

FINANCIAL REPORT TO RESIDENTS 2025

Edmonton

CITY OF EDMONTON, ALBERTA
FOR THE YEAR ENDED
DECEMBER 31, 2025



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FINANCIAL REPORT TO RESIDENTS 2025

The **Financial Report to Residents** provides highlights of the 2025 Annual Report and includes information on 2025 financial results, operating and capital budgets, the economy and significant City accomplishments. The complete 2025 Annual Report is available at edmonton.ca. 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 2025 Annual Report, which includes the consolidated financial statements for the City of Edmonton, prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

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INTRODUCTION

The 2025 Financial Report to Residents offers a summary of the City of Edmonton's annual financial position and operational results. 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 2025, City Council approved a 5.7 per cent general property tax 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 promotes 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.

City Council includes 12 ward Councillors and a Mayor, sets policies, approves budgets, passes bylaws and provides direction for the City Manager. In 2025 there was a municipal election, and Edmontonians welcomed four new councillors and a new mayor.

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. The Office of the City Auditor audits Administration, and advises Council and Administration on areas for improvement or opportunities to add value to programs and services.



Back row (left to right): Michael Janz – Ward papastew, Jon Morgan – Ward Ipiihkookhanipiahtsi, Reed Clarke – Ward Nakota Isga, Karen Principe – Ward tastawiyiniwak, Mike Elliott – Ward pihésiwin, Anne Stevenson – Ward O-day'min, Aaron Paquette – Ward Dene

Front row (left to right): Keren Tang – Ward Karhilo, Erin Rutherford – Ward Anirniq, Mayor Andrew Knack, Ashley Salvador – Ward Métis, Thu Parmar – Ward sipiyiniwak, Jo-Anne Wright – Ward Sspomitapi

MESSAGE FROM MAYOR

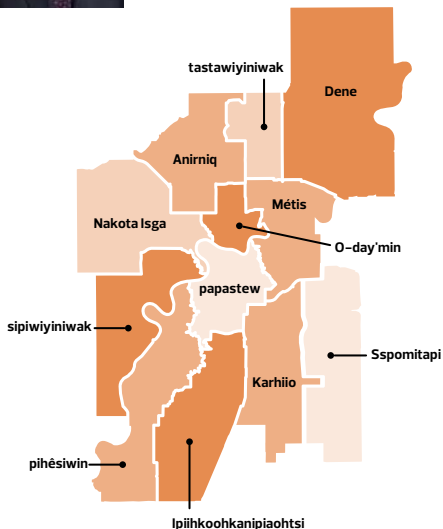
Looking back on 2025, I am proud of the work that both the outgoing and incoming City Council and employees across the organization have done to continue to manage our finances responsibly, ensuring we protect the City's long-term financial health while actively serving Edmontonians and building our fantastic city.

We continued to navigate the pressures of inflation and a rapidly growing population through an ongoing commitment to efficiency and continual improvement. Together with Administration, we made meaningful progress by carefully monitoring our revenues and managing expenses to ensure we are maintaining, sustaining and growing a city for all Edmontonians.

I look forward to continued collaboration with our partners, and working together to achieve our shared goals, including increasing affordability, preparing for growth, building a safer Edmonton and ensuring our city's needs are met as we build a stronger Edmonton, together.



Andrew Knack, Mayor



MESSAGE FROM CITY MANAGER

The City of Edmonton's 2025 Financial Report to Residents helps our teams reflect on the past year and plan for the future. This year's report provides an opportunity to renew the City's ongoing commitment to managing public funds responsibly and transparently. In 2025, we focused on managing our City's rapid growth, planning for financial sustainability and delivering the services that over a million Edmontonians rely on and enjoy every day.

Together with City Council, Administration continued to make meaningful progress in managing the City's financial health to ensure we are in the best position to grow sustainably as we begin to wrap up the four-year budget cycle. As a community-minded organization, we are focused on making strategic financial adjustments to areas that are seeing rising costs or lower-than-anticipated revenue. In 2025, Council approved spending reductions to align the budget with actualized service delivery costs, meaning a stronger Edmonton for everyone.

It takes a lot of people, time and equipment to deliver the services that over a million Edmontonians depend on every day, and to support the infrastructure projects we need now and in the future. It's the emergency services like fire and police that people count on. It's the roads, bridges, pathways and transit that allow people to get around. It's the attractions, recreation centres, sports fields and parks that make Edmonton a great place to live.

I am proud of the work we do on behalf of and in service to Edmontonians. This report tells the story of what it takes to build a great city.



Eddie Robar, City Manager

ECONOMIC OVERVIEW

EDMONTON AREA IN SQUARE KILOMETRES AND POPULATION

Alberta

782.47¹

Edmonton area in square km



Edmonton

1,238,295

Edmonton area population,
(as of July 1, 2025),
Statistics Canada

% OF POPULATION OF WORKING AGE, 2025

(as of July 1, 2025)



82.8%

Edmonton CMA²



85.0%

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



AVERAGE AGE

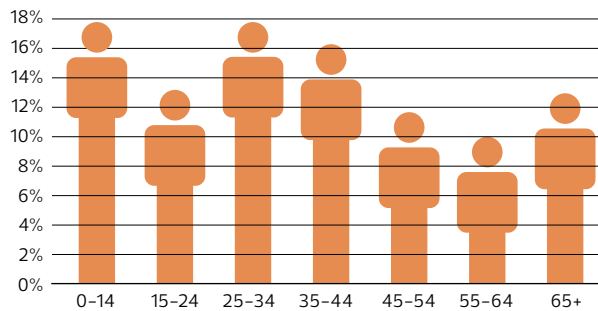
(as of May 11, 2021)

(2021 Federal Census of Population)

Edmonton	38.4
Alberta	39.0
Canada	41.9

EDMONTON POPULATION AGE DISTRIBUTION⁴ (%)

(as of July 1, 2025)



MEDIAN TOTAL INCOME, ALL FAMILIES

(Statistics Canada, 2023⁵)

\$114,130

Edmonton CMA

\$114,220

Alberta

\$105,370

Canada



Continued robust construction activity, moderating uncertainty and improving household finances (e.g. moderating price growth, rising wages) led to strengthening in the Edmonton and census metropolitan area (CMA) economies in 2025.

