ANNUAL REPORT 2024

Edmonton

CITY OF EDMONTON
FOR THE YEAR ENDED
DECEMBER 31, 2024

Produced by the Financial and Corporate Services Department at the City of Edmonton, with support from other civic departments, offices and agencies.

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2024 ANNUAL REPORT

City of Edmonton, Alberta, Canada
for the year ended December 31, 2024

INTRODUCTION

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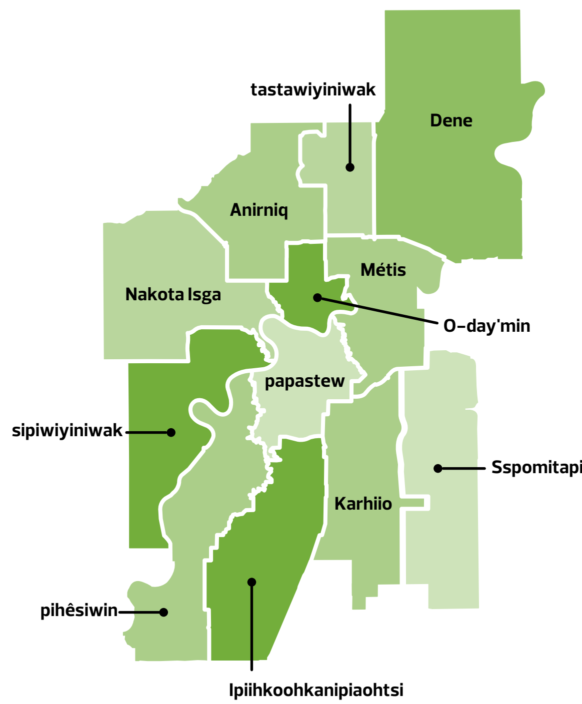
OUR ORGANIZATION

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.

Edmonton has 12 municipal wards, as outlined on this map. One councillor represents each ward. The mayor is elected across all wards.



The Valley Line West is the City of Edmonton's largest infrastructure project valued at $2.6 billion and will run 14-kilometres from downtown to Lewis Farms in west Edmonton.

FINANCIAL HIGHLIGHTS

Statement of Operations
(millions of $)

	2024 Actual	2023 Actual	2022 Actual Restated	2021 Actual	2020 Actual
Operating Revenues	**$ 4,001.6**	$ 3,674.1	$ 3,433.8	$ 3,358.5	$ 3,170.6
Capital Revenues	**800.3**	762.5	633.5	527.1	717.4
Operating Expenses	**3,819.8**	3,658.7	3,426.0	3,093.5	3,023.5
Excess of Revenues over Expenses	**$ 982.1**	**$ 777.9**	**$ 641.3**	**$ 792.1**	**$ 864.5**

Operating Revenues: Where does the money come from?
(millions of $)

	2024 Budget	2024 Actual	2023 Actual
Taxation	$ 2,141.9	$ 2,136.9	$ 1,927.5
User fees and sales of goods and services	631.0	652.3	713.0
Subsidiary operations – EPCOR	440.8	426.5	361.3
Franchise fees	216.8	222.4	206.8
Investment earnings	196.9	201.7	138.3
Government transfers – operating	140.8	165.8	140.3
Licences and permits	80.8	94.0	74.5
Fines and penalties	63.2	69.2	69.5
Developer/customer contributions – operating	34.9	32.8	42.9
Operating Revenues	**$ 3,947.1**	**$ 4,001.6**	**$ 3,674.1**

Capital Revenues: Where does the money come from?
(millions of $)

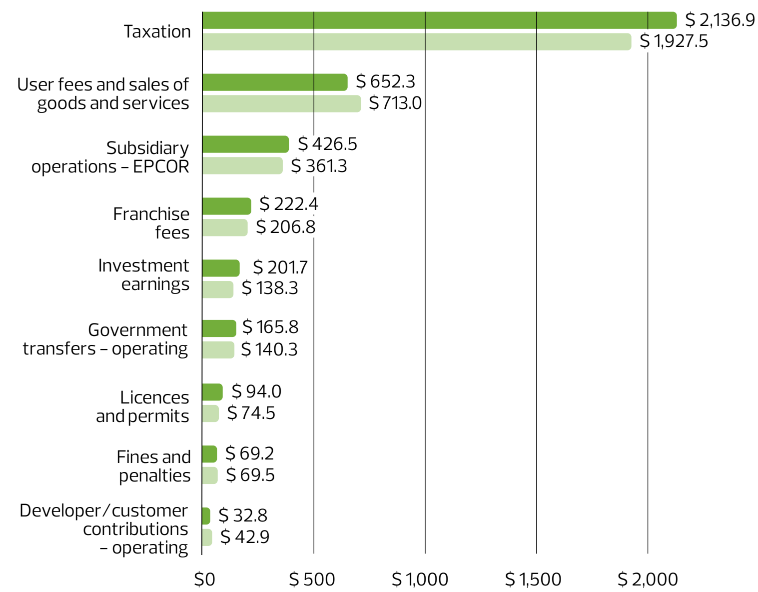
	2024 Budget	2024 Actual	2023 Actual
Government transfers – capital	$ 1,404.5	$ 701.5	$ 643.9
Contributed tangible capital assets	119.3	61.6	80.6
Developer and customer contributions – capital	83.1	30.2	24.9
Local improvements	11.6	7.0	13.1
Capital Revenues	**$ 1,618.5**	**$ 800.3**	**$ 762.5**

Expenses: Where does the money go?
(millions of $)

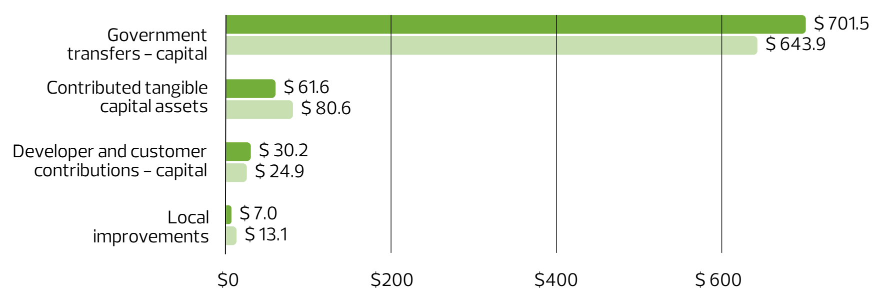
	2024 Budget	2024 Actual	2023 Actual
Transportation services	$ 1,153.8	$ 1,114.0	$ 1,038.7
Protective services	890.0	909.2	846.1
Community services	882.0	839.8	803.9
Administration, general and other	630.0	643.1	649.0
Utilities and enterprise	283.8	270.5	279.1
Fleet services	31.9	43.2	41.9
Operating Expenses	**$ 3,871.5**	**$ 3,819.8**	**$ 3,658.7**

INTRODUCTION

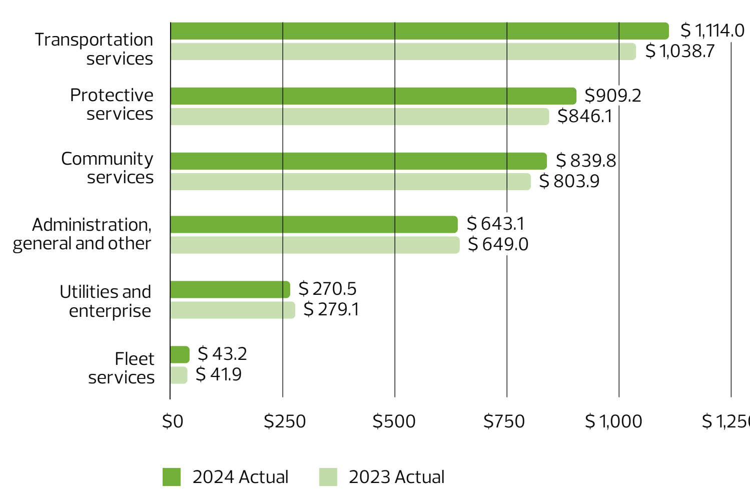
Operating Revenues: Where does the money come from?
(millions of $)



Capital Revenues: Where does the money come from?
(millions of $)



Expenses: Where does the money go?
(millions of $)



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.

Eddie Robar, City Manager

LEGISLATIVE AND ADMINISTRATIVE ORGANIZATIONAL CHART

City Council
Mayor and 12 Councillors

Audit Committee
Mayor, four Councillors and two external members

Community and Public Services Committee
Four Councillors

Executive Committee
Mayor and four Councillors

Urban Planning Committee
Four Councillors

Utility Committee
Six Councillors

Other Committees
Council has other committees to handle specific tasks (i.e. Council Services)

Office of the City Auditor
Janine Mryglod, City Auditor

EPCOR
Janice Rennie, Chair

Edmonton Police Commission
John McDougall, Chair (ended December 17, 2024)
Ben Henderson, Chair (appointed January 16, 2025)

City of Edmonton Public Library Board
Kenna Houncaren, Chair (ended April 30, 2024)
James Crossman, Chair (appointed May 1, 2024)

Explore Edmonton Corporation
Karen Oshry, Chair

Other Commissions, Agencies, Boards and Authorities

CITY OF EDMONTON ADMINISTRATION

City Manager
Eddie Robar

Community Services
Jennifer Flaman, Deputy City Manager

City Operations
Craig McKeown, Acting Deputy City Manager
*Deputy City Manager as of April 3, 2025

Financial and Corporate Services
Stacey Padbury, Deputy City Manager
and Chief Financial Officer

Integrated Infrastructure Services
Craig Walbaum, Acting Deputy City Manager

Urban Planning and Economy
Kim Petrin, Deputy City Manager

Employee and Legal Services Division
Michelle Plouffe, Chief People Officer and City Solicitor
*as of December 31, 2024

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

POLITICAL AND ADMINISTRATIVE STRUCTURE

CITY COUNCIL

Edmonton's Council consists of a Mayor and 12 Councillors. The Mayor is chosen by all electors and Councillors are elected in the wards they represent.

Council typically meets two or three times a month, though the number of meetings increase during budget deliberations and may decrease over the summer. In order to make the best use of Councillors' time while giving important topics the consideration they require, Council also has standing committees.
The committees that met most frequently include:

Audit Committee – helps Council meet its responsibility by reviewing reports from the City Auditor, external auditor and Administration relating to financial statements, enterprise risk management, internal controls, fraud, misconduct and policy compliance.

Community and Public Services Committee – oversees the delivery of City services, including neighbourhoods and communities, social development, recreational activities and facilities, cultural and social programs and activities, emergency services and municipal enforcement.

Executive Committee – oversees financial and corporate issues including governance, communications and public engagement.

Urban Planning Committee – makes recommendations to Council related to sustainable city planning.

Utility Committee – makes recommendations to Council regarding the rates, governance, policies and operations of all municipal and non-municipal public utilities.

Meetings of City Council and committees are open to the public.

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

OFFICE OF THE CITY AUDITOR

The City Auditor is appointed by Council and with the City Manager, is one of the Council's two employees to provide internal audit services. This includes independent audits and studies of civic departments and programs. This helps to improve work done by Administration and to guide Council's decision-making. The delegated powers, duties and functions of this position are established under Bylaw 12424 City Auditor.

CITY ADMINISTRATION

City Administration is led by the City Manager, who reports to Council. The City Manager is the City of Edmonton's Chief Administrative Officer, carrying out Council's direction and administering public services.

Reporting to the City Manager are five departments that work closely with each other in delivering public services. A department is made up of areas that have similar corporate functions. The departments are:

Community Services

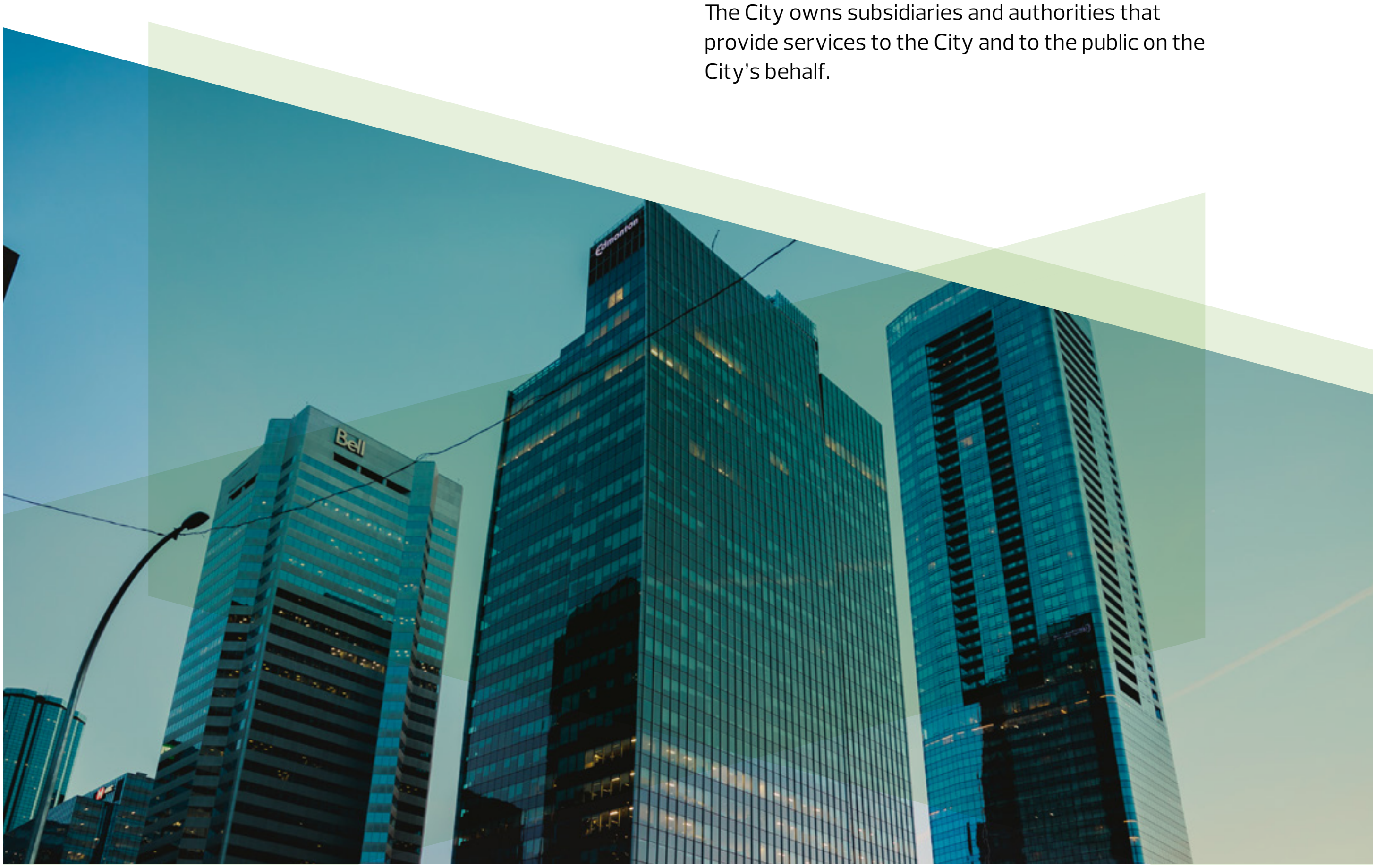
City Operations

Financial and Corporate Services

Integrated Infrastructure Services

Urban Planning and Economy

The City owns subsidiaries and authorities that provide services to the City and to the public on the City's behalf.



EXPLORE EDMONTON CORPORATION

Explore Edmonton Corporation is an agency of the City of Edmonton with an independent board of directors appointed by City Council. The organization's purpose is to increase the economic impact of the visitor-based economy.

Explore Edmonton focuses on three lines of business: destination development and marketing; venue management (Edmonton EXPO Centre and Edmonton Convention Centre); and signature events such as K-Days, Canadian Finals Rodeo and Farmfair International.

Through collaboration with numerous partners and stakeholders such as hotels, attractions and businesses, the organization promotes Edmonton as a four-season destination of choice, delivering year-round incomparable visitor and guest experiences. This work positively impacts the economic prosperity and quality of life for residents.

EDMONTON POLICE COMMISSION

The Edmonton Police Commission (EPC) provides independent civilian oversight of the Edmonton Police Service (EPS). The commission consists of 10 public appointees and two City Councillors. Seven members are public members appointed by City Council and three are appointed by the Government of Alberta. Commissions hold statutory roles and responsibilities under the provincial *Police Act*, which prescribes the powers, duties, functions and constraint of a municipal police commission, as well as the Edmonton Police Commission Bylaw 14040. One of the commission's responsibilities is allocating funds from City Council to ensure Edmonton has adequate and effective policing.

The City launched its new Industrial Investment Action Plan (IIAP), a roadmap for attracting investment into our city, growing and diversifying our economy and increasing our industrial tax base.

In 2024, the Library's 21 locations and epl2go Literacy Vans saw over 5 million visits, circulated over 11.6 million items and engaged over 600,000 people through classes and events.

EDMONTON PUBLIC LIBRARY

The award-winning Edmonton Public Library (EPL) ignites curiosity, fosters civil discourse and cultivates creativity by providing barrier-free access to diverse ideas, tools and resources. Its commitment to lifelong learning, community development and technological innovation makes the Library Edmonton's best place to learn, explore and experience.

In 2024, the Library's 21 locations and epl2go Literacy Vans saw over 5 million visits, circulated over 11.6 million items and engaged over 600,000 people through classes and events. As a vital gathering place for people of all backgrounds and abilities, EPL offers life-enriching programs and services that reflect the evolving needs of Edmontonians.

EPL is a registered charity that operates under Alberta's Libraries Act and is governed by a 10 member board of trustees appointed by City Council. The board consists of nine community leaders and one City Councillor.

EPCOR

EPCOR, through its subsidiaries, builds, owns and operates electrical, natural gas and water transmission and distribution networks; water and wastewater treatment facilities; sanitary and stormwater systems in Canada and the United States. The company also provides electricity, natural gas and water products and services to residential and commercial customers.

EPCOR is wholly owned by the City of Edmonton. The organization operates as a commercial entity and is governed by an independent board of directors, appointed by the City. Headquartered in Edmonton, EPCOR employs about 3,700 employees across its operations.

OTHER BOARDS

From the Accessibility Advisory Committee to the Women's Advocacy Voice of Edmonton Committee, the City of Edmonton has over 20 agencies, boards, committees and commissions that draw on the knowledge and dedication of hundreds of community volunteers.

These commissions, agencies, boards and committees advise and provide leadership on a wide range of activities, including naming streets, honouring the military, assessment appeals, development and bylaw complaints, transit, housing, energy transition and climate resilience, and historical preservation. They also provide needed perspectives from groups representing youth, women, seniors and multiculturalism.

ECONOMIC PERFORMANCE

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.

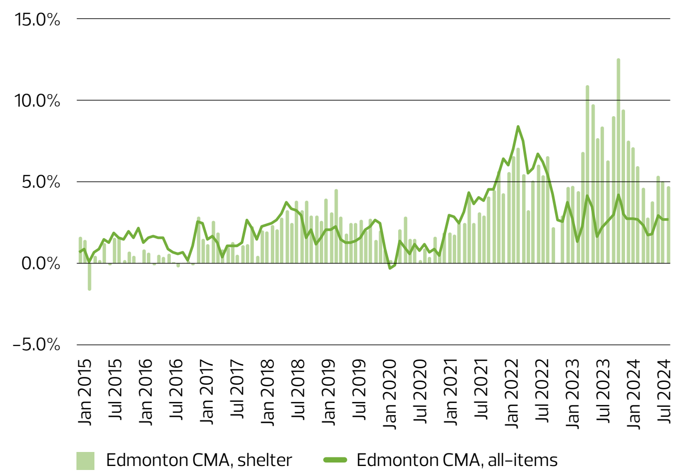
Employment in the Edmonton CMA saw only modest growth of 0.5 per cent in 2024, boosted by a year-end surge. This annual growth trailed labour force growth of 2.0 per cent, resulting in an increase in the unemployment rate from 6.1 per cent in 2023 to 7.5 per cent. The year-end boost to employment brought the unemployment rate down to near the annual average, a drop from the seasonally adjusted peak of 8.9 per cent in the third quarter.

On an annual basis, consumer inflation in the Edmonton CMA averaged 2.8 per cent. This was unchanged from 2023. Shelter and food inflation were primarily responsible for preventing annual inflation in the Edmonton CMA from declining in 2024. 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. 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

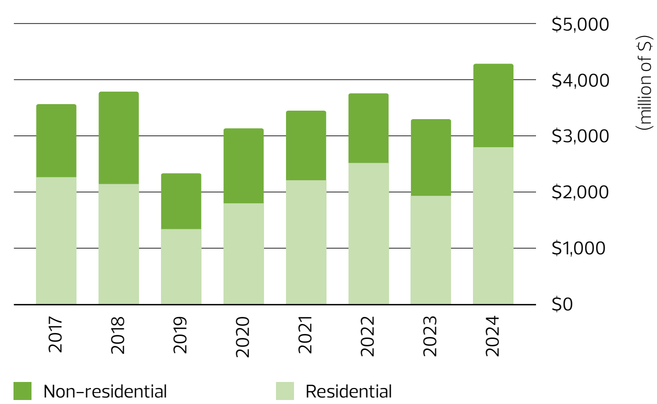
Source: Statistics Canada



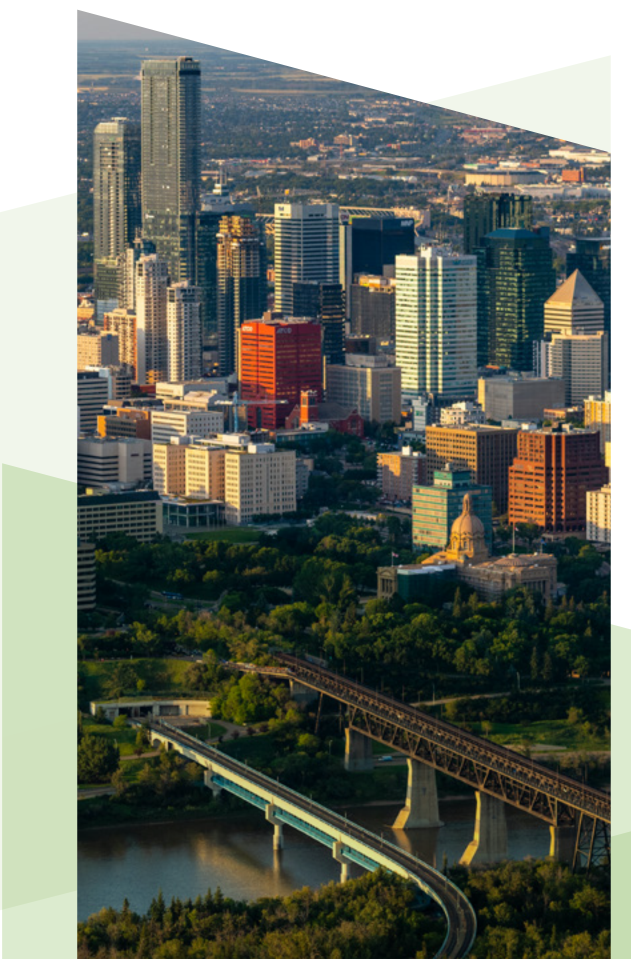
Value of Building Permits Issued - Edmonton

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.



The City launched a groundbreaking initiative that auto renews house development permits. Edmonton is the first major municipality in Canada to introduce this new program.

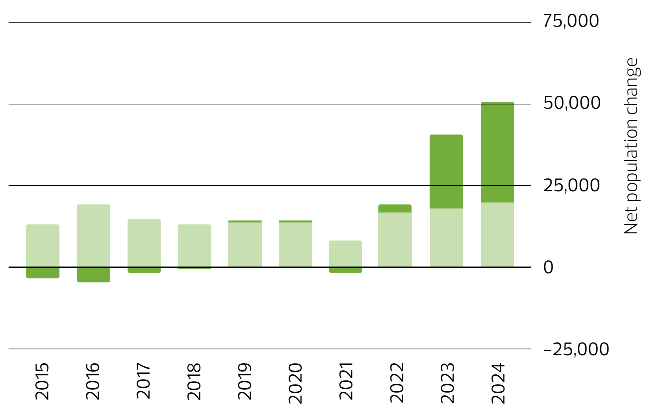


Edmonton's population grew by 5.7 per cent between 2023 and 2024, reaching an estimated 1,190,458 by July 1, 2024. This was the fastest growth rate since at least 2002. The CMA population also grew by 4.7 per cent over the same period. As of July 1, 2024, Edmonton's population made up 73.0 per cent of the CMA, its highest share since at least 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 migration[1] (almost 17,000). Net interprovincial migration also reached a new high since at least 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.



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

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

2

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Annual Report provides information regarding the use of financial resources entrusted to the City of Edmonton (City) for the purpose of providing municipal services and infrastructure.

In addition to providing an overview of the City's 2024 financial performance and position, this report describes significant fiscal policies, strategies and plans related to financial control, accountability, long-term sustainability and risk management.

Included in the 2024 Annual Report are the City's consolidated financial statements and notes, which have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). KPMG LLP has audited the City's financial statements and provided an Independent Auditor's Report. The financial statements and auditor's report satisfy the legislative reporting requirement set out in the *Municipal Government Act* (MGA) of Alberta.

The following financial statement discussion and analysis, dated April 22, 2025, should be read in conjunction with the financial statements. Both have been prepared by and are the responsibility of the Management of the City of Edmonton. A section for Climate-related Financial Disclosures has been included as well as the five-year statistical review of key information.

In January 2024, the new NAIT/ Blatchford Market Station opened for passenger service. The new station can accommodate 4- and 5-car trains, providing additional transit capacity.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

2024 FINANCIAL HIGHLIGHTS

The City of Edmonton has a multi-year budget policy in which operating budgets are developed and approved for a four-year period. The 2023-2026 Operating Budget was approved on December 16, 2022.

The multi-year budget process provides for adjustments to the four-year capital budget on a semi-annual basis, in the spring and in the fall, and to the four-year operating budget in the spring through the municipal tax confirmation with more significant budget adjustments made once a year in the fall. Operating budget information for 2024 is consistent with the amounts approved by City Council (Council) in April 2024 with the passing of Bylaw 20706 - 2024 Property Tax and Supplementary Property Tax Bylaw.

Edmonton's general government (tax-supported) operations ended the fiscal year with a $4.2 million deficit, or 0.1 per cent of the budget. This shortfall resulted from several factors:

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.

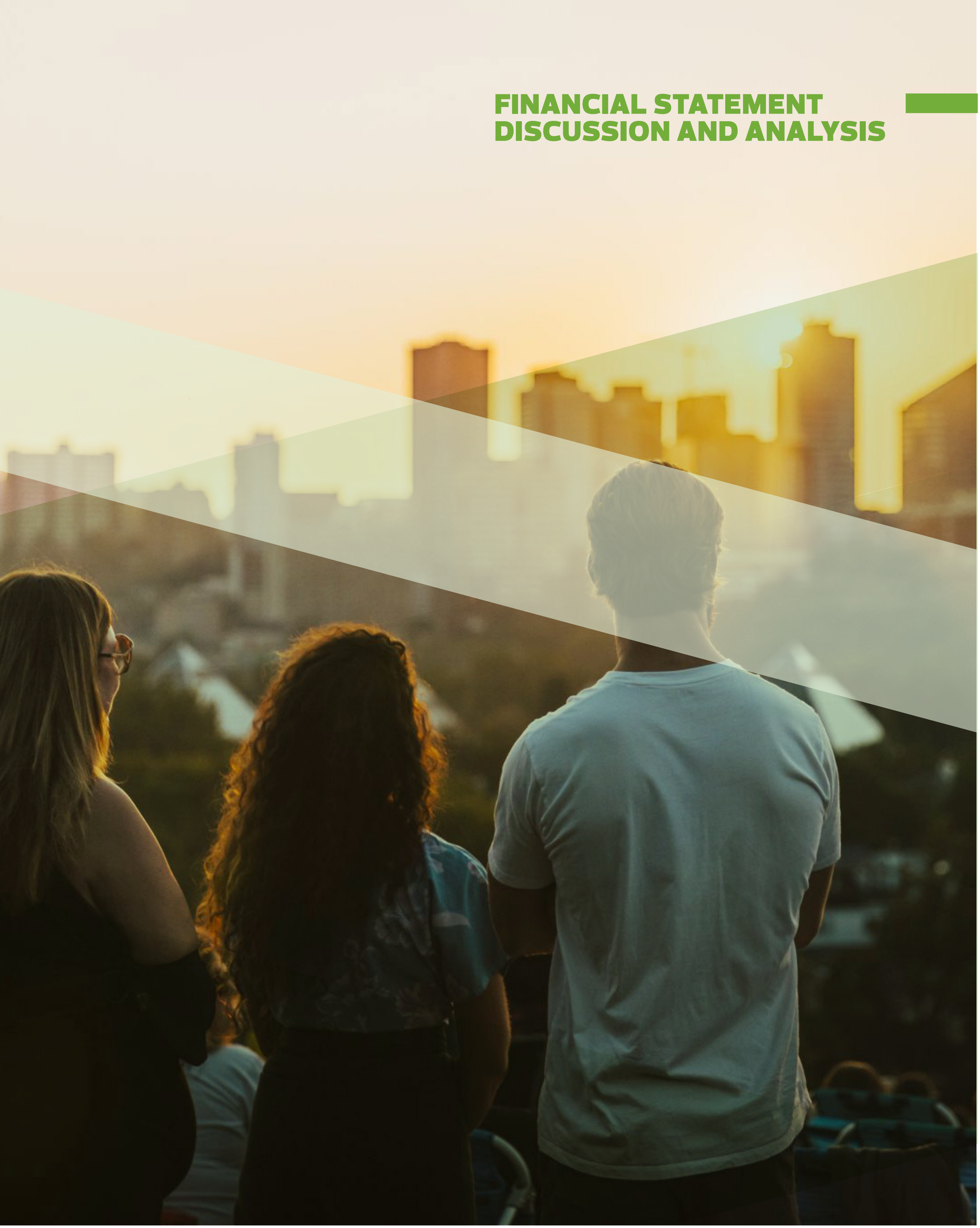
Higher than anticipated material and contractor expenses primarily due to inflation.

Higher than budgeted tax losses related to property exemptions.

These unfavourable budget variances were partially mitigated by favorable variances related to funding set aside 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.

In 2024, the City started the second year of a four-year budget cycle. In the previous budget cycle and throughout the pandemic, the City significantly reduced planned tax increases in response to the financial challenges Edmontonians were dealing with at the time. While these low tax increases were necessary at the time, it is not sustainable given the high costs resulting from a prolonged period of high inflation combined with the City's rapid population growth. Consequently, Council approved an 8.9 per cent tax increase for 2024. The additional funding secured for 2024 will enable the City to maintain and continue to improve core public services while also carrying out previous commitments and transformational projects, allowing the City to be able to manage its capital plan for 2024. These projects include expanding the LRT, converting Yellowhead Trail to a freeway and building new recreation centers, all of which contribute to make it a great place for Edmontonians to call home.

With an overall accumulated surplus of $19,154.7 million, the City's financial position remains strong and resilient. The City will continue to monitor its financial performance and will implement strategies to address growth and increased service demand through the multi-year budget process. These areas are expanded upon in the Long-Term Sustainability section of this report.



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

Consolidated Statement of Financial Position
(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
Net Financial Assets	**$ 3,085.3**	$ 2,832.0	$ 2,707.1	$ 2,723.0	$ 2,500.0
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**

* Effective January 1, 2023, the City adopted the new accounting standard PS3280, Asset Retirement Obligations, using the modified retroactive approach with restatement of 2022 prior year comparatives. Amounts before 2021 are not restated.

The City ended the year with **net financial assets** of $3,085.3 million, an increase of $253.3 million, or 8.9 per cent, compared to the 2023 balance. The primary components of the net financial asset balance are the City's investment in EPCOR of $5,172.1 million and investments of $2,809.2 million, partially offset by long-term debt of $4,368.4 million, and accounts payable and accrued liabilities of $1,178.8 million.

The City's **non-financial assets** at the end of 2024 were $16,069.4 million, an overall increase of $907.7 million, compared to 2023. Non-financial assets consist primarily of tangible capital assets such as roadways, buildings, land and light rail transit that are carried at a net book value of $15,956.0 million. The City's non-financial assets have grown over the last five years due to continued investments in infrastructure; these investments include the construction of new infrastructure to meet the needs of a growing population and renewal of existing infrastructure to achieve or extend its life and reduce the likelihood of asset failure. The ability to build and maintain infrastructure assets ensures that the City of Edmonton is able to deliver services and programs that Edmontonians rely on everyday, while also attracting new residents to live and do business here.

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 ended 2024 with a total accumulated surplus of $19,154.7 million, an increase of 6.5 per cent compared to 2023. This surplus includes the City's equity in tangible capital assets, investments including its investment in the EPCOR subsidiary and Ed Tel Endowment Fund, and a number of reserves, including the Financial Stabilization Reserve. The City maintains a stable accumulated surplus balance due to its continued investments in Edmonton's infrastructure, its growing investment in EPCOR and robust reserve management.

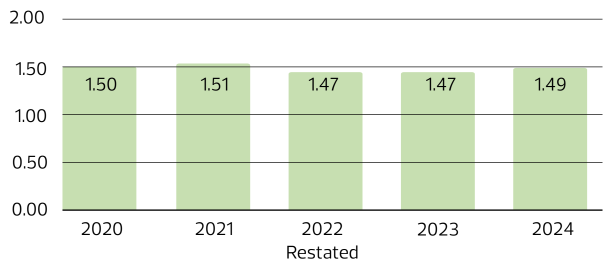
Refer to the Statistical Review section of the annual financial report for additional trending and other statistical data.

The significant balances and changes in financial position are discussed in the following sections.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

FINANCIAL ASSETS

Financial Assets to Liabilities



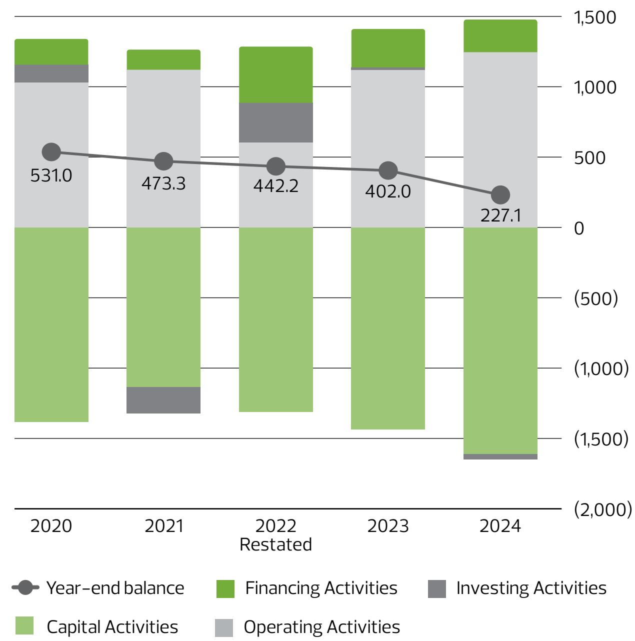
The financial assets-to-liabilities ratio is used to assess the sustainability of the City's financial position. A ratio lower than one indicates that future revenues will be required to pay for past transactions and events. A result higher than one indicates the City currently holds sufficient financial resources to meet its financial obligations. The City's financial assets-to-liabilities ratio over the past five years has remained stable, ranging from 1.47 to 1.51. The ratio increased in 2024 to 1.49 mainly due to an increase in portfolio investments and the City's investment in EPCOR.

CASH

The City's cash position includes both cash and cash equivalents such as bankers' acceptances, treasury bills and commercial paper, which is used to ensure that sufficient cash and liquid assets are available to manage the timing of payments for the City's operating, capital, investing and financing activities. In 2024, the City's cash position decreased to $227.1 million from $402.0 million in 2023, an overall decrease of $174.9 million, or 43.5 per cent.

The Consolidated Statement of Cash Flows summarizes the sources and uses of cash by the City in 2024. During the year the City's cash balance decreased due to capital activities of $1,608.2 million, mainly due to acquisition of tangible capital assets, and a net increase in portfolio investments of $226.3 million. This was partially offset due to cash raised of $1,242.7 million from operations, $224.0 million through financing activities, largely due to net debenture borrowings to finance capital and $193.0 million from an EPCOR dividend. Generally, the cash balance has trended downwards over the last five years due to increased capital investment activities to fund the increased infrastructure required to support a growing City and renew existing infrastructure. The City maintains a healthy financial assets to liabilities ratio, a robust accumulated surplus and monitors its working capital requirements to ensure sufficient cash funds are on hand to manage expenditures.

Cash Flow (millions of $)



RECEIVABLES

The 2024 receivables balance of $956.6 million decreased by $25.9 million, or 2.6 per cent, from the prior year balance of $982.5 million. A majority of the variance is related to changes in GST and government transfers receivable.

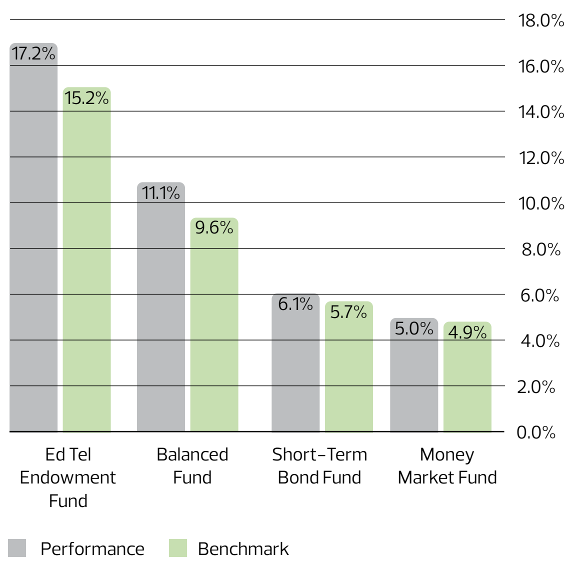
GST receivables decreased by $39.9 million largely due to receipt of GST owing to the City related to Valley Line Southeast project.

Government transfers receivable increased by $14.8 million. This was primarily from Investing in Canada Infrastructure Program (ICIP) grant funding receivable related to the Valley Line West and Capital Line Southeast LRT project expenditures incurred in 2024. The increase was partially offset with the receipt of funding through the P3 Canada Fund, which was used for LRT construction costs and receivable at the end of 2023.

