

Financial and Corporate Services

**FCS02843 | City of Edmonton**  
**2024 Consolidated Financial Statements**

# Legislated Financial Statements

## Purpose & Requirements

- MGA requires municipalities to produce annual legislated financial statements in accordance with PSAS
- Must be made public by May 1st of the following year
- Audited with findings presented to Audit Committee
- Intended audience is Council, academia, financial institutions, credit rating agencies, other orders of government
- Summary provided through Financial Report to Residents

# Legislated Financial Statements

## Reporting Entity

- Tax-supported departments
- Utility and enterprise operations
- The City of Edmonton Library Board
- Explore Edmonton Corporation
- Fort Edmonton Management Company
- Edmonton Combative Sports Commission
- The City of Edmonton Non-Profit Housing Corporation
- Edmonton Unlimited
- Ed Tel Endowment Fund

# Legislated Financial Statements

## Legislated Reporting vs. Performance Reporting

<b>Legislative Reporting (Consolidated Financial Statements)</b>	<b>Financial Performance Reporting (Quarterly Financial Updates)</b>
Consolidated (Reporting Entity)	City of Edmonton Legal Entity Only
Amortization Included	Amortization Excluded
Reserve Transfers Excluded	Reserve Transfers Included
Debt Principal Repayments Excluded	Debt Principal Repayments Included

## New Standards in 2024

- PS 3400 Revenue
- PSG-8 Purchased Intangibles

*Effective January 1, 2024, applied prospectively without restatement of 2023*

- PS 3160 - Public Private Partnerships

*Effective January 1, 2024, applied retroactively without restatement of 2023*

# PS 3400 Revenue

## Description

- Recognition, measurement and disclosure requirements for specific types of revenue
- Accounting treatment for revenues arising from transactions with and without performance obligations

## Impact

- Net impact on January 1, 2024 revenues of was a decrease of revenue of \$1.0M.
- Affects timing of when revenues are recognized
- Additional disclosure requirements

## PSG 8 Purchased Intangibles

### Description

- Allows for recognition of purchased intangible assets
- Definition - non-monetary, non-physical asset acquired through an arm's-length transaction

### Impact

- None identified upon implementation

# PS 3160 Public Private Partnerships

## Description

- Establishes standard for accounting for public private partnerships (P3)
- P3 is defined as a project where the private sector is responsible to design, build, finance, operate and maintain the infrastructure

## Impact

- Additional disclosure requirements
- Rehabilitation payments will be straight-lined over the term of the agreement

## Accounting Errors

- Tangible Capital Asset Contributions
- Investment earnings
- Expropriation Liability
- P3 Loan Modification
- Improve processes and additional training to reduce chances of accounting errors in future years

## Other Items

- Tax-supported deficit
  - Deficit of \$4.2M vs \$0.7M preliminary deficit reported on March 18th
- Management estimates
  - Preparation of financial statements includes amounts based on the best estimates and professional judgement of management
- Future accounting standards

## Next Steps

- April 22, 2025  
Statements to City Council for approval
- May 1, 2025  
2023 Annual Report posted on the City of Edmonton website
- May 1, 2025  
Provincial Financial Information Return and statements to Municipal Affairs
- Summarized Financial Report to Residents to follow

**Thank you.**