Employment Growth and Unemployment Rate:

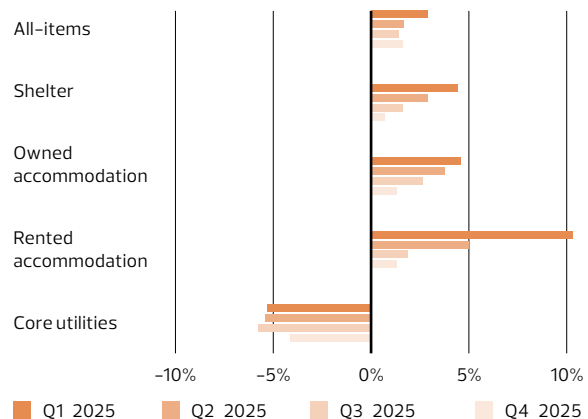
A surge in employment growth in the second half of 2025 resulted in robust annual employment growth of 2.7 per cent in the Edmonton CMA in 2025. However, because this growth was only slightly less than labour force growth (+2.9 per cent), the unemployment rate saw a modest increase, averaging 7.7 per cent for the year (up from 7.5 per cent in 2024).

Wage Growth and Inflation:

Strong employment growth was accompanied by solid wage growth in the second half of 2025. This helped to lift annual wage growth to 2.4 per cent in 2025. This wage growth surpassed the 1.9 per cent increase in consumer prices in 2025, which helped increase overall purchasing power for Edmonton CMA households. This was the slowest pace for consumer inflation since 2020, driven by moderation in rented and owned accommodation inflation, and price deflation in core utilities (-5.2 per cent).

Annualized Consumer Inflation – Edmonton CMA

Source: Statistics Canada



4. Alberta Treasury Board and Finance

5. Statistics Canada. Table 11-10-0009-01

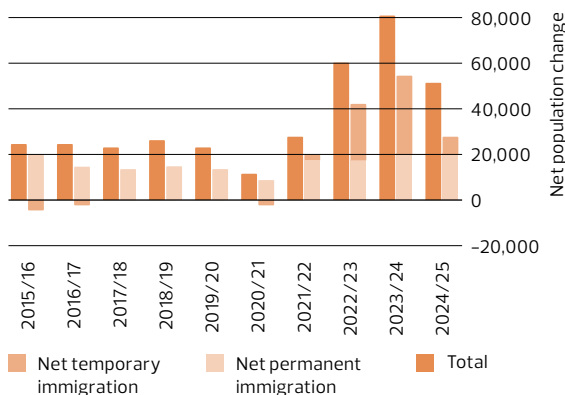
Population Growth: Slowing population growth and a second consecutive year of record housing construction likely helped with the moderation in shelter inflation in 2025. Between 2024 and 2025, Edmonton's population grew 3.4 per cent to reach an estimated 1,238,295 by July 1, 2025.⁶ This marked a notable moderation in growth, especially compared to 2023 (+4.9 per cent) and 2024 (+6.3 per cent), but was the fastest growth among cities with over one million population. The CMA population grew 3.1 per cent between 2024 and 2025.

Net migration was also the largest contributor to both the city and the CMA's population change. However, CMA data shows both net domestic⁷ and international migration were lower compared to the 2023 to 2024 period. The reduction in net international migration was solely due to lower net temporary immigration resulting from changes in federal immigration policy.⁸ These developments aligned with national and provincial demographic trends.

Population Change – Edmonton CMA

Source: Statistics Canada

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



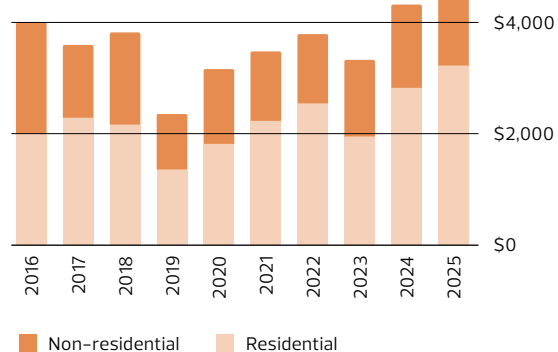
Building Permits and Housing Starts: In 2025, the value of residential and non-residential building permits issued by the City of Edmonton gained 29.3 per cent over 2024 to reach \$5.1 billion, with double-digit growth in both residential and non-residential permit values.⁹ Growth was strongest in institutional building permit values, which more than doubled in 2025 from the previous year. This was followed by commercial building permit values, which increased 60.4 per cent in 2025. Residential building permit values grew 18.6 per cent in 2025. A key driver of residential permit value growth came from permits for new dwellings, which rose 18.3 per cent over 2024.

The growth in building permits contributed to 15,902 housing starts in Edmonton in 2025. This represented a 17.9 per cent increase over 2024 and was the highest annual level of starts since at least 1990 as residential construction activity continued to catch up to the strength in population growth in recent years.

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.



6. Statistics Canada's 2025 sub-provincial population estimates release contained preliminary postcensal population estimates as of July 1, 2025, and revised estimates as of July 1 for the years 2021 to 2024.

7. Net domestic migration is the sum of net interprovincial (between Alberta and other provinces) and net intraprovincial (between regions within Alberta) migration. Net international migration includes permanent immigration, less net emigration, and temporary immigration, which includes international students and temporary foreign workers.

8. Supplementary Information for the 2026-2028 Immigration Levels Plan

9. City of Edmonton building permit analysis in prior reports was based on data from [City of Edmonton Monthly Building Permit Summary](#) reports, which provide a point-in-time snapshot of building permit data. The figures in those reports are static and not updated to reflect subsequent changes or revisions to building permit records, including permit revisions, cancellations, or other administrative changes. The analysis in this report draws from an internal master dataset that is periodically updated to capture all historical and ongoing changes made to City of Edmonton building permit records. As a result, there may be differences in data references contained in this report and prior versions.



FINANCIAL HIGHLIGHTS

OPERATING BUDGET

For the past few years the City has been making adjustments to the 2023–2026 budget in response to budget challenges such as inflationary pressures, rapid population growth and evolving service needs of Edmontonians.