PORTFOLIO INVESTMENTS

All investments held by the City must comply with the MGA, *Municipal Investment Regulation* and the City's internal investment policy. The objective of the Council-approved investment policy, as overseen by the Investment Committee, is to preserve the principal investment amount and maximize investment returns within an acceptable and prudent level of risk. Asset mix is determined based on investment earnings objectives, investment time horizon and level of risk tolerance.

2024 Performance vs. Benchmark



Included in investments of $2,809.2 million are Canadian, international and global equities, fixed income and private pooled funds, which includes real estate funds and other investments. The majority of these investments are held within the Money Market Fund, Short-Term Bond Fund, the Balanced Fund and the Ed Tel Endowment Fund.

The Money Market Fund ensures that sufficient cash and liquid assets are available to cover the City's short-term obligations. As such, the fund is solely invested in money market securities with time horizons of one year or less, depending on the City's forecast of commitments.

The Short-Term Bond Fund is an investment vehicle for working capital that will be required within the next five years. Therefore, the fund holds fixed income securities with an investment horizon of less than five years.

The Balanced Fund is a long-term investment vehicle to fund operating and capital reserve funds. Because it has a longer-term investment horizon, the risk tolerance of this fund permits owning some equities.

The largest of the City investment funds is the Ed Tel Endowment Fund. It was established in 1995 with the sale of the City's municipally-owned telephone company, Edmonton Telephones, to the TELUS Corporation for $465.0 million. Council directed Administration to establish the Ed Tel Endowment Fund to hold the financial assets generated from this sale and to ensure Edmonton's long-term financial stability. The Ed Tel Endowment Fund provides a source of income in perpetuity while ensuring the real purchasing power of the original investment is maintained. Similar to the Balanced Fund, the Ed Tel Endowment Fund has a longer-term investment horizon and a level of risk tolerance that permits owning equities. City Bylaw 11713 establishes the formula under which earnings from this fund can be applied to fund City operations.

In 2024, the fund contributed $46.4 million in dividends to the City. Since 1995, the Ed Tel Endowment Fund has contributed a total of $1,060.1 million to the City in the form of annual dividends. The fund ended the year with a market value of $1,045.6 million.

The Office of Emergency Management, in collaboration with regional and provincial agencies, navigated a challenging year marked by 28 major events over 237 days with 4,128 staff members from municipal and provincial entities coordinating and managing strategic response efforts.

Overall the City's portfolio investments increased over the prior year by $365.4 million, or 15.0 per cent, largely due to positive performance in the City's equity and fixed income funds.

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. Finally, 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 (2023 - $77.0 million).

More detailed information about the investment performance and benchmarks is available in the 2024 Investment Committee Annual Report on the City of Edmonton's website.

Additional investments are managed for trust assets under Administration's control, including City-sponsored pension plans and a long-term disability benefit plan funded by employees. Consistent with Public Sector Accounting Standards, trust assets that are not owned by the City are excluded from the reporting entity. Note 25 to the financial statements provides summary disclosures with respect to trust assets under City administration.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

INVESTMENT IN EPCOR

EPCOR builds, owns and operates electrical, natural gas and water transmission and distribution networks, as well as water and wastewater treatment facilities, sanitary and stormwater systems and related infrastructure. EPCOR also provides electricity, natural gas and water products and services to residential and commercial customers.

The City applies a modified equity method of accounting and reporting for EPCOR, a wholly owned subsidiary, as a government business enterprise. EPCOR's management has prepared their 2024 consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). EPCOR's accounting principles are not adjusted to conform to those used by the City as a local government; therefore, inter-organizational transactions and balances are not eliminated.

In 2024, the City's investment in EPCOR increased to $5,172.1 million from $4,791.7 million in 2023, a net increase of $380.4 million, or 7.9 per cent. 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. Summary financial information for EPCOR is included in Note 23 to the financial statements.

Additional details on EPCOR's strategies, financial performance and health and significant events that occurred in 2024 are discussed in EPCOR's annual reporting for 2024, which is available on the company's website.

LIABILITIES

PROMISSORY NOTES

The City has the ability to issue promissory notes for a term of one year or less to a maximum of $250.0 million to manage cash flow requirements. As at December 31, 2024, the City had three promissory notes totalling $60.0 million with a discounted value of $59.3 million and maturity dates ranging from January 14 to June 11, 2025.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include the categories of trade, developer obligations, payroll and remittances, provision for self-insured claims, accrued interest and liabilities for contaminated sites. The balance of $1,178.8 million at year-end increased over the prior-year balance of $1,147.8 million by $31.0 million, or 2.7 per cent.

Trade payables reflect a net decrease of $36.4 million over prior year largely due to the completion of the Valley Line Southeast LRT in 2023, including one-time GST payment related to the P3 capital payments. GST will be paid by the City on the entire value of the P3 capital payments upon service commencement. This is fully offset by a GST receivable recognized under Accounts Receivable related to the City's GST rebate for this amount. There was an increase in trade payables related to large capital infrastructure projects in the second year of the capital budget cycle, including Valley Line West and Capital Line Southeast LRT construction.

Payroll and remittance liabilities increased by $46.8 million over the prior year mainly a result of higher salary accruals and arbitrated settlements not yet paid.

Developer obligations increased by $14.3 million over the prior year mainly due to an increase in development construction in 2024.

Information on the composition of the accounts payable and accrued liability balance is provided in Note 10 to the financial statements.

DEFERRED REVENUE

Deferred revenue is largely made up of government transfers provided to fund operating and capital expenditures. The use of these revenues is externally restricted until the service is performed or when the funds are used for the purposes specified. The deferred revenue balance of $272.4 million increased by $58.2 million, or 27.2 per cent, from the prior year balance of $214.2 million. The increase is 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. Revenue in advance of service performed decreased in 2024 due to the Police Recruit Grant, E911 Grant and completion of the Alberta Transit System Clean-Up grant. This was partially offset by an increase in the Alberta Mental Health and Addictions Urban Strategy Grant.

Additionally, deferred revenue increased for development permits and land development applications, due to implementation of the new accounting standard PS3400 *Revenue*, which required deferral of development permit revenues until the City has provided the related performance obligation. There was also an increase in development permits issued compared to prior year due to higher construction activity in 2024. Additional details about balances and changes in deferred revenue are included in Note 11 to the financial statements.

EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations include accrued vacation, post-employment benefits, banked overtime, balances in the City-sponsored major medical, dental and other employee benefit plans, supplementary management retirement plans and unused health-care spending.

Employee benefit obligations rose by $13.9 million, or 7.0 per cent, compared to 2023, culminating in a year-end balance of $212.8 million. This increase was primarily attributed to an elevated accrued vacation balance and a surplus within the City's dental and major medical plan. The City implemented increases to medical and dental premiums intended to counter COVID-related claim pressures, however premiums have now exceeded claim cost increases, yielding a surplus balance in these plans. The City will monitor the plan balances and adjust premiums as necessary moving forward. Additionally the City carefully monitors vacation usage in an attempt to reduce the unused vacation balance. Further details regarding employee benefit obligations can be found in Note 12 to the financial statements.

ASSET RETIREMENT OBLIGATIONS

In 2023, the City adopted PS3280, *Asset Retirement Obligations*, which represents the estimated future obligation 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 liability was $192.2 million, a decrease of $11.7 million, or 5.7 per cent, from the 2023 balance of $203.9 million. The decrease in the obligation was 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. Further information on the asset retirement obligation is included in Note 13 to the financial statements.

LONG-TERM DEBT

The City of Edmonton Charter Regulation AR 39/2018 allows the City to establish its own debt limits provided the City obtains an external credit rating and develops a Council-approved debt policy. Annually, the City obtains a credit rating from Standard and Poor's. The use of debt to finance capital expenditures is undertaken within the principles and limits established by the City's Debt Management Fiscal Policy (DMFP), (C203D). The DMFP supports the City's long-term capital plans and strategies while maintaining long-term financial affordability, flexibility and sustainability.

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.

The City has three categories of long-term debt obligations: tax-supported debt funded by tax levy, self-supporting tax-guaranteed debt funded through dedicated non-tax levy revenues and self-liquidating debt funded through programs that are self-sustaining, such as the Waste Services Utility, Blatchford Redevelopment and local improvements. As self-supporting tax-guaranteed debt is guaranteed by the tax levy, it is classified as tax-supported debt. Tax-supported debt also includes the City's long-term obligation related to its public-private partnership (P3) with TransEd for the construction of the Valley Line Southeast LRT (P3 term debt).

The City's policies and strategies with respect to debt management are documented in a debt discussion paper that is available on the City's website. The discussion paper comments on the City's use of debt financing to optimize resources dedicated to the acquisition, creation and rehabilitation of infrastructure.

The City borrows 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 debenture, eliminating the risk associated with fluctuating interest rates. Repayments are made annually or semi-annually.

The following rates were applicable for new borrowing during the year:

Borrowing Terms and Interest Rates

Term	Interest Rates
10 years	4.30% to 4.88%
15 years	4.61% to 5.06%
20 years	4.79% to 5.17%
25 years	4.88% to 5.24%
30 years	4.91% to 5.22%

The City's net long-term debt was $4,368.4 million at December 31, 2024, an increase of $200.9 million, or 4.8 per cent, compared to the 2023 balance. Long-term debt consists of debentures, mortgages and P3 term debt. The gross amount of debentures, mortgages payable and P3 term debt of $4,796.0 million is offset by $427.6 million in amounts receivable from EPCOR. The amounts receivable from EPCOR are for debentures issued in the name of the City on behalf of EPCOR relating to the Gold Bar Wastewater Treatment Facility, transferred to EPCOR in 2009, and the Drainage Utility, transferred to EPCOR in 2017.

Of the total net long-term debt of $4,368.4 million, $3,848.2 million is tax-supported and $520.2 million is self-liquidating. Tax-supported debt includes $450.6 million of P3 term debt related to the portion of deferred capital costs owing to TransEd from 2024 to 2050 for the construction of the Valley Line Southeast LRT.

During the year, the City added a total of $446.2 million through new debenture borrowings and mortgages; $421.4 million is considered tax-supported and $24.8 million is considered self-liquidating. Tax-supported debt was borrowed to finance various capital projects, including: the Valley Line, Metro Line and Capital Line LRT construction ($90.5 million), Yellowhead Trail Freeway Conversion ($18.9 million), Terwillegar Drive Expressway ($53.9 million), Lewis Farms and Coronation Community Recreation Centres ($74.7 million), William Hawrelak Park Rehabilitation ($53.1 million) and continued progression of Downtown and Quarters Community Revitalization Levy funded projects ($26.0 million). Self-liquidating borrowings during the year include $4.6 million for Non-Profit Housing Corporation, $13.2 million related to local improvement projects and $7.0 million for Waste Management.

Debt principal repayments of $232.2 million were made during the year, comprising $194.2 million for tax-supported debt (including $9.1 million of P3 term debt) and $38.0 million for self-liquidating debt.

Debt Schedule
(millions of $)

	Tax-Supported	Self-Liquidating	**Total Debt (net)**
Opening	$ 3,634.1	$ 533.4	**$ 4,167.5**
Borrowings	421.4	24.8	**446.2**
Principal Payments	(194.2)	(38.0)	**(232.2)**
P3 term debt modification	(13.1)	-	**(13.1)**
Ending	**$ 3,848.2**	**$ 520.2**	**$ 4,368.4**

A portion of the P3 long-term debt included amounts related to monthly capital payments that were not made to the P3 partner as a result of the project reaching service commencement later than anticipated. The Valley Line Southeast LRT reached service commencement in October 2023. Based on the project agreement with the P3 partner, capital payments owing before the service commencement date were technically forfeit due to the delayed opening. As a result there was a $13.1 million write down of the carrying value of the P3 long-term debt during the year.

The City's DMFP sets limits more restrictive than those legislated in the MGA, limiting the City's total debt servicing to 21.0 per cent of City revenues and up to a maximum of 26.0 per cent of revenues for emergency purposes, compared to the MGA limit of 35.0 per cent. Revenues are consolidated annual revenues net of capital government transfers and developer contributed tangible capital assets. The DMFP further restricts the use of debt for tax-supported debt servicing to 18.0 per cent of tax-supported net expenditures.

Debt Service Limits — DMFP*
(millions of $)

	2024	2023*	2022*	2021*	2020*
Total debt servicing limit (26%)	**$ 939.2**	$ 871.2	$ 799.0	$ 777.2	$ 761.4
Debt servicing limit	**$ 391.9**	$ 420.7	$ 341.9	$ 289.1	$ 291.8
Percentage used (%)	**41.7**	48.3	42.8	37.2	38.3
Total debt servicing limit (21%)	**$ 758.6**	$ 703.7	$ 645.3	$ 627.7	$ 615.0
Debt servicing limit	**$ 391.9**	$ 420.7	$ 341.9	$ 289.1	$ 291.8
Percentage used (%)	**51.7**	59.8	53.0	46.1	47.5
Tax-supported debt servicing limit (18%)	**$ 514.6**	$ 481.7	$ 446.1	$ 406.5	$ 397.3
Tax-supported debt servicing	**$ 337.1**	$ 366.8	$ 270.0	$ 239.6	$ 243.3
Percentage used (%)	**65.5**	76.1	60.5	58.9	61.2

*The limits outlined in the table above for 2020 and 2021 comparatives have been restated from previous years reporting to reflect the revised City Policy C203D Debt Management Fiscal Policy. 2022 has been restated related to the adoption of PS3280 *Asset Retirement Obligation*, and 2023 has been restated to reflect changes in debt servicing classification between self-liquidating debt and tax-supported debt.

NON-FINANCIAL ASSETS

TANGIBLE CAPITAL ASSETS

Tangible capital assets are managed and held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for development, construction, maintenance or repair of other tangible capital assets. The assets are not for sale in the ordinary course of operations and their economic lives extend beyond a year.

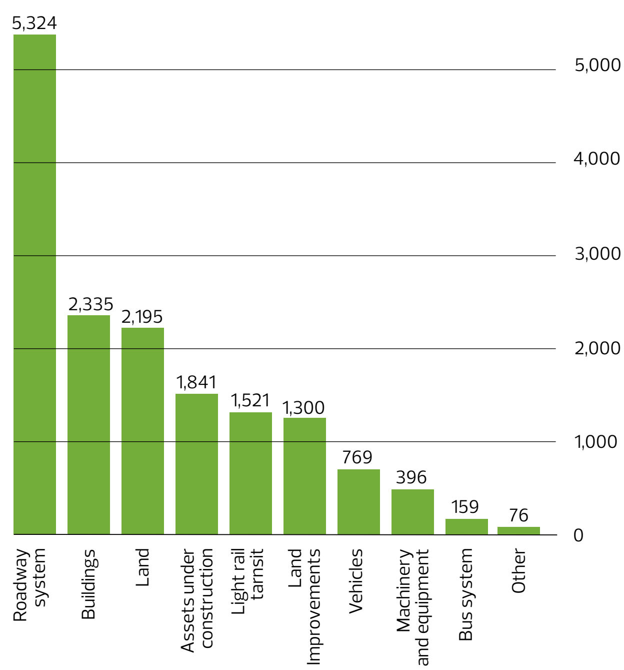
Compared to the 2023 balance of $15,068.9 million, tangible capital assets of $15,956.0 million have increased by 5.9 per cent. The net increase of $887.1 million is a result of acquisitions of tangible capital assets of $1,586.3 million and contributed tangible capital assets of $61.6 million, partially offset by annual amortization of $686.6 million and disposals and transfers of assets with a net book value of $74.2 million.

Tangible capital assets placed in service were primarily in the asset categories of roadways, buildings, land improvements and light rail transit. Schedule 1 – Consolidated Schedule of Tangible Capital Assets to the financial statements provides a continuity schedule for the asset cost and related accumulated amortization for each significant asset type.

In November 2024, Marigold Infrastructure Partners, the contractor building Valley Line West, opened the new Stony Plain Road bridge over Groat Road, and Stony Plain Road between 129 Street and 139 Street.

During 2024, the second year of the 2023-2026 capital budget, spending focused on key growth projects and infrastructure maintenance. The capital additions and contributions of $1,647.9 million in 2024, compared to $1,512.6 million in 2023, reflects the City's continued commitment to investing in infrastructure to accommodate both growth and renewal. Capital expenditures have increased, attributed to ongoing construction projects including Terwillegar Drive, the Valley Line West and Capital Line South LRT, the Coronation Community Recreation Centre, the Edmonton EXPO Centre, the Peter Hemingway Fitness and Leisure Centre and multiple neighbourhood revitalization initiatives. Substantial progress was also achieved 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. Roadways continue to be the largest asset category with a net book value of $5,324.4 million. These are followed by buildings and land with net book values of $2,334.7 million and $2,195.3 million.

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



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

RESERVES

The City's reserve policy, C217F, Reserve and Equity Accounts, directs the establishment of and processes related to reserves. Establishing reserves and transferring funds to and from reserves requires Council's approval.

In accordance with policy C217F, the City completed a review of reserves in 2024. This review is completed at minimum once every three years to ensure the reserves continue to support the City's financial goals and serve the highest priority needs of the City and its residents. As a result of the 2024 review, Council approved the creation of the following two reserves:

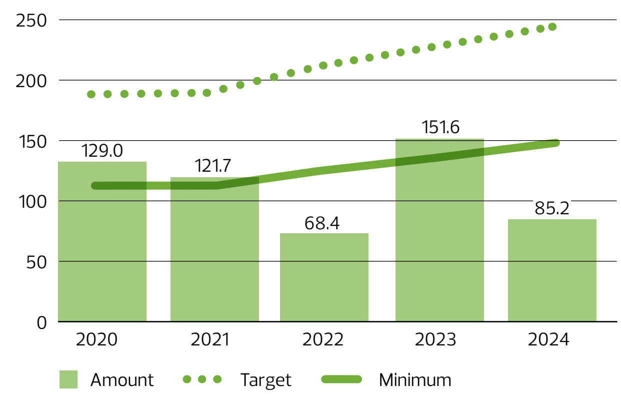
Facility Lease Renewal and Replacement Reserve was created to capture contributions required from tenants to fund future renewal or replacement activities associated with leases of City facilities.

Edmonton Elections Reserve was created to manage program costs over the four-year election cycle.

A schedule of reserves and their balances has been provided in Note 18 to the financial statements. In addition, a Reserve Register, which is part of Council Policy C217F Reserve and Equity Accounts Policy and available on the City's website, provides further descriptions of all reserves and is updated annually. Total reserves of $1,028.6 million at the end of 2024 decreased by $31.6 million over the 2023 balance of $1,060.2 million.

The unappropriated and appropriated Financial Stabilization Reserves, reserves with significant changes in their balances from prior year and deficit reserves are discussed below.

Financial Stabilization Reserve
(millions of $)



The **Financial Stabilization Reserve (FSR)** was established in 1997 to provide flexibility in addressing financial risks associated with revenue instability and emergent financial issues and to ensure the orderly provision of services to residents. The appropriated balance of the reserve represents funds that have been set aside by Council to fund future commitments. The unappropriated balance of the FSR is uncommitted and provides the City with flexibility to address significant emergent financial issues. The reserve is not intended to be used to stabilize future tax rate increases. City policy establishes that the FSR must have a minimum balance of 5.0 per cent with a target balance of 8.3 per cent of current general government expenses (excluding non-cash amortization and gain/loss on sale of tangible capital assets). Any annual general government surplus would be applied to the reserve in the subsequent year. Any annual tax-supported deficit would draw on the reserve.

City Policy C629A, Financial Stabilization Reserve, requires that a risk-based review of the unappropriated FSR be completed every three years to ensure the sufficiency of the minimum and target percentages. Administration conducted a risk-based review of the unappropriated FSR balance in 2024 and confirmed that the respective minimum and target balances of 5.0 per cent and 8.3 per cent of current general government expenses (excluding non-cash amortization and gain/loss on sale of tangible capital assets) were appropriate.

As of December 31, 2024, the unappropriated FSR balance is $85.2 million which is a $66.4 million decrease from the 2023 balance of $151.6 million. During 2024, the general government deficit from 2023 of $40.6 million was transferred to the reserve, and an additional $25.8 million was appropriated within the FSR to provide funding in 2024 for projects and initiatives not completed in 2023. During 2024, Council approved the use of $18.0 million from the unappropriated FSR to fund priority items over 2025 to 2026 on a one-time basis. Additionally, $18.0 million in funding for projects previously appropriated in the FSR was released back to the unappropriated FSR as it was determined that the funding was no longer required. The reserve ended the year with a balance of $85.2 million as of December 31, 2024. However, after considering the tax-supported deficit of $4.2 million and Council-approved operating budget carry-forwards of $23.3 million, the projected unappropriated FSR balance in 2025 is $57.7 million. This is $85.2 million below the required minimum balance of $142.9 million.

In accordance with 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. The strategy may include replenishing the FSR with any unplanned one-time revenues, savings through one-time cost reduction strategies, previously committed one-time appropriated items within the FSR that are no longer required for their original purpose and transfer of funds from other reserves where the amounts are no longer required for their original purposes.

In December 2024, through the Fall 2024 Supplemental Operating Budget Adjustment process, 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 policy C629A to allow the repayment strategy to occur over five years instead of three. The total amount required to achieve the minimum balance in 2029 is estimated to be $109.7 million, as the minimum balance is expected to increase with expenditure growth over the next five years.

As of December 31, 2024, the appropriated FSR balance is $75.5 million, which is a decrease of $24.5 million from the 2023 balance of $100.0 million. During 2024, the balance decreased as $53.5 million was used to fund approved items and $14.8 million was released back to the unappropriated FSR as the funding was no longer required. The balance increased as $43.8 million was transferred into the appropriated FSR to fund specific projects.

The **Pay-As-You-Go (PAYGO) Capital Reserve** is funded through investment earnings, tax-levy and other operating sources. The reserve is used to fund capital projects, as approved by Council through the capital budget process. The balance in the reserve at year-end of $151.4 million is fully allocated to capital and reflects the approved PAYGO funding for capital projects with expenditures in future years.

The **Light Rail Transit Reserve** ended the year with a balance of $138.8 million, a decrease of $12.8 million from 2023. Funds in the reserve come from a dedicated tax-levy as well as other operating sources and are made available for city-wide LRT expansion. The balance decreased as funds from the reserve were used as intended to pay for P3 debt repayments and passenger service operating costs, as 2024 was the first full year of operations for the Valley Line Southeast LRT.

The **Neighbourhood Renewal Reserve** contains tax funding dedicated to the Neighbourhood Renewal Program net of annual program expenditures. The reserve ended the year with a balance of $2.4 million, a decrease of $13.7 million from 2023. This decrease was mainly due to the timing of neighbourhood renewal capital projects, with more capital expenditures funded from the reserve in the year compared to incoming tax-levy funding.

The **Sanitary Servicing Strategy Fund (SSSF) Reserve** is allocated fees collected by the City from developers and EPCOR Water Services that are used to build deep sanitary sewer trunk lines. The reserve ended the year with a balance of $115.8 million, an increase of $12.4 million from 2023. The increase is due to earned interest on the balance of the reserve as well as revisions in the sanitary sewer trunk lines construction plan as the program undergoes a review.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

The City maintains reserves that are used to accommodate differences between expenses and related funding sources. As of December 31, 2024, the City had six reserves in deficit balances. These include the Interim Financing, Community Revitalization Levy (Capital City Downtown, Belvedere and Quarters), Brownfield Redevelopment and Edmonton Police Service Reserve. In accordance with City Policy C217F Reserve and Equity Accounts, reserves that are expected to have deficit balances will only be established if future funding to offset the deficit balance has been identified at the time of the reserve's creation.

A **Community Revitalization Levy (CRL)** is a provincially legislated financing tool that provides up to 20 years of stable funding for public infrastructure investments in the approved redevelopment areas. Within each CRL area, a baseline property assessment is established in the year that the plan is approved. Subsequent increases in property tax revenue above the baseline (both municipal and equivalent provincial school taxes) that result from new development and property value growth make up the CRL revenue. The CRL funds are dedicated to CRL plan projects within the CRL area. There is a timing difference between project expenses and CRL revenue generation. In each of the three levy areas, debt (referred to as CRL debt) is used to finance City-owned projects. Debt-servicing (principal and interest) associated with capital investment began immediately, before there was sufficient revenue generated to fully cover those costs. These annual shortfalls have resulted in a negative reserve position for each of the three CRL Reserves for a total deficit of $49.5 million in 2024 compared to $46.2 million in 2023.

These reserves will begin to be repaid when annual levy revenues start to exceed annual expenditures. The intent is for the reserves to be replenished over the life of the CRL (20 years from start date). If the reserve deficit is not repaid by the end of the term, funding from annual tax-levy is required until the deficit balance in the reserve is repaid. An annual update on the progress of the CRLs was presented to Council's Executive Committee on April 2, 2025. The annual update noted that the CRL reserves will all be in deficit positions at the end of the related CRL terms, therefore requiring ongoing tax-levy to offset the deficit balances existing in the reserves at the end of the CRL terms.

The **Interim Financing Reserve** is used to accommodate timing differences between operating impacts of capital projects and related external funding sources and differences that arise between the timing of cash outflows (budget) and recognition of expenses (accounting) to ensure that the City can levy taxes in a manner that matches the cash outflow. At the end of 2024, the reserve had a deficit balance of $33.4 million compared to a deficit of $34.8 million in 2023. The deficit will be repaid through external funding sources.

The **Brownfield Redevelopment Reserve** supports brownfield redevelopment, granting payments to qualified developers under the program to help finance costs related to environmental testing, remediation and/or exposure control in preparation for redevelopment. At the end of 2024, the reserve had a deficit balance of $0.9 million compared to a deficit of $2.0 million in 2023. The deficit will be recovered through future municipal tax uplift relating to the developer agreements.

The **Edmonton Police Service Reserve** was established to manage operational surpluses and deficits of the Edmonton Police Service over time. At the end of 2024, the reserve had a deficit balance of $0.6 million compared to a deficit of $1.1 million in 2023. In accordance with Policy C605 Edmonton Police Reserve, in the event the reserve falls into a deficit position, a strategy will be developed by EPS, to be approved by Council, to achieve a balanced position over a period not to exceed three years, starting with the subsequent year's operating budget. The reserve is forecasted to be at minimum in a balanced position by 2026 through anticipated operating transfers to the reserve.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

The 2024 Downtown Vibrancy Fund invested over $3.9 million into 37 projects, which included events, business support, placemaking, lighting and public safety.

EQUITY IN TANGIBLE CAPITAL ASSETS

As summarized in Note 17 to the financial statements, equity in tangible capital assets represents the investment made in tangible capital assets, after deducting the portion financed by outstanding long-term debt, net of long-term debt for land redevelopment and debt recoverable. With an increase of $682.1 million for 2024, as a result of the net acquisition of tangible capital assets partially offset by net additional debt, the ending balance of equity in tangible capital assets for the year is $11,680.4 million.

ADVANCES FOR CONSTRUCTION (CAPITAL TO BE FINANCED)

At the end of 2024, $165.2 million of capital funding was in place in advance of incurring capital expenditures. The debt proceeds will be used early in 2025 to finance related project expenditures.

OBLIGATIONS TO BE FUNDED IN FUTURE YEARS

Obligations to be funded in future years ended at $143.4 million, a decrease of $5.4 million compared to last year. This balance represents an estimate of funding required for asset retirement obligations associated with retirement related abatement and monitoring costs of the City's buildings and equipment. The decrease year-over-year is mainly due to abatement work performed in 2024, partially offset by an increase in estimated costs for future asset retirement obligations. For further details, refer to Note 13 to the financial statements.

FINANCIAL OPERATIONS

The Consolidated Statement of Operations and Accumulated Surplus outlines revenues earned by the City and their application (expenses) to provide municipal services.

Consolidated Statement of Operations
(millions of $)

	2024 Actual	2023 Actual	2022 Actual Restated	2021 Actual	2020 Actual
Operating Revenues	**$ 4,001.6**	$ 3,674.1	$ 3,433.8	$ 3,358.5	$ 3,170.6
Capital Revenues	**800.3**	762.5	633.5	527.1	717.4
Operating Expenses	**3,819.8**	3,658.7	3,426.0	3,093.5	3,023.5
Excess of Revenues over Expenses	**$ 982.1**	**$ 777.9**	**$ 641.3**	**$ 792.1**	**$ 864.5**

Consolidated revenues exceeded expenses for the year by $982.1 million after accounting for government transfers for capital, contributed tangible capital assets and developer and customer contributions for capital and local improvements.

Operating revenues increased 8.9 per cent from the prior year, with increases in revenue from property taxes, subsidiary operations – EPCOR, franchise fees, investment earnings, operating government transfers and licences and permits, partially offset by decreases in user fees and sales of goods and services. Capital revenues vary from year-to-year based on timing of capital projects and recognition of capital revenues to fund capital expenses. The largest increase was in capital government grants required to fund expenditures related to advancement in significant capital projects during 2024, including Valley Line West, Capital Line South Extension, Yellowhead Freeway Conversion, Terwillegar Drive Upgrade and 50 Street Grade Separation.

After relatively slow growth experienced in 2020-2021 when services were reduced in response to public health orders related to the pandemic, operating expenses have grown at a fast pace since 2021. Operating expenses over the past five years reflect the cost to maintain and improve existing infrastructure and core services that comes with a growing population, personnel increases for wage progression and cost of living adjustments, operating impacts related to new capital projects and prolonged periods of high inflation.

Significant year-over-year variances and variances from budget are discussed in the following sections. The operating budget is based on the original 2023-2026 operating budget approved by Council in December 2022, including the supplementary operating budget adjustment in the 2024 Spring Supplemental Budget Adjustment approved by Council on April 23, 2024. The capital budget line items are based on the 2023-2026 capital budget approved in December 2022. Budgets are approved on a modified cash basis and adjusted to conform with the Canadian Public Sector Accounting Standards for inclusion in the Consolidated Statement of Operations and Accumulated Surplus. A reconciliation between the budget approved by Council and the budget for financial statement purposes is provided in Note 33.

OPERATING REVENUES

Operating Revenues
(millions of $)

	2024 Budget (A)	**2024 Actual (B)**	Variance (B–A)	2023 Actual (C)	Variance (B–C)
Net taxes available for municipal purposes	$ 2,141.9	**$ 2,136.9**	$ (5.0)	$ 1,927.5	$ 209.4
User fees and sales of goods and services	631.0	**652.3**	21.3	713.0	(60.7)
Subsidiary operations – EPCOR	440.8	**426.5**	(14.3)	361.3	65.2
Franchise fees	216.8	**222.4**	5.6	206.8	15.6
Investment earnings	196.9	**201.7**	4.8	138.3	63.4
Government transfers – operating	140.8	**165.8**	25.0	140.3	25.5
Licences and permits	80.8	**94.0**	13.2	74.5	19.5
Fines and penalties	63.2	**69.2**	6.0	69.5	(0.3)
Developer and customer contributions – operating	34.9	**32.8**	(2.1)	42.9	(10.1)
Operating Revenues	**$ 3,947.1**	**$ 4,001.6**	**$ 54.5**	**$ 3,674.1**	**$ 327.5**

COMPARISON TO BUDGET

Operating revenues were higher than budgeted by $54.5 million, or 1.4 per cent of the revenue budget, mainly due to higher than budgeted income from government transfers, user fees and sale of goods and services and licences and permits.

User fees and sales of goods and services were higher than budget due to expected recovery from the Regional Municipality of Wood Buffalo and Municipality of Jasper for wildfire assistance, as well as 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 favourable variances compared to budget were partially offset by decreased transit fare revenue due to changing purchasing behaviours and travel patterns and lower than budgeted land sales due to timing of sales and below market sales.

Government transfers – operating exceeded budget primarily due to greater than budgeted provincial grants. These include funding for 50 additional Edmonton Police Service (EPS) officers, the Guns and Gangs Violence Action Fund and the Alberta Transit System Cleanup Grant.

Licences and permits exceeded budget primarily driven by an increase in residential and non-residential development permits due to higher than expected building activity in the city. Higher than budgeted business licence revenues due to increased business licence activity during the year as well as a change in accounting treatment for this revenue stream due to the implementation of PS3400 *Revenue*, also contributed to the exceeded budget. Business licence revenue is now recognized immediately whereas the budget assumes the revenue to be recognized over the period of the licence (typically two years). These favourable variances are partially offset by lower permit revenues due to less than expected permitting demands relating to On-Street

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

Construction and Maintenance, regulated road use licences and agreements, other traffic controls fees for detours, developer signs and moving permits. Furthermore, development permits, land development application and lot grading revenues were previously recognized immediately upon receipt of payment, however, there is a performance obligation that takes place over a period of time. Due to adoption of PS3400 *Revenue*, starting in 2024, these revenue streams are initially recorded as deferred revenue and recognized into revenue over the term of the performance obligation, resulting in less-than-budgeted revenues for these revenue streams.

COMPARISON TO PRIOR YEAR

Overall, operating revenues were higher when compared to last year by $327.5 million, due to increases in revenue from property taxes, subsidiary operations – EPCOR, investment earnings, government transfers and licences and permits. These increases were partially offset by a decrease in user fees and sales of goods and services.

Net taxes available for municipal purposes increased from the prior year mainly due Council approving a 8.9 per cent tax increase for 2024. As well, property taxes increased due to assessment growth (the growth that occurs through new construction, upzoning, subdivision or exemption changes).

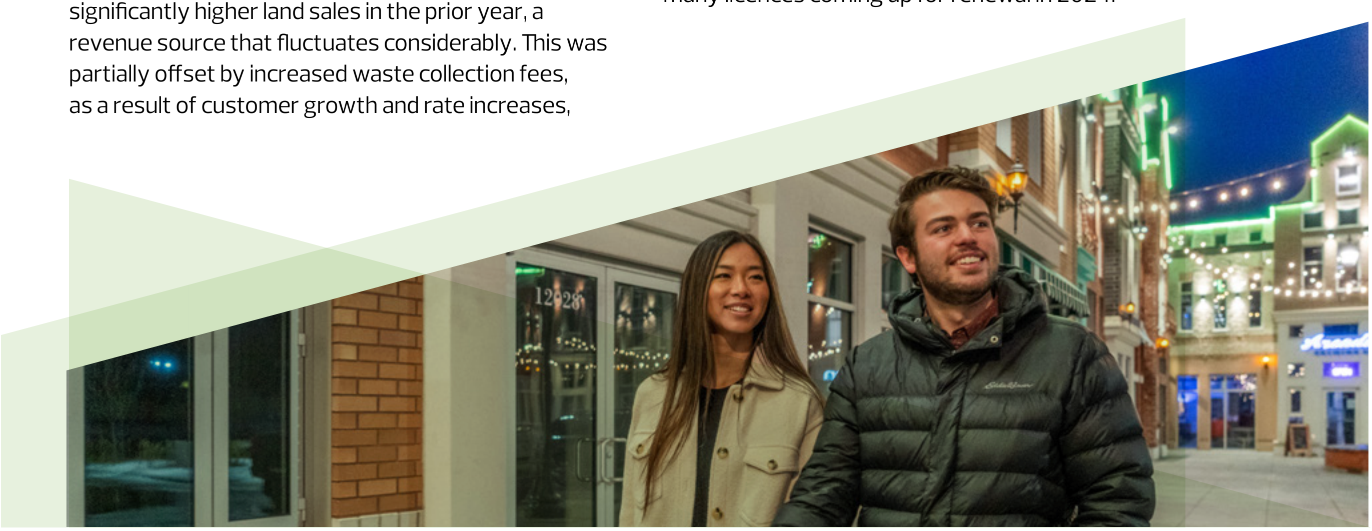
User fees and sales of goods and services decreased compared to the previous year, principally due to significantly higher land sales in the prior year, a revenue source that fluctuates considerably. This was partially offset by increased waste collection fees, as a result of customer growth and rate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

Subsidiary operations (EPCOR) increased from the prior year due to favourable changes in the fair market value of financial electricity purchase contracts in Energy Services and higher Water Services revenue as a result of higher rates, consumption and customer growth. This increase was partially offset by higher amortization due to additional assets placed in service and losses on disposal from asset retirements.

Investment earnings increased compared to the prior year as a result of gains realized in 2024 on the sale of a portion of its global and U.S. equity holdings undertaken as part of the City's annual rebalancing exercise. This rebalancing brought asset classes back closer to investment policy targets.

Government transfers – operating increased primarily due to increased federal and provincial grants. These include funding for 50 additional Edmonton Police Service (EPS) officers, Alberta Transit System Cleanup Grant and additional revenue received for the 2 Billion Trees Program.

Licences and permits increase was primarily driven by a surge in residential and non-residential development permits due to increased building activity compared to prior year. Additionally, business licence revenue rose due to the biennial renewal cycle with many licences coming up for renewal in 2024.



CAPITAL REVENUES

Capital Revenues
(millions of $)

	2024 Budget (A)	**2024 Actual (B)**	Variance (B–A)	2023 Actual (C)	Variance (B–C)
Government transfers – capital	$ 1,404.5	**$ 701.5**	$ (703.0)	$ 643.9	$ 57.6
Contributed tangible capital assets	119.3	**61.6**	(57.7)	80.6	(19.0)
Developer and customer contributions – capital	83.1	**30.2**	(52.9)	24.9	5.3
Local improvements	11.6	**7.0**	(4.6)	13.1	(6.1)
Capital Revenues	**$ 1,618.5**	**$ 800.3**	**$ (818.2)**	**$ 762.5**	**$ 37.8**

Capital revenues are made up of government transfers, contributed tangible capital assets, developer and customer contributions and local improvement revenues. These revenue sources are approved by Council as funding sources for capital projects through the capital budget process. Capital revenues are recognized in the Statement of Operations to fund the related capital expenditures as they are incurred, and as a result, the recognition of capital revenues often varies with timing of expenditures.

COMPARISON TO BUDGET

Capital revenues of $800.3 million were $818.2 million lower than budget due to less than expected capital government transfers, contributed tangible capital assets and developer and customer contributions.

