

CITY OF EDMONTON 2025 CONSOLIDATED FINANCIAL STATEMENTS

Recommendation

That Audit Committee recommend to City Council:

That the 2025 City of Edmonton audited consolidated financial statements, as set out in Attachment 1 of the April 10, 2026, Financial and Corporate Services report FCS03315, be approved.

Requested Action	Decision required
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals
CONNECTED This unifies our work to achieve our strategic goals.	N/A
City Plan Values	N/A
Corporate Business Plan	Managing the corporation
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • Bylaw 16097 - Audit Committee Bylaw • C629A - Financial Stabilization Reserve (FSR) • C203D - Debt Management Fiscal Policy
Related Council Discussions	<ul style="list-style-type: none"> • March 17, 2026, Financial and Corporate Services report FCS03314, Operating Financial Update - December 31, 2025

Executive Summary

- This report presents the City of Edmonton 2025 audited consolidated financial statements for review and recommendation by Audit Committee, and subsequent review and approval by Council.
- Audit Committee recommendation and subsequent approval by Council of the 2025 audited consolidated financial statements for the City of Edmonton meets the legislative requirements

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for annual financial reporting set out in the *Municipal Government Act* and Bylaw 16097 - Audit Committee Bylaw.

- Pending approval of the financial statements by Council and obtaining a signed management representation letter, KPMG LLP is prepared to issue an audit opinion for the City of Edmonton 2025 consolidated financial statements.
- The audit opinion would state that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Edmonton as at December 31, 2025, and its consolidated results of operations, its consolidated remeasurement gains and losses, its consolidated changes in net financial assets, and its consolidated cash flows, and its notes and schedules to the consolidated financial statements for the year then ended in accordance with Canadian public sector accounting standards.

REPORT

Section 276(3) of the *Municipal Government Act* (MGA) requires:

Each municipality must make its financial statements, or a summary of them, and the auditor's report of the financial statements available to the public in the manner the council considers appropriate by May 1 of the year following the year for which the financial statements have been prepared.

Further to this, MGA Section 276(1)(a) and (b) specify that the financial statements be prepared in accordance with:

- (a) Canadian generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board included in the CPA Canada Public Sector Accounting Handbook, and
- (b) any modification of the principles or any supplementary accounting standards or principles established by the Minister by regulation.

Bylaw 16097 - Audit Committee Bylaw, sets out the authority of Audit Committee as it relates to the financial statements, as outlined in sections 22 and 23 of the bylaw:

- 22 The Committee will annually review the following matters:
 - a. the completeness and clarity of financial statement reporting;
 - b. estimates and assumptions underlying financial statement reporting;
 - c. financial statement reporting practices;
 - d. compliance with generally accepted accounting standards for the public sector or changes to those standards;

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- e. impact of any change in the City's reporting practices on the City's financial statements; and
- f. issues affecting approval of the City's audited financial statements.

23 The Committee will recommend to Council:

- a. that the annual audited financial statements be approved; and
- b. further actions or information that Council may desire in relation to the City's financial reporting.

Management (City Administration) has prepared and takes responsibility for the consolidated financial statements (Attachment 1), which includes:

- Management's Responsibility for Financial Reporting;
- Independent Auditors' Report provided by KPMG LLP, to be signed subsequent to obtaining a signed management representation letter and approval of consolidated financial statements by Council on April 15, 2026; and
- 2025 consolidated financial statements for the City of Edmonton.

Attachment 2 includes the Financial Statement Discussion and Analysis for December 31, 2025, which complements the consolidated financial statements.

Subject to the approval of the consolidated financial statements, the contents of Consolidated Financial Statements (Attachment 1) and Financial Statement Discussion and Analysis (Attachment 2) will be included within the City of Edmonton 2025 Annual Report, which will be made available on the City's website prior to May 1, 2026, as required by the MGA. The City of Edmonton 2025 Annual Report will be submitted to the Government of Alberta's Minister of Municipal Affairs and provided to other statement users, including other governments, financial institutions, credit rating agencies, insurers, universities and libraries. Summary financial reporting will also be made public.

For the 32nd consecutive year, the quality of the City of Edmonton's financial reporting was recognized with the Government Finance Officers Association Canadian Award for Financial Reporting for Edmonton's 2024 Annual Report.

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2025 Consolidated Financial Statements

Accounting Policies, Standards and Assumptions

Significant accounting policies applied in the preparation of the 2025 consolidated financial statements are outlined in Note 1, Attachment 1, of the consolidated financial statements, and cover concepts such as:

- what comprises the City's reporting entity;
- the use of accrual accounting as the basis of accounting;
- the use of estimates and assumptions;
- accounting policies related to foreign currency, revenue recognition, local improvements, financial instruments, cash and cash equivalents, portfolio investments, debt recoverable, land for resale, liability for contaminated sites, deposits, deferred revenues, employee benefit obligations, asset retirement obligations, public-private partnerships and non-financial assets (including tangible capital assets);
- future accounting standard pronouncements that may impact future reporting.

There were no new accounting standards that were effective for the City's 2025 fiscal year.

There were no audit misstatements identified by the external auditor (KPMG LLP) related to the City's 2025 consolidated financial statements.

Community Insight

Administration is committed to providing financial reporting back to Council and residents that demonstrates how the City has delivered on the goals and objectives set out in the budget. Through various channels (including formal public engagement, community conversations/tables, 311, social media and speakers at Council committees), the City of Edmonton listens to the needs, desires and financial realities of Edmontonians as it procures and delivers infrastructure and services on behalf of the community.

GBA+

GBA+ has not been completed as financial statements reflect the reporting of actual results of the operations of the City.

Environment and Climate Review

This report was reviewed for environment and climate risks. Based on the review completed, no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

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Attachments

1. 2025 Consolidated Financial Statements
2. 2025 Financial Statement Discussion and Analysis
3. 2025 Management Assumptions and Estimates