While the City planned for a lot of these pressures, they have been bigger than what was forecast when we developed the 2023–2026 budget in 2022. To support this, Council approved a 5.7 per cent increase to the 2025 tax-supported operating budget, including 5.2 per cent for municipal services and 0.5 per cent for the Edmonton Police Service. To align the budget with current service delivery costs, the City continues to implement changes focusing on increasing primary revenues (i.e. property taxes and user fees) and reducing expenditures through efficiencies and service cuts. While progress has been made in this cycle, these pressures persist and will be considered for the upcoming 2027–2030 budget cycle.

CAPITAL BUDGET

The 2023–2026 Capital Budget is about building and maintaining the parks, bridges, paths, roads, buildings and Light Rail Transit (LRT) lines that Edmontonians use every day. As our city continues to grow, it's important to both maintain our existing infrastructure and make strategic choices about funding new projects. Approximately 30 per cent of 2023–2026 capital budget supports renewing existing roads, neighbourhoods, parks, City-owned buildings and transit vehicles, with the remaining 70 per cent supporting the planning and delivery of new infrastructure.



In 2025, four commercial property improvement grant programs supported 39 projects, for a total of nearly \$2.2 million in grants awarded. This included the Brownfield Redevelopment Grant, the Corner Store Program, the Development Incentive Program and the Storefront Improvement Program.

2023–2026 BUDGETS

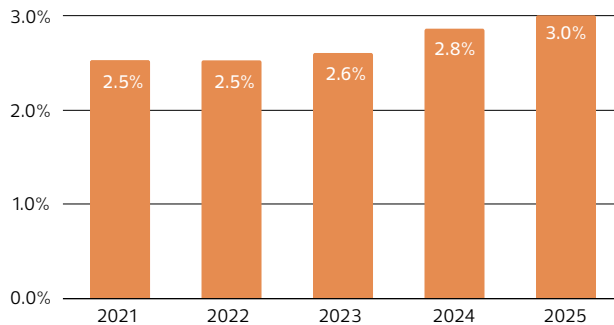
Guided by Edmonton's Strategic Planning Framework, the 2023–2026 operating and capital budgets are the City's four-year plan for where the City will get money (i.e. revenues) and how the City will spend it (i.e. expenditures). It maps out how property tax dollars and other funding will be allocated to provide the services and infrastructure Edmontonians need.

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 5.7 per cent general property tax increase in 2025.

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 \$34.0 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 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 is calculated for median assessed value of a single detached house.
2. Data Source: Statistics Canada Table 11-10-0009-01; Estimates for 2024 and 2025 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 and Personal Care	620
Recreation and Entertainment	568
Municipal Property Tax	248
Clothing	246
Insurance Payments and 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 MONTH¹

\$296

Per month



\$44

Police Service



\$20

Transfer to Capital (PAYGO)



\$33

Debt Repayment



\$13

Community Recreation and Neighborhood Services



\$30

Transit Service



\$8

Planning and Development Services



\$27

General Expenses²



\$7

Fleet and Facility Services



\$24

Fire Rescue Services



\$6

Other Boards, Agencies and Commissions



\$23

Neighbourhood Renewal



\$6

Governance and Oversight



\$23

Parks and Roads Services



\$6

Social Development



\$21

Support Services³



\$5

Public Library

1. Distribution is based on the 2025 approved operating budget

2. General Expenses includes Automated Enforcement, Capital Project Financing and corporate wide expenditures

3. Support Services includes Financial and Corporate Services, and others such as Talent Management, and Workforce Safety and Employee Health

STATEMENT OF OPERATIONS

For the year ended December 31
(millions of \$)

	2025 Budget	2025 Actual	2024 Actual	2023 Actual	2022 Actual Restated*
Operating Revenues	\$ 4,211.0	\$ 4,383.1	\$ 4,001.6	\$ 3,674.1	\$ 3,433.8
Capital Revenues	1,716.5	957.6	800.3	762.5	633.5
Operating Expenses	4,122.4	4,044.0	3,819.8	3,658.7	3,426.0
Excess of Revenues over Expenses	\$ 1,805.1	\$ 1,296.7	\$ 982.1	\$ 777.9	\$ 641.3

*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 Revenues over Expenses has been trending upwards 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. Revenues over 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 \$31.1 million surplus (0.8 per cent of budgeted tax-supported expenses) relative to the operating budget. The surplus is primarily the result of:

Lower than expected budget required for risk-adjusted estimates for centrally managing volatile costs (e.g. fuel, utilities, inflation and collective bargaining).

Higher than expected franchise fees from increased consumption caused by high summer temperatures and colder-than-usual winter weather.

Increased demand for City recreation facilities resulting in higher than projected membership and admissions revenue.

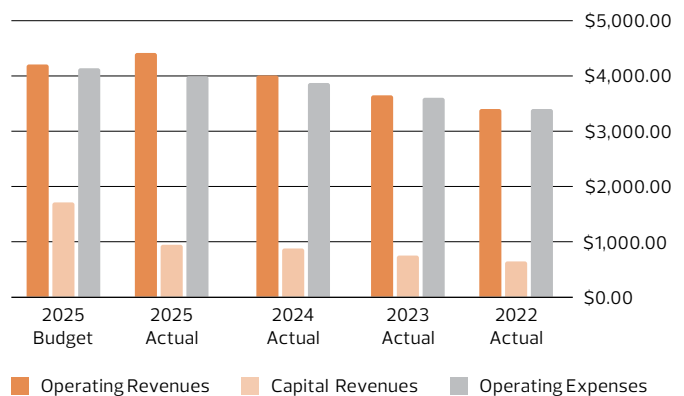
Lower long-term disability benefit costs due to fewer employees remaining on the program and lower than expected costs for new claimants.

Higher than budgeted tax penalties due to a larger number of properties with outstanding property tax balances.

Lower fuel costs due to lower prices and volume.

This surplus was partially offset by higher personnel costs (i.e. due to increased overtime for Edmonton Transit and Fire Rescue to maintain service levels and higher staffing at recreational facilities to meet demand) and elevated snow and ice removal costs due to unbudgeted cul-de-sac clearing, and heavy December 2025 snowfall.