Government transfers – capital were lower than budget by $703.0 million due to timing of LRT projects (Metro Line, Century Line and Valley Line West) and recognition of the Investing Canada Infrastructure Program (ICIP) grant used to fund a portion of the LRT projects. The Century Line LRT project has completed the design phase and construction preparation work is underway. The Metro Line has been completed; however there are six Light-Rail Vehicles (LRV) to be procured. The Valley Line West reached 35 per cent completion and will also include the procurement of LRVs. Grant eligible spending related to Yellowhead Freeway Conversion projects, which are funded through the Building Canada Fund program, occurred at a slower rate than originally planned with expected completion now in 2027.

Contributed tangible capital assets were lower than budget as the amount of land and developer contributed assets related to roadway assets varies depending on the neighbourhood development.

Developer and customer contributions were lower than budgeted largely due to the timing of capital expenditures that are partner or developer funded, including Imagine Jasper Avenue, renewal of parks and district energy sharing systems.

COMPARISON TO PRIOR YEAR

Capital revenues were higher than 2023 by $37.8 million mainly due to increases in government transfers partly offset by less contributed tangible capital assets.

Government transfers – capital revenues increased due to an overall increase in capital activity in 2024 across numerous capital projects including LRT construction on Valley Line West and the extension of the Capital Line South. 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 were lower than prior year due to a decrease in developer contributed infrastructure assets such as roads, sidewalks and streetlights for new neighbourhoods constructed, partially offset by an increase related to the contribution of the Citadel Theatre building in 2024.

OPERATING EXPENSES

Operating Expenses by Function
(millions of $)

	2024 Budget (A)	**2024 Actual (B)**	Variance (A–B)	2023 Actual (C)	Variance (B–C)
Transportation services	$ 1,153.8	**$ 1,114.0**	$ 39.8	$ 1,038.7	$ 75.3
Protective services	890.0	**909.2**	(19.2)	846.1	63.1
Community services	882.0	**839.8**	42.2	803.9	35.9
Waste Services Utility	228.3	**236.9**	(8.6)	213.6	23.3
Land Enterprise	52.0	**30.4**	21.6	63.4	(33.0)
Blatchford Renewable Energy Utility	3.5	**3.2**	0.3	2.1	1.1
Fleet services	31.9	**43.2**	(11.3)	41.9	1.3
Corporate administration, general municipal and other	630.0	**643.1**	(13.1)	649.0	(5.9)
Operating Expenses	**$ 3,871.5**	**$ 3,819.8**	**$ 51.7**	**$ 3,658.7**	**$ 161.1**

COMPARISON 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 expenses budget.

Transportation Services expenses were lower than budget due to reduced amortization, primarily resulting from slower than expected construction progress, specifically related to Yellowhead Trail and Terwillegar Drive assets. This reduction was partially offset by higher than budgeted costs related to a change in accounting treatment as a result of the new accounting standard PS3160 Public Private Partnerships. Beginning in 2024, payments for the Valley Line Southeast P3 are recognized equally across the agreement's duration, unlike the budget which uses fluctuating scheduled payments. The LRT Reserve handles the discrepancy between these amounts. There were also increased personnel costs in transit resulting from higher wages, overtime and benefits, and higher fuel, material and contract costs driven by inflation and increased vandalism. Additionally, snow and ice control expenses were higher than budget due to significant snowfall events in late 2024.

Protective Services expenses, including Fire Rescue Services, exceeded budget primarily due to $11.6 million in Alberta Wildfire support provided to the Regional Municipality of Wood Buffalo and the Municipality of Jasper, with cost recovery anticipated from these jurisdictions. Additionally, increased personnel costs, mainly due to higher benefit and Workers Compensation Board (WCB) premiums, contributed to this overage.

Community Services experienced less than budgeted costs due to grant and rebate program delays resulting from slower than expected program uptake and progress on projects. The project delays were due to supply chain issues and general construction delays resulting in project milestones not being met. 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 Enterprise costs of sales were lower than budget due to timing of land sales within the budget cycle.

Fleet Services expenses exceeded budget primarily due to increased amortization resulting from full year amortization on prior year's significant vehicle purchases, as well as higher costs due to parts and fuel inflation.

Corporate administration, general municipal and other expenses were higher than budget due to increased tax losses. These losses resulted from a change in the tax exemption status of certain properties that were previously taxable and higher than anticipated tax appeals due to the 2024 tax increase of 8.9 per cent.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

COMPARISON TO PRIOR YEAR

In 2024, operating expenses increased by $161.1 million over the prior year, mainly due to increased expenditures in Transportation services, Protective services, Community services and Waste Services utility. These increases were partially offset by lower costs incurred by Land Enterprise in 2024 compared to 2023.

Transportation Services costs increased from the previous year, primarily due to the Valley Line Southeast LRT's first full year of operations, higher wages for Amalgamated Transit Union under collective bargaining agreements and higher personnel costs in transit related to increased overtime. Increased fuel, material and contract costs due to inflation also contributed to these overages. Snow and ice control expenses were higher in response to significant snowfall events in late 2024 that resulted in increased contractor callouts and higher contractor prices driven by inflation. Additionally, amortization increased due to higher capitalization of transportation related assets including significant ongoing LRT construction, the Yellowhead Trail Freeway Conversion, the Terwillegar Drive Expressway and neighbourhood road renewal. These increases were partially offset by lower disposals related to roadway asset retirements for neighbourhood and arterial road construction compared to last year.

Protective Services experienced higher costs as result of increased wages for Edmonton Police Association and Senior Officer Association under collective bargaining agreements, higher benefit and WCB premiums. Additionally, there was increased operating costs due to inflation and to support expanded policing, driven by population growth.

Community Services costs rose compared to the previous year due to increased demand for recreation facilities and special events, leading to higher personnel, material and contract expenses. Higher wages for unionized staff under collective bargaining agreements and general inflation further contributed to these increases. Forestry work under the Federal 2 Billion Trees Commitment program and higher grant payments for the Community Safety and Well-Being initiative also increased costs.

Waste Services Utility saw increased costs due to higher wages as a result of collective bargaining agreements, as well as higher contract costs from increased landfill disposal fees and an increase in contract and tipping fees resulting from the Material Recovery Facility closure.

Land Enterprise costs were lower than the previous year as a result of timing of land sales, as well as a significant land sale in the previous year.

Operating Expenses by Object
(millions of $)

	2024 Actual (A)	2023 Actual (B)	Variance (A–B)
Salaries, wages and benefits	**$ 1,885.0**	$ 1,790.7	$ 94.3
Materials, goods and utilities	**378.7**	398.5	(19.8)
Contracted and general services	**524.9**	426.0	98.9
Interest and bank charges	**164.4**	171.9	(7.5)
Grants and other	**151.5**	146.0	5.5
Amortization of tangible capital assets	**686.6**	661.0	25.6
Loss on disposal, impairment and transfer of tangible capital assets	**28.7**	64.6	(35.9)
Operating Expenses	**$ 3,819.8**	**$ 3,658.7**	**$ 161.1**

The operating expense increase of $161.1 million compared to prior year was largely due to higher salaries, wages and benefits, contracted and general services and amortization of tangible capital assets. This is partially offset with lower loss on disposal, impairment and transfer of tangible capital assets and a reduction in materials, goods and utilities.

Salaries, wages and benefits increased mainly due to higher salaries under collective bargaining agreements, increased benefit and WCB premiums and higher demand for services causing the need for additional staff at recreation facilities. There was also increased overtime in Edmonton Transit Services, Community Recreation and Culture and Fire Rescue Services in order to maintain services.

Materials, goods and utilities decreased primarily due to reduced land sales and lower renewable energy purchases. This decrease was partially offset by increased transportation costs related to the first full year of Valley Line Southeast LRT operations, higher snow and ice control costs due to significant snowfall events in late 2024 and general cost increases due to inflation.

Contracted and general services costs increased from the previous year, primarily due to the Valley Line Southeast LRT's first full year of operations, increased demand for recreation facilities and special events and higher overall contracting costs driven by inflation. Additionally, snow and ice control expenses increased due to significant snowfall events in late 2024, increased contractor callouts and higher contractor prices driven by inflation, while Waste Services expenses rose due to increased contract and tipping fees resulting from the Materials Recovery Facility closure.

Amortization of tangible capital assets was higher than the previous year because more assets were capitalized, including ongoing major projects like the LRT construction, Yellowhead Trail Freeway Conversion, the Terwillegar Drive Expressway and neighbourhood road renewal. This also includes additional assets placed in service related to Open Space Renewal and the rehabilitation and replacement of the bus fleet and equipment.

Loss on disposal, impairment and transfer of tangible capital assets decreased from the prior year, primarily due to lower disposal on roadway asset retirements for neighbourhood and arterial road construction and fewer transfers of contributed assets.

Schedule 2 – Consolidated Schedule of Segment Disclosures provides an analysis of revenues and expenses (by object) for each significant business grouping. A description of each of the segments is provided in Note 32 to the financial statements.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

NEW ACCOUNTING STANDARDS

Effective January 1, 2024, the City adopted the new requirements in PS3400, *Revenue* and PSG-8, *Purchased Intangibles*. These requirements were adopted on a prospective basis with no adjustments made to comparative figures.

PS3400 provides a framework for recognizing, measuring and reporting revenue for specific types of revenue by differentiating between revenue that arises from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payor. This standard applies to certain revenue streams of the City, such as user fees, sales of goods and services, franchise fees, licences and permits, and fines and penalties. The adoption of this standard resulted in expanded accounting policy disclosures in the City's financial statements. To conform to the new standard, on January 1, 2024, the City's financial results were impacted by increasing deferred revenue by $1.0 million and decreasing revenue by $1.0 million.

PSG-8 allows for purchased intangible assets to be recognized as assets in a public sector entity's financial statements. The adoption of this standard did not have an impact on the City's financial results.

Effective January 1, 2024, the City adopted the new requirements in PS3160, *Public Private Partnerships*, using a retroactive approach without restatement of comparative figures. PS3160 establishes standards on accounting for partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard resulted in additional disclosures regarding private partnership arrangements in the City's financial statements.

Further information regarding these new accounting standards are detailed in Note 1s in the City's financial statements.

Edmonton was the first municipality in Canada to establish a derelict residential tax subclass, which allows the City to charge a higher tax rate to properties that are assessed as derelict. Other governments have reached out to us to learn more about our experiences.

FINANCIAL CONTROL AND ACCOUNTABILITY

The City maintains the following processes to ensure that appropriate financial control and accountability are maintained and a proactive approach is taken to identify and address financial challenges.

FISCAL POLICIES

The City's financial governance policies and practices ensure Edmonton's continued sound fiscal management and long-term financial sustainability. These policies and practices are continuously assessed using leading practice and research on topics relating to policy and strategy. The City has drafted discussion papers to provide a foundation for discussing the key financial issues and questions related to debt, franchise fees, investments, user fees and property assessment and taxation. Some of the more significant policies are discussed below.

City Policy, C217F, Reserve and Equity Accounts. This policy outlines the governance, accountability, administration, monitoring and reporting of all City reserves and equity accounts. The City has policies in place for various reserves, including the Financial Stabilization Reserve, Traffic Safety and Automated Enforcement Reserve, Edmonton Police Services Reserve and Planning and Development Reserve, that ensure sufficient funds are in place to satisfy the financial needs of the operations being supported by the reserve.

City Policy, C629A, Financial Stabilization Reserve. This policy outlines the governance, administration and reporting of the appropriated and unappropriated Financial Stabilization Reserve (FSR). The appropriated FSR balance is designated for specific purposes, including operating and capital projects, as approved by Council. The purpose of the unappropriated FSR balance is to manage one-time unexpected emergent financial needs and should not be used to address ongoing pressures or to mitigate tax-levy increases. Every three years, Administration performs a risk based review of the unappropriated FSR, adjusting the minimum balance if required. The results of the review are submitted to Council for approval, if necessary. A review was completed in 2024, and the next scheduled review will be carried out in 2027. Currently, the unappropriated FSR has a minimum balance of 5.0 per cent and a target balance of 8.3 per cent of current tax-supported operating expenses.

City Policy, C624, Fiscal Policy For Revenue Generation. The City provides various services and infrastructure for the community, with some providing broad benefits to the community at large. Others provide greater or more direct benefits to consumers of a service or to certain stakeholders or properties. The City recognizes that service and infrastructure costs must be shared in some way amongst the tax base and benefiting parties and equitably distributes these costs according to the accrual of benefits throughout the community. The purpose of this policy is to provide a clear and consistent governing framework for allocating service and infrastructure costs throughout the community and to guide fiscal decisions on the fundamental question of "who pays for what, in what amount, and why?"

City Policy, C451H, Edmonton Transit Service Fare Policy. This policy gives direction for setting public transit fares based on considerations of equity, fairness and affordability and encouraging mode shift to public transit. The City will balance the individual or private benefits derived from the use of public transit with the public benefits of an effective public transportation system; this will be accomplished by means of fares recovered from customers.

City Policy, C212E, Investment. This policy establishes a set of investment objectives and beliefs giving consideration to the type of fund, its characteristics, investment return considerations, financial obligations, the objective of preservation of capital, liquidity and a prudent level of risk given the investment time horizon. This ensures that the City's investments comply with statutory requirements.

City Policy, C604B, Edmonton Police Services (EPS) Funding Formula. The EPS Funding Formula was created to provide a predictable level of funding for each year within the four-year budget cycle. The goal of the funding formula was to provide funding certainty to allow for long-term budgeting and workforce planning. Council approved the revised Edmonton Police Service Funding Formula Policy C604B on August 23, 2023.

City Policy, C610, Fiscal Policy for the Planning and Development Business. This policy formalized the fiscal management and operating principles of the City's planning and development operations to ensure long-term fiscal sustainability and service stability while enabling growth within Edmonton. The policy defines the purpose of the Planning and Development Reserve, which is to be used to stabilize the planning and development business across extended periods of time.

The City's Land Governance Model. This model helps ensure land management decisions are made from an integrated perspective that includes input from across the corporation. This model also provides for ongoing monitoring of City landholdings to ensure they are used appropriately to meet the City's needs. The model defines the process and funding related to strategic land acquisitions for future municipal purposes, specifically restricting the use of Land Enterprise retained earnings to fund strategic land acquisitions for municipal purposes on an interim basis.

City Policy C203D, Debt Management Fiscal Policy. This policy provides guidelines for prudent debt management and ensures that debt is used responsibly to advance key infrastructure projects.

Council's Waste Management Utility Fiscal Policy, C558C. This policy governs the financial relationship between the City and the municipally owned and operated utility. This policy requires the utility to operate in a manner that balances the best service at the lowest cost while employing private sector approaches to rate setting. The utility is required to charge rates that are sufficient to meet expenditures and cash flow requirements, repay capital debt and ensure financial sustainability.

City Policy C578A, Multi-year Budgeting Policy. This policy enshrines the use of a multi-year budget cycle for budgeting operating and capital programs, unless otherwise directed by Council, with the end of this four-year budget term to be coincidental with the calendar yearend of the year after the year in which a new Council is elected. The purpose of this policy is to establish guidelines and the approach for the planning and approval of multi-year budgets to ensure greater certainty for future expenditures and revenue increases and the related impact on future tax increases.

City Policy C597B, The Blatchford District Energy Utility Fiscal Policy. The purpose of the policy is to ensure the Blatchford Renewable Energy Utility is operated in a manner that reflects Council's overall vision and philosophical objectives, that there is a consistent approach year-over-year for financial planning, budgeting and rate setting for the City managed Utility and that the Utility is financially sustainable over the long-term. Bylaw 17943, which established the Blatchford Renewable Energy Utility, regulates connections between building mechanical systems and the District Energy System (DESS), regulates access and prevents damage or misuse of the DESS. It also determines fees and charges related to the DESS.

Council Policy C587A, Enterprise Risk Management. The purpose of this policy is to ensure the consistent application of the Enterprise Risk Management (ERM) process to support the alignment of informed choices and prioritize actions to address risks, reduce downside impacts and elevate opportunities to reach corporate goals, objectives, strategy and service commitments. This policy and procedure were updated in 2023 to align more closely with the 2021 ERM framework and to reflect new processes and systems implemented as part of the framework.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

REGULATORY

EPCOR water and wastewater treatment rates are approved through Performance Based Regulation (PBR) Plans, which set these rates for the term of the PBR. The PBR framework and annual PBR progress reports allow Council to have oversight and governance over water, wastewater treatment and drainage rates over a longer term and provide incentives to ensure that EPCOR operates more efficiently while providing appropriate service levels. Bylaw 19626 sets the rates for water services charged by EPCOR for the period April 1, 2022 to March 31, 2027. Bylaw 20865 sets the rates for wastewater services charged by EPCOR for the period April 1, 2025 to December 31, 2027.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

STRATEGIC PLANNING

The Strategic Planning Framework is composed of six interconnected plans and processes that direct the growth and evolution of Edmonton. Broadly, the framework answers three main questions: Where are we now? Where are we going? How will we get there?

ConnectEdmonton and The City Plan

The City's long-term goals are outlined in two documents: ConnectEdmonton sets the direction for the future and identifies where changes are required. ConnectEdmonton is based on an aspirational vision for Edmonton in 2050 and focuses on four strategic goals for 2019-2028 that require transformational change: Healthy City, Urban Places, Regional Prosperity and Climate Resilience.

The City Plan combines a Municipal Development Plan and Transportation Master Plan and includes direction for environmental planning, social planning and economic development to prepare for a city of two million Edmontonians.

The Corporate Business Plan and Budgets

The Corporate Business Plan outlines the actions the City will take during a four-year planning and budget cycle. It presents an integrated overview of the City's improvement initiatives and capital infrastructure projects across three corporate objectives that focus on transforming the community for the future, serving Edmontonians and managing the corporation.

The capital and operating budgets are essential tools in allocating resources to achieve the City's goals and objectives and are approved by Council. The budgets are prepared by Administration every four years and updated twice annually.

Enterprise Performance

Enterprise Performance Management (EPM) is an approach that helps the City manage its work and continuously improve performance to achieve the results that Edmontonians care about. When Council approved the Enterprise Performance Policy on May 8, 2018, it set the foundation for managing performance for the City.

City crews repaired 537,305 potholes in 2024.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

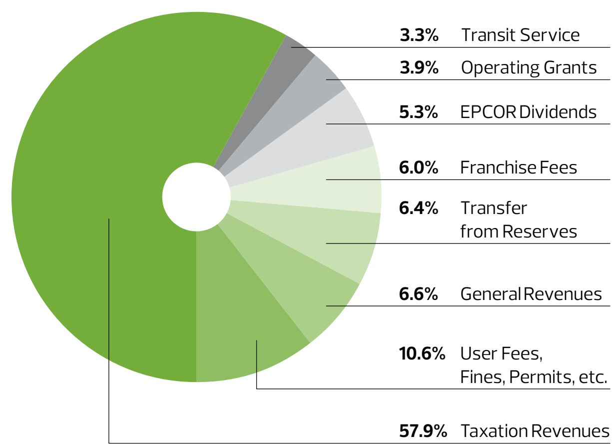
BUDGETING

Guided by Edmonton's strategic plans ConnectEdmonton and the City Plan, the 2023-2026 Operating and Capital Budgets assist Council in making strategic decisions about how to allocate City resources. This multi-year approach, governed by City Policy C578A, Multi-year Budgeting, allows the City to align strategic plans, business plans and operating and capital budgets, to ensure the dollars are spent to achieve 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 multi-year process includes opportunities to adjust the budget through a supplemental budget adjustment process approved by Council. During the supplemental budget adjustment process, Council can adjust the capital and operating budgets in response to changing project needs, new funding opportunities, changes in federal and provincial budgets, changes imposed by legislation, Council directed changes in priorities, operating impacts of capital projects, unforeseen impacts to economic forecasts and emerging issues. In December 2022, Council approved the original 2023-2026 Operating and Capital Budgets. In April 2024, Council finalized the 2024 budget through the spring supplemental operating budget adjustment process.

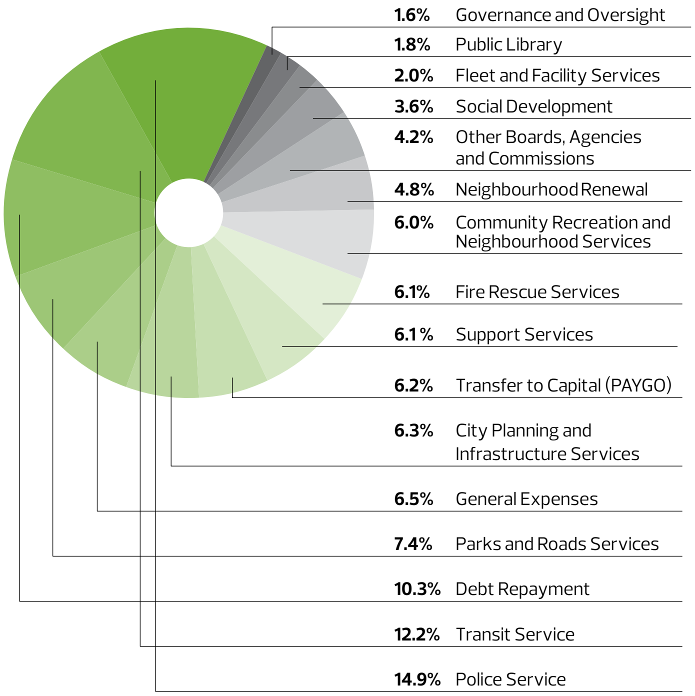
The operating budget identifies how resources for the day-to-day costs required to run the City are allocated for services such as maintaining roads and public transit, police, bylaws and fire rescue services, as well as parks and waste services. The approved budget resulted in an 8.9 per cent general property tax increase in 2024. The chart below shows the City's total revenue budget by category followed by a further breakdown of the total tax supported expenditure budget that is spent on each major expense category:

2024 Revenue Budget
$3,637,552 ($000)



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

2024 Expenditure Budget
$3,637,552 ($000)



Certain Expenditure Budget groupings consist of multiple departments:

Governance and Oversight includes Offices of the City Auditor, City Manager, City Clerk and Mayor and Council.

City Planning and Infrastructure Services includes Integrated Infrastructure Services and Urban Planning and Economy.

Community Recreation and Neighbourhood Services includes Community Recreation and Culture and Community Standards and Neighbourhoods.

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

Support Services includes Communications and Engagement, Employee Services and Financial and Corporate Services.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

The Bylaw to establish the 2025 municipal tax rate for all property types will be set by Council in April 2025. Changes to the operating budget that will impact the tax levy will be completed prior to the taxation bylaw approval.

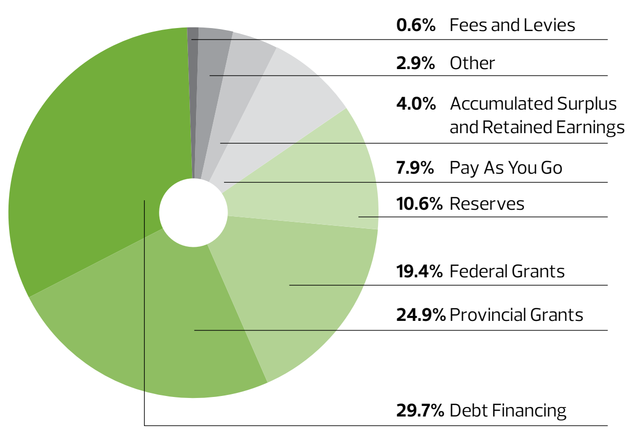
As a part of the 2023-2026 budget deliberations, Council directed the removal of $60.0 million and the reallocation of $240.0 million towards housing, climate change, public transit and core services between 2023-2026. This was implemented through a seven-stream project, which included a review of past work, organizational structure changes and an idea generation process. The $60.0 million reduction has been achieved and in 2024, the $240.0 million reallocation options were identified for Council. The work now continues as part of ongoing continuous improvement and addressing structural budget issues.

During 2024, Council also began discussions on implementation of action plans to address structural budget variances, which are defined as recurring deficits or surpluses that can be attributed to an event or circumstance that fundamentally changes business operations. Recurring budget shortfalls left unaddressed could erode the long-term financial sustainability of the City. These structural budget variances include inflationary pressures, revenue shortfalls, external factors impacting city operations, as well as previous decisions that were insufficiently funded. Addressing these structural budget variances requires an approach to resolve their systemic impact, as they are not temporary or timing-related discrepancies that will balance over time. Instead, they require analysis to identify and address their root cause. In the fall of 2024, Council was presented with an action plan to resolve each structural budget variance. These action plans specify the steps and timeline for identifying the root cause, identifying solutions with the intention of resolving the budget issues through the next three supplemental operating budget adjustment processes. In many cases, actions to remedy the budget will take time to implement. Administration's focus is on aligning actual expenditures with the budget once identified solutions are implemented. Administration is conducting a variety of actions to remedy the budget variances including initiating program reviews, completing cost of service studies, exploring methods to increase revenues and examining service delivery options. The length of time to implement action plans and realize the expenditure reductions will vary, with some implementation taking two to three years.

The capital budget strikes a balance between investments in infrastructure growth and the requirement to maintain and renew existing City assets. It determines the investment in Edmonton's infrastructure, including the construction of buildings, such as recreation centres and libraries, and transportation assets including 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 ten years that supports the strategic direction of Council.

The four-year capital budget saw investments of $11.0 billion on infrastructure based on the approved capital budget with cash flows extending beyond 2026, with $9.4 billion falling within the four-year budget cycle. Capital requirements directly related to EPCOR are not included in the capital budget. The funding and financing sources are as follows:

2023-2026 Funding Sources
$9,440,585 ($000)



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

ACCOUNTING AND FINANCIAL REPORTING

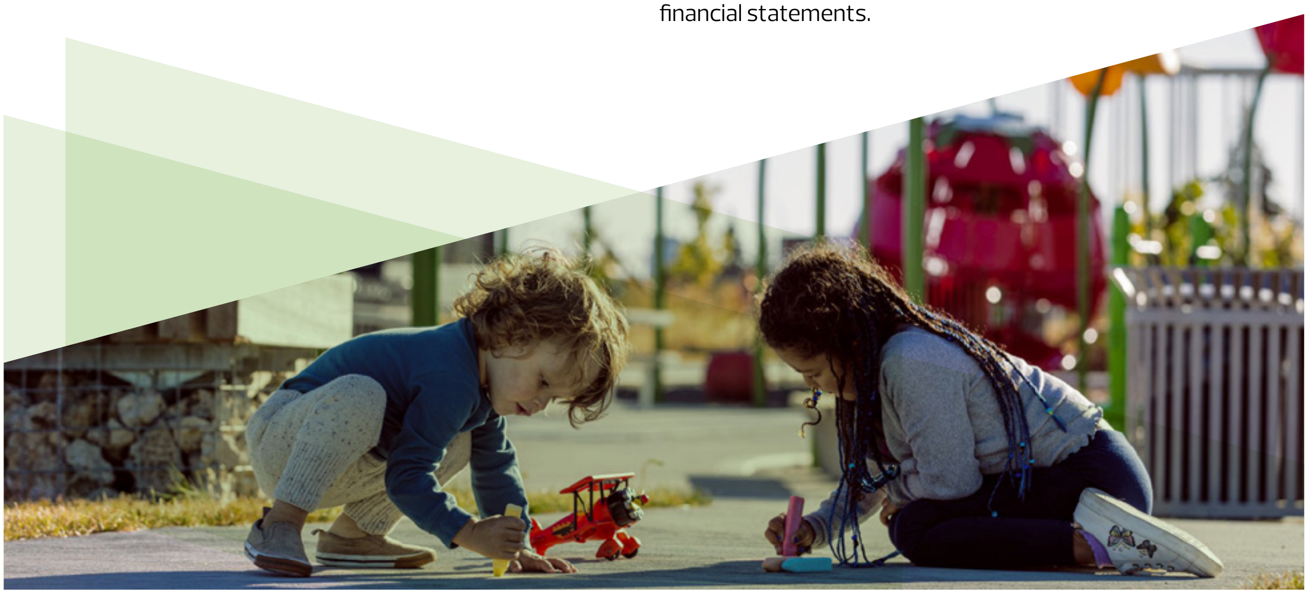
The City of Edmonton is organized into various business areas that are responsible for managing the delivery of program services in accordance with the resources allocated to those programs. The City currently uses a shared services model for financial services; all business areas reporting to the City Manager share a common accounting and reporting system, and financial and accounting services are administered within financial services and delivered to each business area based on their needs. Accounting and financial reporting functions are centralized to improve the quality and timeliness of financial reporting and increase accounting oversight and transactional consistency to support better financial decision-making.

The City of Edmonton Library Board, the Edmonton Police Service and Edmonton Combative Sports Commission use the same accounting system as the City but report through their own boards or commissions. EPCOR, Explore Edmonton Corporation, Non-Profit Housing Corporation, Edmonton Unlimited Corporation and Fort Edmonton Management Company each have independent accounting systems and report through their respective boards.

Administration reviews operating financial update reports on a monthly basis for areas that report to the City Manager. This process includes comparing year-to-date and year-end projected results relative to corresponding budgets and reporting on significant City reserves. Council reviews operating and capital reporting at the second, third and fourth quarter. Capital reporting includes reporting on major projects in comparison to originally approved budgets and timelines, as well as forecast updates on debt for capital project funding. Both operating and capital performance reports include an economic update and are reviewed by Administration and provided to Council along with recommendations to address opportunities and challenges, as necessary. The City's financial reports are key in guiding budget strategies.

In addition, the operating budget is adjusted to conform to Public Sector Accounting Standards (PSAS) for the purpose of the audited financial statements. The objective is to provide Council and other users of the financial statements and budget documents with an understanding of the budget approved by Council compared to the actual results reported in the audited financial statements.

The City continues its commitment to compliance with PSAS as established by the Public Sector Accounting Board. Details of future accounting standards and pronouncements are included in Note 1 to the financial statements.



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

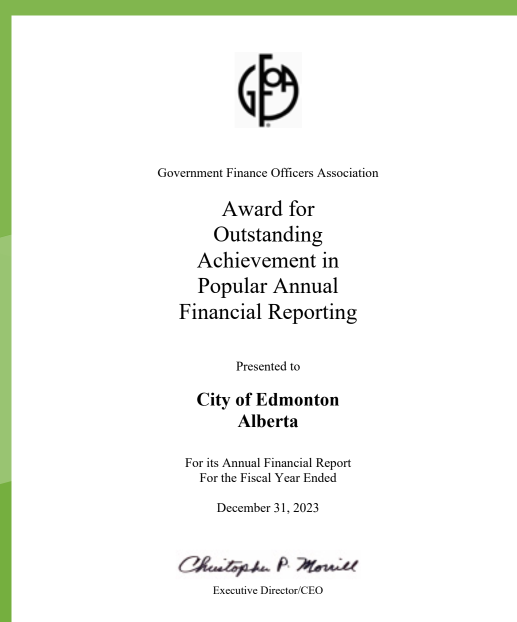
RECOGNITION FOR ACHIEVEMENT

Award programs in the financial sector continue to recognize the City of Edmonton for a high standard of achievement.

For the 31st consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Canadian Award for Financial Reporting to the City of Edmonton for its annual financial report for the fiscal year-ended 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 a Canadian Award for Financial Reporting, 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.

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.

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.


Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Edmonton Alberta

For its Annual Financial Report For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

Commemorating the 10th anniversary of the TRC National Event in Edmonton, the City of Edmonton launched the Truth and Reconciliation Dashboard in March 2024 to share the progress of our TRC Municipal Response Plan.

AUDITING PROCESS

The MGA requires municipal councils to appoint an independent auditor. In 2020, a tender for audit services was completed and Council appointed the firm of KPMG LLP, Chartered Professional Accountants, as External Auditor for a five-year term. The auditor must report to Council on the annual consolidated financial statements. KPMG also audits the City's Municipal Financial Information Return and each pension and benefit plan administered by the City. Certain government transfer programs also require external audits.

The City's Audit Committee serves as a Committee of Council to assist in fulfilling its oversight responsibilities. The Audit Committee provides oversight and consideration of audit matters brought forward by the City Auditor and the External Auditor. The Committee includes the Mayor, four Councillors and two public members as outlined under Bylaw 16097, Audit Committee Bylaw. The Audit Committee reviews the consolidated financial statements and makes a recommendation to Council for the approval of the City's financial statements.

The City has an internal audit function independent of the City Administration. The Office of the City Auditor reports directly to Council through the Audit Committee, empowered by Bylaw 12424, City Auditor. This bylaw establishes the position of City Auditor and delegates powers, duties and functions to this position. The City Auditor has two roles:

Agent of Change – to conduct proactive and forward looking projects based on the provision of strategic, risk and control-related consulting services to better serve the changing needs of the corporation and bring about improvement in program performance.

Guardian – to conduct projects directed primarily towards providing assurance through review of existing operations, typically focusing on compliance, efficiency, effectiveness, economy and controls.

LONG-TERM SUSTAINABILITY

The City is committed to an integrated approach to risk management and establishing effective relationships with other orders of governments, which are a critical component of the City's long-term sustainability.

Council approved an updated Enterprise Risk Management Policy in December 2023 to ensure continuous improvement and reflect the updated ERM framework and procedures. Enterprise risks and opportunities are proactively identified, evaluated, communicated and managed on an ongoing basis and the City progresses toward becoming a risk-mature organization.

The City's top risks to achieving the City's strategic goals currently are focused on economic prosperity, financial constraints, environment and climate change impacts, infrastructure and technology and the public sphere.

The City continually monitors global, national, and local political, economic, social, and technological developments and trends to plan for future risks and opportunities. These risks are considered and factored into the risk register, business plans and operating and capital budgets to ensure the City is able to provide services and infrastructure to its growing population in a sustainable manner.

ECONOMIC RISKS

Another year of record population growth combined with improving financial conditions (e.g. stabilizing consumer inflation and 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. Edmonton CMA labour market conditions eased in 2024 as it struggled to absorb the influx of new job seekers as well as it did in 2023. As a result, the annual unemployment rate in 2024 averaged 7.5 per cent, an increase from 6.1 per cent in 2023.

Major developments since fall 2024 have raised the level of uncertainty surrounding economic outlooks for Edmonton and the CMA in 2025. These developments include changes to federal immigration policies that reduce permanent resident admission targets and the temporary resident share of the national population. These changes are anticipated to slow population growth starting in 2025, which will weigh on overall economic growth. There are also threats of U.S. tariffs and Canadian retaliatory measures that, if imposed, could be highly disruptive to the economy, potentially affecting variables including spending, trade flows, employment, prices and gross domestic product. The longer the tariffs are in place, the greater the disruption. The USD-CAD exchange rate has already been affected by the looming threat of U.S. tariffs, leading to higher costs for transactions in U.S. dollars.

The City of Edmonton will continue to monitor economic developments in order to balance Edmonton's economic realities with the City's need to provide quality services and infrastructure to all Edmontonians.

The City's new four-year budget cycle started in 2023. During the previous cycle, tax increases were kept low, including one year with a tax decrease. While this was necessary to support Edmontonians through the pandemic, it was not enough to cover inflationary pressures, including from a growing population. Council approved an 8.9 per cent tax increase in 2024. The

2024-2026 budget is focused on making investments and creating equity in Edmonton. This increase will allow the City to maintain and continue to improve core public services while also carrying out previous commitments and transformational projects, allowing the City to be able to manage its capital plan for 2024.

The 2023-2026 Capital and Operating Budgets and 2023-2032 Capital and Operating Investment Outlooks outline the City's capital and operating spending, taking into consideration these economic challenges. The long-term sustainability of City infrastructure is impacted by the City's capital renewal plan. The concept of 'renewal' refers to investment in existing infrastructure to restore it to an efficient operational condition and extend its service life. Investing in renewal at key points throughout the life of an asset maintains its condition at a higher level while extending the life of the asset. Investment in renewal reduces the long-term requirement for capital funding while maintaining a suitable level of service for residents.

ASSET RENEWAL INVESTMENT

The City of Edmonton owns an inventory of assets with a combined replacement value of over $37.0 billion, which includes facilities, roads, open spaces, vehicles, technology and equipment. These assets support the delivery of 70 services to Edmontonians, such as public transit, recreation, police, fire rescue services and transportation services. The most recent asset condition report indicates 56.6 per cent of City assets are in very good/good condition, 32.9 per cent are in fair condition and 10.5 per cent are in poor or very poor condition.

While the capital budget makes the most of available funding, the current level of funding is not sufficient to maintain the City's inventory of assets. Continued underinvestment in renewal will impact the condition of the City's assets and could shorten asset lifespans, cause service disruptions and create more urgent maintenance needs later on and potentially impact the City's long-term financial sustainability.

The 2023–2032 Capital Investment Outlook presented to Council in June 2022 identified a $4.8 billion infrastructure gap, with an ideal 10-year renewal investment of $10.0 billion compared to a forecasted $5.2 billion. Currently, the renewal investment shortfall in 2023-2026 is approximately $1.52 billion. Excluding renewal programs with constrained funding (e.g. neighbourhood renewal and bridges), the remainder of the renewal program is funded at 35.4 per cent of its ideal investment. To begin to address this shortfall, in December 2024, Council endorsed a strategy (subsequently approved in March 2025) to establish a dedicated capital renewal fund to supplement existing renewal funding with the goal of narrowing the overall funding gap. The capital renewal fund will fund the renewal of all City-owned assets not covered by other dedicated funding sources, such as the Neighbourhood Renewal Reserve or Fleet Reserve. The new dedicated capital renewal fund will be funded through successive tax increases starting at 0.75 per cent from 2030 to 2032 and 1.0 per cent starting in 2033 and beyond until target renewal funding levels are achieved.

Administration continues to monitor the state and condition of its assets and prioritizes investment in assets with the most critical need for investment. The City is using an Asset Rationalization Framework to evaluate facility assets that are approaching major lifecycle events, such as major renewals or end of life. With this methodology, an assessment can be made of the asset's value and the full implications of keeping, redeveloping or disposing of the asset. This will enable the City to right size its asset base by investing in and maintaining assets that support service delivery and make the most of the available budget. Additionally, Administration is pursuing other avenues to address the shortfall of renewal investment funding, including setting up dedicated funding sources and recommending priority for capital investment to be made in renewal before growth.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

INTERGOVERNMENTAL CONTEXT

The City of Edmonton is committed to partnerships with the federal and provincial governments to achieve a shared vision of a safe, prosperous, vibrant and climate-resilient city. These partnerships are especially important in areas that have traditionally been the primary responsibility of higher orders of government, such as affordable housing. Edmonton's location as the centre of the region, as well as a service hub and a gateway to the north presents unique challenges, as social and public health issues tend to concentrate in Edmonton. Consequently, the City bears a disproportionate fiscal burden, and needs support from other orders of government to help address these complex social issues which originate across Alberta and Canada more broadly. While the role of municipalities has expanded significantly over the last few decades, the fiscal and legislative framework in which municipalities operate does not fully reflect this changing reality.

