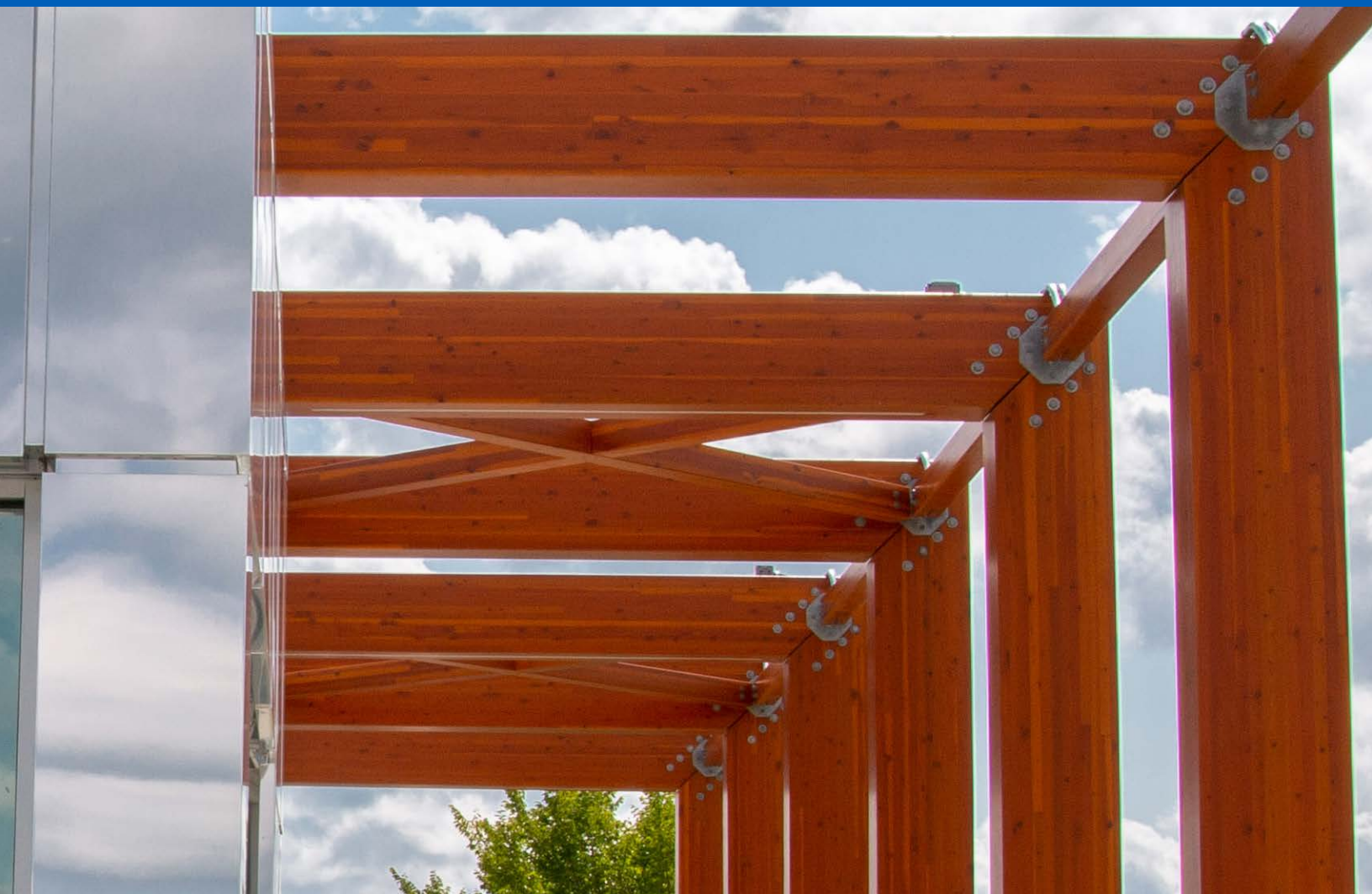


**20  
19**



## **ANNUAL REPORT**

For the fiscal year ended  
**December 31, 2019**  
City of Spruce Grove  
Alberta, Canada



20  
19

**ANNUAL REPORT**



City of Spruce Grove, Alberta  
2019 Annual Report for the year ended December 31, 2019  
Prepared by: Finance and Corporate Communications

315 Jespersen Ave., Spruce Grove  
AB, Canada T7X 3E8  
780-962-2611  
sprucegrove.org

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## Our Purpose

To build an exceptional city through innovation, leadership and committed public service.

## Our Vision

As outlined in Building an Exceptional City, the City's 2018–2035 Strategic Plan, the vision for the future of Spruce Grove is that it's the best place to live, to experience community and to grow a strong, successful business.

### ■ **Where people choose to live**

**A dynamic city with an exceptional quality of life**

Through high quality municipal services, Spruce Grove is a safe, dynamic and affordable urban centre with an exceptional quality of life and is an inclusive, sustainable place through all ages and stages of life.