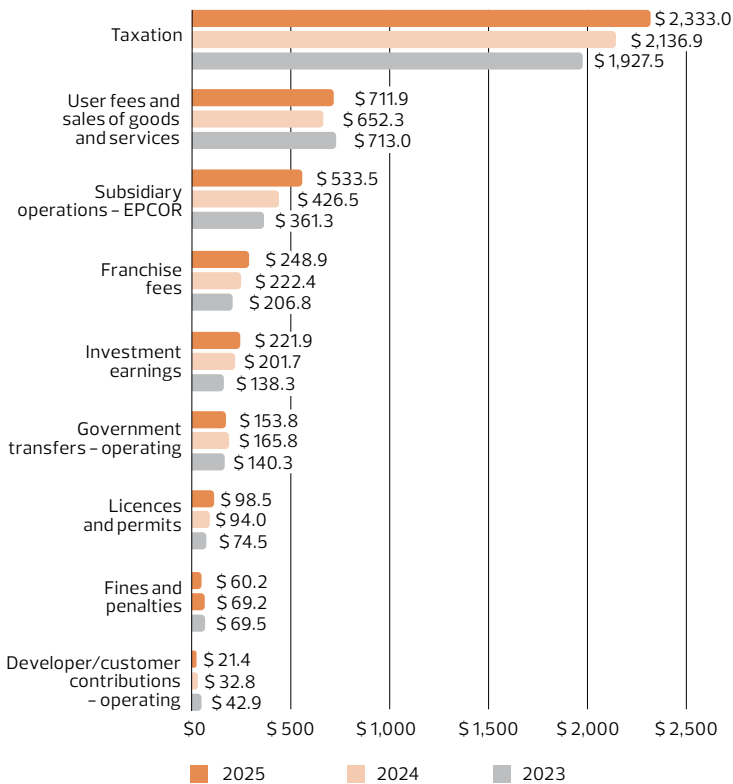
Revenues and Expenses (millions of \$)



OPERATING REVENUES

Where does the money come from?

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



Operating revenue has consistently increased over the last four years, primarily generated through property taxes, user fees, franchise fees, investment earnings and returns from the City's wholly-owned utility (EPCOR). Capital revenues fluctuate annually, influenced by the timing of major capital projects and shifts in development activity. Expenses have risen over the four-year period reflecting various pressures such as rapid population growth, inflation and the demand for enhanced services and new infrastructure.

Property tax is the primary source of revenue available to the City to pay for municipal services. In 2025, the City collected \$2,333.0 million (or \$2.3 billion) in net property taxes supporting these services, representing 53.2 per cent of the City's operating revenue, a slight decrease from 53.4 per cent in 2024.

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 \$381.5 million from 2024, primarily due to increases in revenue from:

Property taxes collected increased by \$196.1 million due to a 5.7 per cent tax increase for 2025 and assessment growth.

Subsidiary operations (EPCOR) benefited from a one-time transfer fee of \$84.0 million upon the transfer of the Blue Sky Water Reclamation Facility in Taylor, Texas, and from higher revenue for both Energy Services and Water Services, driven by increased rates, consumption and customer growth.

Higher than expected user fees and sales of goods and services, driven by higher land sales, increased attendance at City recreation facilities, transit ridership exceeding pre-pandemic levels for the first time and increased customer growth led to higher Waste Services' utility revenue.

Increased franchise fees resulting from higher power consumption driven by population growth and abnormally high summer temperatures, as well as a colder-than-usual winter.

Investment earnings were rebalanced to capitalize on strong equity market performance.

Operating revenues were offset by lower government transfers due to grant recognition timing; reduced developer and customer contributions resulting from a temporary suspension of fee collection during the review of the Sanitary Servicing Strategy Fund program; and a drop in fines and penalties related to the traffic safety and automated enforcement program following changes and prohibitions in provincial legislation.

FINANCIAL HIGHLIGHTS

HOW DO RESULTS COMPARE TO BUDGET?

Operating revenues were higher than budgeted by \$172.1 million, or 4.1 per cent of the revenue budget. This was mainly due to the following situations:

Higher than budgeted investment earnings resulting from investment funds being rebalanced to capitalize on strong equity market performance, as well as stronger than anticipated world market conditions.

User fees and sales of goods and services exceeded budget due to increased attendance at City recreation facilities and higher than anticipated Waste Services utility revenue driven by customer growth.

Increased property tax revenue due to stronger than anticipated assessment growth, primarily from new construction, upzoning and subdivisions, and a lower than expected number of non-residential complaints.

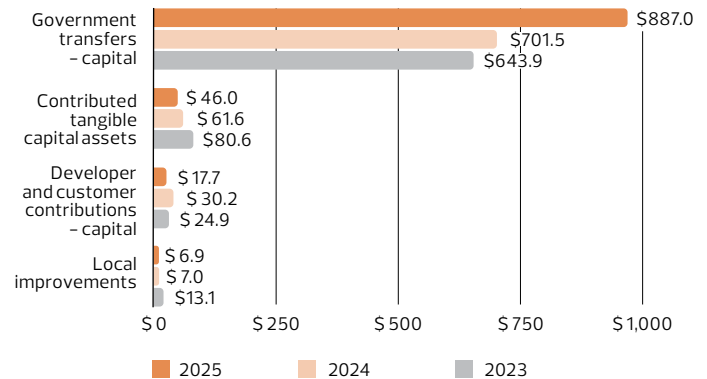


In 2025, approximately 60% of construction was completed for the Valley Line West and accelerated road work was completed at key intersections, reducing the overall time frame of traffic disruptions by over 50%.

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 2024 by \$157.3 million, mainly due to increases in government transfers, partly offset by lower contributed tangible capital assets.

Government transfers - capital revenues (i.e. capital grants from other orders of government) increased across numerous capital projects in 2025, primarily related to LRT construction on Valley Line West, the extension of the Capital Line South and the Yellowhead Freeway Conversion project.

Contributed tangible capital assets (i.e. assets built by external parties and contributed back to the City), were lower in 2025 due to the contribution of the Citadel Theatre building in 2024 partially offset by an increase in contributed infrastructure assets such as roads, sidewalks and street lights for new neighbourhoods during 2025.

HOW DO RESULTS COMPARE TO BUDGET?