In recent years, the City has also experienced a number of pressures on fiscal sustainability, including reduced provincial capital funding levels, magnified by inflation and increased labour costs and 50.0 per cent reductions to provincial Grants in Place of Taxes (GIPOT) payments introduced in 2019, which removed a cumulative total of $80.0 million from the City's budget from 2019 through to 2024. In budget 2025, the provincial government partially reversed GIPOT reductions, announcing an increase from 50.0 to 75.0 per cent of the eligible tax amount in 2025 and committing to restore GIPOT back to 100.0 per cent in 2026. While the increase is phased and does not include retroactive payments, it is expected to have a positive impact on the City's fiscal situation.

Like many other Alberta municipalities, Edmonton experienced declining per capita levels of unconstrained capital funding in recent years.[1] At the same time, provincial and federal constrained capital funding programs (i.e. project-specific funding) have been at historical highs in recent years. This has presented the City with unique fiscal challenges, where funding has been available for large growth capital projects, such as LRT expansion and Yellowhead Trail Freeway Conversion, while unconstrained funding commonly-applied toward infrastructure renewal has not been sufficient. While the City appreciates the predictability of the Local Government Fiscal Framework (LGFF), which replaced the Municipal Sustainability Initiative in 2024, the current level of unconstrained capital funding from LGFF is not sufficient to meet Edmonton's renewal needs. To address these needs, the City will continue advocating for increased unconstrained funding from federal and provincial governments and/or the development of new grant programs dedicated to municipal infrastructure maintenance and renewal.

The City also faces a number of emerging challenges in its relations with higher orders of government that are likely to impact the City's finances going forward. For instance, the implementation of Bill 18: *Provincial Priorities Act*, which came into effect on April 1, 2025, could place additional constraints on the City's ability to access federal funding. In addition, the dissolution of the Edmonton Metropolitan Region Board (EMRB) following the withdrawal of provincial funding can mean potential loss of cost savings for the City and the region from the joint regional planning that the EMRB provided and which may no longer be available going forward. The upcoming 2025 federal election may bring changes to federal policy priorities and the way the federal government approaches its relationships with municipalities. Finally, U.S. tariffs and Canadian countermeasures introduce an additional element of uncertainty into relationships between different orders of government, potentially resulting in fiscal and policy impacts that are currently difficult to predict.

In addition, the federal election presents an opportunity to spread awareness to candidates running in the Edmonton area about the City's needs. There are also opportunities for stronger alignment and collaboration with other municipalities that face similar issues and share Edmonton's advocacy priorities. While

[1] Provincial unconstrained grant funding per capita, reflected in inflation-adjusted terms. Provincial unconstrained capital funding includes Municipal Sustainability Initiative (MSI) and Local Government Fiscal Framework (LGFF). MSI concluded in 2023, and was replaced with the LGFF beginning in 2024.

U.S. tariffs are a major disruptive factor, they also open an opportunity for all orders of government in Canada to work together in collaboration with community stakeholders to reduce barriers to interprovincial trade, support local production and find new markets. The City will continue to leverage these opportunities to engage with higher orders of government to advocate for modernized fiscal frameworks and funding arrangements that consider Edmonton's growing needs and greater responsibilities as a modern and fast-growing city.

FINANCIAL SUSTAINABILITY

During 2024, Council was presented with a report discussing the City's fiscal gap and challenges, Fiscal Gap: An Assessment of Factors Contributing to the City of Edmonton's Operating and Capital Funding Shortfalls.[2] The fiscal gap report outlined the significant fiscal challenges facing the City. The core issue is a growing fiscal gap, defined as the persistent shortfall between the City's revenue-raising capacity and its expenditure needs on both operating and capital fronts. This gap is driven by a confluence of factors, including limitations in revenue generation (e.g. over-reliance on property tax and declining non-tax revenues), infrastructure funding challenges (e.g. reliance on provincial and federal transfers for capital projects, lack of funding certainty and risk of budget cuts at higher levels of government), a lagging non-residential tax base, increasing expenditure pressures (e.g. population growth, inflation, unique policing needs and expansive strategic goals) and approaching debt servicing limits. If unaddressed, this fiscal gap threatens service levels, infrastructure integrity, the advancement of strategic objectives and could lead to substantial tax increases. While some contributing factors are external, the report emphasized the need for the City to proactively implement strategies within its control to narrow this gap, focusing on revenue growth and expenditure reduction.

The report outlined several broad strategies the City needs to pursue to address the fiscal gap, which include growing the non-residential tax base, increasing non-tax revenues, balancing new infrastructure with renewal needs, exploring funding mechanisms for the renewal deficit, divesting underutilized assets, prioritizing renewal spending and core services, advocating for modernized fiscal frameworks and increased funding, negotiating intergovernmental service delivery, prioritizing strategic goals and reviewing policy requirements.

The City faces a significant and multifaceted fiscal gap that demands urgent attention and strategic action. Addressing this challenge requires a comprehensive approach involving both revenue enhancement and expenditure management, as well as strong advocacy efforts with other levels of government. The fiscal gaps report emphasizes that while some contributing factors are external, the City has considerable scope to influence the fiscal gap through informed decision-making and proactive implementation of the outlined strategies. Failure to address this gap will have detrimental consequences to the quality of life of Edmontonians and the long-term financial sustainability of the City.

The City's fiscal gap report is available on the City's website (Financial Sustainability: Addressing Budget and Growth Challenges) and provides a more comprehensive discussion of the City's risks and financial long-term sustainability. A work plan to address the challenges and implement the solutions raised in the fiscal gap report was presented to Council in February 2025.

[2] October 9, 2024 Executive Committee meeting, Report FCS02218 Capital and Operating Funding Shortfall Analysis, Attachment 1

MANAGING OTHER RISKS

The City also manages risk to help ensure its long-term sustainability and achievement of Council's strategic goals and outcomes through various other strategies, including but not limited to the following:

Climate and environmental risks are significant for the City, potentially affecting City assets, finance and services. These risks include the impacts of a changing climate, such as extreme weather events and rising temperatures, as well as operational risks like failing to meet environmental regulations or experiencing environmental releases. Council's Climate Resilience Policy C627 and the City's Climate Strategies focus on both reducing greenhouse gas emissions and adapting to a changing climate. Additionally, the City maintains an ISO 14001 registered Environmental Management System to manage environmental aspects of the City's operations and uphold environmental commitments identified in the Environmental Management System Policy C505 and in the City's Environmental Policy C512.

The corporate Insurance and Claims Management area provides risk management advice, claims adjusting, purchase of insurance and risk control inspections.

Ongoing proactive analysis of the physical, contractual and insurance risks associated with capital projects or major initiatives and establishment of appropriate measures to identify and control project risk. The intention of City Policy C591, Capital Project Governance Policy, is to ensure that an appropriate level of development is completed on projects prior to them moving onto the delivery phase. This risk management process helps to ensure that key projects are completed safely, on time, on budget, on quality and in scope. In 2023, an external review was undertaken to assess and compare the policies, processes and frameworks employed by the City to manage major capital projects. The review concluded that the City has an established major capital infrastructure project management framework that is aligned with industry best practices.

Hedges are purchased for future fuel purchases in order to stabilize operating budgets in the face of fuel price fluctuations. Similarly, forward currency contracts are used to mitigate foreign exchange risk within the City's capital purchases.

The City has a Financial Stabilization Reserve that may be used to address emergent needs without impacting the City's financial position in the long-term. A financial risk based review was completed for the City in 2024, identifying potential risks faced by the City and the probable financial cost of each risk. The review substantiated the minimum and target balances of the reserve established through City policy. The next review will take place in 2027.

The City's Debt Management Fiscal Policy, C203D provides for prudent management of debt and ensures debt is used responsibly without burdening the financial health and long-term sustainability of the City. Administration continues to monitor the use of debt and provide debt forecasts as part of ongoing reporting to Council.

The City continues to leverage data analytics in order to discover and communicate meaningful patterns in data, which help to predict and improve business and financial performance, recommend strategies and guide financial decision-making.

CONCLUSION

Throughout 2024, the City of Edmonton has maintained its financial health. Robust financial policies, strategies, guiding principles and a healthy financial position ensure the continued sound fiscal management and long-term financial sustainability for the City of Edmonton.

In July, Edmonton's 'AA' credit rating was affirmed by the credit agency, Standard and Poor's (S&P), with a positive outlook. This rating reflects the City's solid financial footing 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 finances are strong and stable. We will continue to face financial pressures but we are taking the lead on navigating through a challenging time of inflationary pressures, a rapidly growing population and the changing service needs of Edmontonians. We have a plan to continue to prioritize core services and capital projects to ensure we maintain Edmontonians' quality of life. Strong finances are the foundation that allows the City to deliver the 70 services and hundreds of construction projects Edmontonians need now, and as we grow by a million more people in the coming decades. We will continue to protect this foundation through our robust financial processes, continued work to address structural and systemic challenges to our financial health and careful strategic management of our revenues and expenses.

Stacey Padbury, CPA, CA
Deputy City Manager and Chief Financial Officer
Financial and Corporate Services

April 22, 2025

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the City of Edmonton is responsible for the integrity of the accompanying consolidated financial statements and all other information contained within this Annual Report. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

To assist in meeting its responsibility, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The preparation of the consolidated financial statements necessarily includes some amounts which are based on the best estimates and judgements of management. Financial data elsewhere in the Annual Report is consistent with that of the consolidated financial statements.

Prior to their submission to City Council, the consolidated financial statements have been reviewed and recommended for approval by the Audit Committee. The consolidated financial statements have been audited by the independent firm of KPMG LLP, Chartered Professional Accountants. Their report to the Mayor and City Council, stating their opinion, basis for opinion, other information, responsibilities of management and those charged with governance for the financial statements and auditor's responsibility for the audit of the financial statements, follows.

Eddie Robar,
City Manager

April 22, 2025
Edmonton, Canada

Stacey Padbury,
Deputy City Manager
and Chief Financial Officer,
Financial and Corporate Services

April 22, 2025
Edmonton, Canada

INDEPENDENT AUDITOR'S REPORT

TO HIS WORSHIP THE MAYOR AND MEMBERS OF COUNCIL OF THE CITY OF EDMONTON

OPINION

We have audited the consolidated financial statements of the City of Edmonton (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2024;
- the consolidated statement of operations and accumulated surplus for the year then ended;
- the consolidated statement of remeasurement gains and losses for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024, and its consolidated results of operations, its consolidated remeasurement gains and losses, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

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

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

OTHER INFORMATION

Management is responsible for the other information. Other information comprises:

- the information included in Management's Financial Statement Discussion and Analysis; and
- the information, other than the financial statements and the auditor's report thereon, included in the "2024 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Financial Statement Discussion and Analysis as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We also:

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

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants
Edmonton, Canada
April 22, 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31 (in thousands of dollars)

	2024	2023
Financial Assets		
Cash and cash equivalents (Note 2)	$ 227,144	$ 402,007
Receivables (Note 3)	956,601	982,471
Portfolio investments (Note 4)	2,809,230	2,443,818
Debt recoverable (Note 7)	21,613	21,906
Land for resale (Note 8)	246,888	231,750
Investment in EPCOR (Note 23)	5,172,092	4,791,712
	9,433,568	8,873,664
Liabilities		
Promissory notes payable (Note 9)	59,311	49,375
Accounts payable and accrued liabilities (Notes 10 and Note 27)	1,178,751	1,147,848
Deposits	63,760	55,105
Deferred revenue (Note 11)	272,444	214,193
Employee benefit obligations (Note 12)	212,801	198,921
Asset retirement obligations (Note 13)	192,187	203,911
Derivative liabilities (Note 5)	593	4,837
Long-term debt (Note 14)	4,368,432	4,167,486
	6,348,279	6,041,676
Net Financial Assets	3,085,289	2,831,988
Non-financial Assets		
Tangible capital assets (Note 15 and Schedule 1)	15,956,039	15,068,851
Inventory of materials and supplies	45,001	44,546
Prepaids	54,640	35,632
Other assets (Note 16)	13,763	12,711
	16,069,443	15,161,740
Accumulated Surplus	$ 19,154,732	$ 17,993,728
Accumulated Surplus is comprised of:		
Accumulated Operating Surplus (Note 19)	18,758,233	17,780,018
Accumulated Remeasurement Gains	396,499	213,710
	$ 19,154,732	$ 17,993,728

Commitments, contingent liabilities, contingent assets and contractual rights (Notes 26, 28, 29 and 30)

See accompanying notes to consolidated financial statements.

Approved on behalf of City Council:

Councillor Jo-Anne Wright

Andrew Knack

Councillor Andrew Knack

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31 (in thousands of dollars)

	Budget (Note 33)	2024	2023
Revenues			
Net taxes available for municipal purposes (Note 20)	$ 2,141,890	**$ 2,136,888**	$ 1,927,510
User fees and sale of goods and services	631,023	**652,311**	713,048
Subsidiary operations - EPCOR (Note 23)	440,750	**426,479**	361,250
Franchise fees	216,827	**222,436**	206,844
Investment earnings	196,922	**201,723**	138,313
Government transfers - operating (Note 21)	140,793	**165,793**	140,294
Licences and permits	80,795	**93,958**	74,484
Fines and penalties	63,185	**69,225**	69,454
Developer and customer contributions - operating	34,870	**32,787**	42,880
	3,947,055	**4,001,600**	3,674,077
Expenses (Schedule 2)			
Transportation services:			
Bus and light rail transit	575,824	**623,513**	518,190
Roadway and parking	577,939	**490,482**	520,496
	1,153,763	**1,113,995**	1,038,686
Protective services:			
Police	580,527	**587,580**	531,467
Fire rescue	226,647	**239,633**	241,975
Bylaw enforcement	82,847	**82,033**	72,617
	890,021	**909,246**	846,059
Community services:			
Parks and recreation	276,477	**342,819**	304,184
Planning and corporate properties	241,211	**171,579**	181,780
Convention and tourism	96,410	**98,381**	100,030
Community and family	77,008	**73,090**	61,201
Public library	71,826	**72,034**	68,463
Public housing	119,099	**81,889**	88,230
	882,031	**839,792**	803,888
Utility and enterprise services:			
Waste services utility	228,282	**236,861**	213,570
Land enterprise	52,033	**30,388**	63,434
Blatchford renewable energy utility	3,520	**3,236**	2,133
	283,835	**270,485**	279,137
General municipal	371,969	**372,114**	395,491
Corporate administration	253,235	**266,713**	249,185
Fleet Services	31,927	**43,227**	41,897
Ed Tel Endowment Fund	4,703	**4,250**	4,398
	3,871,484	**3,819,822**	3,658,741
Excess of Revenues over Expenses before Other	75,571	**181,778**	15,336
Other			
Government transfers - capital (Note 21)	1,404,498	**701,483**	643,903
Contributed tangible capital assets (Schedule 1)	119,343	**61,611**	80,556
Developer and customer contributions - capital	83,100	**30,235**	24,903
Local improvements	11,603	**6,993**	13,160
Excess of Revenues over Expenses	1,694,115	**982,100**	777,858
Accumulated Operating Surplus, beginning of year	17,780,018	**17,780,018**	17,150,745
Less EPCOR accumulated other comprehensive income (adjusted for the adoption of PS3450)			(145,387)
Amortization of tangible capital assets contributed to EPCOR (Note 23)		**(3,885)**	(3,198)
Accumulated Operating Surplus, end of year	$ 19,474,133	**$ 18,758,233**	$ 17,780,018

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the year ended December 31 (in thousands of dollars)

	2024	2023
Accumulated remeasurement gains - beginning of year	**$ 213,710**	$ 207,672
Unrealized (losses) gains attributable to:		
Foreign exchange	**(1,075)**	(477)
Derivatives	**15,230**	(8,157)
Portfolio investments - quoted in an active market	**146,217**	77,552
Realized gains (losses) reclassified to Statement of Operations:		
Foreign exchange	**2,159**	241
Derivatives	**(10,986)**	(4,825)
Portfolio Investments - quoted in an active market	**(85,070)**	(54,737)
Net change for the year, before other comprehensive gain (loss) - Subsidiary operations - EPCOR	**66,475**	9,597
Other comprehensive gain (loss) - Subsidiary operations - EPCOR (Note 23)	**116,314**	(3,559)
Accumulated remeasurement gains - end of year	**$ 396,499**	$ 213,710
Accumulated remeasurement gains (losses), end of year is comprised of:		
Foreign exchange	**848**	(236)
Derivatives (Note 5)	**(593)**	(4,837)
Portfolio Investments - quoted in an active market (Note 4)	**138,102**	76,955
Accumulated other comprehensive income - EPCOR (Note 23)	**258,142**	141,828
	$ 396,499	$ 213,710

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31 (in thousands of dollars)

	Budget (Note 33)	**2024**	2023
Excess of Revenues over Expenses	$ 1,694,115	**$ 982,100**	$ 777,858
Acquisition of tangible capital assets, less asset retirement additions	(3,472,290)	**(1,586,324)**	(1,432,105)
Contributed tangible capital assets (Schedule 1)	(119,343)	**(61,611)**	(80,556)
Proceeds on disposal of tangible capital assets		**11,196**	9,840
Amortization of tangible capital assets (Schedule 1)	778,245	**686,572**	661,037
Loss on disposal, impairment and transfer of tangible capital assets (Schedule 2)		**28,662**	64,639
Tangible capital assets contributed to EPCOR (Note 23)		**34,472**	60,480
Change in asset retirement obligations assets (Schedule 1)		**24**	36
(Loss) gain on asset retirement obligation revaluation		**(179)**	517
	(2,813,388)	**(887,188)**	(716,112)
Net acquisition of inventory of materials and supplies		**(455)**	(5,232)
(Increase) decrease in prepaid expenses		**(19,008)**	483
Net change in other assets		**(1,052)**	2,808
		(20,515)	(1,941)
Less EPCOR - accumulated other comprehensive income (adjusted for the adoption of PS3450)			(145,387)
Amortization of contributed capital assets transferred to EPCOR (Note 23)		**(3,885)**	(3,198)
Increase in accumulated remeasurement gains		**182,789**	213,710
		178,904	65,125
(Decrease) increase in net financial assets	(1,119,273)	**253,301**	124,930
Net Financial Assets, beginning of year	2,831,988	**2,831,988**	2,707,058
Net Financial Assets, end of year	**$ 1,712,715**	**$ 3,085,289**	$ 2,831,988

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31 (in thousands of dollars)

	2024	2023
Net inflow (outflow) of cash and cash equivalents:		
Operating Activities		
Excess of revenues over expenses	**$ 982,100**	$ 777,858
(Deduct) add items not affecting cash and cash equivalents:		
Subsidiary operations - EPCOR (Note 23)	**(426,479)**	(361,250)
Amortization of tangible capital assets (Schedule 2)	**686,572**	661,037
Loss on disposal, impairment and transfer of tangible capital assets (Schedule 2)	**28,662**	64,639
Contributed tangible capital assets (Schedule 2)	**(61,611)**	(80,556)
Asset retirement obligations cost and accretion	**21,157**	19,625
(Gain) loss on sale of portfolio investments	**(77,930)**	37,886
Public-private partnership (P3) term debt modification (Note 14)	**(13,071)**	
Change in non-cash items:		
Receivables	**25,870**	29,001
Debt recoverable	**293**	2,281
Land for resale	**(15,138)**	5,673
Inventory of materials and supplies	**(455)**	(5,232)
Prepaid expenses	**(19,008)**	483
Other assets	**(1,052)**	2,808
Accounts payable and accrued liabilities	**31,987**	(33,125)
Deposits	**8,655**	738
Deferred revenue	**58,251**	(26,258)
Employee benefit obligations	**13,880**	8,441
	1,242,683	1,104,049
Capital Activities		
Acquisition of tangible capital assets, less asset retirement changes	**(1,586,324)**	(1,432,105)
Proceeds on disposal of tangible capital assets	**11,196**	9,840
Settlement of asset retirement obligations	**(33,036)**	(12,809)
	(1,608,164)	(1,435,074)
Investing Activities		
Dividend from subsidiary (Note 23)	**193,000**	185,000
Net increase in portfolio investments	**(226,335)**	(170,700)
	(33,335)	14,300
Financing Activities		
Promissory notes issued	**98,810**	128,476
Repayment of promissory notes	**(88,874)**	(79,101)
Debenture borrowings	**446,186**	502,241
Repayment of long-term debt	**(223,109)**	(208,503)
Decrease in P3 term debt	**(9,060)**	(66,581)
	223,953	276,532
Decrease in cash and cash equivalents	**(174,863)**	(40,193)
Cash and cash equivalents, beginning of year	**402,007**	442,200
Cash and cash equivalents, end of year	**$ 227,144**	$ 402,007

Operating activities for 2024 include $79,851 (2023 - $78,688) of interest received and $161,660 (2023 - $133,544) of interest paid.

See accompanying notes to consolidated financial statements.

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2024 (in thousands of dollars)

	Opening Balance	Additions and Transfers	Disposals, Impairments and Transfers	Closing Balance
Cost				
Land	$ 2,139,406	$ 58,266	$ (2,378)	**$ 2,195,294**
Land improvements	1,987,563	109,992		**2,097,555**
Buildings	3,969,045	224,983	(6,506)	**4,187,522**
Vehicles	1,626,337	54,079	(16,205)	**1,664,211**
Machinery and equipment	1,092,018	72,929	(46,194)	**1,118,753**
Engineering structures:				
Roadway system	9,732,383	461,545	(189,200)	**10,004,728**
Light rail transit system	2,091,320	83,206	(5,261)	**2,169,265**
Waste	156,839	487		**157,326**
Bus system	297,697	1,856		**299,553**
Other	92,240	4,846		**97,086**
	23,184,848	1,072,189	(265,744)	**23,991,293**
Assets under construction	1,305,809	575,722	(40,726)	**1,840,805**
	24,490,657	1,647,911	(306,470)	**25,832,098**
Accumulated Amortization				
Land Improvements	731,823	65,274		**797,097**
Buildings	1,708,857	146,551	(2,602)	**1,852,806**
Vehicles	830,182	80,964	(15,563)	**895,583**
Machinery and equipment	689,015	73,316	(40,033)	**722,298**
Engineering structures:				
Roadway system	4,606,417	243,692	(169,795)	**4,680,314**
Light rail transit system	591,687	61,311	(4,326)	**648,672**
Waste	115,223	2,600		**117,823**
Bus system	129,347	10,722		**140,069**
Other	19,255	2,142		**21,397**
	9,421,806	686,572	(232,319)	**9,876,059**
Net Book Value	$ 15,068,851	$ 961,339	$ (74,151)	**$ 15,956,039**

Additions to assets under construction are reported net of those tangible capital assets placed in service during the year, which are shown in their respective asset classifications. In 2024, a total of $61,611 in land and land improvements were contributed to the City and were recorded at their fair value at the time received. In 2024, asset retirement obligation assets decreased by $24 due to a reduction in estimates of $95 offset by additions of $71. As well, asset retirement obligation assets decreased by $239 due to amortization and $271 from disposals.

Included in disposals, impairments and transfers in 2024 are $34,472 of tangible capital assets contributed to EPCOR (Note 23). See Note 15 for the net book value of each tangible capital asset category.

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2023 (in thousands of dollars)

	Restated Opening Balance	Additions and Transfers	Disposals, Impairments and Transfers	Closing Balance
Cost				
Land	$ 2,073,418	$ 66,333	$ (345)	**$ 2,139,406**
Land improvements	1,897,484	96,832	(6,753)	**1,987,563**
Buildings	3,704,948	290,223	(26,126)	**3,969,045**
Vehicles	1,485,937	153,493	(13,093)	**1,626,337**
Machinery and equipment	1,037,305	81,740	(27,027)	**1,092,018**
Engineering structures:				
Roadway system	9,304,626	585,098	(157,341)	**9,732,383**
Light rail transit system	1,866,680	228,500	(3,860)	**2,091,320**
Waste	156,702	137		**156,839**
Bus system	289,323	8,374		**297,697**
Other	90,128	2,567	(455)	**92,240**
	21,906,551	1,513,297	(235,000)	**23,184,848**
Assets under construction	1,388,738	(672)	(82,257)	**1,305,809**
	23,295,289	1,512,625	(317,257)	**24,490,657**
Accumulated Amortization				
Land Improvements	676,195	62,379	(6,751)	**731,823**
Buildings	1,584,332	141,361	(16,836)	**1,708,857**
Vehicles	768,733	74,000	(12,551)	**830,182**
Machinery and equipment	639,352	75,923	(26,260)	**689,015**
Engineering structures:				
Roadway system	4,466,047	255,893	(115,523)	**4,606,417**
Light rail transit system	558,887	36,660	(3,860)	**591,687**
Waste	112,531	2,692		**115,223**
Bus system	119,117	10,230		**129,347**
Other	17,356	1,899		**19,255**
	8,942,550	661,037	(181,781)	**9,421,806**
Net Book Value	$ 14,352,739	$ 851,588	$ (135,476)	**$ 15,068,851**

Additions to assets under construction are reported net of those tangible capital assets placed in service during the year, which are shown in their respective asset classifications. In 2023, a total of $80,556 in land and land improvements were contributed to the City and were recorded at their fair value at the time received. In 2023, asset retirement obligation assets decreased by $36 due to a change in estimate and $230 from amortization. The opening balance for 2023 was restated for the adoption of PS3450 on January 1, 2023.

Included in disposals, impairments and transfers in 2023 are $60,480 of tangible capital assets contributed to EPCOR (Note 23) and $12,095 of tangible capital assets contributed to the Province of Alberta. See Note 15 for the net book value of each tangible capital asset category.

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURES

For the year ended December 31, 2024 (in thousands of dollars)

	Tax-Supported											
	Transportation Services	Protective Services	Community Services	Fleet Services	Other Tax-Supported	Total Tax-Supported	Waste Services	Land Enterprise	Blatchford Renewable Energy	EPCOR	Ed Tel Endowment Fund	**2024**
Revenues												
Net taxes available for municipal purposes	$ 504,785	$ 755,594	$ 465,312	$ 3,919	$ 407,278	$ 2,136,888						**$ 2,136,888**
User fees and sale of goods and services	123,841	52,315	177,920	8,989	20,886	383,951	241,782	26,095	483			**652,311**
Subsidiary operations - EPCOR										426,479		**426,479**
Franchise fees					222,436	222,436						**222,436**
Investment earnings			8,086		90,518	98,604	3,747				99,372	**201,723**
Government transfers - operating	10,698	52,367	58,436		44,292	165,793						**165,793**
Licences and permits	3,234	3,187	73,859		13,678	93,958						**93,958**
Fines and penalties		31,744	148		37,333	69,225						**69,225**
Developer and customer contributions - operating	484	319	31,012	972		32,787						**32,787**
Appropriation of earnings					46,439	46,439					(46,439)	
	643,042	895,526	814,773	13,880	882,860	3,250,081	245,529	26,095	483	426,479	52,933	**4,001,600**
Expenses												
Salaries, wages and benefits	387,904	717,210	317,017	78,085	326,263	1,826,479	56,549	2,004	2			**1,885,034**
Materials, goods and utilities	117,901	47,604	80,386	58,985	39,391	344,267	12,516	21,823	120			**378,726**
Contracted and general services	172,813	105,206	216,585	(152,945)	40,262	381,921	132,654	4,817	1,315		4,250	**524,957**
Interest and bank charges	70,374	3,359	51,570	1,785	27,508	154,596	6,891	1,730	1,174			**164,391**
Grants and other	129	820	112,429		38,065	151,443	37					**151,480**
Amortization of tangible capital assets	341,106	29,206	64,933	58,744	164,123	658,112	27,835		625			**686,572**
Loss(gain) on disposal/replacement of tangible capital assets	23,768	5,841	(3,128)	(1,427)	3,215	28,269	379	14				**28,662**
	1,113,995	909,246	839,792	43,227	638,827	3,545,087	236,861	30,388	3,236		4,250	**3,819,822**
(Shortfall) excess of Revenues over Expenses before Other	(470,953)	(13,720)	(25,019)	(29,347)	244,033	(295,006)	8,668	(4,293)	(2,753)	426,479	48,683	**181,778**
Other												
Government transfers - capital	580,154	8,407	61,542		51,399	701,502	(19)					**701,483**
Contributed tangible capital assets	(3,020)		31,817		32,814	61,611						**61,611**
Developer and customer contributions - capital	17,618	54	12,438		79	30,189			46			**30,235**
Local improvements					6,993	6,993						**6,993**
	594,752	8,461	105,797		91,285	800,295	(19)		46			**800,322**
Excess (shortfall) of Revenues over Expenses	**$ 123,799**	**$ (5,259)**	**$ 80,778**	**$ (29,347)**	**$ 335,318**	**$ 505,289**	**$ 8,649**	**$ (4,293)**	**$ (2,707)**	**$ 426,479**	**$ 48,683**	**$ 982,100**

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURES

For the year ended December 31, 2023 (in thousands of dollars)

	Tax-Supported											
	Transportation Services	Protective Services	Community Services	Fleet Services	Other Tax-Supported	Total Tax-Supported	Waste Services	Land Enterprise	Blatchford Renewable Energy	EPCOR	Ed Tel Endowment Fund	**2023**
Revenues												
Net taxes available for municipal purposes	$ 462,170	$ 702,093	$ 439,631	$ 5,049	$ 318,567	$ 1,927,510						**$ 1,927,510**
User fees and sale of goods and services	115,826	54,107	181,901	7,847	22,940	382,621	230,277	99,947	203			**713,048**
Subsidiary operations - EPCOR										361,250		**361,250**
Franchise fees					206,844	206,844						**206,844**
Investment earnings	1		6,323		68,332	74,656	4,881				58,776	**138,313**
Government transfers - operating	5,608	40,600	48,479		43,605	138,292	2,058		(56)			**140,294**
Licences and permits	3,131	2,899	58,676		9,778	74,484						**74,484**
Fines and penalties		36,922	130		32,402	69,454						**69,454**
Developer and customer contributions - operating	354	240	42,268	18		42,880						**42,880**
Appropriation of earnings					44,669	44,669					(44,669)	
	587,090	836,861	777,408	12,914	747,137	2,961,410	237,216	99,947	147	361,250	14,107	**3,674,077**
Expenses												
Salaries, wages and benefits	364,695	703,500	292,381	76,258	301,151	1,737,985	50,619	2,066	2			**1,790,672**
Materials, goods and utilities	100,524	48,576	86,502	56,464	39,885	331,951	12,114	54,302	71			**398,438**
Contracted and general services	134,446	60,939	197,266	(147,000)	48,385	294,036	121,298	5,261	1,035		4,398	**426,028**
Interest and bank charges	70,252	3,315	46,570	1,843	39,775	161,755	7,649	1,821	709			**171,934**
Grants and other	581	777	112,505		36,730	150,593	(4,600)					**145,993**
Amortization of tangible capital assets	325,210	28,259	62,408	55,271	162,667	633,815	26,906		316			**661,037**
Loss(gain) on disposal/replacement of tangible capital assets	42,978	693	6,256	(939)	16,083	65,071	(416)	(16)				**64,639**
	1,038,686	846,059	803,888	41,897	644,676	3,375,206	213,570	63,434	2,133		4,398	**3,658,741**
(Shortfall) excess of Revenues over Expenses before Other	(451,596)	(9,198)	(26,480)	(28,983)	102,461	(413,796)	23,646	36,513	(1,986)	361,250	9,709	**15,336**
Other												
Government transfers - capital	497,990	19,703	60,903		65,288	643,884	19					**643,903**
Contributed tangible capital assets	48,646		25,746		6,164	80,556						**80,556**
Developer and customer contributions - capital	9,003	100	13,802		998	23,903	1,000					**24,903**
Local improvements					13,160	13,160						**13,160**
	555,639	19,803	100,451		85,610	761,503	1,019					**762,522**
Excess (shortfall) of Revenues over Expenses	**$ 104,043**	**$ 10,605**	**$ 73,971**	**$ (28,983)**	**$ 188,071**	**$ 347,707**	**$ 24,665**	**$ 36,513**	**$ (1,986)**	**$ 361,250**	**$ 9,709**	**$ 777,858**

SCHEDULE 3 - SUPPLEMENTARY FINANCIAL INFORMATION OF INTERNALLY RESTRICTED AND OTHER ENTITIES

The assets, liabilities and the operations of the following related authorities are included in the City's consolidated financial statements. The amounts are reported before any inter-organizational transactions are eliminated.

For the year ended December 31, 2024 (in thousands of dollars)

	City of Edmonton Library Board	Explore Edmonton Corporation	Non-Profit Housing Corporation	Fort Edmonton Management Company	Edmonton Combative Sports Commission	Edmonton Unlimited Corporation
Financial Position						
Financial Assets	$ 28,372	$ 13,101	$ 19,072	$ 4,500	$ 394	$ 5,584
Liabilities	7,625	20,530	153,525	5,146	20	4,237
Net Financial Assets (Debt)	20,747	(7,429)	(134,453)	(646)	374	1,347
Non-financial Assets	31,831	9,410	157,437	997		3,024
Accumulated Surplus	**$ 52,578**	**$ 1,981**	**$ 22,984**	**$ 351**	**$ 374**	**$ 4,371**
Operations						
Revenues	64,529	89,898	20,520	14,159	191	9,806
Expenses	72,385	89,645	17,039	14,995	27	9,042
Other	7,279		1,176			630
(Shortfall) Excess of Revenues over Expenses	**(577)**	**253**	**4,657**	**(836)**	**164**	**1,394**
Accumulated Surplus, beginning of year	53,155	1,728	18,327	1,187	210	2,977
Accumulated Surplus, end of year	**$ 52,578**	**$ 1,981**	**$ 22,984**	**$ 351**	**$ 374**	**$ 4,371**

For the year ended December 31, 2023 (in thousands of dollars)

	City of Edmonton Library Board	Explore Edmonton Corporation	Non-Profit Housing Corporation	Fort Edmonton Management Company	Edmonton Combative Sports Commission	Edmonton Unlimited Corporation
Financial Position						
Financial Assets	$ 26,912	$ 25,681	$ 12,290	$ 4,214	$ 211	$ 5,967
Liabilities	7,519	31,799	141,970	3,887	1	6,725
Net Financial Assets (Debt)	19,393	(6,118)	(129,680)	327	210	(758)
Non-financial Assets	33,762	7,846	148,007	860		3,735
Accumulated Surplus	**$ 53,155**	**$ 1,728**	**$ 18,327**	**$ 1,187**	**$ 210**	**$ 2,977**
Operations						
Revenues	63,208	84,346	16,064	14,994	1	10,085
Expenses	70,209	89,763	19,280	14,428	8	10,240
Other	6,983		1,328			526
(Shortfall) Excess of Revenues over Expenses	**(18)**	**(5,417)**	**(1,888)**	**566**	**(7)**	**371**
Accumulated Surplus, beginning of year	53,173	7,145	20,215	621	217	2,606
Accumulated Surplus, end of year	**$ 53,155**	**$ 1,728**	**$ 18,327**	**$ 1,187**	**$ 210**	**$ 2,977**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

The City of Edmonton (City) is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c. M-26, as amended (MGA).

01 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements (the financial statements) of the City are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). Significant aspects of the accounting policies adopted by the City are as follows:

A. REPORTING ENTITY

The financial statements reflect the revenues, expenses, assets, liabilities and accumulated surplus of the reporting entity. The reporting entity comprises all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and are controlled by the City. In addition to general government tax-supported departments, these organizations, enterprises and utilities are consolidated and include the following:

The City of Edmonton Library Board (Edmonton Public Library)
Explore Edmonton Corporation
Fort Edmonton Management Company
Edmonton Combative Sports Commission
The City of Edmonton Non-Profit Housing Corporation (Non-Profit Housing Corporation, operating as "HomeED")
Edmonton Unlimited
Waste Services Utility
Land Enterprise (Land Development, Land for Future Municipal Purposes and Blatchford Redevelopment)
Blatchford Renewable Energy Utility
Ed Tel Endowment Fund

Interdepartmental and inter-organizational transactions are eliminated.

EPCOR, a subsidiary corporation of the City, is accounted for on a modified equity basis, consistent with the public sector accounting treatment for a government business enterprise. Under the modified equity basis, the government business enterprise's accounting principles are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated. EPCOR's other comprehensive income (loss) is recognized in the City's Consolidated Statement of Remeasurement of Gains and Losses with a corresponding increase (decrease) in the investment in EPCOR. EPCOR's net income and contributions of tangible capital assets to EPCOR from the City are recorded as an increase to the investment in EPCOR. Any dividends that the City receives from EPCOR are recorded as a decrease to the investment in EPCOR.

The City administers Pension Funds, a Long-term Disability Plan and other assets on behalf of third parties which are disclosed in Note 25. Related trust assets under administration for the benefit of external parties have been excluded from the reporting entity.

B. BASIS OF ACCOUNTING

The financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized as they are incurred and measurable based upon receipt of the goods and services and/or the legal obligation to pay.

C. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Administration has used estimates to determine employee benefit obligations, pension obligations relating to City-sponsored pension plans, valuation of certain financial instruments and derivatives, asset retirement obligations, accrued liabilities including estimates for expropriation of municipal lands and contaminated sites remediation, useful lives of tangible capital assets, the value of contributed tangible capital assets as well as provisions made for allowances for amounts receivable or any provision for impairment of investment values and tangible capital assets.

D. FOREIGN CURRENCY

The City's functional currency is the Canadian dollar. Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates or at rates of exchange established by the terms of a forward exchange contract.

Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category are translated into Canadian dollars at the exchange rates at December 31. Unrealized foreign exchange gains and losses are recognized in the Consolidated Statement of Remeasurement Gains and Losses. In the period of settlement, foreign exchange gains and losses are reclassified to the Consolidated Statement of Operations and the cumulative amount of remeasurement gains and losses is reversed in the Consolidated Statement of Remeasurement Gains and Losses.

