

CITY OF EDMONTON 2005 FINANCIAL RESULTS

2005 IN REVIEW

The City of Edmonton continues to achieve strong financial results indicative of both continued solid fiscal management and a vibrant economy. The \$41.7 million surplus from tax-supported operations for 2005 represents 3.6 percent of the budget and largely reflects increased revenue from a number of sources.

- Ongoing growth and a strong local economy resulted in increased revenues from user fees in areas such as transit, waste management, licenses and permits, and in franchise fees.
- Improved capital markets resulted in higher than budgeted investment earnings. A change in Provincial legislation provided major cities with the ability to invest in BBB securities and income trusts. This created an opportunity to swap certain investments and realize gains resulting from changes to the City's investment holdings.
- Tax assessment growth exceeded expectations while expenditures for appeals and written off accounts were less than anticipated.

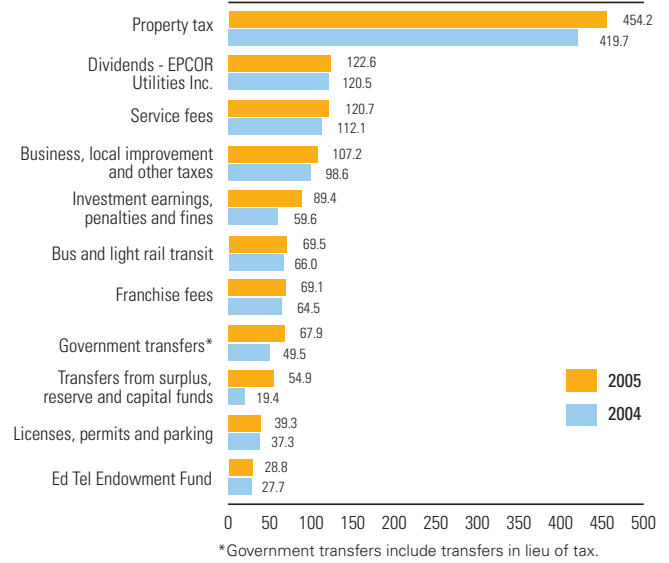
The tax-supported surplus will be added to the Financial Stabilization Reserve, available to address future emerging needs and to provide flexibility in times of revenue instability. With this addition to the reserve, the target level of seven percent of general government operating expenditures is reached, and any excess is available to fund priority needs over the next 3 fiscal years. In 2006, Council has approved a portion of the funds to be used for affordable housing initiatives, to provide support for the Ukrainian Canadian Archives and to pilot an affordable access to recreation strategy.

Included in this document are financial schedules which outline the 2005 revenues, expenditures and fund transfers for the tax-supported programs and services the City provides. Summarized information on utility and subsidiary operations is included in the Other Financial Information chart.

Consolidated financial statements, as audited by the independent accounting firm of Deloitte and Touche LLP, form part of the 2005 City of Edmonton Annual Report. The Annual Report is available for review on the City of Edmonton web site at www.edmonton.ca, or at any of the public library locations.



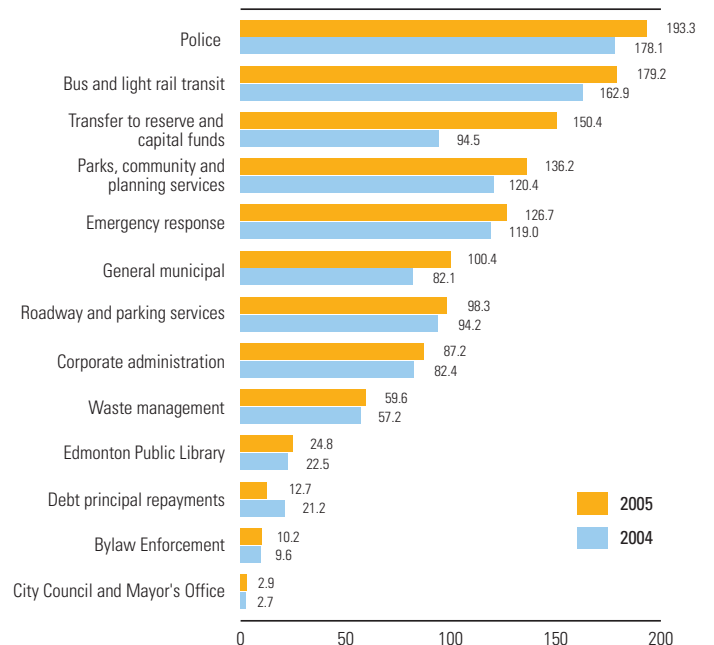
WHERE THE MONEY TO RUN THE CITY COMES FROM (millions of dollars)



YOUR PRIORITIES

Edmontonians have said that some of their top priorities for increased funding are police services and public transit. In 2005, we invested more in these areas than in any other.

