such as postemployment obligations) through reserve contributions. Municipalities have demonstrated a track record of strong budget results and, therefore, debt burdens, on average, are low relative to those of global peers and growth over time has been modest.

Despite elevated capex, robust operating results through 2028 will result in a diminishing debt burden

We believe Edmonton’s operating expenditure pressures will persist as capital projects come online and translate into recurring operating costs, alongside price increases, including fuel and personnel. Management projects salaries and wages will account for about 65% of total expenditures over 2026–2028; we expect these structural costs will gradually climb. However, we also believe the city’s operating revenues will continue to rise, supported by a moderate but still-growing tax base and increases in property taxes. As a result, the city will post strong operating surpluses above 17% of operating revenues over 2026–2028.

During the same period, we estimate the city will average deficits after-capital accounts of lower than 5% of total revenues. This is because of Edmonton’s prudent management of its capital plan with substantial support from senior government grants.

Major capital initiatives primarily focus on growth-related projects and include the LRT expansion. We expect capital expenditures will remain elevated through 2026–2027, before dropping in 2028 as the LRT project winds down. Following the completion of the growth projects, we anticipate capital priorities will shift toward state-of-good-repair (SOGR) spending. While SOGR projects typically attract less grant funding, the city has established reserves to help finance them.

Under our base-case scenario, we estimate that the city will incur approximately C\$5.5 billion in capital expenditures between 2026 and 2028. To fund the projects, we expect Edmonton will issue C\$1.6 billion in debt during the same period. Although it remains stable but high compared with that of peers, the debt burden is steadily falling. Tax-supported debt will reach 120% of operating revenues by 2028. We expect interest expenses to reach almost 5% of operating revenues in the forecast period.

Our estimation of tax-supported debt in 2028 includes C\$297 million in debt issued by Edmonton for EPCOR Utilities Inc. EPCOR is 100% owned by the city. The city's contingent liabilities are low. We do not consider the debt EPCOR issues in its own name as a contingent liability, because we believe the likelihood of the city providing the utility with extraordinary support in a stress scenario is low.

Edmonton's credit profile is bolstered by what we view as an exceptional liquidity position and strong access to external liquidity, largely due to the city's access to the Province of Alberta for term-debt financing. It can also draw up to C\$250 million in promissory notes and C\$250 million on its line of credit. We estimate that the city's free cash will total about C\$2.2 billion in the next 12 months, sufficient to cover about 4x estimated debt service for the period.

City of Edmonton Selected Indicators

Mil. C\$	2023	2024	2025	2026bc	2027bc	2028bc
Operating revenue	3,498	3,768	4,051	4,297	4,517	4,750

City of Edmonton

City of Edmonton Selected Indicators

Operating expenditure	2,933	3,105	3,274	3,498	3,719	3,945
Operating balance	565	664	776	798	798	805
Operating balance (% of operating revenue)	16.2	17.6	19.2	18.6	17.7	17.0
Capital revenue	682	739	912	979	886	540
Capital expenditure	1,432	1,586	1,921	2,076	1,875	1,558
Balance after capital accounts	(185)	(184)	(233)	(299)	(191)	(213)
Balance after capital accounts (% of total revenue)	(4.4)	(4.1)	(4.7)	(5.7)	(3.5)	(4.0)
Debt repaid	319	357	488	355	310	321
Gross borrowings	564	536	679	617	470	553
Balance after borrowings	60	(5)	(42)	(37)	(31)	19
Direct debt (outstanding at year-end)	4,676	4,855	5,047	5,308	5,468	5,701
Direct debt (% of operating revenue)	133.7	128.9	124.6	123.6	121.1	120.0
Tax-supported debt (outstanding at year-end)	4,676	4,855	5,047	5,308	5,468	5,701
Tax-supported debt (% of consolidated operating revenue)	133.7	128.9	124.6	123.6	121.1	120.0
Interest (% of operating revenue)	4.9	4.4	4.7	4.4	4.8	4.9
Local GDP per capita (\$)	--	--	--	--	--	--
National GDP per capita (\$)	54,847.5	55,015.7	55,728.4	58,672.8	61,756.6	64,524.9

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. C\$--Canadian dollar. \$--U.S. dollar.

Rating Component Scores

Key rating factors	Scores
Institutional framework	1
Economy	2
Financial management	1
Budgetary performance	2
Liquidity	1
Debt burden	4
Stand-alone credit profile	aa+
Issuer credit rating	AA+

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "Methodology For Rating Local And Regional Governments Outside Of The U.S.," published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

- [Sovereign Risk Indicators](https://www.spglobal.com/ratings/sri/), July 14, 2026. An interactive version is available at <https://www.spglobal.com/ratings/sri/>

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S.](#), July 15, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Local And Regional Government \(LRG\) Risk Indicators For Asia-Pacific, Canada, Europe, and Latin America](#), June 25, 2026
- [Economic Outlook Canada Q3 2026: Resilient, Not Strong](#), June 24, 2026
- Subnational Government Outlook Midyear 2026: LRGs Show Their Mettle Amid Ongoing Conflicts, June 24, 2026
- [Institutional Framework Assessment: Canadian Municipalities Leverage Fiscal Flexibility To Address Capital Challenges](#), March 26, 2026
- [S&P Global Ratings Definitions](#), Dec. 16, 2025

Ratings Detail (as of July 22, 2026)*

Edmonton (City of)	
Issuer Credit Rating	AA+/Stable/A-1+
Commercial Paper	
Local Currency	A-1+
Canada National Scale Commercial Paper	A-1(HIGH)

Issuer Credit Ratings History

22-Jul-2025	AA+/Stable/A-1+
17-Jul-2023	AA/Positive/A-1+
25-Jul-2019	AA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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