E. REVENUE RECOGNITION

i. Tax Revenue

Annually, the City bills and collects property tax revenues for municipal purposes. Tax revenues are based on market value assessments determined in accordance with the MGA and annually established tax rates. Municipal tax rates are set each year by City Council in accordance with legislation and City Council-approved policies to raise the tax revenue required to meet the City's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. A provision has been recorded in Accounts payable and accrued liabilities for potential losses on assessment appeals outstanding at December 31. Tax revenues are recorded net of any tax appeals or allowances in the Consolidated Statement of Operations and Accumulated Surplus.

The City also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a Province-wide basis Education taxes collected are remitted to the Province and the Edmonton Catholic Separate School District and are excluded from revenues and expenses in the Consolidated Statement of Operations and Accumulated Surplus. Education taxes collected as part of the incremental property taxes within a Community Revitalization Levy (CRL) are retained to offset development costs in the area over the life of the CRL.

ii. **Government Transfers**

Government transfers are the transfer of monetary assets or tangible capital assets from other orders of government that are not the result of an exchange transaction and for which there is no expectation of repayment or direct financial return to the transferor in the future. The City receives government transfers from the Federal and Provincial governments to fund operating and capital expenditures. These transfers to the City are recognized as revenues when the transfers are authorized and all the eligibility criteria, if any, have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient. Prior to that time, any amounts received, along with restricted interest thereon are recorded as deferred revenue.

Authorized transfers from the City to other organizations or individuals are recorded as an expense when the transfer has been authorized and the eligibility criteria, if any, have been met by the recipient. The majority of transfers made by the City are in the form of tangible capital assets, grants and subsidies.

iii. **User Fees and Sale of Goods and Services**

User fees and sale of goods and services revenue relate to revenue earned from the public for access to, or purchase of, City owned assets and services including access to City owned recreational centres, waste pickup services and transportation services. These revenues are considered revenue arising from exchange transactions. Revenue from these transactions is recognized when, or as, the City fulfills its performance obligations and transfers control of the promised goods and service to the payor. For transactions in which the City's performance obligation is settled at a point in time, such as providing transportation services, revenue is recognized upon providing the service to the payor. If the performance obligation is not completed at December 31 the remaining revenue is deferred.

iv. **Franchise Fees**

Franchise fees include amounts earned from ATCO Gas and Pipelines Ltd., EPCOR Distribution Inc. and EPCOR Water Services Inc. for exclusive rights to provide utilities within Edmonton. These fees are considered revenue arising from exchange transactions and provide these entities with the exclusive rights to deliver utilities within the City. Franchise fee revenue is recognized when the performance obligation to which some, or all of the franchise fee has been allocated, has been satisfied or partially satisfied which occurs over the duration of the agreement.

v. **Licences and Permits**

Licences and permits revenue relates to revenues earned from the public for licences and permits sold as required by the City of Edmonton's bylaws, such as business licences and development permits. These revenues are considered revenues arising from exchange transactions. Depending on the nature of the licence or permits, revenue may be recognized at a point in time or over a period of time. Revenue is recognized at a point in time when one clear performance obligation exists and no additional access to City owned assets or services is required as part of the transaction.

vi. **Fines and Penalties**
Fines and penalties are issued to the public for late payment on outstanding taxes and for violation of City bylaws. These are considered non-exchange transactions. Revenue is recognized when a past event has occurred, the City has a legally enforceable right to collect the amounts and there is an expectation of collectability.

F. LOCAL IMPROVEMENTS

When a service or improvement is deemed to benefit a specific area more than the municipality as a whole, the project may be classified as a local improvement under the MGA, to be paid in whole or in part by a tax imposed on the benefiting property owners. The property owner's share of the improvement is recognized as revenue, and established as a receivable, in the period that the project expenditures are completed.

G. FINANCIAL INSTRUMENTS

The City's financial assets and liabilities are categorized as follows:
- Cash and cash equivalents - cost and amortized cost
- Portfolio investments - fair value, cost and amortized cost
- Receivables - lower of cost and net recoverable value
- Debt recoverable - amortized cost
- Land for resale - lower of cost and net realizable value
- Promissory notes payable - amortized cost
- Derivatives - fair value
- Accounts payable and accrued liabilities - cost
- Long-term debt - amortized cost

Unrealized gains and losses from changes in the fair value of financial assets, liabilities and derivatives are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gains or losses are reclassified from the Consolidated Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations and Accumulated Surplus. Interest and dividends attributable to financial instruments are reported in the Consolidated Statement of Operations and Accumulated Surplus. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated Statement of Operations and Accumulated Surplus. A write-down of a portfolio investment to reflect a loss in value that is other than temporary is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest method is used to determine interest revenue or expense.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of portfolio investments are accounted for using trade-date accounting.

From time to time the City enters into derivative financial instruments including forward foreign currency contracts and forward fuel price contracts to reduce exposure to fluctuations such as foreign currency and fuel price fluctuations. The City does not use derivatives for trading or speculative purposes. Derivatives are initially recognized at fair value on inception and subsequently measured at fair value.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the City's normal purchase, sale or usage requirements are not recognized as financial assets or liabilities.

For financial instruments in the fair value measurement category, financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair value of the financial instrument, as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
Level 3: Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

H. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit, bankers' acceptances, treasury bills and commercial paper, at cost and amortized cost. These cash equivalents generally mature within ninety days from the date of purchase, are capable of reasonably prompt liquidation and may be used to manage the City's cash position throughout the year.

I. PORTFOLIO INVESTMENTS AND INVESTMENT EARNINGS

The City's equity investments are measured at fair value. Fixed income, private pooled funds and other investments are measured at cost or amortized cost. Where there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss. Any net undistributed realized losses in multi-unit investment trusts managed by the City are recorded in the year incurred. Investment earnings are recorded as revenue in the period earned.

J. DEBT RECOVERABLE

Debt recoverable consists of long-term debt amounts borrowed by the City that are recoverable under loans or other financial arrangements made to non-profit organizations. These debt recoverable amounts are recorded at a value equivalent to the offsetting outstanding long-term debt balances as at December 31. A valuation allowance in the debt recoverable is recognized when the City no longer has reasonable assurance of collection.

K. LAND FOR RESALE

Land for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

L. LIABILITY FOR CONTAMINATED SITES

Contaminated sites are the result of a chemical, organic or radioactive material or live organism in amounts that exceed an environmental standard being introduced into soil, water or sediment. The City recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists;
- there is evidence that contamination exceeds an environmental standard;
- the City is directly responsible or accepts responsibility for the contamination;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the City's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the City's best estimate, as of December 31, of the amount required to remediate non-productive sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. When cash flows are expected to occur over extended future periods the City will measure the liability using present value techniques. This liability is recorded in Accounts payable and accrued liabilities in the Consolidated Statement of Financial Position.

M. DEPOSITS

Deposits are held for the purposes of securing the compliance of a third party to contractual stipulations. Deposits are returned when compliance with contractual stipulations is determined. The City recognizes deposits into revenue when a third party defaults on the contractual stipulations that the deposits were securing against.

N. DEFERRED REVENUE

Deferred revenue comprises funds received in advance of services performed or where the use of funds is externally restricted. These amounts are recognized as revenue in the period the service is performed or when the funds are used for the purpose specified. When agreements stipulate that interest earned on contributions should be restricted for a specific purpose, that interest is treated as a contribution received and recorded as an addition to deferred revenue.

O. EMPLOYEE BENEFIT OBLIGATIONS

The costs of post-employment benefits, compensated absences and termination benefits are recorded as an expense when the event that gives rise to the obligation occurs.

City employees participate in multi-employer pension plans that are administered by third parties. Obligations related to plan deficiencies are not recorded for these multi-employer pension plans as the City's share is not determinable. Contributions to multi-employer plans for current and past service are recorded as expenses in the year in which they become due.

Costs related to City-sponsored registered and non-registered defined benefit pension plans are recognized when earned by plan members. Plan obligations are actuarially determined using the projected benefit method prorated on service, applying management's best estimates of expected retirement ages of employees, salary and benefit escalation, plan investment performance and discount rates.

Actuarial gains and losses for active plans are amortized on a straight-line basis over the expected average remaining service life of the related employee group. Adjustments arising from prior service costs relating to plan amendments and changes in the valuation allowance are recognized in the period in which the adjustment occurs. The City records the actuarially determined net fund asset or liability for City-sponsored registered pension plans. For jointly sponsored plans, the City records its proportionate share of that asset or liability.

P. ASSET RETIREMENT OBLIGATIONS

A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured as of the date of the legal obligation is incurred, based on management's best estimate of the amount required to retire tangible capital assets and subsequently remeasured taking into account any new information and the appropriateness of assumptions used. A present value technique is used to determine the amount of the obligation, the liability is adjusted for the passage of time and is recognized as accretion expense in the Consolidated Statement of Operations and Accumulated Surplus. When a liability of an asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset by the same amount as the liability and are amortized over the estimated remaining useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

As at the financial reporting date, asset retirement obligations reflect the City’s best estimate of the amount required to retire tangible capital assets. Estimates are made by management using professional judgment, similar contractor costs and third-party quotes, and are subsequently re-measured taking into account any new information and the appropriateness of assumptions used.

Included in asset retirement obligations are landfill closure and post-closure liabilities. The costs to close and maintain solid waste landfill sites are based on estimated future expenses, adjusted for inflation and discounted to current dollars. Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, monitoring ground and surface water, treatment and monitoring of leachates, ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events using the best information available to management. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total expenses and will be recognized prospectively, as a change in estimate, when applicable.

Q. PUBLIC-PRIVATE PARTNERSHIPS

A public-private partnership (P3) is a contractual agreement between a public authority and a private entity for the provision of infrastructure and/or services. The City's P3 with TransEd Partners General Partnership is assessed based on the substance of the underlying agreement. Costs incurred during construction or acquisition are recognized as tangible capital assets (classified as assets under construction), with a corresponding liability, both based on the estimated percentage of project completion. The asset is amortized over the estimated useful life once in service. The liability is reduced by progress payments and capital payments made to the P3 partner. The present value of future construction payments is recognized as long-term debt using the implicit interest rate at the time the agreement is signed. If the terms of the arrangement are renegotiated the effective interest method is used in accounting for the liability.

R. NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. Non-financial assets include tangible capital assets, inventory of materials and supplies, prepaids, GST receivable/payable and other assets.

i. **Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Interest charges during construction are not capitalized. The cost, less residual value of the tangible capital assets, is amortized on a straight-line basis over the following estimated useful lives of the assets:

Land improvements	20 to 50 years
Buildings	10 to 60 years
Machinery and equipment	3 to 50 years
Vehicles	9 to 35 years
Engineered structures	7 to 100 years

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that a tangible capital asset no longer contributes to the City's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value.

ii. **Contributed Tangible Capital Assets**

Tangible capital assets acquired as contributions are recorded at their fair value on the date received and corresponding revenues are recorded as contributed tangible capital assets on the Consolidated Statement of Operations and Accumulated Surplus.

iii. **Prepaids**

Prepaids include prepaid software, insurance and rent and are charged to expense over the periods expected to benefit from it.

iv. **Leases**

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits and risks to the City incidental to ownership of property are accounted for as capital leases. Assets under a capital lease are included within the respective tangible capital asset classifications. All other leases are accounted for as operating leases and the related lease payments, net of tenant inducements, are charged to expenses on a straight-line basis over the lease term.

v. **Land Under Roads**

Within tangible capital assets is land under roads that is acquired other than by a purchase agreement and is valued at a nominal amount, as the fair value is not determinable.

vi. **Inventory of Materials and Supplies**

Inventory of materials and supplies is valued at the lower of average cost and replacement cost.

vii. **Cultural, Historical and Works of Art**

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized. Costs for public art are expensed in the period they are incurred.

S. RECENTLY ADOPTED ACCOUNTING STANDARDS

Effective January 1, 2024, the City adopted the new requirements in PS3400, *Revenue* and PSG-8, *Purchased Intangibles.* These requirements were adopted on a prospective basis and statements of prior periods, including comparative information, have not been restated.

PS3400 establishes recognition, measurement and disclosure requirements for specific types of revenue. Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as “exchange transactions” and transactions that do not have performance obligations, referred to as “non-exchange transactions”. Performance obligations are enforceable promises to provide specific goods or service to a specific payor. This standard applies to certain revenue streams of the City such as user fees, sales of goods and services, franchise fees, licences and permits, and fines and penalties. The adoption of this standard resulted in expanded accounting policy disclosures. In addition, to conform to the new standard, on January 1, 2024 deferred revenue increased by $1,047 and revenue decreased by $1,047.

PSG-8 allows for purchased intangible assets to be recognized as assets in a public sector entity’s financial statements. The adoption of this standard did not have an impact on the City’s consolidated financial statements.

Effective January 1, 2024, the City adopted the new requirements in PS 3160, *Public Private Partnerships*, using the retroactive approach without restatement of prior periods. PS 3160 establishes standards on accounting for partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard resulted in expanded disclosures regarding public-private partnership arrangements (Note 14 e). In addition, to conform to the new standard, on January 1, 2024, the lifecycle rehabilitation expense increased by $1,035 and accounts payable and accrued liabilities increased by $1,035 resulting from the straight-lining of the lifecycle rehabilitation scheduled payments over the operating period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024 (in thousands of dollars)

T. FUTURE ACCOUNTING STANDARD PRONOUNCEMENTS

The City continues to assess the impact and prepare for the adoption of the following standards effective for the City's fiscal year ending December 31, 2027.

The Conceptual Frameworks for Financial Reporting
The conceptual framework is the foundation for principles-based standards. It is a coherent set of interrelated objectives and fundamentals leading to consistent standards or application of consistent concepts in the absence of specific standards.

Financial Statement Presentation
PS1202, *Financial Statement Presentation*, will replace PS1201 and sets out the general and specific requirements of the presentation of financial information and is based on the concepts in the conceptual framework.

02 CASH AND CASH EQUIVALENTS

	2024	2023
Cash	**$ 62,610**	$ 71,437
Cash equivalents	**164,534**	330,570
	$ 227,144	$ 402,007

Cash equivalents have effective interest rates of 3.4 to 4.1 per cent (2023 - 5.1 to 5.5 per cent) and generally mature within ninety days from the date of purchase.

The City has access to an unsecured line of credit of up to $250,000 CDN and $10,000 USD (2023 - $250,000 CDN and $10,000 USD) to cover any bank overdrafts arising from day-to-day cash transactions. As of December 31, 2024, the availability on the line of credit was reduced by $388 CDN (2023 - $388) due to letters of credit.

For the year ended December 31, 2024 (in thousands of dollars)

03 RECEIVABLES

	2024	2023
Trade	**$ 159,481**	$ 176,672
Local improvements	**117,606**	121,983
Taxes	**116,370**	101,059
Government transfers:		
Investing in Canada Infrastructure Program	**329,728**	133,026
Alberta Transportation Grant	**52,602**	62,035
Canada Mortgage and Housing Corporation Fund	**43,933**	
Canada Community-Building Fund	**29,471**	
Building Canada Fund	**27,217**	25,380
National Trade Corridors Fund	**11,335**	19,252
P3 Canada Fund		239,495
Other	**4,986**	5,314
GST receivable	**28,788**	68,715
Pension fund asset (Note 25)	**35,084**	29,540
	$ 956,601	$ 982,471

Trade is net of allowance for doubtful accounts of $4,522 (2023 - $4,694). Taxes is net of allowance for doubtful accounts of $4,728 (2023 - $5,125). The pension fund asset relates to the City's share of the Fire Fighters' Supplementary Pension Plan asset balance and the Fire Chief Plan net fund asset (Note 25).

For the year ended December 31, 2024 (in thousands of dollars)

04 PORTFOLIO INVESTMENTS

	2024		2023	
	Market Value	**Carrying Value**	Market Value	Carrying Value
Portfolio investments carried at fair value:				
Equity:				
Canadian	**$ 248,002**	**$ 248,002**	$ 205,025	$ 205,025
International	**612,275**	**612,275**	523,563	523,563
Global	**49,731**	**49,731**	45,643	45,643
	910,008	**910,008**	**774,231**	**774,231**
Portfolio investments carried at cost/amortized cost:				
Cash	**8,437**	**8,437**	5,775	5,775
Fixed income funds:				
Short-term notes and deposits	**352,526**	**352,622**	257,304	257,390
Government guaranteed bonds	**695,747**	**716,085**	588,969	619,069
Corporate bonds and debentures	**451,094**	**454,835**	413,551	432,064
Pooled fund	**121,958**	**108,074**	113,410	108,071
Private pooled funds	**308,601**	**259,052**	277,124	247,101
Other investments	**117**	**117**	117	117
	1,938,480	**1,899,222**	**1,656,250**	**1,669,587**
	$ 2,848,488	**$ 2,809,230**	**$ 2,430,481**	**$ 2,443,818**

All portfolio investments carried at fair value are level 2. Refer to Note 1g for a description of levels 1, 2 and 3. During 2024 and 2023, there were no transfers between levels of hierarchy.

All investments held by the City must comply with the MGA, the Municipal Investment Regulation and the City's investment policy (E212E).

The cost of equity portfolio investments at December 31, 2024, is $771,906 (2023 - $697,276).

Short-term notes and deposits have effective interest rates of 0.3 to 5.0 per cent (2023 - 0.4 to 5.7 per cent) and mature in less than one year. Government, government guaranteed bonds and corporate bonds and debentures have effective interest rates of 2.9 to 5.5 per cent (2023 - 3.0 to 6.1 per cent) with maturity dates from 2024 to 2062 (2023 - 2023 to 2062).

The pooled fixed income fund represents an interest in a fund consisting of corporate bonds, government bonds and inflation-linked bonds. The private pooled funds represent an interest in a globally diversified portfolio of core-yielding infrastructure, real estate investments and commercial mortgages.

Investments with a cost of $925,780 (2023 - $877,087) and fair value of $1,045,563 (2023 - $936,456) are managed within the Ed Tel Endowment Fund, in accordance with City Bylaw 11713. An annual appropriation from the earnings of the Fund of $46,439 (2023 - $44,669) was withdrawn to support municipal operations, based upon a spending formula set out in the Bylaw. In accordance with the Bylaw, the fund is in a position to pay a special dividend when the market value of the fund as at June 30 of the preceding year is more than 15 per cent above the inflation-adjusted principal. There were no special dividends in 2023 and 2024. Any amendment to the Bylaw requires advertisement and a public hearing.

05 DERIVATIVES

The City enters into derivative forward foreign currency contracts to manage its portfolio investment exposure to foreign currencies. As at December 31, 2024, the City held forward foreign exchange contracts for a net purchase of $10,795 (2023 - $15,419) in various currencies and fixed rates that mature at dates that vary until September 16, 2026. The fair value of contracts outstanding at December 31, 2024, is a liability of $632 (2023 - $3,550) and they are fair valued using level 2 inputs (Note 1g).

The City enters into derivative forward fuel price contracts with various banking institutions to manage its exposure to fuel price fluctuations. As at December 31, 2024, the City held forward fuel price contracts for 22.0 million litres (2023 - 21.2 million litres) of heating oil at prices that range from $0.79 to $0.90 per liter (2023 - $0.82 to $1.0 per litre) and mature at various dates until December 31, 2025. The fair value of contracts outstanding at December 31, 2024, is an asset of $39 (2023 - liability of $1,287) and they are fair valued using level 2 inputs (Note 1g).

06 FINANCIAL RISK MANAGEMENT

The City is exposed to a variety of financial risks associated with its financial instruments. These financial risks include market risk, credit risk and liquidity risk. There have been no significant changes to risk exposures, objectives and policies compared to 2023.

A. MARKET RISK

All investments held by the City must comply with the MGA, the Municipal Investment Regulation and the City's internal investment policy (C212E). Established by the City Manager, an Investment Committee governs and provides oversight of the City's investments. The objective of the Council-approved investment policy is to preserve the principal investment amount and maximize investment returns within an acceptable and prudent level of risk. Asset mix targets are determined based on investment earnings objectives, investment time horizon and level of risk tolerance. As part of an annual review process, a formal risk assessment of the City's investment program ensures risk mitigation strategies and controls are in place and consistent with industry best practices.

Market risk consists of three types of risk: price risk, interest rate risk and foreign currency risk.

i. **Price Risk**

The City is exposed to market price risk, the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage this risk, the City has established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits and is designated to achieve a long-term rate of return with an acceptable level of risk. In addition, to manage fluctuations in fuel prices, the City hedges a portion of this risk by entering into fuel price derivative forward contracts (Note 5). To manage fluctuation in utility prices the City enters into fixed purchase agreements and Virtual Power Purchase Agreements (Note 26).

Common and preferred share funds have a fair value of $910,008 (2023 - $774,231) and comprise 32.4 per cent (2023 - 31.9 per cent) of the City's total portfolio investments. As at December 31, 2024, if equity prices increased or decreased by 10 per cent with all other factors remaining constant, the City's fair value of portfolio investments and accumulated remeasurement gains and losses would have increased or decreased by approximately $91,000 (2023 - $77,422).

For the year ended December 31, 2024 (in thousands of dollars)

ii. **Interest Rate Risk**

Interest rate risk is the risk that future cash flows or fair values will fluctuate due to the volatility of market interest rates. The City is exposed to interest rate risk through its investments in fixed income securities. If interest rates increased (decreased) by 25 basis points (0.25 per cent) as at December 31, 2024, and all other variables are held constant, the fair value of portfolio investments would increase (decrease) by approximately 1.14 per cent or $17,159 (2023 - 1.16 per cent or $14,614). Interest rate risk on the City's long-term debt is managed through fixed-rate agreements, thereby mitigating interest rate risk from rate fluctuations over the term of the outstanding debt (Note 14).

iii. **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The City is exposed to foreign currency risk on equities, fixed income securities and general working capital accounts that are denominated in foreign currencies other than the Canadian dollar. To manage this risk, a portion of the currency exposure may be hedged by foreign currency forward contracts (Note 5). Foreign currency forwards are contractual obligations either to buy or sell a specified amount of foreign currencies at predetermined future dates and exchanges.

At December 31, 2024, the total foreign currency denominated equities and fixed income securities currency exposure represents approximately 23.9 per cent of the portfolio investment balance which include 20.1 per cent in US dollars, 2.1 per cent in Japanese yen, and 1.7 per cent in Chinese Yuan. A 10 per cent strengthening (weakening) of the Canadian dollar versus these currencies as at December 31, 2024, and all other variables are held constant, would have decreased (increased) the portfolio investment fair value and accumulated remeasurement losses (gains) by $35,563 (2023 - $33,033).

B. CREDIT RISK

Credit risk is the risk of loss arising from the failure of a counterparty to fully honor its contractual obligations. The credit quality of financial assets is generally assessed by reference to external credit ratings. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies. The carrying amount of the City's cash and cash equivalents, receivables, derivatives, debt recoverable and portfolio investments represent the maximum exposure to credit risk.

Accounts receivable primarily consists of trade receivables, local improvements, taxes and government transfers. The City periodically reviews the collectability of its accounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. Cash and cash equivalents, when invested, are invested in investment grade securities. Debt recoverable are monitored and issued through City bylaws as described in Note 7. The City's policies restrict the types and proportions of eligible portfolio investments, as such mitigating the City's exposure to credit risk. The credit rating for Canadian government and corporate bonds held is as follows:

	2024	2023
AAA	36.2%	31.9%
AA	24.0%	25.6%
A	26.1%	28.3%
BBB	13.7%	14.2%
	100%	100%

For the year ended December 31, 2024 (in thousands of dollars)

C. LIQUIDITY RISK

Liquidity risk is the risk that the City will encounter difficulty under both normal and stressed conditions in meeting obligations associated with financial liabilities that are settled by delivery of cash and cash equivalents or another financial asset. The City manages liquidity risk by regularly monitoring its working capital and reserve assets to determine the optimum mix of short-term and long-term investments and ensure it has sufficient liquidity while also maximizing returns on a prudent basis. The City has access to an undrawn $250,000 CAD and $10,000 US line of credit to meet current and forecasted financial requirements in a cost-effective manner. The ability also exists to issue promissory notes for a term of one year or less to a maximum of $250,000.

07 DEBT RECOVERABLE

Debt recoverable of $21,613 (2023 - $21,906) consists of amounts borrowed by the City and provided to the Edmonton Catholic Separate School District and Francis Winspear Centre for Music, to be recovered through agreements. The financial arrangements are in accordance with section 264 of the Municipal Government Act and are authorized by City bylaws. The arrangements have the same general repayment terms as the respective debt with interest accrued on outstanding amounts. As of December 31, 2024, the Edmonton Catholic Separate School District and Francis Winspear Centre for Music are in compliance with the terms of the financial arrangement. The receivables bear an implicit annual interest rate ranging between 2.5 to 4.3 per cent (2023 - 2.5 to 4.3 per cent) and will be fully recovered between the years 2041 and 2043, respectively.

Principal and interest payments recoverable for each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2025	$ 715	$ 755	$ 1,470
2026	995	653	1,648
2027	1,025	623	1,648
2028	1,055	592	1,647
2029	1,087	560	1,647
Thereafter	16,736	3,915	20,651
	$ 21,613	$ 7,098	$ 28,711

For the year ended December 31, 2024 (in thousands of dollars)

08 LAND FOR RESALE

	2024	2023
Land for Resale, beginning of year	**$ 231,750**	$ 237,423
Additions and transfers	**35,824**	53,354
Sales	**(20,686)**	(59,027)
Land for Resale, end of year	**$ 246,888**	$ 231,750

09 PROMISSORY NOTES PAYABLE

As at December 31, 2024, The City has three (2023 - four) promissory notes payable with maturity dates ranging from January 14, 2025 to June 11, 2025 (2023 - March 8, 2024 to March 15, 2024) with an interest rates ranging from 3.2 per cent to 3.8 per cent (2023 - 5.0 per cent). The promissory notes are being accounted for at amortized cost, with the amount for the three notes at maturity totaling $60,000 and (2023 - $50,000) and a discounted value of $59,311 (2023 - $49,375).

10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade	**$ 651,670**	$ 688,068
Developer obligations	**237,368**	223,092
Payroll and remittances	**205,754**	158,974
Provision for self-insured claims	**33,316**	28,135
Accrued interest	**30,260**	28,074
Contaminated sites (Note 27)	**20,383**	21,505
	$ 1,178,751	$ 1,147,848

For the year ended December 31, 2024 (in thousands of dollars)

11 DEFERRED REVENUE

	2023	Contributions Received / Transferred Between Operating and Capital	Revenue Recognized	**2024**
Operating:				
Revenue in advance of service performed and other	$ 56,034	$ 125,952	$ 137,648	**$ 44,338**
Development permits	22,041	27,246	16,196	**33,091**
Canada Mortgage and Housing Corporation Fund	12,593	(2,324)	3,518	**6,751**
Deferred lease incentive	12,350	1	1,368	**10,983**
Affordable Housing Municipal Block Funding	900	12	912	
	103,918	150,887	159,642	**95,163**
Capital:				
Canada Mortgage and Housing Corporation Fund	54,651	46,128	9,432	**91,347**
Canada Community Building Fund	44,237	59,721	57,919	**46,039**
Local Government Fiscal Framework		158,261	133,175	**25,086**
Other	11,387	97,433	94,011	**14,809**
	110,275	361,543	294,537	**177,281**
	$ 214,193	$ 512,430	$ 454,179	**$ 272,444**

12 EMPLOYEE BENEFIT OBLIGATIONS

	2024	2023
Accrued vacation	**$ 109,420**	$ 100,885
Post-employment benefits	**55,146**	53,850
Banked overtime	**15,881**	15,539
Group Life Insurance Plan	**11,169**	11,650
Major medical and dental plans	**8,373**	5,597
Supplementary Management Retirement Plan	**8,116**	6,698
Health care spending	**3,729**	3,830
Other	**967**	872
	$ 212,801	$ 198,921

Post-employment benefits represent the City’s cost, including the continuation of benefits for employees on long-term disability, and the City’s share of pensioners’ eligible medical, dental and other obligations until pensioners reach the age of 65.

In order to measure the post-employment obligation, an actuarial valuation was completed as at December 31, 2024, regarding the continuation of benefit coverage while eligible employees are on long-term disability. The discount rate used in the valuation is 3.0 per cent (2023 - 3.0 per cent). The accrued benefit obligation as at December 31, 2024, is $52,018 (2023 - $50,977). The change is comprised of current service cost of $11,232 (2023 - $14,436), interest cost of $1,758 (2023 - $1,751), actuarial gain of $4,726 (2023 - $5,607) and benefits paid during the year of $ 7,223 (2023 - $7,062).

Eligible post-employment medical and dental obligations are estimated based on a five-year average of pensioners' claim costs in excess of contributions until the pensioners reach age 65. Eligible medical obligations for 2024 were $943 (2023 - $1,003). Eligible dental obligations for 2024 were $932 (2023 - $887). Other post-employment benefits were $1,253 (2023 - $983).

The City sponsors major medical, dental and other employee benefit plans, which are funded through employee and/or employer contributions. Premium contributions, interest earnings, payments for benefit entitlements and administrative costs are applied to each of the respective plans.

A group life insurance plan is provided by the City, funded equally by employer and employees. This Plan is administered by Alberta Blue Cross.

A supplementary management retirement plan (SMRP) for designated management employees was implemented effective for service beginning January 1, 2003. The accrued benefit liability for total current and past service costs of $8,116 (2023 - $6,698) has been based upon an extrapolation of an actuarial valuation completed as at December 31, 2023. The extrapolation was based upon a number of assumptions about future events, which reflect management's best estimates. The expected inflation rate is 2.0 per cent (2023 - 2.0 per cent). The discount rate used to determine the accrued benefit obligation is 3.0 per cent (2023 - 3.0 per cent). The expected salary increase is 3.0 per cent (2023 - 2.5 per cent), plus a merit and promotion increase of 0.5 per cent. Unamortized net loss of $1,585 (2023 - $339) will be amortized over the fifteen (2023 fourteen) year average remaining service period of active plan participants. The next full valuation of the SMRP will be performed as of December 31, 2026. Unamortized net loss of $1,585 (2023 - $339) will be amortized over the fifteen (2023 - fourteen) year average remaining service period of active plan participants.

All permanent employees are entitled to a health care spending account providing reimbursement up to established limits for eligible expenses not covered under the supplementary health care and dental plans. An estimate has been included in 2024 expenses of amounts not used in the current year that are eligible to be carried forward under the terms of the plan.

For the year ended December 31, 2024 (in thousands of dollars)

13 ASSET RETIREMENT OBLIGATIONS

	2024	2023
Balance, beginning of year	**$ 203,911**	$ 197,648
Net change for the year:		
Liability incurred	**71**	397
Liability settled	**(33,036)**	(12,809)
Accretion expense	**2,969**	3,485
Assets disposed	**(369)**	
Change in estimate	**18,641**	15,190
Net change for the year	**(11,724)**	6,263
Balance, end of year	**$ 192,187**	$ 203,911

The City has identified various tangible capital assets where asset retirement obligations exist and mainly relate to buildings and equipment. The City estimated the nature and extent of hazardous materials in its buildings based on the potential square footage and the average costs per square foot to remove and dispose of the hazardous materials. Similarly, cost estimates were obtained for legislated removal of equipment at the end of its life. The estimate of these obligations is based on assessments provided by third-party experts, internal experts and engineers. These obligations are discounted using a present value technique. The undiscounted amount of estimated future cash flows required to settle these obligations is $185,888 (2023 - $195,635). The discount rates used for the present value technique ranged from 3.2 per cent to 4.7 per cent (2023 - 3.9 per cent to 4.8 per cent), and these obligations are expected to be settled between 2025 and 2087.

Included in asset retirement obligations are liabilities for landfill closure and post-closure care of $48,820 (2023 - $55,067). Under Provincial legislation, the City has liability for closure and post-closure care costs for its landfill sites. The undiscounted amount of estimated future cash flows required to settle these obligations is $62,289 (2023 - $63,768).

The Clover Bar landfill site was closed to the public in August 2009. The City used the landfill internally until 2018 with final closure in 2025, after which time the post-closure period is expected to be 25 years. The costs to maintain a closed solid waste landfill site are based on estimated future expenses in current dollars by applying a discount rate of 6.2 per cent (2023 - 6.3 per cent) and inflation rate of 2.0 per cent (2023 - 2.1 per cent). An amount of $46,764 (2023 - $53,011) has been accrued and Waste Services currently maintains restricted cash of $22,200 for the Clover Bar landfill liability. The remaining required funds for this liability will be funded through the collection of utility rates.

The Rundle Park landfill site was closed in 1973 and the post-closure care period ended in 1998. Although the former landfill is no longer regulated under an Alberta Environmental Protection and Enhancement Act approval, the City is obligated to ensure the site is safe for the environment and public use. The liability associated with this landfill includes the development of long-term landfill gas emission and mitigation strategies, a planned retrofit to the landfill flare facility and the annual cost of maintaining the landfill gas management system. An amount of $2,056 (2023 - $2,056) has been accrued.

For the year ended December 31, 2024 (in thousands of dollars)

14 LONG-TERM DEBT

A. DEBT PAYABLE

Debt payable includes the following amounts:

	2024	2023
Debentures	**$ 4,233,626**	$ 4,045,052
Mortgages	**111,733**	108,844
Public-private partnership (P3) term debt	**450,621**	472,752
	4,795,980	4,626,648
Less debt attributed to and secured by offsetting amounts receivable from:		
EPCOR Utilities Inc.	**427,548**	459,162
	$ 4,368,432	$ 4,167,486

Long-term debt comprises:		
Self-liquidating debt	**520,113**	533,361
Tax-supported debt		
Debenture debt	**3,397,698**	3,161,373
Public-private partnership (P3) term debt	**450,621**	472,752
	$ 4,368,432	$ 4,167,486

The amount receivable from EPCOR relates to debentures issued in the name of the City on behalf of EPCOR. The repayment terms are the same as the respective debt with the exception of debt relating to the Gold Bar Wastewater Treatment Facility which is based on a blended semi-annual repayment schedule.

For the year ended December 31, 2024 (in thousands of dollars)

Principal and Interest payments on long-term debt for the next five years and thereafter are as follows:

Principal:	Self-Liquidating	Tax-Supported	Gross Payment	Less: EPCOR Receivable	Net Payment
2025	$ 70,210	$ 207,180	$ 277,390	$ 32,437	$ 244,953
2026	70,913	212,725	283,638	33,155	250,483
2027	62,640	214,525	277,165	32,396	244,769
2028	61,198	210,443	271,641	32,321	239,320
2029	60,947	195,451	256,398	32,338	224,060
Thereafter	621,753	2,807,995	3,429,748	264,901	3,164,847
	$ 947,661	$ 3,848,319	$ 4,795,980	$ 427,548	$ 4,368,432

Interest:	Self-Liquidating	Tax-Supported	Gross Payment	Less: EPCOR Receivable	Net Payment
2025	$ 31,872	$ 152,307	$ 184,179	$ 15,553	$ 168,626
2026	29,181	144,207	173,388	14,194	159,194
2027	26,502	135,889	162,391	12,815	149,576
2028	24,102	127,586	151,688	11,498	140,190
2029	21,888	119,601	141,489	10,206	131,283
Thereafter	162,541	1,062,843	1,225,384	43,638	1,181,746
	$ 296,086	$ 1,742,433	$ 2,038,519	$ 107,904	$ 1,930,615

Total Payments:	Self-Liquidating	Tax-Supported	Gross Payment	Less: EPCOR Receivable	Net Payment
2025	$ 102,082	$ 359,487	$ 461,569	$ 47,990	$ 413,579
2026	100,094	356,932	457,026	47,349	409,677
2027	89,142	350,414	439,556	45,211	394,345
2028	85,300	338,029	423,329	43,819	379,510
2029	82,835	315,052	397,887	42,544	355,343
Thereafter	784,294	3,870,838	4,655,132	308,539	4,346,593
	$ 1,243,747	$ 5,590,752	$ 6,834,499	$ 535,452	$ 6,299,047

EPCOR receivable amounts offset self-liquidating debt and interest payments.

For the year ended December 31, 2024 (in thousands of dollars)

B. DEBT SERVICING LIMITS

The City of Edmonton Charter Regulation AR 39/2018 allows the City to establish its own debt limits on condition the City obtains an external credit rating and develops a Council-approved debt policy. The City obtains a credit rating annually, and on November 14, 2022, City Council approved City Policy C203D - Debt Management Fiscal Policy. The limits in the policy supersede the limits specified in the MGA regulation AR 255/2000. The City limits tax-supporting 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. The City's debt is limited to the level of debt that would result in total debt servicing equal to 26.0 per cent of City revenue using the City's average long-term borrowing rate.

The City’s position with respect to debt servicing limits is as follows:

	2024	2023
Total debt servicing limit (26% of City revenue)	**$ 939,211**	$ 871,231
Total debt servicing	**391,900**	420,745
Percentage used (%)	**41.7**	48.3
Total debt servicing limit (21% of City revenue)	**$ 758,593**	$ 703,687
Total debt servicing	**391,900**	420,745
Percentage used (%)	**51.7**	59.8
Tax Supported debt servicing limit (18% of tax-supported net operating expenditures)	**$ 514,567**	$ 481,738
Tax Supported debt servicing	**337,068**	366,798
Percentage used (%)	**65.5**	76.1

C. MATURITIES AND INTEREST RATES

Existing long-term debt matures in annual amounts in years 2025 through 2054 and debenture interest is payable at rates ranging from 1.0 to 7.9 per cent (2023 - 1.0 to 8.3 per cent). The average annual interest rate is 3.9 per cent for 2024 (2023 - 3.8 per cent).

D. INTEREST ON LONG-TERM DEBT

	2024	2023
Self-liquidating debt	**$ 33,744**	$ 34,854
Tax-supported debt	**124,828**	115,283
Public-private partnership (P3) term debt	**20,193**	6,295
	178,765	156,432
Less payments on offsetting amounts receivable	**16,741**	18,044
Long-term debt interest included in interest and bank charges	**$ 162,024**	$ 138,388

For the year ended December 31, 2024 (in thousands of dollars)

E. PUBLIC-PRIVATE PARTNERSHIP (P3) OBLIGATION

In February 2016, the City entered into a P3 agreement with TransEd Partners General Partnership (TransEd) to design, build, finance, operate and maintain stage 1 of the Valley Line LRT from Mill Woods to Downtown. The construction period ran from 2016-2023 and the operating period from 2023-2050.