Capital revenues of \$957.6 million were \$758.9 million lower than budget due to:

Government transfers – capital revenues were \$652.5 million lower than budget due to the timing of several LRT projects (Metro Line, Century Line and Valley Line West), and the recording of revenue from the Investing in Canada Infrastructure Program grant used to fund a portion of these projects. Grant-eligible spending related to Yellowhead Freeway Conversion projects, Terwilligar Drive Expressway Upgrades, Housing Accelerator Fund Initiatives and various projects, that were funded by the Local Government Fiscal Framework funding, occurred slower than planned.

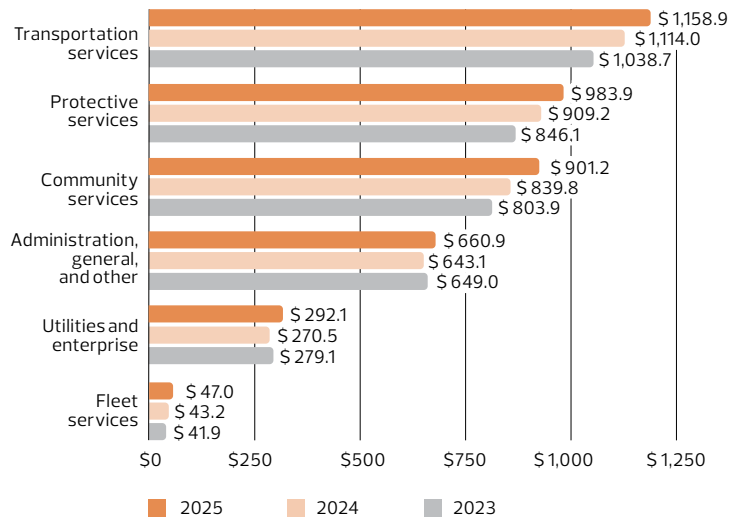
Contributed tangible capital assets were lower than budget, this amount varies depending on the type and size of neighbourhood developments in a given year.

Developer and customer contributions were lower than budget, largely due to the timing of capital expenditures funded by partners or developers.

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 \$224.2 million over the prior year. This is a result of:

Higher costs for Protective services costs (i.e. Edmonton Police Service, Fire Rescue Services and Bylaw enforcement) resulting from increased personnel costs for updated collective bargaining agreements, higher benefit and Workers' Compensation Board (WCB) premiums, and greater overtime and staffing requirements necessary to meet the demands of a growing population.

Increased Community services costs from higher demand for recreation facilities as well as higher personnel costs due to collective bargaining agreements.

Increased Transportation services costs primarily due to higher personnel costs due to collective bargaining settlement, increased overtime hours due to staff shortages and the need to maintain required service levels, and higher benefit and WCB premiums.

Higher Land Enterprise costs due to the timing of land sales.

Administration, general and other costs increased primarily due to higher wages and benefit costs resulting from collective bargaining agreements, and higher debt interest charges from increased capital borrowing for various capital infrastructure projects.

HOW DO RESULTS COMPARE TO BUDGET?

Operating expenses of \$4,044.0 million (or \$4.0 billion) were lower than budget by \$78.4 million, or 1.9 per cent of the consolidated expense budget. This is due to the following circumstances:

Transportation Services expenses were under budget, largely due to lower amortization resulting from slower construction on Yellowhead Trail and Terwillegar Drive, and fewer developer-contributed roadway assets. However, these savings were partially offset by increased overtime hours due to staff shortages and the need to maintain required service levels, as well as higher

benefit and WCB premiums. Furthermore, snow and ice control costs exceeded the budget due to significant snowfall events late in 2025.

Lower administration, general and other costs due to several factors. This included the budgeting of collective bargaining settlements held corporately, with the actual expenses recognized in other areas across the City; lower than budgeted staff on the Long-Term Disability benefit program; and lower than expected budget required for risk-adjusted estimates for centrally managing volatile costs (e.g. fuel, utilities, inflation and collective bargaining). These favourable variances are partially offset by higher asset disposal charges and higher amortization expenses reflecting new facilities, such as the Coronation Community Recreation Centre and the Peter Hemingway Leisure Centre, being placed into service.

Community Services saw lower than budgeted expenses due to delayed grant and rebate payments, which were postponed by slower than anticipated project progress caused by supply chain and construction challenges, leading to missed milestones. Furthermore, the reclassification of several housing grants as capital expenses contributed to lower operating costs. This was partially offset by higher personnel and material costs at recreational facilities, driven by demand for services that was higher than expected.

These lower than budgeted costs were offset by:

Protective Services (i.e. Edmonton Police Service, Fire Rescue Services and bylaw enforcement), exceeded budgeted costs primarily due to higher wages for updated collective bargaining settlements, and increased overtime to meet required service levels. This is partially offset by lower amortization due to fewer assets being placed into service, a result of ongoing supply chain issues.

Higher than budgeted Fleet and Facility Services expenses primarily due to increased amortization resulting from increased costs for equipment and vehicles, as purchase costs were higher than expected due to cost escalations.

FINANCIAL HIGHLIGHTS

STATEMENT OF FINANCIAL POSITION

As at December 31, 2025
(millions of \$)

	2025	2024	2023	2022 Restated*	2021
Financial Assets	\$ 9,964.1	\$ 9,433.6	\$ 8,873.7	\$ 8,511.1	\$ 8,093.8
Liabilities	6,763.3	6,348.3	6,041.7	5,804.0	5,370.8
Non-Financial Assets	17,227.1	16,069.4	15,161.7	14,443.7	13,839.1
Accumulated Surplus	\$ 20,427.9	\$ 19,154.7	\$ 17,993.7	\$ 17,150.8	\$ 16,562.1

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 11 in the 2023 City of Edmonton Consolidated Financial Statements.

As at December 31, 2025
(millions of \$)



\$9,964.1 FINANCIAL ASSETS

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



\$6,763.3 LIABILITIES

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



\$17,227.1 NON-FINANCIAL ASSETS

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



\$20,427.9 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 2025, the City's financial assets were \$9,964.1 million (or \$10.0 billion), an increase of \$530.5 million over the prior year. This is mainly due to an increase in the City's investment in EPCOR and portfolio investments, as well as higher receivables, and cash and cash equivalents.