SERVICES SUPPORTED (millions of dollars)





SUMMARY OF MUNICIPAL OPERATIONS - RESTATED (Note 1)

For the Year Ended December 31, 2005

Revenues (in thousands of dollars)	Budget 2005	Actual 2005	Expenditures (in thousands of dollars)	Budget 2005	Actual 2005
Taxation:			Police	\$ 194,120	\$ 193,319
Property	\$ 453,332	\$ 454,201	Bus and light rail transit	177,740	179,172
Business	89,857	93,343	Emergency response	125,691	126,684
Local improvements	11,064	10,815	Parks and recreation	96,940	103,123
Government transfers in lieu of tax	16,111	16,278	General municipal (Note 3)	93,435	100,501
Other	2,341	3,043	Roadway and parking services	94,532	98,326
	572,705	577,680	Corporate administration (Note 2)	87,230	87,231
General municipal services and other	108,776	120,670	Waste management	59,546	59,605
Bus and light rail transit	66,016	69,481	Edmonton Public Library	24,757	24,757
Franchise fees	65,548	69,119	Planning services	16,468	17,317
Investment earnings	21,015	55,305	Community and family	16,142	15,764
Government transfers	45,145	51,601	Bylaw enforcement	9,564	10,203
Fines and penalties	32,257	34,090	City Council and Mayor's Office	3,121	2,894
Licenses and permits	24,870	30,387			
Ed Tel Endowment Fund contribution	28,393	28,788	Municipal expenditures before		
Parking	8,545	8,967	transfers and debt principal repayments	999,286	1,018,896
			Debt principal repayments	10,756	12,652
Municipal revenues before transfers			Transfer to reserve fund	33,304	35,518
and dividends	973,270	1,034,601	Transfer to capital fund (Note 4)	108,601	114,853
Dividends from EPCOR Utilities Inc.	122,669	122,669			
Transfer from operating surplus	37,360	38,523	Total Municipal Expenditures	1,151,947	1,181,919
Transfer from reserve fund	15,766	11,341			
Transfer from capital fund	2,882	4,997	Excess of revenues over expenditures	\$ -	\$ 41,699
Total Municipal Revenues	\$ 1,151,947	\$ 1,223,618			

NOTES TO SUMMARY OF MUNICIPAL OPERATIONS:

- Budget and Actual 2005 figures are consistent with those included in the City's audited restated consolidated financial statements.
- Corporate administration consists of personnel and administrative costs for Corporate Services, Assessment and Taxation, and Offices of the City Manager and City Auditor.
- General municipal expenditures consist of accommodation expenditures, tax expenditures, grants-in-aid, subsidies to miscellaneous Boards and Authorities and general financial costs.
- Transfer to capital fund represents pay-as-you-go funding from general revenue for capital projects.

OTHER FINANCIAL INFORMATION

For the Year Ended December 31, 2005

(in thousands of dollars)	Revenues	Expenditures	Net Income	Contribution to municipal operations
EPCOR Utilities Inc.	\$ 2,727,240	\$ 2,540,102	\$ 187,138	\$ 157,269
Ed Tel Endowment Fund - restated (unaudited)	82,225	1,627	80,598	28,788
Sanitary Drainage Services (unaudited)	99,777	72,515	27,262	12,160
Land Drainage Services (unaudited)	15,508	10,861	4,647	
Edmonton Economic Development Corporation	22,539	21,417	1,122	
Edmonton Public Library	30,062	29,394	668	

The financial results provided above are consistent with those reported in the annual financial statements for the respective organizations or operations. The contribution to municipal operations reflects the amount, excluding taxation, included in the Summary of Municipal Operations. Edmonton Economic Development Corporation revenues include \$ 10,017 of tax levy funding. Edmonton Public Library revenues include \$ 24,757 of tax levy funding.