Under the P3 agreement, the City has key rights that include control over the infrastructure, inspection rights, termination options and receiving the infrastructure asset back at the end of the operating period. Key obligations for the City under the agreement include granting land and infrastructure access to TransEd for the duration of the agreement and making monthly payments during the operating period for P3 term debt and operating costs. The City's operating payments to TransEd cover both service costs, based on the service levels provided, and lifecycle rehabilitation costs. These operating payments are expensed because they do not extend the useful life of the infrastructure assets.

During construction of the Valley Line LRT, the City recognized capital costs as assets under construction. The assets are being amortized over their useful life now that the assets are in service. During the construction period, the City made progress payments on 50.0 per cent of the capital costs, based on percentage of construction completion. Payments on the remaining 50.0 per cent of the capital costs are deferred and recognized as a P3 obligation to TransEd of which 16.7 per cent were settled in November 2023 upon substantial construction completion of the project. The remaining 33.3 per cent, which represents P3 term debt, is to be repaid by monthly interest and principal payments starting in the operating period. In 2024, due to a modification of the P3 term debt, the City recognized a $13,071 modification gain in its Consolidated Statement of Operations and Accumulated Surplus in interest and banking charges. The effective interest rate of the P3 term debt is 4.4 per cent.

Principal and Interest payments on the P3 term debt for the next five years and thereafter are as follows:

	Principal	Interest	**Total**
2025	$ 9,469	$ 19,783	**$ 29,252**
2026	9,897	19,355	**29,252**
2027	10,345	18,907	**29,252**
2028	10,813	18,439	**29,252**
2029	11,302	17,950	**29,252**
Thereafter	398,795	214,159	**612,954**
	$ 450,621	$ 308,593	**$ 759,214**

For the year ended December 31, 2024 (in thousands of dollars)

15 TANGIBLE CAPITAL ASSETS

	Net book value 2024	2023
Land	**$ 2,195,294**	$ 2,139,406
Land improvements	**1,300,458**	1,255,740
Buildings	**2,334,716**	2,260,188
Vehicles	**768,628**	796,155
Machinery and equipment	**396,455**	403,003
Engineering structures:		
Roadway system	**5,324,414**	5,125,966
Light rail transit	**1,520,593**	1,499,633
Waste	**39,503**	41,616
Bus system	**159,484**	168,350
Other	**75,689**	72,985
	14,115,234	13,763,042
Assets under construction	**1,840,805**	1,305,809
	$ 15,956,039	$ 15,068,851

For additional information, including information on asset retirement obligation assets, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1).

16 OTHER ASSETS

	2024	2023
Benefit plan assets	**$ 11,226**	$ 9,627
Other	**2,537**	3,084
	$ 13,763	$ 12,711

17 EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets is included within Accumulated Surplus. It represents the investment in tangible capital assets, after deducting the portion financed by Long-term debt.

	2024	2023
Tangible capital assets (Schedule 1)	**$ 25,832,098**	$ 24,490,657
Accumulated amortization (Schedule 1)	**(9,876,059)**	(9,421,806)
Long-term debt (Note 14)	**(4,368,432)**	(4,167,486)
Debt recoverable (Note 7)	**21,613**	21,906
Long-term debt for land redevelopment	**71,164**	75,077
	$ 11,680,384	$ 10,998,348

For the year ended December 31, 2024 (in thousands of dollars)

18 RESERVES FOR FUTURE EXPENDITURES

Certain amounts, as approved by City Council, are designated within accumulated surplus as reserves for future operating and capital expenditures.

	2024	2023
General Government:		
Pay-As-You-Go capital	**$ 151,423**	$ 133,074
LIght rail transit	**138,831**	151,573
Local improvement	**138,504**	142,730
Sanitary servicing strategy fund	**115,800**	103,417
Financial stabilization - unappropriated	**85,204**	151,629
Affordable housing	**80,757**	69,121
Financial stabilization - appropriated	**75,540**	100,003
Planning and development	**56,343**	45,600
Funds in lieu - residential	**46,799**	37,608
Fleet services - vehicle replacement	**42,910**	35,739
Developer recoveries	**23,097**	12,788
Industrial Infrastructure Cost Sharing Program	**14,942**	12,254
Rogers Place Arena capital	**12,930**	11,435
Tree management	**11,753**	11,800
Traffic safety and automated enforcement	**11,308**	10,538
Parkland	**10,428**	16,844
Natural areas	**9,670**	9,257
Pay-As-You-Go capital - Edmonton Police Services	**8,149**	8,229
Perpetual care	**7,279**	6,365
Commercial Revitalization	**7,016**	7,095
Heritage resources	**6,630**	6,336
Vehicle for hire	**5,806**	4,248
Community Safety and Well Being	**5,577**	10,178
Tax-supported debt	**5,217**	1,000
St. Francis Xavier	**3,003**	3,036
Motor vehicle insurance	**2,500**	2,500
Neighbourhood renewal	**2,356**	16,084
Commonwealth Stadium	**1,389**	2,169
Public Art Reserve	**1,336**	2,901
Edmonton Elections Reserve	**1,054**	
Edmonton Police Service	**(580)**	(1,102)
Brownfield redevelopment	**(866)**	(2,047)
Community revitalization levy - Downtown	**(9,453)**	(10,529)
Community revitalization levy - Belvedere	**(17,015)**	(16,401)
Community revitalization levy - Quarters	**(23,031)**	(19,265)
Interim financing	**(33,438)**	(34,765)
Other	**41**	68
	999,209	1,041,510
City of Edmonton Library Board	**16,502**	15,598
Non-Profit Housing Corporation	**12,873**	3,120
	$ 1,028,584	$ 1,060,228

The City maintains reserves that are used to accommodate differences between expenses and related funding sources. These include the Interim financing, Community Revitalization Levy and Brownfield Redevelopment reserves. Existing shortfalls in these reserves will be recovered through future funding sources.

For the year ended December 31, 2024 (in thousands of dollars)

19 ACCUMULATED OPERATING SURPLUS

Accumulated operating surplus consists of restricted and unrestricted amounts and equity in tangible capital assets.

	2024	2023
General government operations	**$ (4,241)**	$ (40,555)
Restricted surplus:		
EPCOR Utilities Inc.	**5,172,092**	4,791,712
Less: EPCOR Accumulated other comprehensive income	**(258,142)**	(141,828)
Reserves for future expenditures (Note 18)	**1,028,584**	1,060,228
Ed Tel Endowment Fund	**925,770**	877,087
Land Enterprise	**120,389**	140,247
Pension and benefits	**46,310**	39,167
Waste Services Utility	**20,400**	18,866
Explore Edmonton	**6,807**	6,454
City of Edmonton Library Board	**5,925**	5,636
Edmonton Unlimited	**2,976**	(194)
Fort Edmonton Management Company	**1,728**	1,617
Edmonton Combative Sports Commission	**374**	208
Non-Profit Housing Corporation		6,501
Blatchford Renewable Energy Utility	**(12,968)**	(10,072)
Equity in tangible capital assets (Note 17)	**11,680,384**	10,998,348
Advances for construction	**165,211**	175,440
Obligation to be funded in future years	**(143,366)**	(148,844)
	$ 18,758,233	$ 17,780,018

Obligations to be funded in future years relate to asset retirement obligations less obligations for landfill post-closure care.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

20 NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES

	Budget	**2024**	2023
Taxes:			
Property taxes	$ 2,614,619	**$ 2,616,340**	$ 2,369,167
Community revitalization levy ("CRL")	44,805	**40,729**	36,967
Revenue in lieu of taxes	24,645	**25,710**	26,664
Special tax - alley lighting	883	**897**	1,188
Tax appeals and allowances	(16,039)	**(26,549)**	(16,250)
Other	5,510	**13,473**	11,157
	2,674,423	**2,670,600**	2,428,893
Less taxes on behalf of:			
Education	532,533	**529,120**	497,110
Business improvement area and other		**4,592**	4,273
	532,533	**533,712**	501,383
Net taxes available for municipal purposes	$ 2,141,890	**$ 2,136,888**	$ 1,927,510

The City is required to levy taxes under section 353 of the MGA towards payment of education requisitions. Education tax revenues are recorded at the amounts levied. Actual taxes levied over/under the amount requisitioned are recorded as an adjustment to Accounts payable and accrued liabilities - Trade (Note 10).

Local improvement levies are not included in net taxes available for municipal purposes and are reflected separately in Other in the Consolidated Statement of Operations and Accumulated Surplus.

Provincial education taxes collected on incremental tax revenue within the CRL are retained to offset development costs in the related area. As at December 31, 2024, the City has three active CRL areas: the Quarters, Belvedere and Capital City Downtown. The CRL taxes collected include property taxes, revenue in lieu of taxes and other taxes. In 2024, $5,740 (2023 - $5,151) incremental tax levy was collected in the Quarters CRL, including $1,076 (2023 - $1,097) in education taxes. The Belvedere CRL collected $1,683 (2023 - $1,710) in incremental tax levy during the year, including $304 (2023 - $313) in education taxes. The Capital City Downtown CRL collected $33,306 (2023 - $30,107) in incremental tax levy during the year, including $7,665 (2023 - $7,050) in education taxes.

For the year ended December 31, 2024 (in thousands of dollars)

21 GOVERNMENT TRANSFERS

	Budget	**2024**	2023
Operating:			
Federal	$ 57,884	**$ 60,082**	$ 53,534
Provincial	82,909	**105,711**	86,760
	140,793	**165,793**	140,294
Capital:			
Federal	618,823	**290,385**	212,648
Provincial	785,675	**411,098**	431,255
	1,404,498	**701,483**	643,903
Total Government Transfers	$ 1,545,291	**$ 867,276**	$ 784,197

Operating - Provincial

In 2024, the City received a grant of $23,329 (2023 - $23,078) from the Province for Family and Community Support Services funding. In 2024, $23,329 (2023 - $23,078) was recognized as operating government transfers, while $0 was recorded as deferred revenue in 2023 and 2024.

In 2008, the Province introduced a grant for Affordable Housing Program Municipal Block Funding. The grant is administered through the City's Cornerstone program to assist qualified applicants to purchase or renovate existing rental accommodation units, to construct new units and to develop secondary suites and transitional housing. In 2024, the City recognized operating government transfers of $912 (2023 - $1,497). In 2024, $0 (2023 - $900) was recorded as deferred revenue and $12 (2023 - $112) of interest was earned.

Capital - Federal

In 2024, the Government of Canada renewed the Canada Community Building Fund agreement. The City received $29,471 (2023 - $60,863) and earned interest of $778 (2023 - $5,683). In 2024, the City recognized $14,313 (2023 - $29,791) as capital government transfers and $43,605 (2023 - $43,605) as operating government transfers to fund debt servicing costs related to the South LRT. In 2024, $16,568 (2023 - $44,237) was recorded as a net deferred revenue.

Through the Building Canada Fund, an agreement was signed for the Valley Line LRT expansion in 2017. In 2018, agreements for the Fort Edmonton Park Expansion project and the Yellowhead Trail Freeway Conversion project were also signed. In 2024, the City received $31,720 (2023 - $42,482) and recognized $33,557 (2023 - $35,171) as capital government transfers. A receivable was recorded for $27,217 (2023 - $25,380).

In 2016, through the P3 Canada Fund, an agreement was signed to provide funding for the construction of Valley Line LRT. In 2024, the City received $239,495 (2023 - $0) and recorded $0 (2023 - $239,495) as a receivable.

In 2019, through the National Trade Corridors Fund, the government of Canada signed an agreement to fund the CP Railway grade separation at 50 Street. In 2024, the City received $19,854 (2023 - $12,280) and recognized $11,937 (2023 - $18,645) as capital government transfers. A receivable of $11,335 (2023 - $19,252) was recorded.

The City and Canada Mortgage and Housing Corporation signed agreements to acquire affordable housing for those experiencing homelessness, support the renovation of affordable housing for vulnerable Canadians, and address the housing shortage which is reducing the availability of affordable housing. In 2024, the City received $4,696 (2023 - $78,720) and recognized $14,116 (2023 - $11,476) of capital government transfers and $3,659 (2023 - $2,478) of operating government transfers. A net deferred revenue of $54,165 (2023 - $67,244) was recorded.

Capital - Provincial

With the commencement of the Terwillegar Drive Expressway Upgrade, in 2024, the City signed an agreement with the Ministry of Transportation. Subsequently, the Ministry awarded another agreement for the 50th Street CP Railway Grade Separation and Yellowhead Trail Freeway Conversion. In 2024, the City received $68,076 (2023 - $50,478) and earned interest of $0 (2023 - $519). The City recognized $58,643 (2023 - $122,758) as capital government revenue and recorded a receivable of $52,602 (2023 - $62,035).

In 2011, the Minister of Transportation approved initial projects under the Green Transit Incentives Program (Green TRIP) to support the provincial public transportation initiatives that contribute towards environmental benefits. In 2024, the City received $2,316 (2023 - $6,818), net of $89 (2023 - $328) received on behalf of regional transit partners and earned interest of $127 (2023 - $213). In 2024, the City recognized $896 (2023 - $4,037) as capital government transfers and deferred revenue of $3,277 (2023 - $1,819) was recorded.

Through the Investing In Canada Infrastructure Program, the governments of Canada and Alberta signed an agreement to provide funds to build inclusive and prosperous communities while supporting a low-carbon, green economy. In 2024, the City received $223,677 (2023 - $339,968) and earned interest of $44 (2023 - $0). The City recognized $420,423 (2023 - $225,309) as capital government transfers and $329,728 (2023 - $133,026) was recorded as a receivable.

For the year ended December 31, 2024 (in thousands of dollars)

22 EXECUTIVE SALARIES AND BENEFITS

The following executive salaries and benefits are disclosed as required under the Supplementary Accounting Principles and Standards Regulation (AR 313/2000) of the MGA.

	Salaries	Benefits	**2024**	2023
Mayor:				
Sohi	$ 216	$ 31	**$ 247**	$ 250
	216	31	**247**	250
Councillors:				
Principe	122	34	**156**	154
Stevenson	122	33	**155**	151
Janz	122	33	**155**	151
Hamilton	122	33	**155**	150
Knack	122	31	**153**	150
Rutherford	122	31	**153**	150
Rice	122	32	**154**	150
Tang	122	30	**152**	150
Salvador	122	32	**154**	150
Paquette	122	32	**154**	149
Wright	122	29	**151**	149
Cartmell	122	28	**150**	147
	1,464	378	**1,842**	1,801
Chief Administrative Officer (City Manager)	884	57	**941**	392
Designated Officers	1,087	107	**1,194**	1,245
	$ 3,651	$ 573	**$ 4,224**	$ 3,688

Executive salaries and benefits are included in Corporate administration expenses in the Consolidated Statement of Operations and Accumulated Surplus.

Benefits include the City's share of all benefits and contributions made on behalf of executives, including retirement contributions, Canada Pension Plan, Employment Insurance, dental coverage, medical coverage, group life insurance, short-term disability insurance and transportation allowances. The City of Edmonton Members of Council are provided with a transition allowance, upon the conclusion of their service, equal to three weeks salary for each year served, to a maximum of 39 weeks.

The City's designated officers are designated by City bylaws and include the City Assessor, City Auditor, Chief of Police, Executive Director of Edmonton Combative Sports Commission and the Integrity Commissioner. In 2024, the Chief Administrative Officer (City Manager) salaries and benefits include a transition payment to the outgoing City Manager.

For the year ended December 31, 2024 (in thousands of dollars)

23 SUBSIDIARY OPERATIONS - EPCOR

EPCOR, established by City Council under City Bylaw 11071, is wholly owned by the City. EPCOR builds, owns and operates electrical, natural gas and water transmission and distribution networks, water and wastewater treatment facilities, sanitary and stormwater systems and infrastructure in Canada and the United States. EPCOR also provides electricity, natural gas and water products and services to residential and commercial customers.

The following table provides condensed supplementary financial information for EPCOR.

	2024	2023
Financial position:		
Current assets	**$ 853,255**	$ 1,133,570
Capital assets	**14,408,238**	13,306,094
Other assets	**1,153,323**	980,049
Total assets	**16,414,816**	15,419,713
Current liabilities (including current portion of long-term debt of $185,138 (2023 - $284,900))	**1,129,853**	1,404,501
Non-current liabilities	**5,521,064**	5,064,387
Long-term debt	**4,919,100**	4,455,819
Total liabilities	**11,570,017**	10,924,707
Accumulated other comprehensive income	**258,142**	141,828
Share capital	**797,528**	797,528
Retained earnings	**3,789,129**	3,555,650
Shareholder's equity	**$ 4,844,799**	$ 4,495,006
Results of operations:		
Revenues	**$ 3,394,722**	$ 4,377,491
Expenses	**(2,968,243)**	(4,016,241)
Net income	**$ 426,479**	$ 361,250
Changes in shareholder's equity:		
Shareholder's equity - opening	**$ 4,495,006**	$ 4,322,315
Net income	**426,479**	361,250
Other comprehensive (loss) income	**116,314**	(3,559)
Dividend to shareholder (City of Edmonton)	**(193,000)**	(185,000)
Shareholder's equity - ending	**$ 4,844,799**	$ 4,495,006

In the regulatory environment that EPCOR operates in, estimates are often required to be recorded until values are finalized and adjusted pursuant to subsequent regulatory decisions or proceedings. Adjustments to previous estimates, which may be material, will be recorded in the period they become known.

For the year ended December 31, 2024 (in thousands of dollars)

During 2024, the City contributed $34,472 (2023 - $60,480) in tangible capital assets to EPCOR. The difference between the City's investment in EPCOR and EPCOR's shareholder's equity represents the accumulated tangible capital assets contributed to EPCOR from the City less the related amortization as follows:

	2024	2023
EPCOR's shareholder's equity	**$ 4,844,799**	$ 4,495,006
Accumulated contributed tangible capital assets to EPCOR	**343,358**	308,886
Accumulated amortization over useful life	**(16,065)**	(12,180)
Investment in EPCOR	**$ 5,172,092**	$ 4,791,712

The difference of $327,293 (2023 - $296,706), representing between the accumulated tangible capital assets contributed to EPCOR from the City and the related amortization, will be amortized over the useful life of the assets contributed.

Principal payments on EPCOR's long-term debt for the next five years and thereafter and deferred financing charges are as follows:

2025	$ 33,513
2026	33,996
2027	33,094
2028	32,891
2029	182,787
Thereafter	4,627,390
	$ 4,943,671

EPCOR has issued letters of credit for $92,981 (2023 - $109,983) to meet the credit agreements of electricity market participants, as conditions of certain agreements or to satisfy legislated reclamation requirements.

The following summarizes EPCOR's related party transactions with the City for the year:

	2024	2023
Dividend paid to the City	**$ 193,000**	$ 185,000
Franchise fees paid to the City	**129,908**	119,071
Financing expenses paid or payable to the City	**15,881**	17,010
Sales of administrative and construction services from the City	**5,292**	6,019
Property taxes and other taxes paid to the City	**31,026**	28,036
Costs of capital construction paid or payable to the City	**65,751**	82,381
Power and water purchased by the City	**4,133**	4,724
Other services purchased by the City	**27,293**	14,745

All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates or as agreed to by the parties.

For the year ended December 31, 2024 (in thousands of dollars)

The following summarizes EPCOR's related party balances with the City.

	2024	2023
Trade and other receivables	**$ 42,014**	$ 22,306
Property, plant and equipment	**65,751**	82,381
Trade and other payables	**30,711**	32,434
Loans and borrowings issued in the name of the City	**427,548**	459,162
Deferred revenue and other liabilities	**63,682**	60,938

The City's financial statements include a net receivable from EPCOR within Receivables (Note 3). The City's consolidated Long-term Debt (Note 14) is presented on a PSAS basis, net of offsetting receivables from EPCOR of $427,548 (2023 - $459,162).

24 UTILITY FRANCHISE AGREEMENT FEES

The following franchise fees are disclosed as required under Supplementary Accounting Principles and Standards Regulation (AR 313/2000) of the MGA.

	Budget	**2024**	2023
ATCO Gas and Pipelines Ltd. - Gas	$ 93,713	**$ 95,167**	$ 88,759
EPCOR Distribution Inc. - Power	80,780	**80,780**	76,418
EPCOR Water Services Inc. - Water	18,993	**21,280**	19,237
EPCOR Water Services Inc. - Drainage	12,704	**13,781**	11,682
EPCOR Water Services Inc. - Wastewater	10,637	**11,429**	10,748
	$ 216,827	**$ 222,437**	$ 206,844

25 PENSION AND LONG-TERM DISABILITY PLANS

A. LOCAL AUTHORITIES PENSION PLAN

All employees of the City, with the exception of police officers, are members of the Local Authorities Pension Plan (LAPP), which is a public sector pension plan in Alberta registered under the Alberta Employment Pension Plans Act (EPPA).

The City is required to make current service contributions to the Plan of 8.45 per cent (2023 - 8.45 per cent) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 11.65 per cent (2023 - 12.23 per cent) thereafter. Employees of the City are required to make current service contributions of 7.45 per cent (2023 - 7.45 per cent) of pensionable salary up to YMPE and 10.65 per cent (2023 - 11.23 per cent) thereafter. Contributions for current service are recorded as expenses in the year in which they become due.

Total current service contributions by the City to the LAPP in 2024 were $97,099 (2023 - $91,660) and by the employees to the LAPP in 2024 were $86,477 (2023 - $81,990).

B. SPECIAL FORCES PENSION PLAN

Police officers employed by the City are participants in the multiemployer Special Forces Pension Plan (SFPP). The City is required to make current service contributions to the Plan of 13.80 per cent of (2023 - 13.39 per cent) pensionable payroll. In addition, past service contributions to the Plan of 0.75 per cent (2023 - 0.75 per cent) of pensionable payroll are required to eliminate an unfunded liability related to service prior to 1992, on or before December 31, 2036. Participants of the SFPP are required to make current service contributions of 12.29 per cent (2023 - 12.29 per cent) of pensionable salary. As well, past service contributions of 0.75 per cent (2023 - 0.75 per cent) are required, consistent with those described for the City. Contributions for current and past service are recorded as expenses in the year in which they become due.

Total current and past service contributions by the City to the SFPP in 2024 were $33,515 (2023 - $37,041) and by the employees to the SFPP in 2024 were $36,239 (2023 - $34,240).

As at December 31, 2023, the SFPP reported the value of its assets at $4,225,115 and a surplus for the overall plan of $553,089 comprised of a deficit of $126,894 for pre-1992 and a surplus of $679,983 relating to post-1991. The asset value and surplus/deficit information as at December 31, 2024 was not available at the time of preparing these financial statements.

C. CITY-SPONSORED PENSION PLANS

The City, in conjunction with the City of Edmonton Investment Committee, administers Pension Fund assets on behalf of third parties. Related trust assets not owned by the City have been excluded from the reporting entity. Assets consist of government, government guaranteed and corporate bonds valued at market quotations from Canadian and global investment dealers, along with Canadian, international and global common and preferred shares valued at the closing price on the stock exchange where listed. Other investments within the Pension Funds and Long-term Disability Plan include global infrastructure assets. The City's share of the Fire Fighters' Supplementary Pension Plan (FFSPP) asset balance and the Fire Chief Plan net fund liability has been recognized in the financial statements.

The following summarizes plans sponsored by the City.

i. **Police Supplementary Pension Plan**

The Police Supplementary Pension Plan (PSPP) provides benefits supplementary to the LAPP for 4 pensioners and beneficiaries. There are no active police officers enrolled in the PSPP and no further contributions are expected to be made to the Fund.

Total benefits paid during the year were $14 (2023 - $18).

ii. **Fire Fighters' Supplementary Pension Plan**

The Fire Fighters’ Supplementary Pension Plan (FFSPP) is a defined benefit pension plan covering members of the City Fire Fighters’ Union. Pensions are payable to retired fire fighters and surviving spouses of deceased fire fighters. This pension is reduced by the pension payable to the member under the LAPP.

Total benefits paid during the year were $10,137 (2023 - $9,319). Employer contributions for the year were $5,853 (2023 - $6,090) and employee contributions for the year were $5,000 (2023 - $5,033).

For the year ended December 31, 2024 (in thousands of dollars)

iii. **Fire Chief and Deputy Fire Chiefs' Supplementary Pension Plan**

The City of Edmonton Fire Chief and Deputy Fire Chiefs' Supplementary Pension Plan (Fire Chief) is a defined benefit pension plan covering employees in the positions of fire chief and deputy fire chiefs. Contributions are made by plan members and by the City. The pension is reduced by the pension payable to the member under the LAPP.

Total benefits paid during the year were $270 (2023 - $257). Employer contributions were $93 (2023 - $78) and employee contributions for the year were $55 (2023 - $40).

Actuarial valuations for Police Supplementary, Fire Chief and Deputy Fire Chiefs' Supplementary Pension Plans and an actuarial extrapolation for the Fire Fighters' Supplementary Pension Plan were completed as at December 31, 2024. Each 2024 actuarial valuation and extrapolation were based upon a number of assumptions about future events, which reflect management's best estimates. The expected inflation rate is 2.0 per cent (2023 - 2.0 per cent). The discount rate used to determine the accrued benefit obligation is 5.9 per cent (2023 - 5.9 per cent). The expected rate of return on plan assets is 5.9 per cent (2023 - 5.9 per cent). The expected salary increase is 3.0 per cent (2023 - 1.0 per cent for year one, 2.0 per cent for year two, and 2.8 per cent thereafter), plus a merit and promotion increase in the FFSPP (which varies by service). The Fire Chief Plan assumes a 0.5 per cent merit and promotion increase per annum for those with greater than five years of service.

Each pension fund's assets are valued at fair value. The fair value actual rate of return is 17.2 per cent (2023 - 11.0 per cent).

The following table sets out the results for each of the pension plans:

	PSPP	FFSPP	Fire Chief	**2024**	2023
Fair value of assets	$ 21,401	$ 382,427	$ 5,461	**$ 409,289**	$ 350,781
Accrued benefit obligation	51	237,490	4,680	**242,221**	243,415
Funded status – surplus	21,350	144,937	781	**167,068**	107,366
Unamortized net actuarial gain		(81,879)	(379)	**(82,258)**	(35,864)
Accrued benefit asset	21,350	63,058	402	**84,810**	71,502
Valuation allowance	21,350			**21,350**	18,082
Employee portion of accrued benefit asset		28,376		**28,376**	23,880
Net fund asset		$ 34,682	$ 402	**$ 35,084**	$ 29,540

The net actuarial gain is amortized on a straight line basis over the expected average remaining service life (EARSL) of the Fire Fighters' plan of 15 years (2023 - 16 years) and of the Fire Chief plan of 3 years (2023 - 3 years). The accrued benefit asset for the FFSPP is shared 55.0 per cent by the City as the employer and 45.0 per cent by employees. Included in Receivables (Note 3) is the net employer share of the fund asset balance for the FFSPP and the net fund asset for the Fire Chief Plan.

For the year ended December 31, 2024 (in thousands of dollars)

The following table sets out the benefit plan related expense for each of the pension plans:

	PSPP	FFSPP	Fire Chief	**2024**	2023
Current service cost		$ 8,519	$ 88	**$ 8,607**	$ 8,990
Amortization of actuarial gain	(2,210)	(2,389)	(3)	**(4,602)**	(2,202)
Increase in valuation allowance	3,268			**3,268**	1,672
Less: employee contributions		(211)	(55)	**(266)**	(90)
Benefit plan expense for the year	1,058	5,919	30	**7,007**	8,370
Interest cost on accrued benefit obligation	6	13,927	254	**14,187**	13,285
Expected return on plan assets	(1,064)	(19,196)	(277)	**(20,537)**	(18,300)
Benefit plan interest income	(1,058)	(5,269)	(23)	**(6,350)**	(5,015)
Total benefit plan related expense		650	7	**657**	3,355
Less: employee portion of expense		293		**293**	1,489
Net benefit plan related expense		357	7	**364**	1,866
Less: employer contributions/net assets to be distributed		5,853	55	**5,908**	6,192
Net change		$ (5,496)	$ (48)	**$ (5,544)**	$ (4,326)

D. LONG-TERM DISABILITY PLAN

The City, in conjunction with the City of Edmonton Investment Committee, administers the Long-term Disability Plan (the Plan) assets on behalf of third parties, made available to permanent City employees to provide protection against loss of income. The employee pays 100.0 per cent of the premium for the Plan. Related trust assets not owned by the City have been excluded from the reporting entity.

An actuarial valuation of the Plan was completed as at December 31, 2024. The Plan's assets are valued at fair value.

	2024	2023
Fair value of assets	**$ 182,090**	$ 159,190
Less: Accrued benefit obligation	**155,802**	150,030
Net assets	**$ 26,288**	$ 9,160

26 COMMITMENTS

A. CONTRACTUAL OBLIGATIONS

The City entered into a contract with ENMAX Commercial Services Inc. expiring December 31, 2028, to purchase electricity at a fixed price and volume per hour in order to meet its estimated annual consumption requirements.

The City entered into a contract with ENMAX Energy Corporation expiring December 31, 2029, to purchase natural gas at a fixed price and volume per hour in order to meet its estimated annual consumption requirements.

The City entered into two 20-year Virtual Power Purchase Agreements (VPPA), related to wind and solar renewable energy attributes, that end in 2044. VPPAs are instruments under which the City receives or pays the difference between fixed contracted prices per megawatt-hour (MWh) of electricity and settled market prices. In addition, the City receives contracted Renewable Energy Certificates (RECs) generated by the renewable facilities. MWh and RECs may vary annually based on the facilities generation. The solar project commenced in April 2024 and during 2024 the City paid $2,573 in relation to the solar agreement. The wind project is targeted to come online in August 2025. Payments or receipts may fluctuate year over year depending on the settled market price of electricity. As permitted under PS3450 *Financial Instruments,* these contracts were not accounted for as embedded derivatives because on transition to PS3450, on January 1, 2023, the City made an accounting policy choice to identify embedded derivatives on contracts entered into on a prospective basis.

The City entered into a P3 agreement with TransEd Partners General Partnership (TransEd) for the design, construction, operation, and maintenance of the Valley Line Southeast LRT. The construction period ran from 2016 to 2023 and the operating period runs from 2023 to 2050. The total commitment for the service level payments and maintenance payments to be made during the operating period is based on current estimated ridership levels and inflation. The total estimated commitment for the service level payments is $897,219 and as at December 31, 2024, $24,330 of operations costs have been recognized by the City. The total estimated commitment for the maintenance payments is $273,713 and as at December 31, 2024, $9,639 of operations costs have been recognized by the City. Additional details on this P3 agreement are provided in Note 14e.

The City entered into an agreement with Marigold Infrastructure Partners Limited Partnership for the design, build and finance of the Valley Line West LRT. The construction period is anticipated to run from 2021 to 2028. The total commitment for construction over the life of the contract is $1,619,329. As at December 31, 2024, $561,640 of construction costs have been recognized by the City.

The City entered into an agreement with Hyundai Rotem Company for the supply of light rail vehicles. The total commitment for this contract is $280,250. As at December 31, 2024, $78,519 of contract costs have been recognized by the City.

The City entered into an agreement with Capital Line Design-Build Ltd. as the Design-Build contractor for Phase 1 of the Capital Line South Extension project. Capital Line Design-Build Ltd. is a member of the Ledcor Group of Companies, with AECOM as their design partner. The project is anticipated to run from 2024 to 2028. The total commitment for this contract is $971,005. As at December 31, 2024, $85,744 of construction costs have been recognized by the City.

For the year ended December 31, 2024 (in thousands of dollars)

B. LEASE COMMITMENTS

The City has entered into a number of operating lease agreements, mainly for facilities and equipment. Lease commitments over the next five years and thereafter are as follows:

2025	$ 29,323
2026	28,332
2027	26,702
2028	23,782
2029	20,066
Thereafter	142,457
	$ 270,662

27 LIABILITY FOR CONTAMINATED SITES

As of December 31, 2024, the liability for contaminated sites includes sites associated with former and current City operations, sites acquired through tax forfeiture and purchase, and former unofficial waste disposal sites from early in the City's history. The nature of contamination includes heavy metals, salts, biosolids and other organic and inorganic contaminants. The sources of contamination include underground fuel storage tanks, fuel handling, vehicle storage and maintenance, metal manufacturing, stockyards, incinerators, wastewater treatment plants and lagoons as well as fill of unknown origin deposited in unauthorized landfills.

Liability estimates are based on environmental site assessments or are derived by extrapolating remediation costs incurred by the City for similar sites. The City has recognized a net decrease in the liability of $1,122 over the prior year, representing a total liability for the remediation of contaminated sites of $20,383 (2023 - $21,505). The liability is reported in Accounts payable and accrued liabilities (Note 10) in the Consolidated Statement of Financial Position.

28 CONTINGENT LIABILITIES

The City is the defendant in various lawsuits as at December 31, 2024. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of loss can be reasonably estimated, amounts have been included within accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded and the City's Administration believes there will be no material adverse effect on the financial position of the City.

The City continues to review environmental objectives and liabilities for its activities and properties as well as any potential reclamation obligations. There may be contaminated sites that the City has identified that have the potential to result in remediation obligations. A liability has not been recorded for these sites because either the likelihood of the City becoming responsible for the site is not determinable, the amount of the liability cannot be estimated or both.

For the year ended December 31, 2024 (in thousands of dollars)

29 CONTINGENT ASSETS

The City has outstanding legal claims against third parties as at December 31, 2024 for which the probability of settlement in favour of the City is likely, resulting in $2,400 (2023 - $22,655) in future assets. The eventual recovery of legal claims is subject to risk and uncertainties that may arise from the settlement process. Contingent assets are not recorded in the financial statements but are recognized once a settlement is reached.

30 CONTRACTUAL RIGHTS

Contractual rights are rights of the City to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

The City enters into service agreements, partnership agreements and other developer agreements that result in either contributed assets or contributed funds that historically averaged annual revenues of $198,730.

	Government transfers	Future lease revenue	**Total**
2025	$ 2,376,167	$ 16,366	**$ 2,392,533**
2026	913,694	14,917	**928,611**
2027	553,037	14,492	**567,529**
2028	76,815	14,457	**91,272**
2029	21,760	14,223	**35,983**
Thereafter		214,417	**214,417**
	$ 3,941,473	$ 288,872	**$ 4,230,345**

31 RELATED PARTY DISCLOSURE

A related party exists when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control and influence. Related party transactions are disclosed if they occurred at a value other than or terms different from that which would have been arrived at if the parties were unrelated and the transaction has a material effect on the financial statements.

Related parties include key management personnel and close family members, through their relationship with the key management personnel, as they have the ability to influence and impact the City's policies, operations and strategic decisions.

Key management personnel of the City have been identified as the Mayor, City Councillors, City Manager and Deputy City Managers for the purpose of this reporting.

An external entity becomes a related party to the City when the key management personnel and/or their close family member have the ability to influence and impact the policies, operations and strategic decisions of the external entities.

For the year ended December 31, 2024, there were no material transactions to disclose that occurred between related parties at a value other than or terms different from that which would have been arrived at if the parties were unrelated.

32 SEGMENT DISCLOSURES

The Consolidated Schedule of Segment Disclosures – Schedule 2 has been prepared in accordance with PS2700 Segment Disclosures. Segment disclosures are intended to enable users to better understand the government reporting entity as well as the major expense and revenue activities of the City. For each reported segment, revenues and expenses represent amounts directly or reasonably attributable to the segment.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes.

Segments include:

A. TAX-SUPPORTED PROGRAMS

Tax-supported programs directly supported by property taxes, including the tax allocation provided directly to other operations, as follows:

i. Transportation Services
Transportation Services includes bus, light rail transit, roadway and parking services.

ii. Protective Services
Protective Services is comprised of police, traffic safety, bylaw enforcement and fire rescue.

iii. Community Services
Community Services includes parks and recreation, community and family services, planning and corporate properties and public housing. Also included are the City of Edmonton Library Board, Explore Edmonton Corporation, Fort Edmonton Management Company, Edmonton Unlimited, the Non-Profit Housing Corporation, the Vehicle for Hire Commission and Edmonton Combative Sports Commission, which are managed by separate boards or commissions.

iv. Fleet Services
Fleet Services includes vehicle and equipment procurement, maintenance, fleet engineering, fabrication services, fuel management and fleet administration to other City departments, and external customers, including EPCOR. The area operates under a full cost recovery model by directly charging other City departments for the provision of fleet services.

v. Other Tax-Supported
Other Tax-Supported consists of corporate administration, general municipal services, and tax appeals and allowances. Revenues and expenses that are not directly attributed to another tax-supported segment are also recorded within this other tax-supported segment.

B. WASTE SERVICES

Waste Services includes customer-focused services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, as well as community relation services in support of waste management programs.

C. LAND ENTERPRISE

Land Enterprise is comprised of land development and municipal use property activities. Land development includes the City's role as a land developer in the areas of acquisition, development and land sales activities, including the Blatchford Redevelopment Project. Municipal use property involves the acquisition of land for municipal purposes and the disposal of land deemed surplus to municipal needs. Land Enterprise is intended to be operated on a self-sustaining basis.

D. BLATCHFORD RENEWABLE ENERGY

Blatchford Renewable Energy owns and operates a District Energy Sharing System that will provide environmentally-friendly heating, cooling and hot water to the buildings and homes of the Blatchford community.

E. EPCOR

EPCOR is a wholly owned subsidiary of the City of Edmonton, accounted for on a modified equity basis as a government business enterprise. Note 23 to these financial statements provides condensed financial information for EPCOR.

F. ED TEL ENDOWMENT FUND

Ed Tel Endowment Fund is an investment fund created in 1995 with the proceeds from the sale of the municipal telephone company. The proceeds from the sale were invested and provide an annual dividend to support tax-supported programs based on conditions set out in Bylaw 11713.

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the financial statements (Note 1).

For the year ended December 31, 2024 (in thousands of dollars)

33 2024 BUDGET

The City prepared a multi-year 2023-2026 operating budget, which was presented and approved by Council in December 2022. The operating budget reflected in these financial statements is consistent with amounts approved by Council with passing Bylaw 20706 - 2024 Property Tax and Supplementary Property Tax on April 30, 2024, which incorporates the operating budget and related adjustments made in December 2023 and ratifies the 2024 operating budget.

The capital budget reflected in these financial statements is based on the capital budget originally approved by Council in December 2022, as part of the overall 2023-2026 capital budget, plus carry forward of unspent capital budget from previous years. Capital budget adjustments made as part of the spring and fall supplemental capital budget adjustment process are not reflected.