PORTFOLIO INVESTMENTS

Performance of the City's investment funds ranged from 3.3 per cent (Money Market Fund) to 15.4 per cent (Ed Tel Endowment Fund), reflecting each fund's asset mix.

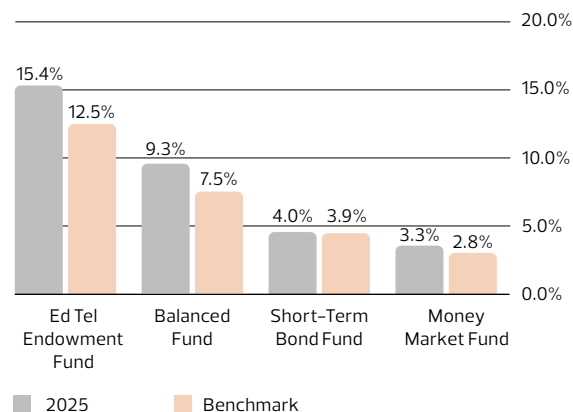
In terms of general market conditions, global equities grew 18.1 per cent for the year, and U.S. equities gained 17.9 per cent. Canadian equities were up 31.7 per cent. The Canadian dollar appreciated about 5 per cent against the U.S. dollar. Canadian fixed income securities increased 2.6 per cent for 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 15.4 per cent and 9.3 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 3.3 per cent and 4.0 per cent, respectively. Overall, the market value of the City's investment portfolio at year-end was \$3,004.2 million (or \$3.0 billion). By December 31, 2025, the unrealized gains on equity investments held was \$199.8 million.

INVESTMENT IN EPCOR

The City's investment in EPCOR Utilities Inc. (wholly owned by the City of Edmonton) was \$5,476.5 million (or \$5.5 billion) at the end of 2025, a \$304.4 million increase from 2024. The net increase is due to EPCOR's reported net income of \$533.5 million for 2025, and \$51.6 million of tangible capital assets contributed to EPCOR by the City. This is offset by \$4.7 million in amortization of contributed assets, other comprehensive loss of \$75.0 million, and a dividend of \$201.0 million paid to the City. EPCOR's financial performance is further discussed in EPCOR's annual report for 2025, which is available on the company's website.

2025 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 \$48.1 million in 2025. Since its establishment, the fund has paid a cumulative dividend of \$1,108.2 million (or \$1.1 billion). By the end of 2025, the fund's market value stood at \$1,149.6 million (or \$1.1 billion).

More detailed information on investment performance and benchmarks is available in the [Investment Committee 2025 Annual Report](#).

LIABILITIES (WHAT WE OWE)

The City of Edmonton ended 2025 with total liabilities of \$6,763.3 million (or \$6.7 billion), an increase of \$415.0 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; Lewis Farms and Coronation Community Recreation centres; continued progression of Downtown and Quarters Community Revitalization Levy funded projects; William Hawrelak Park Rehabilitation; Ambleside Integrated Site; Terwillegar Drive Expressway; Active Transportation Implementation Acceleration; and Yellowhead Trail Freeway Conversion.

Deferred revenue is largely composed 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.

ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations is a legal obligation associated with the retirement of a capital asset. The City's asset retirement obligations represent 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, 2025, the City recorded a liability of \$190.7 million, a decrease in the obligation mainly due to post-closure expenditures incurred during the year. This was partly offset by increases to the liability resulting from changes in estimates for the Clover Bar landfill post-closure liability.

LONG-TERM 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 S&P Global Ratings. The City's 'AA+' credit rating was affirmed by S&P, with a positive outlook in 2025. This is an increase from the AA rating received in 2024. This upgrade indicates very strong financial health and creditworthiness, driven by anticipated strong budgetary performance. The stable outlook reflects our view that a steady economy and prudent management will enable Edmonton to sustain its strong budgetary performance and advance its large capital plan without materially increasing its debt burden.

FINANCIAL HIGHLIGHTS

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.

The majority of City borrowing (87.0 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 13.0 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; a loan from EPCOR for the Downtown District Energy Project, the loan from TransEd Partners General Partnership for Valley Line LRT from Millwoods to Downtown and a loan carried out by HomeEd. 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 \$)

	2025	2024
Total debt service limit (26%)	\$ 1,007.3	\$ 939.2
Total debt servicing	\$ 418.4	\$ 391.9
Percentage used (%)	41.5	41.7
Total debt service limit (21%)	\$ 813.6	\$ 758.6
Total debt servicing	\$ 418.4	\$ 391.9
Percentage used (%)	51.4	51.7
Tax-supported debt service limit (18%)	\$ 541.6	\$ 514.6
Tax-supported debt servicing	\$ 363.6	\$ 337.1
Percentage used (%)	67.1	65.5



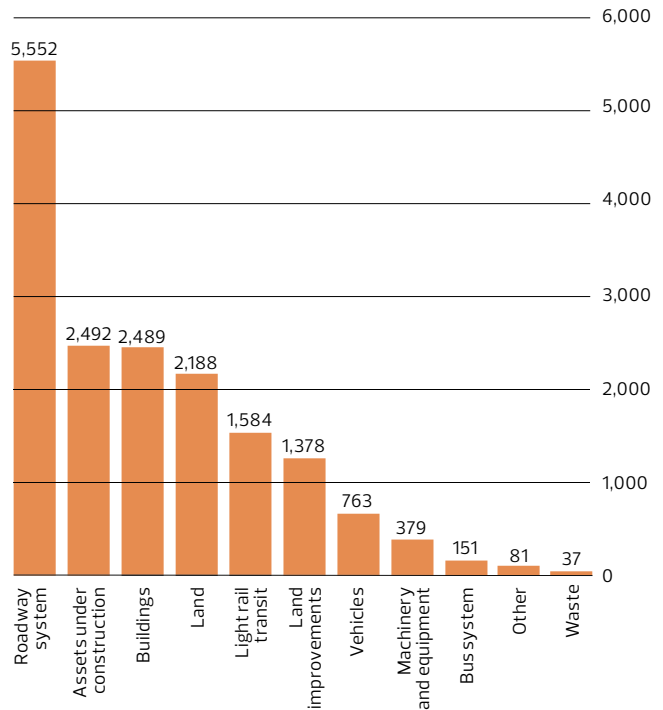
NON-FINANCIAL ASSETS (WHAT WE OWN)

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.