The budget is reported on an accrual basis, consistent with principles applied in the consolidated financial statements. Included in the table below are presentation and elimination adjustments required to comply with Canadian public sector accounting standards for inclusion in the Consolidated Statement of Operations and Accumulated Surplus.

	Operating Revenues	Operating Expenses	Capital Revenues
Budget approved by Council in December 2023	$ 3,909,977	$ 3,912,301	$ 1,024,611
Supplemental budget adjustments	57,122	57,123	
Carry forward of prior year unspent budget	79,743	79,743	582,330
Amortization		742,564	
EPCOR net income	440,750		
Other controlled entities	16,563	16,226	
Consolidation adjustments	(704)	96	
Transfers from/to reserves	(236,202)	(509,823)	
Debt principal repayment		(410,505)	
Dividends from subsidiaries	(238,300)		
Reclassification for presentation purposes	(81,894)	(16,241)	11,603
Budget for financial statement purposes	**$ 3,947,055**	**$ 3,871,484**	**$ 1,618,544**

34 SUBSEQUENT EVENTS

Effective March 4, 2025, the United States (U.S.) government imposed tariffs on various Canadian exports and Canada imposed counter-tariffs on select imports. While the full impact is yet to be determined, these tariffs may affect the City's operations and financial position due to:

- Increased Costs: The tariffs could directly or indirectly impact the cost of goods and services purchased by the City for its operations and delivery of its capital budget, potentially impacting financial results.
- Economic Slowdown: A U.S. - Canada trade war could be highly disruptive to Edmonton's economy potentially affecting variables including spending, trade flows, employment, prices and gross domestic product. In addition to potential cost impacts faced by the City, a trade war could also negatively impact the City's revenues, including user fees and sales of goods and services, franchise fees, revenue from the City's EPCOR subsidiary operations, developer and customer contributions.

- Decreased Portfolio Investments and Land Held for Resale: A potential economic slowdown and market disruptions could also decrease the value and earnings on the City's investment portfolio and also potentially lead to impairment losses on the City's land held for resale.
- Management is actively monitoring the situation and evaluating the potential impact on the City's operations and financial position. Mitigation strategies are being considered, including sourcing materials from alternative suppliers as required and adjusting development plans as needed. The City is currently exploring options for prioritizing purchases from local and Canadian businesses. As a public-sector organization, the City follows fair and transparent procurement processes aligning with trade agreements and policies. At this time, it is uncertain to estimate the precise financial impact of these tariffs on the City. Management will continue to assess the situation as more information becomes available.

35 COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

CLIMATE-RELATED FINANCIAL DISCLOSURES

CLIMATE-RELATED FINANCIAL DISCLOSURES

ABOUT TCFD

In 2015, the Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosures (TCFD). Recognizing that climate change is a material risk to many organizations, the TCFD was tasked with developing a framework for organizations to disclose climate-related financial impacts to investors, lenders, insurers and other key stakeholders and guide informed decision making.

In 2017, the TCFD released its recommendations on best practices for the disclosure of risks and opportunities associated with climate change. The recommendations are centered around four pillars: governance, strategy, risk management, and metrics and targets. The TCFD's framework and recommendations are aimed at promoting transparency and consistency in disclosing climate-related risks and opportunities in financial reporting.

Since the release of the 2017 TCFD recommendations, there has been an increased uptake globally by countries and organizations to integrate the TCFD disclosure framework within financial reporting. In April 2022, the Government of Canada announced mandatory reporting of climate-related financial risks for all federally regulated financial institutions.

On July 6, 2023, the FSB asked the International Financial Reporting Standard's (IFRS) Foundation to take over the monitoring of the progress of climate-related disclosures and the TCFD was disbanded. The International Sustainability Standards Board (ISSB) released IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* which are based on the framework and recommendations of the TCFD.

The Canadian Sustainability Standards Board (CSSB) was formed in 2023 and released the Canadian Sustainability Disclosure Standard (CSDS) CSDS1 *General Requirements for Disclosure of Sustainability-related Financial Information* and CSDS2 *Climate-related Disclosures* which are based on IFRS 1 and IFRS 2. The City of Edmonton continues to use the TCFD framework (framework) and is in the process of assessing the impact of adopting CSDS1 and CSDS2.

CLIMATE-RELATED FINANCIAL DISCLOSURES

INTRODUCTION

Climate change is a global issue that affects the weather, environment, economy and health, and its impacts are already being felt in cities like Edmonton. Climate models show that as the climate warms, the four seasons in Edmonton will be different from what we have experienced in the past. Climate change can affect Edmonton's weather patterns, leading to more frequent and intense heat waves, droughts and extreme weather.

These climate pressures can have significant economic, environmental and social consequences, including damage to infrastructure, disruption of transportation systems, and loss of life and property. In addition to weather impacts, climate change can also affect Edmonton's environment, including changes in biodiversity, water quality and air pollution. These environmental factors can significantly impact human health and well-being, particularly for vulnerable populations. Low-carbon renewable energy production and efforts to reduce Greenhouse Gas emissions (GHG) can help to slow climate change, while also taking action to prepare for and respond to local climate risks and impacts. As such, cities must be at the forefront of further developing climate policy and strategy focused on planning and implementing climate mitigation and adaptation measures.

As part of our commitment to resilience and adaptation, the City of Edmonton produced its first Task Force on Climate-Related Financial Disclosures (TCFD) based reporting in its 2020 Annual Financial Report. The City continues its work with the Canadian Municipal Network for TCFD that focuses on enhancing climate-related financial disclosures within the annual financial reports of cities in the Canadian context.

This report shows the City's progress with including climate-related disclosures within its financial reporting, and moving the City and community towards a lower-carbon and climate resilient future.

OUR COMMITMENT

The City of Edmonton is committed to change for climate, before climate changes everything. We are working judiciously to be resilient, become a carbon neutral city, and adapt to a low-carbon environment to protect our residents and our community.

When City Council signed onto the Global Covenant of Mayors for Climate and Energy in 2015, they committed the City to take action on climate change and disclose environmental activities through the Carbon Disclosure Project (CDP). The City discloses data and information related to climate change mitigation and adaptation (including climate risks) through Open Data. Each year, the City reports to the CDP on the Greenhouse Gas emissions inventory, climate risk and vulnerability assessments, energy transition targets, and information on climate adaptation and mitigation. In 2023, Edmonton earned an A-grade, demonstrating leadership in progressing climate adaptation and mitigation.

In 2018, Council confirmed their commitment to act on climate change by signing on to the Edmonton Declaration, which at the time was a bold call to action for mayors to take the lead on climate change with over 3,400 municipalities endorsing it.

Council embedded their commitment to climate change in ConnectEdmonton (2019-2028) which outlined four strategic goals, including one on Climate Resilience. Through this plan, the City has set a goal stating that "Edmonton is transitioning to a low-carbon future, has clean air and water and is adapting to a changing climate."

In 2019, Council declared a Climate Emergency, further reaffirming the City's commitment to becoming a climate resilient city. Since then, the City has updated Edmonton's Community Energy Transition Strategy and Action Plan and adopted the Climate Resilient Edmonton: Adaptation Strategy and Action Plan. These strategies chart Edmonton's path to reduce GHG emissions and adapt to climate change risks and impacts.

We commit to and call upon all national, state and local governments to undertake climate risk and vulnerability assessments to guide their planning and investment decisions, increase climate resilience and minimize the exposure of people and assets to the impacts of climate change.

Excerpt from the Edmonton Declaration, 2018

OUR APPROACH

The City has taken a phased approach to implement climate-related disclosures and recommendations over the last several years and continues to evolve over time. While the City has been working on adaptation and mitigation of climate-related issues for many years, there is less maturity in reporting on the financial implications; the City hopes to add more robust financial implications in future reports.

The content below summarizes the City's progress to-date on climate-related disclosures using guidelines from Chartered Professional Accountants (CPA) Canada's, Enhancing Climate-related Disclosure by Cities: A Guide to Adopting the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Additional details are provided by pillar in the remainder of this document, including highlights of key accomplishments and upcoming priorities that will move the City forward in our journey to fully adopt a climate-related financial disclosures framework.

TCFD RECOMMENDED FRAMEWORK:

GOVERNANCE 1

TCFD Recommended Disclosures

Describe mayor and council's oversight of climate-related risks and opportunities.

City of Edmonton Disclosure

Council has made commitments on climate change action in Edmonton as evidenced in a variety of City strategies including:

- Edmonton's Strategic Plan ConnectEdmonton
- The City Plan
- Climate Resilient Edmonton: Adaptation Strategy and Action Plan
- Edmonton's Community Energy Transition Strategy and Action Plan
- Establishment of The Energy Transition and Climate Resilience Committee (ETCRC) to advise Council on the City of Edmonton's progress on energy transition and climate resilience, including two Council sponsors.
- Council Policy Climate Resilience C627 embeds climate goals and targets from the two climate strategies into Council Policy direction.
- Fall 2024 Carbon Budget Update

All Council Reports include an Environment and Council Review in the standard template as of September 2024, ensuring that a climate action lens is applied to municipal decisions.

GOVERNANCE 2

TCFD Recommended Disclosures

Describe management's role in assessing and managing climate-related risks and opportunities.

City of Edmonton Disclosure

Edmonton's Climate Resilient Edmonton: Adaptation Strategy and Action Plan, Edmonton's Community Energy Transition Strategy & Action Plan and Council Policy Climate Resilience C627 identify how climate actions are integrated into City business processes and decisions. Through the City's planning, services, decision-making processes and leadership it helps promote and support a climate resilient community.

Recognizing that the climate file is complex, the Executive Leadership Team (ELT) decided a decentralized and shared accountability approach would be required to activate a multi-faceted climate emergency response that impacts the entire organization. ELT determined the best approach for this work was to strike a Climate Task Force with various departments responsible for leading the work. It was created in 2023 and will build a better foundation for climate action work and develop long-term recommendations related to governance.

CLIMATE-RELATED FINANCIAL DISCLOSURES

The 2024 Downtown Vibrancy Fund invested over $3.9 million into 37 projects, which included events, business support, placemaking, lighting and public safety.

CLIMATE-RELATED FINANCIAL DISCLOSURES

STRATEGY 1

TCFD Recommended Disclosures

Describe the climate-related risks and opportunities the City has identified over the short, medium and long-term.

City of Edmonton Disclosure

Edmonton's climate vulnerability and risk assessment identifies climate-related risks for both City owned assets and services, and for the community at large, from the 2050s to the 2080s.

The Energy Transition Strategy outlines investment opportunities for the City to achieve low carbon goals.

STRATEGY 2

TCFD Recommended Disclosures

Describe the impact of climate-related risks and opportunities on the strategy and financial planning of the City's businesses.

City of Edmonton Disclosure

Climate Resilient Edmonton: Adaptation Strategy and Action Plan and the Energy Transition Strategy identify climate considerations for the City's business decisions.

The City also incorporates climate-related initiatives and spending related to capital and operating budgets.

In 2022, the Administration implemented a Carbon Accounting Framework throughout the organization as part of the budget process. The carbon budget helps guide decision-making and actions by providing additional carbon emissions information for each budget request within the capital, operating and utility budget.

STRATEGY 3

TCFD Recommended Disclosures

Describe the resilience of the City's strategy considering different climate-related scenarios, including a 2 degrees Celsius or lower scenario.

City of Edmonton Disclosure

Climate modelling to assess Edmonton's climate change vulnerability and risk was conducted on Representative Concentration Pathways 4.5 and 8.5, representing a lower and a higher global emissions scenario, respectively. This provides flexibility in assessing climate risks in order to accommodate multiple future-plausible scenarios. Updated climate modelling is planned for 2025 as part of our commitment to stay relevant to the current science. Both the Climate Resilient Edmonton: Adaptation Strategy and Action Plan and the Energy Transition Strategy are also currently under technical review. The Energy Transition Strategy aims to reduce Edmonton's emissions to align with the Paris Agreement targets to keep global warming below 1.5 degrees Celsius.

RISK MANAGEMENT

TCFD Recommended Disclosures

Describe the City's processes for identifying and assessing climate-related risks.

City of Edmonton Disclosure

The Enterprise Risk Management (ERM) framework integrates climate and environmental related risks into the City's identified three levels of risk: strategic, operating and service. Edmonton's strategic climate risks are identified and assessed through a vulnerability and risk assessment. Additional evaluation of operating and service risks are identified and assessed through the ERM framework.

TCFD Recommended Disclosures

Describe the City's processes for managing climate-related risks.

City of Edmonton Disclosure

The Climate Resilient Edmonton: Adaptation Strategy and Action Plan and the Energy Transition Strategy guides policy development and City departments. Department branches determine tactical business area actions to translate the strategic climate plans into tangible outcomes and integrate climate risks at the service level. The City's seven focus areas for climate actions are Governance and Decision-Making, Policy and Bylaw, Building Capacity, Culture, Partnership and Advocacy, Green Economy and Intersectionality. The City is taking action on climate by factoring extreme weather into the reserve fund and emergency response activation during extreme weather events.

TCFD Recommended Disclosures

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the City's overall risk management.

City of Edmonton Disclosure

The ERM framework is evolving to address a consistent process for integrating climate-related risks. Currently this is done through the annual ERM process for evaluating strategic, operating and service risks, plus using a case-by-case basis evaluation driven by specific corporate policies, such as the Infrastructure Asset Management Policy. Specialized risk assessments for natural disasters and emergency management are conducted through the annual Hazard Identification and Risk Assessments (HIRA).

METRICS AND TARGETS 1

TCFD Recommended Disclosures

Disclose the metrics used by the City to assess climate-related risks and opportunities in line with its strategy and risk-management process.

City of Edmonton Disclosure

The City has developed a community indicator, Climate Risk Index, to monitor and report on neighborhood-level climate risk. This is a composite index of over 40 indicators related to the exposure, sensitivity and ability to respond to the impacts of a changing climate. This index is calculated on a neighborhood scale and represents an estimation of the level of risk a neighborhood is facing due to climate change.

Mitigation Opportunities: The City is exploring grants that support municipalities to take climate change action, including funding for adaptive transportation methods such as hydrogen buses, public transit and active transportation expansion. Emerging business opportunities and technologies include emissions neutral buildings and alternative energy markets.

METRICS AND TARGETS 2

TCFD Recommended Disclosures

Disclose Scope 1, Scope 2 and if appropriate, Scope 3 Greenhouse Gas (GHG) emissions and the related risks.

City of Edmonton Disclosure

The City discloses and reports on Scope 1, Scope 2 and Scope 3 Community and Corporate GHG emissions inventories, to understand and manage these emissions.

The City is undertaking a review of Scope 3 emissions sources to check for completeness and conformance to new Scope 3 guidance.

METRICS AND TARGETS 3

TCFD Recommended Disclosures

Describe the metrics used by the City to manage climate-related risks and opportunities as well as performance against targets.

City of Edmonton Disclosure

Enviso indicators are used to measure the City of Edmonton's environmental performance against key performance indicators.

The City Plan targets and measures are used to help understand how Edmonton's planning and development actions achieve climate targets. We have GHG reduction targets and report on its progress annually.

In 2022, the City released the 2023-2026 Carbon Budget to show how the City's financial investment decisions impact the achievement of emissions reductions targets.

The Fall 2024 Carbon Budget Update highlighted that Edmonton's carbon budget will be depleted one year earlier than forecasted in the 2023-2026 Carbon Budget-2036 for the Community Carbon Budget and 2032 for the Corporate Carbon Budget.

GOVERNANCE

A strong governance structure is a crucial element of climate-related financial disclosures to ensure climate-related issues receive the appropriate oversight and attention from the most senior levels down, and that shared accountability is embedded throughout the organization. This oversight is essential to provide the necessary programs and services for Edmonton residents in a fiscally-responsible manner while managing the risks and opportunities associated with climate change.

MANAGEMENT AND CITY COUNCIL'S ROLE

At the top of the City's governance structure, Council sets climate and environmental policy to manage climate risks and opportunities. City Administration holds the primary responsibility for ensuring Council's climate policy is followed. Administration implements actions to operationalize Council's policy and direction through many mechanisms. This includes strategic planning and development, budgeting, community development, external partnerships, risk management and business planning.

Updates on the progress of climate strategy, goals and targets are presented to Council on an annual basis or periodically as plans, budgets and strategic documents are updated. The 2024 Climate Strategies Annual Implementation Update Report provided Council with an overview of progress made on the Climate Resilient Edmonton Adaptation Strategy and the Energy Transition Strategy. It includes climate action highlights from City operations and community programs, updates on the annual GHG emissions inventory for both community and corporate emissions, and reporting on the Climate Resilience Policy (C627) and its administrative procedures.

Several business units and committees serve to support Administration's climate oversight throughout the organization as highlighted below.

MANAGEMENT GOVERNANCE

Urban Planning and Economy

Environment and Climate Resilience Team

Climate Resilient Building Team

Climate Disclosures Reporting Group

Financial and Corporate Services

Climate Disclosures Reporting Group

Enterprise Risk Management

Carbon Budget

ELT Climate Task Force

External

Energy Transition Climate Resilience Committee

CLIMATE-RELATED FINANCIAL DISCLOSURES

KEY ACCOMPLISHMENTS

The City made strides in 2024 to support energy transition and build resilience to climate impacts. Climate considerations have been further embedded in the City's governance structure through:

Environment and Climate Review section in council reports: As of September 2024, all standard council reports now include an Environment and Climate Review section. This ensures that all reports submitted to Council are triaged and reviewed with an environment and climate lens and that City projects, plans and policies incorporate climate action and other environmental considerations in alignment with the City's strategic goals. For example, the June 2024 Growth Management Framework Update included an overview of the intersection points between the proposed growth management approach and the City's goals for energy transition, adaptation to a changing climate, food system resilience and natural areas protection. By the end of 2024, 75 Council Reports included an Environmental and Climate review.

Climate Task Force: In 2023, the Executive Leadership Team created a Climate Task Force, adopting a corporate-wide, integrated approach to effectively implement actions needed to meet the City's climate strategies. The Task Force mandate is focused on incorporating environment and climate change into City work, operations and culture. In 2024, the Climate Task Force has continued working on its deliverables in each of its seven focus areas: Governance and Decision Making, Policy and Bylaw, Building Capacity, Culture, Partnership and Advocacy, Green Economy and Intersectionality.

CARBON BUDGET AND ACCOUNTING FRAMEWORK

To remain informed and assess progress towards a low-carbon future, the City is implementing a Carbon Accounting Framework to integrate GHG reductions into budgeting and prioritization processes. The following is a summary of the City's progress towards implementation of a carbon budget and accounting framework.

To understand what the transition to a low-carbon future looks like, two carbon budgets were calculated. The target carbon budget describes the amount of GHG emissions that the municipality of Edmonton can incur over a period of time based on targets set in the Energy Transition Strategy, which is aligned to the Paris Agreement's ambition to limit the increase of global temperature to 1.5 degrees Celsius. The local fair share budget was created based on the theory that cities with above average GHG emissions and with high per capita GDP need to reduce emissions on a steep decline to do their fair share and be equitable to other countries with lower per capita.

The carbon budget shows how far and how fast we have to move in terms of emission reductions, and the magnitude of change required. Meeting Edmonton's local carbon budget requires rapid reduction of GHG emissions and carbon neutrality by 2050.

Similar to a financial budget, a carbon budget includes revenues (i.e. annual emissions limit), expenses (i.e. emissions) and deficits/surpluses (i.e. annual emission limit minus emissions) to align with decision-making frameworks for capital and operating budgets. When combined with effective monitoring of emissions, the carbon budget also provides a framework for reporting progress on a consistent basis from year-to-year.

Central to the success of carbon budgeting is a Carbon Accounting Framework to support both the qualitative and the quantitative tracking and management of GHG emissions throughout the community. The City began implementing a Carbon Accounting Framework in 2022 to guide forward-looking decisions and further integrate financial decision making with GHG impacts.

CLIMATE-RELATED FINANCIAL DISCLOSURES

EDMONTON'S CARBON BUDGET

Edmonton has set community greenhouse emission reduction targets of 35 per cent by 2025, 50 per cent by 2030 and being emissions neutral by the year 2050 as defined in the Community Energy Transition Strategy. The City has set a corporate target to be emissions neutral by the year 2040. Corporate emissions represent two per cent of city wide emissions.

The community carbon target budget, which is the maximum allowable community emissions for Edmonton from 2022 to 2050, is 176 million tonnes CO2e. Based on the adjusted forecast, the entire community carbon budget would be used by 2036. The City's carbon budgeting process is based on its existing community and corporate GHG inventories, which are updated annually. The starting point for the 2023-2026 Carbon Budget is the City's 2021 GHG and it's scope only includes operational GHG emissions. This means that GHGs emitted during construction and from building materials (i.e. embodied emissions) are not captured in the carbon budget.

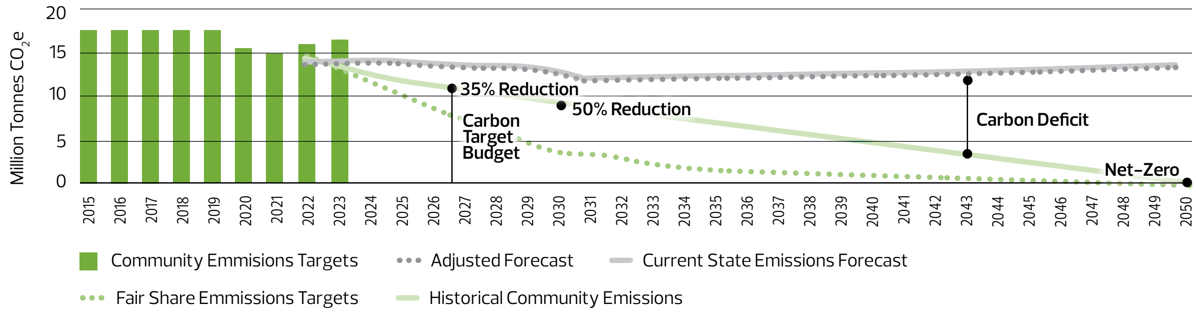
In 2019, utilizing a convergence and contraction model derived from C40 cities, the global fair share carbon budget was localized to Edmonton. The result was 135 million tonnes allocated to Edmonton. This means that between 2019 and 2050, Edmonton must emit no more than 135 million tonnes of GHG emissions in order to reduce Edmonton's contribution to global warming in alignment with the 1.5 degrees Celsius global average temperature goal.

In 2022, the City of Edmonton released the 2023-2026 Carbon Budget to inform how the City's financial investment decisions impact the achievement of emissions reductions targets. This first iteration of completing a carbon budget alongside financial budgets provided valuable learnings that will be incorporated into future processes as the organization matures its approach.

In the fall of 2023 and 2024, the City provided updates to the 2023-2026 Carbon Budget and adjusted its emission forecasts. As a result of this adjusted forecast, the community and corporate carbon budgets are forecasted to be depleted one year earlier—2036 for Community and 2032 for Corporate—than originally forecast. This shift was caused primarily due to 2022 emissions being higher than expected because of increases in building energy use, as well as industrial and transportation sector emissions growing as the pandemic recovery continues. Two motions were made during 2023 fall budget deliberations that impacted the corporate carbon budget and are reflected in the 2024 Corporate Carbon Budget. The first motion was for the operating expenditure budget for Renewable Energy Credits to be decreased by $3.3 million for 2024 and 2025. The second motion was to add 50,000 annual bus service hours for Edmonton Transit Service in support of the implementation of the mass transit network.

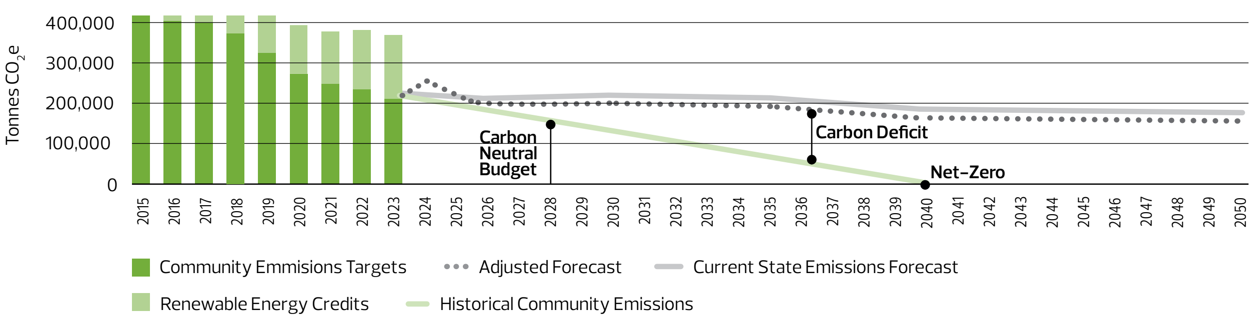
CLIMATE-RELATED FINANCIAL DISCLOSURES

Community Carbon Budgeting (based on approved budgets)



	Carbon Budget 2024-2050 *(Available GHG Emissions)*	Year Carbon Budget is Depleted *(Based on Adjusted Forecasts)*
Community Carbon Budget (targets that align with the Paris Agreement)	144 million tonnes CO_2e	2036

Corporate Carbon Budgeting (based on approved budgets)



	Carbon Budget 2024-2050 *(Available GHG Emissions)*	Year Carbon Budget is Depleted *(Based on Adjusted Forecasts)*
Corporate Carbon Budget	1.54 million tonnes CO_2e	2032

UPCOMING PRIORITIES

The Carbon Accounting Framework will continue implementation throughout 2025 and will allow for the integration of climate-focused decision-making into the financial and organizational planning process, including budget development and prioritization, asset management analysis and operational business decisions that incorporate climate-related impacts with financial implications.

STRATEGY

A key component of being resilient during the move to a low-carbon economy is a proactive focus on managing the risks and opportunities in the short, medium and long-term emerging outlooks as a result of climate change.

The City incorporates the assessment of climate risks and opportunities within its major strategic planning documents, such as The City Plan and ConnectEdmonton, as well as within specific climate action strategic documents that incorporate the use of scenario analysis to inform strategy and action setting.

OUR CLIMATE STRATEGY WORK

The City Plan

City Council approved The City Plan in 2020. The document combines the City's Municipal Development Plan and Transportation Master Plan, and builds on the climate resilience direction outlined in ConnectEdmonton. It identifies the need for a shift in how Edmonton grows to sustain a healthy, urban and climate resilient city and to achieve the target of net zero per-person GHG emissions by 2050. Additionally, The City Plan has several climate-related policy directions and intentions embedded throughout this statutory document, providing further direction for climate change considerations in the development of Edmonton.

Edmonton's Community Energy Transition Strategy

In 2021, the City updated the Community Energy Transition Strategy to align Edmonton's climate change mitigation efforts to the Paris Agreement goal of limiting global average warming to 1.5 degrees Celsius. The strategy consists of goals, strategies and actions around four climate pathways: a renewable and resilient energy transition, emissions neutral buildings, low carbon city and transportation and carbon capture and nature-based solutions. Underlying the entire approach is a foundation of climate solutions leadership, building off Edmonton's previous and ongoing work in energy transition and climate mitigation. The strategy outlines targets for a carbon-neutral corporation by 2040 and a carbon-neutral community by 2050, with accelerating actions to reduce community based GHG emissions by 50 per cent (compared to 2005 levels) by 2030.

Climate Resilient Edmonton: Adaptation Strategy and Action Plan

The Climate Resilient Edmonton: Adaptation Strategy and Action Plan developed in 2018 is a four-year action plan that outlines the approach to adapting Edmonton to be resilient to impacts from climate change, and was formally adopted by Council in November 2020. The strategy has specific goals around adapting Edmonton to four main climate change impact themes: changing temperatures, changing precipitation, changing weather extremes and changing ecosystems, with an underlying foundational pathway around making science and evidence-based decisions. To date, implementation has been focused on infrastructure resilience, community preparedness and proactive risk management.

Climate Strategies Review

The Municipal Government Act, via the City of Edmonton Charter (2018 Regulation), requires the City to establish a plan to address the effects of climate change and the plan be reviewed and adopted by Council every five years. As required, both foundational strategies listed above are currently under technical review.

CLIMATE-RELATED FINANCIAL DISCLOSURES

SCENARIO ANALYSIS

Climate-related scenario analysis helps Council and the corporation assess current and future climate conditions, identify climate-related risks and opportunities, as well as make informed decisions when setting strategies for Edmonton. The City uses climate projections from global climate models and applies climate modelling to different emissions scenarios to plan for multiple plausible climate futures. General trends show that Edmonton can expect:

- Continued warming trends, including more extreme heat events
- Changing precipitation patterns, including warmer, wetter winters, hotter drier summers and more extreme rainfall events
- An increase in frequency and severity of extreme weather events
- An overall warming and drying trend in our region, which could lead to changes in Edmonton's ecosystems

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-Related Risks

The TCFD framework identifies climate risks as transitional or physical. These risks can result in financial loss, reputational damage and the reduction of programs and services to residents. The majority of the City's identified risks are for the impacts on physical assets and City services as a result of extreme weather events or slow onset climate shifts.

Historical climate trends, taken from observed recorded data, show that Edmonton's climate has already changed over the past 100 years. Edmonton is warming at a faster rate than the global average, and this is particularly noticeable during the winter months. The City worked with stakeholders and subject matter experts to determine the consequences of modeled climate change impacts on various assets and services, including:

- Health and safety
- Community and culture
- Emergency management
- Food and agriculture
- Stormwater, drinking water and wastewater
- Buildings and property
- Waste management
- Transportation systems
- Information and communication technology
- Electricity
- Fuel supply
- Natural environment
- Economy

The consequence of the risk impacts combined with the likelihood of the climate risks was the basis of the City's risk and vulnerability assessment, informing the City's overall climate risk profile.

CLIMATE-RELATED FINANCIAL DISCLOSURES

As of August 2024, 20 solar photovoltaic arrays are in operation on City-owned buildings.

Climate Opportunities

While the City's climate change assessment to date has been largely focused on preparing for the risks related to climate change, it is important to consider any opportunities that arise as we adapt to a transitioning climate. The City is exploring grants that support municipalities to take climate change action, including funding for adaptive transportation methods such as hydrogen buses, public transit and active transportation expansion, as well as nature-based solutions such as tree planting. Emerging business opportunities and technologies include emissions neutral buildings and alternative energy markets. The City is also considering strategic investments in new energy sources, finding opportunities for cost reduction from efficiencies and increasing our economic resilience by reducing dependence on the carbon economy.

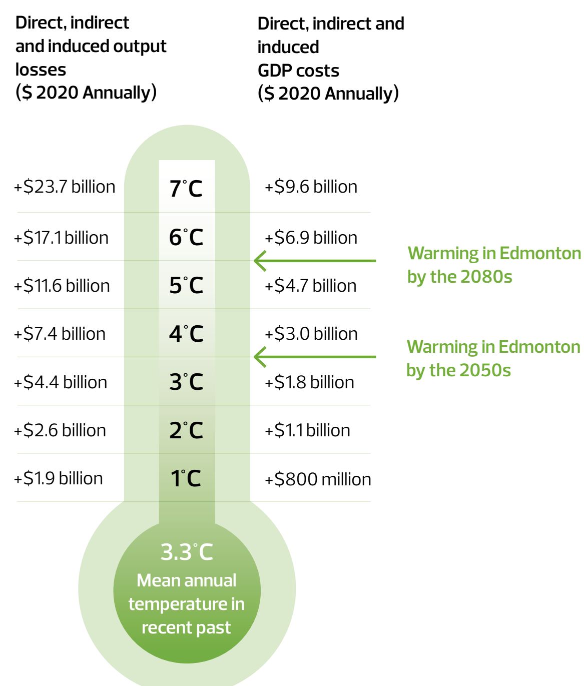
CLIMATE AND FINANCIAL STRATEGIES

The City is in the first phase of understanding the financial implications of climate change on our infrastructure, programs, economy and community. The following is a summary of work that has been completed to date, including some of the steps the City is taking to advance investment, organizational understanding and reporting of future financial costs and savings related to our changing climate.

Edmonton's Economic Assessment of Climate Change Impacts

To better understand what climate change costs mean for Edmonton, the City conducted a study in 2022 to model and understand the local economic consequences of climate change. Two types of economic consequences were assessed as part of this study: one included the costs arising from the physical impacts of climate change on tangible goods and services that could be monetized, such as the cost of replacing damaged infrastructure, and the other quantified costs due to the impact on intangible goods and services, such as travel delays due to damaged infrastructure.

This study found that climate change could cause overall annual losses projected to be $5.5 billion by the 2050s and $15.4 billion by the 2080s. Annual gross domestic product (GDP) losses due to climate-related impacts on Edmonton are estimated at $2.2 billion by the 2050s and $6.2 billion by the 2080s. This illustrates that climate change will have real financial consequences for Edmonton, and that there will be a cost incurred by future Edmontonians if climate change action is not taken. The study also found that both social and GDP costs increase with each degree of additional warming.



Investment in Energy Transition and Adaptation

In December 2022, Council approved the 2023-2026 Budget including directing additional funding to climate action in both the capital and operating budgets.

For the capital budget, Council approved four new capital profiles for a total of $198.7 million over 2023-2026 to support climate action through funding of planning, design and delivery for:

- Climate resilient facility upgrades
- Emissions neutral city fleet and equipment
- District energy network strategy and district energy nodes
- Active Transportation Implementation

For the operating budget, Council approved $79.6 million in funding over 2023-2026, which includes three service packages on top of the existing base funding:

- Energy Transition Strategy Implementation Composite, to advance at least one "Big Win" action from each of the strategy's four energy transition pathways.
- Supplemental Community Energy Transition Implementation service package, to further support accelerating energy transition in the community.
- The Climate Adaptation Strategy Implementation composite, to focus on preparing the community for a changing climate through proactive risk management, as well as supporting critical operational changes to reduce the corporation from the vulnerabilities to most significant climate changes.

Energy Transition Strategy Implementation

($000s)	2023 Actual	2024 Actual	2025 Projection	2026 Projection	Total
Mass Transit	13,395	16,255	16,199	16,448	62,297
Climate Adaptation Strategy Implementation	556	441	2,000	2,000	4,997
Community Activation	1,987	2,191	4,700	4,700	13,578
Active Transportation Network Implementation	234	827	1,304	1,917	4,282
Maintenance of Solar Systems	76	277	356	356	1,065
Total Approved Operating Budget	**16,248**	**19,991**	**24,559**	**25,421**	**86,219**
Active Transportation Network Implementation	807	9,689	53,804	26,300	90,600
Urban Trees	9,258	12,339	15,242	16,289	53,128
City Facility Retrofits		29	19,610	22,591	42,230
District Energy Strategy	171	820	2,375	23,467	26,833
Mass Transit	9	534	11,557	500	12,600
City Light/Heavy Duty Fleet & Equipment	279	809	6,084	4,028	11,200
Maintenance of Solar Systems	1,785	3,776	4,827	131	10,519
Nature Based Solutions			3,000	3,500	6,500
Total Approved Capital Budget	**12,309**	**27,996**	**116,499**	**96,806**	**253,610**
Total Approved Budget	**28,557**	**47,987**	**141,058**	**122,227**	**339,829**

The following are examples of the way that the City is supporting climate change action in the community and embedding it into the corporation's strategic and financial planning processes.

Clean Energy Improvement Program (CEIP)

CEIP provides eligible property owners access to long term-financing for energy efficiency and renewable energy upgrades to their privately owned buildings.

The financing is repaid over a period of up to 20 years through a CEIP tax placed on the owner's property tax account.

In 2022, a pilot program was implemented with a $9.7 million grant from the Federation of Canadian Municipalities Green Municipal Fund. As of December 2024, the program has 60 residential and 3 commercial active or completed projects with the corresponding carbon emission reductions helping the City meet climate change goals.

A permanent CEIP program was launched in October 2024 with the initial allocation of $20 million in financing to support building owners from 2024 to 2028.

Neighbouring for Climate

The Neighbouring for Climate program was launched fully in April 2024, registering over 50 Climate Connectors from over 45 neighbourhoods in the city.

The program encourages neighbours to identify community assets and climate risks, and act together to adapt their neighbourhoods to a changing climate while also mitigating emissions.

The program provides a toolkit of action cards to help make climate resilience action as easy as possible for residents.

Zoning Bylaw and District Planning

Zoning Bylaw 20001 was adopted by Council in October 2023 and came into effect on January 1, 2024.

The new bylaw helps to support the City's climate change goals by implementing regulatory changes that create more climate resilient development. It introduces mixed use zones, expands neighbourhood business opportunities and enables a greater variety of housing forms to create a compact city that can help reduce carbon emissions from transportation.

In October 2024, the District Policy and 14 district plans were adopted by Council. The new district policy includes energy and climate policies to help Edmonton become more sustainable and will support reductions of carbon emissions by enabling more compact and complete communities, with mass transit and active mobility options.

Climate Resilience Planning and Development Action Plan

In October 2024, the Climate Resilience Planning and Development Action Plan was presented to and accepted by Council's Urban Planning Committee.

The Action Plan identifies the first 15 priority actions to incorporate strategic, regulatory and procedural climate resilience measures throughout the City's land use planning and development continuum.

These actions are intended to be implemented from 2024 to 2026 in order to lay a strong foundation for ongoing climate resilience building. The plan focuses on neighbourhoods, buildings, site design and landscaping and city processes surrounding development and planning.

CLIMATE-RELATED FINANCIAL DISCLOSURES

Application of Policy C627 (Climate Resilience)

The purpose of the Climate Resilience Policy C627 is to provide clear and consistent governance and accountability for achieving a climate resilient community, and to demonstrate commitment to climate solution leadership in all aspects of city planning, development and business decisions.

Currently, there are six administrative procedures to provide direction on how the Corporation is expected to activate Policy C627. These procedures focus on city buildings, including new construction, existing buildings, acquisitions, City's role as a landlord or tenant of buildings and any city-funded external building projects.

As part of this work, there is also a Climate Resilient Buildings Team which provides oversight and is composed of representatives from various business areas of the City who have the expertise and resources necessary to achieve the goals of Policy C627. The team meets quarterly to ensure policy implementation, evaluation in the form of compliance reporting and periodic evaluation of the effectiveness of the procedures.