TANGIBLE CAPITAL ASSETS

At the end of 2025, the City owned \$17,095.1 million (or \$17.1 billion) in capital assets, an increase of \$1,139.1 million (or \$1.1 billion) over the prior year, with a majority of the assets being roadway systems, assets under construction, buildings, land and LRT. In 2025, capital assets increased due to progress on major construction initiatives, including the Valley Line West and Capital Line South LRT, Yellowhead Trail Freeway Conversion, Lewis Farms Community Recreation Centre, Terwillegar Drive, William Hawrelak Park Rehabilitation and Ambleside Integrated Site Phase 1.

2025 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 2025 with a total of \$20,427.9 million (or \$20.4 billion). 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 \$1,021.0 million (or \$1.0 billion), a \$7.6 million decrease from the 2024 balance of \$1,028.6 million (or \$1.0 billion).

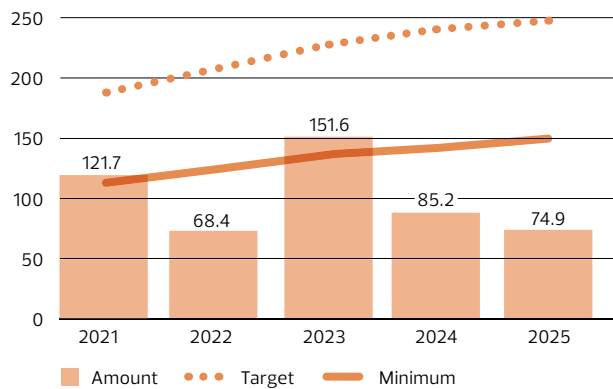


In 2025, the City invested \$2.0 million to support implementation of the Downtown Action Plan. The City partnered organizations to deliver public programming and activations, enhanced maintenance of public infrastructure, amplified beautification across downtown and other projects.

FINANCIAL STABILIZATION RESERVE (FSR)

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

Financial Stabilization Reserve
(millions of \$)



As of December 31, 2025, the unappropriated FSR balance stands at \$74.9 million. Throughout the year, several transactions affected this balance:

The 2024 general government (tax-supported operations) deficit of \$4.2 million was offset through a transfer from the reserve.

Funds from 2024 totalling \$23.3 million were appropriated within the FSR to fund projects and initiatives scheduled for 2025 that were not completed in 2024. As there was no tax-supported surplus in 2024, this was a direct draw on the reserve.

City Council approved the utilization of \$9.3 million from the unappropriated FSR to support priority initiatives spanning from 2026 to 2027, on a one-time basis.

As part of the replenishment strategy, \$20.7 million was transferred into the FSR, composed of \$10.0 million in one-time savings and a 0.5 per cent property tax increase

A total of \$5.8 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 2025 tax-supported surplus of \$31.1 million and Council-approved operating budget carry-forwards totalling \$12.1 million, and the use of \$6.5 million to fund priority items in 2026, the projected unappropriated FSR balance for 2026 is estimated at \$87.4 million. This figure falls \$63.0 million below the required minimum balance of \$150.4 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.

ACCOMPLISHMENTS

ACCOMPLISHMENTS

SERVING EDMONTONIANS TODAY AND INTO THE FUTURE

The City continued to operate the services Edmontonians rely on every day. Several services had significant achievements in 2025:

Edmonton Transit Service (ETS) ridership reached 61.8 million.

ETS added 20 new buses and 50,000 annual service hours to the bus network, enhancing service reliability and efficiency across the city.

The Dedicated Accessible Transit Service (DATS), Edmonton's paratransit service, celebrated its 50th year. DATS has grown into an important service for Edmontonians who are unable to access conventional bus or LRT due to physical or cognitive disability.

In collaboration with regional partners, Arc, the regional electronic fare payment system, reached an important milestone with the introduction of tap to pay in December 2025.

The City planted a new record of 484,106 trees and shrubs in 2025, making substantial progress towards its long-term tree planting goals.

The newly constructed Blatchford Station 8 opened its bay doors and officially began servicing North Central Edmonton in November.

The City and its project partners launched Canada's first mobile hydrogen fuelling station.

Construction of the Coronation Park Sports and Recreation Centre was completed in 2025 and opened to the public in January 2026. It features the first indoor triathlon training facility in North America, showcasing Edmonton's commitment to sports.

Renewal of Beaver Hills and Michael Phair Park in Downtown Edmonton was completed.

O'day-min Park opened, marking completion of the Warehouse Park Project. This project transformed gravel parking lots into a community park, creating an outdoor space where people can socialize, celebrate and recharge in the core of our city.



ACCOMPLISHMENTS

Edmontonians continued to look at the City for leadership and support in 2025, 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 Student Housing incentive received \$15.0 million to help support the development of student housing, while also incentivizing new public infrastructure and economic opportunities in the downtown core.

The Climate Task Force announced a Climate and Environment Action Fund supporting internal City energy transition and environmental projects with \$4.3 million in grants. \$4.0 million was distributed to ten projects that will reduce greenhouse gas emissions, while \$250K was distributed to five projects that will address other environmental needs.

Council approved \$27.5 million in capital grant funding for 619 new and renewed units of affordable housing through the Affordable Housing Investment Program. Three of the six approved projects are Indigenous-led housing developments.