Integration into Financial Planning and Asset Management

Capital Planning: The City's capital planning process for new assets includes a system of scoring against strategic goals that helps prioritize capital investment. Scoring criteria includes building sustainable infrastructure that ensures the continuity of critical services by being more resilient to climate-related impacts; sourcing of sustainable energy and responsible energy consumption; and managing operations and engaging Edmontonians to reduce the production of GHG emissions.

Renewal Asset Management Planning: Policy C598 (Infrastructure Asset Management) requires that the City consider proactive climate resilience when making infrastructure asset investment decisions, including capital renewal and operational maintenance. Climate risk assessments have been completed using a high-level Public Infrastructure Engineering Vulnerability Committee (PIEVC) protocol for 6 asset classes (Facilities, Open Space, Urban Forests, Active Modes of Transportation, Bridges and Paved Roads and Unpaved Roads), and recommendations from these assessments are used to inform life cycle management activities. Currently, the Facilities Climate Risk Assessment is in progress to identify the climate strengths and weaknesses of all City-owned buildings and to prioritize building adaptation measures.

Financial Operational Plans: The City's operational programs and services are scored during the budget process on their ability to sustain and conserve the environment. The City is continuing to integrate climate resiliency and sustainability into the City's financial planning as demonstrated in the recently approved 2023-2026 budget.

CLIMATE-RELATED FINANCIAL DISCLOSURES

SPOTLIGHT: COMMONWEALTH RECREATION CENTRE SOLAR PHOTOVOLTAIC ARRAY

The Commonwealth Recreation Centre Solar Photovoltaic Array began operations in March 2024. The 3,790 square metre array features 1,128 panels that are anticipated to produce 708 megawatt hours of energy in its first year of operation, the equivalent to powering 100 residential homes for one year. The array can offset between 75 and 100 per cent of the facility's energy needs in ideal solar conditions on a day with average building energy consumption.

SPOTLIGHT

CLIMATE-RELATED FINANCIAL DISCLOSURES

As of August 2024, 20 solar photovoltaic arrays are in operation on City-owned buildings. These arrays are reducing greenhouse gas emissions and helping the City of Edmonton protect the environment for future generations.

SUSTAINABILITY INITIATIVES AT NAIT/BLATCHFORD MARKET LRT STATION

In January 2024, the City of Edmonton completed Phase 1 of the Metro Line LRT extension on budget and a year ahead of schedule. Before Phase 1 opened, the project accomplished several milestones, including installing solar panels on both LRT stations, which supply up to two-thirds of the stations' electricity needs.

A shared pathway was added along the entire length of the 1.6 kilometre trackway to provide residents and commuters with additional active transportation options, including connections to new shared pathways at 118 Avenue and 123 Avenue. 400 trees and 1,600 shrubs were also planted as part of the project, adding to the City's Urban Tree Canopy. These milestones contributed to the City's goal of being Greener As We Grow, which focuses on preserving and protecting the environment through good design and conscious development decisions.

RISK MANAGEMENT

The climate change landscape is complex, fluid and poses risks to our community and way of life. It is crucial the City not only understands these risks, but proactively manages them through a robust risk management program.

ENTERPRISE RISK MANAGEMENT

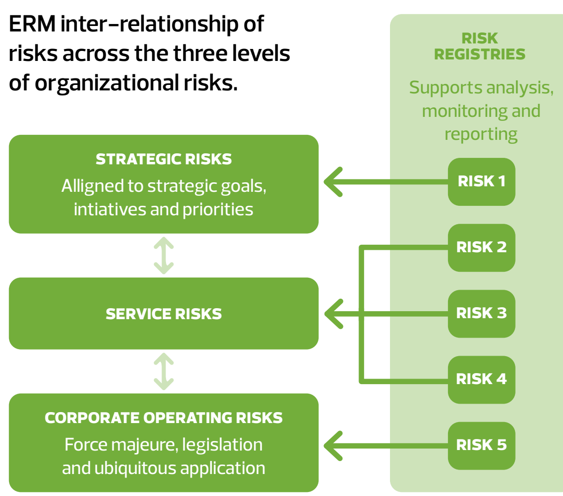
The City of Edmonton conducts three levels of risk assessment in the Enterprise Risk Management (ERM) program to determine the holistic impacts on the organization: strategic risks, operating risks and service risks. The ERM framework integrates environmental related risks into the City's identified three levels of risk. The City's strategic climate risks were identified and assessed through the Vulnerability and Risk Assessment (VRA). The VRA prioritizes climate-related risks and opportunities; it determines levels of concern and priorities for specific natural and built assets, public and private services, populations segments and the pathways through which they are impacted. Climate risks have been further defined for some business areas through detailed risk assessments at an asset-level. Further operational and service based risks of climate change are identified and assessed through the ERM framework to translate strategic goals and challenges into actionable responses at a business unit level.

The ERM program gathers information and data impacting each layer of the organization, with the intention of aligning actions to respond effectively in a co-ordinated manner to climate- related risks and to support our climate change strategies. This integration aligns business planning, budget planning, emergency management plans, climate change impacts and insurance risks to create a more robust approach for proactive action and prepared responses.

ERM levels of organizational risk

Specialized risk assessments for potential natural disasters (floods, extreme wind, etc.) resulting from climate change impacts are assessed by the Office of Emergency Management with the Hazard Identification and Risk Assessment (HIRA). The Office of Emergency Management continues to collaborate with the Alberta Emergency Management Agency on leveraging risk assessments, data and aligning response planning.

ERM inter-relationship of risks across the three levels of organizational risks.



CLIMATE-RELATED FINANCIAL DISCLOSURES

In addition to provincial wildfire evacuation support, the Emergency Support Response Team responded to 62 calls for service, supporting 6,198 displaced people needing temporary emergency accommodation and 5,343 needing further assistance.

TRANSITIONAL RISKS

The risks associated with transitioning to a low-carbon economy continue to be evaluated and developed with the ongoing development of the ERM framework. Further integration of data from the Carbon Budget will support decision-making and resourcing, from risk assessments to mitigation actions. Further development work continues on risks impacting the seven focus areas for climate, as described within the Climate Task Force mandate, as follows: Governance and Decision Making, Policy and Bylaw, Building Capacity, Culture, Partnership and Advocacy, Green Economy and Intersectionality. Assessing risks and prioritizing mitigation actions by these focus areas will provide a roadmap for the City to reach our climate goals.

KEY ACCOMPLISHMENTS

The Strategic Risk Profile reported for 2024 highlighted increasing risks from extreme weather events and the changing role major municipalities play in supporting evacuees.

The City's Emergency Support Response Team again supported wildfire evacuees throughout the summer. Further collaboration and shared responsibilities with provincial and federal governments, as well as not-for-profits, will be essential for future emergency management support.

The City participated in the Resilience Hubs Research Project by the University of Alberta, to further explore the development of resilience hubs for Edmonton. The final report was published in February 2024, and focused on transportation to/from resilience hubs and urban evacuation choice-making.

UPCOMING PRIORITIES

The City of Edmonton's 2025 Corporate Strategic Risk Profile identifies four key themes for strategic focus, with one of the themes being Environment and Climate Change. It emphasizes the severity of climate risks faced by the City, like extreme weather and rising costs due to climate impacts, and highlights the need to advance climate strategies and collaborate on emergency management.

Continuing to create integration points between risk management and carbon budgeting to support effective financial decision-making.

Alignment and integration of risk management with the application of climate resilience adaptation standards and specifications, to allow the City to advance asset management adaptation and sustainability.

Support development of climate risks from strategic to tactical impacts on operations, services and financials.

Research potential development of risk tolerance and appetite statements to support improved decision-making and opportunities to leverage innovation and investment.

Review of the Office of Emergency Management is underway to assess the structure and approach that will support Edmonton's growing population and changing demands for climate-related emergencies.

METRICS AND TARGETS

The City relies on a variety of metrics and targets to measure progress being made towards climate resilience goals and strategies. This metrics and targets framework approach takes into account operational and corporate reporting on activities as well as indicators associated with our strategic plans and with impacts at the community level.

ENVISO

The City of Edmonton corporation is ISO 14001:2015 certified. The City's corporate ISO environmental management system is termed "Enviso" and this system provides the corporation with a formal "Plan, Do, Check, Act" approach to manage environmental risks and continually improve environmental performance. This system is also critical for integrating environmental aspects into processes throughout the corporation, as well as operationalizing environmental strategies and policies. Through the Enviso system, a set of key performance indicators (KPIs) have been determined across different environmental aspects, including energy and climate change. These KPIs are also in the process of being integrated into the City's Enterprise Performance Management system. Climate resilience metrics and targets are included in this system.

THE CITY PLAN TARGETS

Embedded within The City Plan are long-term targets and metrics related to climate change including:

Achieve total community-wide fair share carbon budget of 135 megatonnes of total GHGs from 2019 to 2050, including net zero per-person GHG emissions by 2050

Plant two million new urban trees

50 per cent of trips are made by transit and active transportation

15-minute districts that allow people to easily complete their daily needs

The City Plan's performance on meeting these indicators, targets and measures will be communicated regularly, with more robust analysis undertaken at certain population thresholds.

CLIMATE-RELATED FINANCIAL DISCLOSURES

A $23.7 million federal grant received in 2024 will help add another 13.1 MW of heating and 12.3 MW of cooling capacity to Blatchford's District Energy Sharing System to support the future energy needs of this growing community.

CLIMATE CHANGE ADAPTATION COMMUNITY INDICATOR

Edmonton has developed a Climate Risk Index to monitor, measure and report on the progress towards making the community of Edmonton climate resilient. This composite index is a compilation of individual indicators and indicator sets that produce sub-indices to represent the main dimensions of Edmonton's climate resilience. Each indicator is measured on a performance-based (quantitative) assessment. Currently the index consists of 17 indicators related to exposure to different climate change events, 17 indicators related to sensitivity, and 12 indicators related to response capacity. The indicator presents the percentage of neighborhoods that are in different risk categories, allowing the corporation to establish a baseline from which the impact of planned adaptation actions on climate resilience can be measured over time at a neighbourhood scale.

GREENHOUSE GAS EMISSIONS

In 2021, the City of Edmonton updated emissions reductions targets in Edmonton's Energy Transition Strategy to align with global efforts to decarbonize established by the Intergovernmental Panel on Climate Change. For community emissions, targets include a 35 per cent reduction by 2025, 50 per cent reduction by 2030 and to become a carbon neutral community by 2050. Additionally, Edmonton has a target of becoming a carbon-neutral corporation by 2040. Progress is measured against a 2005 baseline year of 18.2 million tonnes and 419,000 tonnes of carbon dioxide equivalent (tCO2e) for the community and corporation respectively. This puts Edmonton among pioneering municipalities worldwide in combating climate change.

GREENHOUSE GAS (GHG) EMISSIONS – INVENTORIES

The City has prepared both community and corporate GHG emissions inventories since the 1990s, and relies on these emissions inventories for energy transition and emissions reduction planning and tracking. Edmonton follows the latest international greenhouse gas emissions accounting protocols for preparing greenhouse gas inventories. These inventories report on Scope 1, Scope 2 and select Scope 3 Community and Corporate Greenhouse Gas Emissions sources to understand and manage emissions. Scope 1 emissions result from the combustion of fuel within the City Limits, generally referred to as Direct Emissions. Scope 2 emissions are indirect emissions sources from the generation of electricity outside of the City Limits. Scope 3 includes emissions that are induced due to activities taken by the City or Community. Edmonton's community inventory currently includes emissions from line losses from electricity transmission, transboundary traffic, and emissions from waste disposal and treatment outside of the City as Scope 3 emissions. Investigation of additional Scope 3 emissions sources for inclusion in the GHG inventory is underway to improve the City's tracking and management of these sources.

Edmonton reports the results of the Community and Corporate emissions inventories on Edmonton's Open Performance Dashboard under the Climate Resilience goal of ConnectEdmonton. Edmonton has also been awarded the "Full Compliance" badge from the Global Covenant of Mayors for Climate and Energy for the City's climate planning. The City also participates in the Carbon Disclosure Project (CDP), a not-for-profit charity that runs the global climate disclosure system for investors, companies, cities, states and regions. Edmonton's 2023 CDP reporting resulted in Edmonton maintaining an A-grade, demonstrating Edmonton's ongoing leadership and transparency in climate planning and action.

HIGHLIGHTS FROM EDMONTON 2023 GHG INVENTORY RESULTS

Community Greenhouse Gas Emissions

In 2023, Edmonton's community GHG emissions were estimated to be 16.2 million tonnes of carbon dioxide equivalent (tCO2e) equating to 14.2 tonnes per capita. This represents a 3 per cent increase in absolute emissions and a 2 per cent decrease in per capita emissions from 2022 levels.

Community emissions have decreased by 11 per cent since the 2005 baseline, and per capita community emissions have decreased by 45 per cent since the 2005 baseline.

Transportation emissions comprise the largest proportion (37 per cent) of the total community emissions, with Industry (25 per cent) and residential buildings (18 per cent) being the next largest sources of emissions.

While this demonstrates that progress has been made on reducing Edmonton's emissions, accelerated emissions reduction actions are still needed to meet Edmonton's net zero per person target by 2050.

Corporate Greenhouse Gas Emissions

The City's corporate GHG emissions inventory represents approximately 2 per cent of the community GHG emissions.

In 2023, the City's net corporate GHG emissions totaled 215,000 tonnes of carbon dioxide equivalent (tCO2e); this total includes sequestration from the City's urban forest and the purchase of Renewable Energy Certificates (RECs) to offset electricity use emissions. Without including the urban forest and RECs, corporate emissions would have been 372,000 tCO2e.

Total energy use for corporate operations in 2023 decreased by 10 per cent from 2022. Buildings and Facilities make up the largest proportion of the corporate inventory at 46 per cent, followed by Transit Fleet (21 per cent) and Landfills (13 per cent).

The changes in the corporate GHG emissions by reporting sector are summarized below:

Change in Corporate GHG Emissions by Reporting Category

Reporting Category	2005 GHG Emissions (tCO2e)	2021 GHG Emissions (tCO2e)*	2022 GHG Emissions (tCO2e)*	2023 GHG Emissions (tCO2e)**
Buildings and Other Facilities	173,000	174,000	180,000	172,000
Streetlights and Traffic Signals	74,200	33,000	29,200	27,000
Vehicle Fleet	25,000	32,100	32,300	31,300
Transit Fleet	62,400	73,600	76,500	77,500
Waste Management Facilities and Landfills	89,000	68,300	67,100	64,600
Subtotal	**423,600**	**381,000**	**385,100**	**372,400**
Urban Forest Sink	–	(3,520)	(3,590)	(3,660)
Renewable Energy Credit (REC) Purchases	–	(127,000)	(143,000)	(154,000)
Total	**423,600**	**250,480**	**238,510**	**214,740**

*Figures were updated from our 2023 report due to changes in GHG estimates. ** 2023 Figures are preliminary.

CLIMATE-RELATED FINANCIAL DISCLOSURES

The City's District Energy Strategy inspired the Federation of Canadian Municipalities' to create a new grant offered through the Green Municipal Fund. Aimed at helping municipalities develop community energy systems.

2023 KEY ACCOMPLISHMENTS

In 2023, the City fully offset corporate emissions from electricity usage through the purchase of renewable energy credits, through a 20-year green energy contract. The purchase of the renewable energy credits equates to a reduction of 41 per cent of the 2023 corporate emissions. These contracts allow the City to utilize 100 per cent renewable electricity sourcing 80 per cent of the power from wind energy and 20 per cent from solar energy.

As of the end of 2023, 4155 kilowatts of solar capacity was installed on City buildings and properties, which have reduced 2023 annual emissions by 348 tCO_2e.

In 2023, the City's net corporate GHG emissions were 49 per cent below Edmonton's 2005 baseline emissions. The City also saw a 10 per cent reduction from 2022 net emissions levels.

Received an A-grade from the Carbon Disclosure Project for 2023 annual reporting of climate plans and actions.

Capital Budget was allocated to the Kathleen Andrews Transit Garage Solar PV and Battery project in 2024. This project aims to increase the instantaneous charging capacity of the facility which supports the operation of the City's Electric Bus fleet. The project will also pilot the integration of battery systems to address electricity supply limitations. Construction is proceeding in 2025, with the systems expected to be fully operational in 2026.

UPCOMING PRIORITIES

Third-party verification is currently being considered for future inventory years to add additional assurance to our data.

Updating and refining carbon budgeting to enable greater quantification of budget profiles.

Corporate Climate Resilience Targets are currently under development and will provide a pathway for the Corporation to become carbon-neutral by 2040 and include adaptation targets to guide business areas in their climate resilience efforts.

STATISTICAL REVIEW

STATISTICAL REVIEW FOR THE YEARS 2020 TO 2024
GENERAL MUNICIPAL DATA

Unaudited

	2024	2023	2022	2021	2020
Population[1] (Note 1)	**1,190,457**	1,125,934	1,073,454	1,050,945	1,046,556
Population age distribution[1] **(%)** (Note 1)					
0-4	**5.58**	5.72	5.90	6.07	6.31
5-19	**17.56**	17.32	17.24	17.00	16.85
20-29	**15.28**	15.14	14.96	15.09	15.57
30-39	**17.86**	17.68	17.44	17.57	17.68
40-49	**14.33**	14.09	13.87	13.69	13.38
50-59	**10.60**	10.97	11.40	11.63	11.70
60-64	**5.26**	5.45	5.58	5.64	5.56
65+	**13.53**	13.63	13.61	13.31	12.95
Area[2]					
in hectares	**78,247**	78,247	78,247	78,247	78,247
in square kilometres (rounded)	**782**	782	782	782	782
Number of housing starts[3]	**13,484**	9,665	11,401	9,947	9,865
Value of building permits[4] **($000)** (Note 2)	**$ 6,621,194**	$ 4,920,731	$ 5,136,929	$ 4,493,392	$ 4,196,236
Household median total income[4] (Note 3)					
Metro Edmonton	**$ 111,110**	$ 111,110	$ 111,110	$ 108,390	$ 107,450
Alberta	**$ 110,350**	$ 110,350	$ 110,350	$ 106,960	$ 105,960
Canada	**$ 101,840**	$ 101,840	$ 101,840	$ 98,390	$ 96,220
Consumer price index[4] **– 2002 base year**					
Metro Edmonton	**167.4**	162.9	158.4	149.0	144.7
Alberta	**168.9**	164.1	158.9	149.3	144.7
Canada	**160.9**	157.1	151.2	141.6	137.0
Unemployment rate[4] **(%) – annual average** (Note 4)					
Metro Edmonton	**7.5**	6.1	5.9	8.8	11.9
Alberta	**7.0**	5.9	5.8	8.6	11.4
Canada	**6.3**	5.4	5.3	7.5	9.7
City of Edmonton employees (Note 5)	**16,064**	15,682	15,166	14,741	14,719

Sources: [1] Alberta Treasury Board and Finance [2] City of Edmonton Urban Planning and Economy
[3] Canada Mortgage and Housing Corporation [4] Statistics Canada

Notes

1. Estimates of population and age distribution are as of July 1. Historical revisions, for census and estimates, resulted in updates to data for 2020-2023 inclusive compared to figures presented in the 2023 Annual Report.
2. Value reflects the metropolitan area of Edmonton. Revisions resulted in an update to 2023 figures compared to what was presented in the 2023 Annual Report.
3. The household median income reflects the "median total income, all families" per Statistics Canada. At the date of this report, the most recent reference year for which median family income data were available was 2022. Median family income data for subsequent years were held flat since data are not yet available. As such, compared to the figures in our 2023 Annual Report, 2022 was revised to reflect official data and 2023 was revised to reflect the official data for 2022.
4. Unemployment rates for 2020 and 2021 were revised by Statistics Canada.
5. Positions are stated in full time equivalents, as budgeted and exclude EPCOR.

STATISTICAL REVIEW FOR THE YEARS 2020 TO 2024
ASSESSMENT AND TAX LEVY

Unaudited (in thousands of dollars, except per capita)

	2024	2023	2022	2021	2020
Assessment:					
Total taxable assessment	**$ 190,923,220**	$ 186,363,903	$ 175,116,508	$ 168,434,321	$ 172,472,851
Percentage of total assessment represented by:					
Residential properties (%)	**78.9**	78.7	78.8	77.3	76.0
Commercial properties (%)	**21.1**	21.3	21.2	22.7	24.0
Taxable assessment per capita	**$ 160,378**	$ 163,429	$ 163,658	$ 173,247	$ 177,401
Assessment for principal taxpayers (%) (Note 1)	**4.4**	4.5	4.4	4.4	4.7
Rates of taxation (mills):					
Single family residences	**10.17**	9.45	9.39	9.59	9.33
Other residential property	**11.09**	10.50	10.42	10.64	10.35
Mature area derelict residential (Note 2)	**25.17**				
Commercial and industrial	**26.46**	24.47	25.18	24.15	22.22
Property tax levy, collections, and arrears:					
Arrears at January 1 (net)	**$ 99,920**	$ 88,128	$ 80,913	$ 104,240	$ 67,117
Tax Levy	**2,704,268**	2,452,674	2,327,762	2,259,343	2,242,982
Appeals and adjustments	**(20,288)**	(13,387)	(12,314)	(14,424)	(1,661)
Collections:					
Regular	**(2,552,619)**	(2,318,871)	(2,212,175)	(2,164,436)	(2,135,047)
Community Revitalization Levy	**(40,729)**	(36,967)	(36,129)	(34,614)	(36,474)
Arrears	**(102,565)**	(95,016)	(83,555)	(90,013)	(46,594)
Penalties on prior year arrears	**27,292**	23,359	23,626	20,817	13,917
Arrears at December 31 (net)	**$ 115,279**	$ 99,920	$ 88,128	$ 80,913	$ 104,240
Percentage of current property taxes collected (%)	**96.6**	96.6	97.1	98.0	96.9
Percentage of net property tax arrears collected (%)	**102.6**	107.8	103.3	86.4	69.4
Property tax arrears per capita (gross)	**$ 100.97**	$ 92.29	$ 87.61	$ 89.48	$ 112.10
Property tax arrears per capita (net)	**97.00**	87.79	82.54	83.22	107.22
Property tax levy per capita	**2,271.62**	2,150.83	2,175.44	2,323.89	2,307.07
Business improvement area tax levy	**$ 4,519**	$ 4,080	$ 3,727	$ 3,426	$ 3,854
Education requisitions	**$ 529,120**	$ 497,110	$ 497,033	$ 493,416	$ 495,499

Source: City of Edmonton Financial and Corporate Services

Notes

1. Includes the ten highest property owners by assessment value.
2. New tax subclass in 2024 for residential properties in mature neighbourhoods that show serious signs of neglect, are falling into significant disrepair or are unlivable.

STATISTICAL REVIEW FOR THE YEARS 2020 TO 2024
INVESTMENT FUNDS (NOTE 1)

Unaudited (in thousands of dollars)

	2024	2023	2022	2021	2020
Balanced Fund					
Net assets – market value	**$ 1,079,968**	$ 888,966	$ 819,440	$ 888,741	$ 838,853
Net assets – cost	**1,031,498**	883,775	857,979	840,732	772,507
Net earnings	**56,614**	25,796	17,247	67,595	25,771
Fund rate (%)	**6.4**	3.0	2.1	8.8	3.5
Market (%)	**11.1**	9.0	(7.4)	6.2	10.2
Ed Tel Endowment Fund					
Net assets – market value	**$ 1,045,563**	$ 936,456	$ 891,660	$ 996,922	$ 912,823
Net assets – cost	**925,780**	877,087	867,378	891,958	813,103
Net earnings	**95,121**	54,378	29,420	119,542	29,790
Fund rate (%)	**10.8**	6.3	3.3	14.7	3.6
Market (%)	**17.2**	11.1	(4.6)	14.4	11.6

Source: City of Edmonton Financial and Corporate Services

Notes

1. This schedule summarizes significant investment funds maintained by the City of Edmonton.

    a. Net earnings are realized earnings of the fund as calculated in accordance with Canadian Public Sector Accounting Standards.

    b. Fund return is the rate expressed as the net earnings over prior year net assets at cost.

    c. Market return is based on the time-weighted method, in accordance with industry standards.

STATISTICAL REVIEW FOR THE YEARS 2020 TO 2024
LONG-TERM DEBT

Unaudited (in thousands of dollars)

	2024	2023	2022 Restated	2021	2020
Borrowing (Note 1)					
Self-liquidating	**$ 24,789**	$ 97,302	$ 45,716	$ 92,088	$ 21,465
Tax-supported	**421,397**	415,609	567,407	227,308	347,535
	$ 446,186	$ 512,911	$ 613,123	$ 319,396	$ 369,000
Total debt servicing limit (26% of City revenue)	**$ 939,211**	$ 871,231	$ 798,997	$ 777,153	$ 761,396
Total debt servicing	**391,900**	420,745	341,907	289,066	291,842
Percentage used (%)	**41.7**	48.3	42.8	37.2	38.3
Total debt servicing limit (21% of City revenue)	**$ 758,593**	$ 703,687	$ 645,344	$ 627,700	$ 614,974
Total debt servicing	**391,900**	420,745	341,907	289,066	291,842
Percentage used (%)	**51.7**	59.8	53.0	46.1	47.5
Tax-supported debt servicing limit (18% of tax-supported net operating expenditures)	**$ 514,567**	$ 481,738	$ 446,077	$ 406,545	$ 397,314
Tax-supported debt servicing (Note 1)	**337,068**	366,798	269,981	239,596	243,270
Percentage used (%) (Note 1)	**65.5**	76.1	60.5	58.9	61.2
General government debt service (Note 2)	**$ 368,954**	$ 388,133	$ 275,884	$ 256,510	$ 257,904
General government debt service as a percentage of general government operating expenses (%) (Note 2)	**10.4**	11.5	8.6	8.9	9.2
Long-term debt (gross) (Note 1)					
Self-liquidating	**$ 947,661**	$ 992,523	$ 963,163	$ 1,006,080	$ 980,295
Tax-supported	**3,848,319**	3,634,125	3,467,293	3,063,839	2,982,467
Long-term debt (net of EPCOR) (Note 1)					
Self-liquidating	**$ 520,113**	$ 533,361	$ 473,036	$ 482,732	$ 424,679
Tax-supported	**3,848,319**	3,634,125	3,467,293	3,063,839	2,982,467
Net debt per capita (Note 1 and 3)					
Self-liquidating	**$ 437**	$ 474	$ 441	$ 459	$ 406
Tax-supported	**3,233**	3,228	3,230	2,915	2,850
	$ 3,670	$ 3,701	$ 3,671	$ 3,374	$ 3,256
Percentage of total debt to be retired					
Within 5 years	**27.6**	27.8	29.6	29.3	27.8
Within 10 years	**54.7**	52.3	54.0	55.2	53.7

Source: City of Edmonton Financial and Corporate Services

Notes

1. Non Profit Housing debt was reclassified from self-liquidating debt to tax-supported debt and 2020 to 2023 have been presented accordingly. Also, 2022 was restated for the implementation of PS 3280 (Asset Retirement Obligations).
2. Debt servicing includes principal and net interest.
3. Historical revisions made by Alberta Treasury Board and Finance, for census and estimates, resulted in updates to data for 2020-2023 inclusive compared to figures presented in the 2023 Annual Report.

STATISTICAL REVIEW FOR THE YEARS 2020 TO 2024
CONSOLIDATED EXPENSES

Unaudited (in thousands of dollars)

Operating Expenses by Function	2024	2023	2022 Restated	2021	2020
Transportation services	**$ 1,113,995**	$ 1,038,686	$ 1,028,422	$ 908,266	$ 910,510
Protective services	**909,246**	846,059	793,781	789,587	776,033
Community services	**839,792**	803,888	774,897	623,868	592,064
Utility and enterprise services	**270,485**	279,137	231,463	227,839	223,074
Corporate administration, general municipal and other	**643,077**	649,074	555,345	505,134	476,014
Fleet services	**43,227**	41,897	42,073	38,809	45,755
	$ 3,819,822	$ 3,658,741	$ 3,425,981	$ 3,093,503	$ 3,023,450

Operating Expenses by Object	2024	2023	2022 Restated	2021	2020
Salaries, wages and benefits	**$ 1,885,034**	$ 1,790,672	$ 1,669,501	$ 1,590,910	$ 1,577,596
Materials, goods and utilities	**378,726**	398,438	375,452	298,161	284,160
Contracted and general services	**524,957**	426,028	349,361	297,018	275,852
Interest and bank charges	**164,391**	171,934	132,786	116,655	143,915
Grants and other	**151,480**	145,993	159,287	158,818	125,483
Amortization of tangible capital assets	**686,572**	661,037	653,839	620,337	591,167
Loss on disposal, impairment and transfer of tangible capital assets	**28,662**	64,639	85,755	11,604	25,277
	$ 3,819,822	$ 3,658,741	$ 3,425,981	$ 3,093,503	$ 3,023,450

Source: City of Edmonton Financial and Corporate Services

Note: 2022 was restated for the implementation of PS 3280 (Asset Retirement Obligations).

STATISTICAL REVIEW FOR THE YEARS 2020 TO 2024
CONSOLIDATED REVENUE AND CAPITAL FINANCING

Unaudited (in thousands of dollars)

Revenues	**2024**	2023	2022	2021	2020
Net taxes available for municipal purposes	**$ 2,136,888**	$ 1,927,510	$ 1,807,124	$ 1,745,774	$ 1,726,220
User fees and sale of goods and services	**652,311**	713,048	588,892	506,676	461,682
Subsidiary operations - EPCOR	**426,479**	361,250	379,855	387,730	275,699
Franchise fees	**222,436**	206,844	208,465	183,021	177,120
Investment earnings	**201,723**	140,294	198,070	144,879	277,454
Government transfers - operating	**165,793**	138,313	70,048	208,089	78,160
Licences and permits	**93,958**	74,484	80,286	77,618	69,072
Fines and penalties	**69,225**	69,454	69,528	67,223	81,858
Developer and customer contributions - operating	**32,787**	42,880	31,579	37,531	23,284
Revenues before capital	**$ 4,001,600**	$ 3,674,077	$ 3,433,847	$ 3,358,541	$ 3,170,549
Government transfers - capital	**701,483**	643,903	532,815	413,405	565,516
Contributed tangible capital assets	**61,611**	80,556	81,563	95,448	118,245
Developer and customer contributions - capital	**30,235**	24,903	6,689	6,770	8,873
Local improvements	**6,993**	13,160	12,384	11,468	24,723
	$ 4,801,922	$ 4,436,599	$ 4,067,298	$ 3,885,632	$ 3,887,906

Capital Additions by Financing Source	**2024**	2023	2022	2021	2020
Capital Additions	**$ 1,647,911**	$ 1,512,625	$ 1,396,658	$ 1,231,918	$ 1,497,579
Financing Sources Applied:					
Pay-As-You-Go	**116,276**	115,749	135,565	85,167	135,937
Debt	**487,389**	280,508	452,655	316,276	369,107
Government transfers - Provincial	**411,098**	431,255	310,344	302,751	354,231
Government transfers - Federal	**290,385**	212,648	222,471	110,654	211,285
Developer/partnership	**81,062**	103,746	87,424	113,934	148,410
Reserves/user fees/other	**261,701**	368,719	188,199	303,136	278,609
	$ 1,647,911	$ 1,512,625	$ 1,396,658	$ 1,231,918	$ 1,497,579

Source: City of Edmonton Financial and Corporate Services

STATISTICAL REVIEW FOR THE YEARS 2020 TO 2024
FINANCIAL POSITION, ANNUAL SURPLUS AND RESERVES

Unaudited (in thousands of dollars)

	2024	2023	2022 Restated	2021	2020
Financial assets	**$ 9,433,568**	$ 8,873,664	$ 8,511,069	$ 8,093,766	$ 7,527,483
Liabilities	**6,348,279**	6,041,676	5,804,011	5,370,784	5,027,496
Net financial assets	**3,085,289**	2,831,988	2,707,058	2,722,982	2,499,987
Non-financial assets	**16,069,443**	15,161,740	14,443,687	13,839,086	13,272,936
Accumulated surplus - ending	**$ 19,154,732**	$ 17,993,728	$ 17,150,745	$ 16,562,068	$ 15,772,923
Annual excess of revenues over expenses	**$ 982,100**	$ 777,858	$ 641,317	$ 792,129	$ 864,456
Other changes to Accumulated Surplus	**$ 178,904**	$ 65,125	$ (52,640)	$ (2,984)	$ (20,004)

Reserves					
Pay-As-You-Go capital	**$ 151,423**	$ 133,074	$ 140,956	$ 180,143	$ 122,725
LIght rail transit	**138,831**	151,573	114,759	86,567	56,110
Local improvement	**138,504**	142,730	140,564	138,880	137,940
Sanitary servicing strategy fund	**115,800**	103,417	70,614	56,009	56,584
Financial stabilization - unappropriated	**85,204**	151,629	68,402	121,746	129,015
Affordable housing	**80,757**	69,121	59,513	55,834	49,731
Financial stabilization - appropriated	**75,540**	100,003	192,360	180,952	213,320
Planning and development	**56,343**	45,600	41,177	29,512	16,558
Funds in lieu - residential	**46,799**	37,608	35,581	29,447	21,936
Fleet services - vehicle replacement	**42,910**	35,739	38,972	36,411	25,249
Developer recoveries	**23,097**	12,788	10,525	10,959	11,848
Industrial Infrastructure Cost Sharing Program	**14,942**	12,254	11,574	9,480	2,535
Rogers Place Arena capital	**12,930**	11,435	9,880	8,665	6,954
Tree management	**11,753**	11,800	8,533	9,793	9,463
Traffic safety and automated enforcement	**11,308**	10,538	901	7,375	20,347
Parkland	**10,428**	16,844	18,949	19,572	18,613
Natural areas	**9,670**	9,257	8,842	8,710	8,750
Pay-As-You-Go capital - Edmonton Police Services	**8,149**	8,229	13,569	17,422	7,009
Perpetual care	**7,279**	6,365	5,465	4,650	3,555
Commercial Revitalization	**7,016**	7,095	6,088	4,830	1,594
Heritage resources	**6,630**	6,336	6,036	5,032	3,724
Vehicle for hire	**5,806**	4,248	2,690	1,966	2,465
Community Safety and Well Being	**5,577**	10,178			
Tax-supported debt	**5,217**	1,000	14,513	16,707	5,456
St. Francis Xavier	**3,003**	3,036	2,774	2,488	2,245
Motor vehicle insurance	**2,500**	2,500	2,500	2,500	2,500
Neighbourhood renewal	**2,356**	16,084	24,174	19,579	18,477
Commonwealth Stadium	**1,389**	2,169	2,135	1,991	2,911
Public Art Reserve	**1,336**	2,901	4,252	3,420	
Edmonton Elections Reserve	**1,054**				
Development incentive					1,999
Edmonton Police Service	**(580)**	(1,102)	312	(2,895)	7,034
Brownfield redevelopment	**(866)**	(2,047)	(3,131)	(2,850)	(2,329)
Community revitalization levy - Downtown	**(9,453)**	(10,529)	(10,247)	(11,770)	(13,839)
Community revitalization levy - Belvedere	**(17,015)**	(16,401)	(15,209)	(14,205)	(11,025)
Community revitalization levy - Quarters	**(23,031)**	(19,265)	(16,401)	(14,211)	(12,214)
Interim financing	**(33,438)**	(34,765)	(36,137)	(37,749)	(37,838)
Other	**41**	68	60	53	389
	999,209	1,041,510	975,545	987,013	889,791
City of Edmonton Library Board	**16,502**	15,598	12,672	12,488	6,968
Non-Profit Housing Corporation	**12,873**	3,120	4,928	6,511	6,680
Fort Edmonton Management Company				30	30
	$ 1,028,584	$ 1,060,228	$ 993,145	$ 1,006,042	$ 903,469

Source: City of Edmonton Financial and Corporate Services

Note: 2022 was restated for the implementation of PS 3280 (Asset Retirement Obligations).

RELATED BOARDS AND AUTHORITIES

Further information regarding the Related Boards and Authorities can be obtained from the following sources:

Explore Edmonton

3rd Floor, World Trade Centre Edmonton
9990 Jasper Avenue
Edmonton, Alberta T5J 1P7
E-mail: info@exploreedmonton.com
Web: exploreedmonton.com
Chair: Karen Oshry
CEO: Traci Bednard

Edmonton Police Commission

Suite 1803 Rice Howard Place, Tower 2
10060 Jasper Avenue
Edmonton, Alberta T5J 3R8
Phone: 780-414-7510
E-mail: info@edmontonpolicecommission.ca
Web: edmontonpolicecommission.com
Chair: Ben Henderson
Chief of Police: Chief Warren Driechel (Interim) & Chief Devin Laforce (Interim)

The City Of Edmonton Non-Profit Housing Corporation (HomeEd)

11410 - 149 Street
Edmonton, Alberta T5M 4G4
Phone: 780-474-5706
E-mail: info@myhomeed.ca
Web: myhomeed.ca
Chair: Dave Rumbold
CEO: Nick Lilley

Edmonton Unlimited

10107 Jasper Avenue
Edmonton, Alberta T5J 1W8
Phone: 780-868-3233
Web: edmontonunlimited.com
Chair: Lindsay Dodd
CEO: Tom Viinikka

EPCOR Utilities Inc.

2000 - 10423 101 Street NW, Epcor Tower
Edmonton, Alberta T5H 0E8
Phone: 780-412-3414
Web: epcor.com
Chair: Janice Rennie
President and CEO: John Elford

Edmonton Public Library

7 Sir Winston Churchill Square NW
Edmonton, Alberta T5J 2V4
Phone: 780-496-7000
Web: epl.ca
Chair: James Crossman
CEO: Pilar Martinez

Fort Edmonton Management Company

Fort Edmonton Park
7000 - 143 Street NW
P.O. Box 2359
Edmonton, Alberta T5J 2R7
E-mail: hello@fortedmanagementco.ca
Web: fortedmanagementco.ca
Chair: Jim McKillop
President and CEO: Alan Nursall (Interim)

Edmonton Combative Sports Commission

3 Sir Winston Churchill Square NW
Edmonton, Alberta T5J 2C3
Phone: 780-218-2966
Email: ecsc@edmonton.ca
Chair: Trevor Kelly
Executive Director: Forrest Gavins

For more information visit: edmonton.ca

If you have inquiries about the 2024 Annual Report, direct them by mail or phone at:

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**

ANNUAL REPORT 2024

Edmonton, Alberta, Canada
for the year ended December 31, 2024

Edmonton