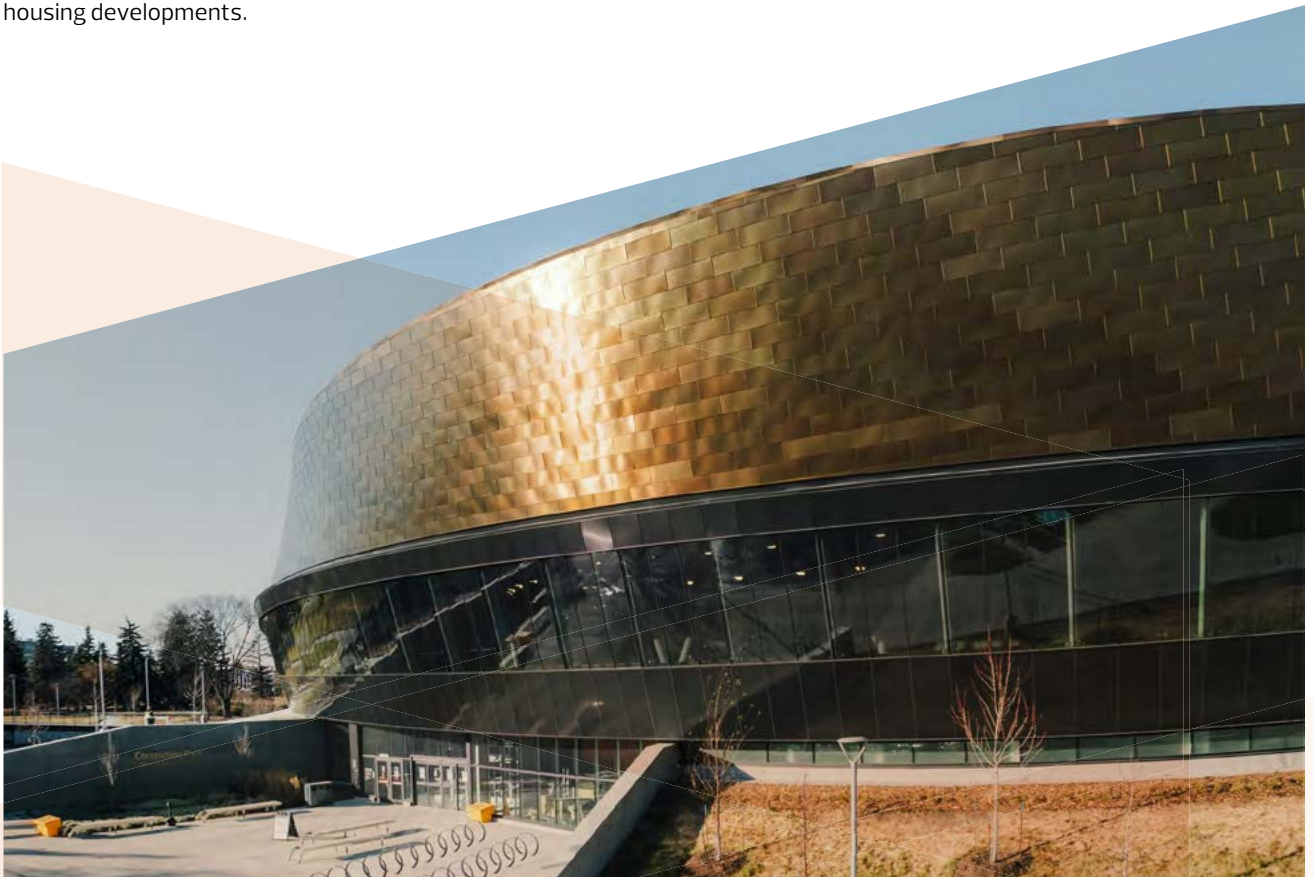
Like many cities across Canada, Edmonton has been continuously focused on creating more affordable and supportive housing, including:

2,922 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. A new target of 4,652 units has been set for the end of 2026.

The City celebrated the opening of supportive housing in Holyrood, providing 63 units of affordable housing combined with on-site care that focused on wellness recovery and tenant support.

Blatchford is now 57 per cent constructed, under construction or in the planning and development stage. This is an increase of 40 per cent from 2024. Council approved the first land sale for an affordable housing development in Blatchford.



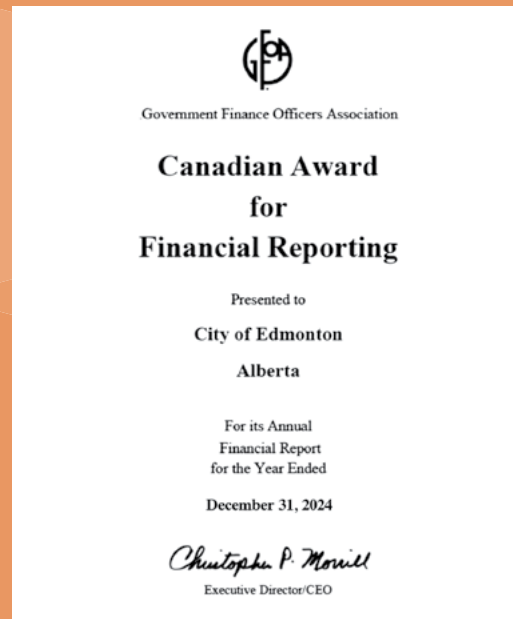
ACCOMPLISHMENTS

CANADIAN AWARD FOR FINANCIAL REPORTING

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, 2024. 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 2025 Edmonton received this award for the 32nd consecutive year for its December 31, 2024 annual financial report.

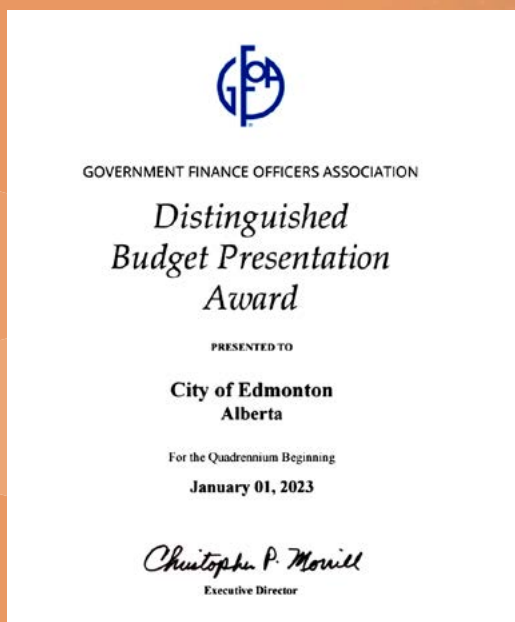
The GFOA established the Popular Annual Financial Reporting Awards Program to recognize local governments that produce high quality summarized annual financial reports. The reports must be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. The City received the Popular Annual Financial Reporting Award for the 2024 Financial Report to Residents for the 11th 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.

[2025 Annual Report](#)

[2025 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 2025 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 2025

Edmonton