### ■ **Where people choose to experience community**

**A vibrant place for community involvement and social wellness**

Spruce Grove provides opportunities for engagement and participation in diverse and high quality arts and culture, leisure, recreation and sports activities.

### ■ **Where people choose to grow a business**

**A strong, diversified business centre**

Through innovation and supportive business development, Spruce Grove is a growing economic home to successful small business, commercial and industrial companies.

## Our Values

- Leadership
- Openness and responsiveness
- Service excellence
- Accountability
- Honesty and integrity

## Our Principles

- Sustainability through sound economic development
- Leadership in affordable quality and service delivery
- Affordability through prudent fiscal management
- Leadership in collaboration to ensure best value for all
- Building a complete community for all
- Sustainability through environmental stewardship

# Mayor's message

Spruce Grove is truly a caring community and I am continually reminded of the many reasons why I am proud to live here. Our residents are invested in this city; they are both proud citizens and good neighbours who want to see our community continue to grow and thrive.

This passion and pride are also shared by my colleagues on Spruce Grove City Council and it fuels our long-term vision of building an exceptional city where people choose to live, experience community and grow a business.

We are committed to developing a dynamic, urban centre with a variety of housing options to choose from, and cultivating a safe community where residents can connect and enjoy an active, healthy lifestyle with access to high-quality amenities. In many ways, our business community is the heartbeat of our city and so we also have a strong desire to see industry succeed and contribute to making Spruce Grove a robust, diversified, regional business centre.

As we work to achieve all this, we are transitioning into a mid-sized city and I am excited by all that was accomplished last year. In the 2019 Annual Report you'll find a summary of last year's major milestones and project highlights.

This includes, for example, details about the completed renovation phase of the Protective Services Facility, construction of a new Parkland RCMP detachment, and welcoming two new inductees into our Awards of Excellence program.



## Stuart Houston

It is my sincere hope that as you read about all that was achieved last year, you will find a new – or renewed – sense of community pride in Spruce Grove. It really was an outstanding year for our city and I am proud to celebrate our successes.

As we continue the important work of building this great city, we are committed to creative thinking, innovation and collaboration. Our future is bright and by working together, I looking forward to seeing what we can accomplish together as we make this a place we are all proud to call home.



# City Manager's message



Simon Farbrother

On behalf of the City of Spruce Grove, I am pleased to present our 2019 Annual Report, which highlights many of our accomplishments and audited financial statements from last year.

As an organization, City Administration works together under the direction of Spruce Grove City Council to realize their long-term vision of making Spruce Grove an exceptional city where people choose to live, experience community and grow a business. It is the connection between this strategic thinking and the pursuit of excellence in our day-to-day operations that is at the centre of our decisions.

The City works diligently to provide a high standard of service to residents and businesses with an innovative attitude and future-focused outlook. Last year, among many projects, this included introducing a local transit service, developing a strategy to improve fibre-optic connectivity for business and industry, and making progress on the City Centre revitalization project.

We were able to achieve our successes and lay the groundwork for others to come because of the collaborative working relationship between City Council and Administration.

As we make the transition to a mid-sized city, it will be important for us to continue the work of city building and cultivating a corporate culture that promotes and encourages evolution, creative thinking and finding inventive solutions from within. This will also include looking for opportunities to collaborate with our regional municipal partners and other local organizations.

When you consider the other communities in the region, as well as our province, our country and beyond, we know there's never been more choice for people when choosing where they want to live, work and play, but I am confident that what we offer in Spruce Grove is a space and a place that people want to call home.

I am proud of what we achieved last year and encourage you to review some of those accomplishments in this annual report. There is still work to be done, but with Council's direction and leadership we will continue taking the steps to make Spruce Grove a dynamic, vibrant and welcoming city.



# City profile



The City of Spruce Grove is a vibrant, dynamic community of more than 35,000 people. Located just 11 kilometres west of Edmonton, the City offers housing options for everyone, excellent schools, sports, culture and recreation facilities, and a mix of businesses ranging from national retailers, shops, locally owned and chain restaurants, and professional services.

The City's plans, services and ongoing operations are carried out by a workforce of more than 300 employees who are overseen by three general managers and a Chief Administrative Officer who reports to Spruce Grove City Council.





# Spruce Grove City Council

*Serving the community of choice*

The City of Spruce Grove is governed by an elected council of a mayor and six councillors. Spruce Grove City Council is responsible for identifying the overall vision for the community and developing a long-term strategic plan for the city. Council also reviews and approves new or amended policies, procedures, and bylaws and approves the annual corporate plan, which is the City's principal guiding document for providing residents with a high quality of life at an affordable rate, while also staying the strategic course of municipal economic sustainability.

**Mayor and Council – 780-962-7604**

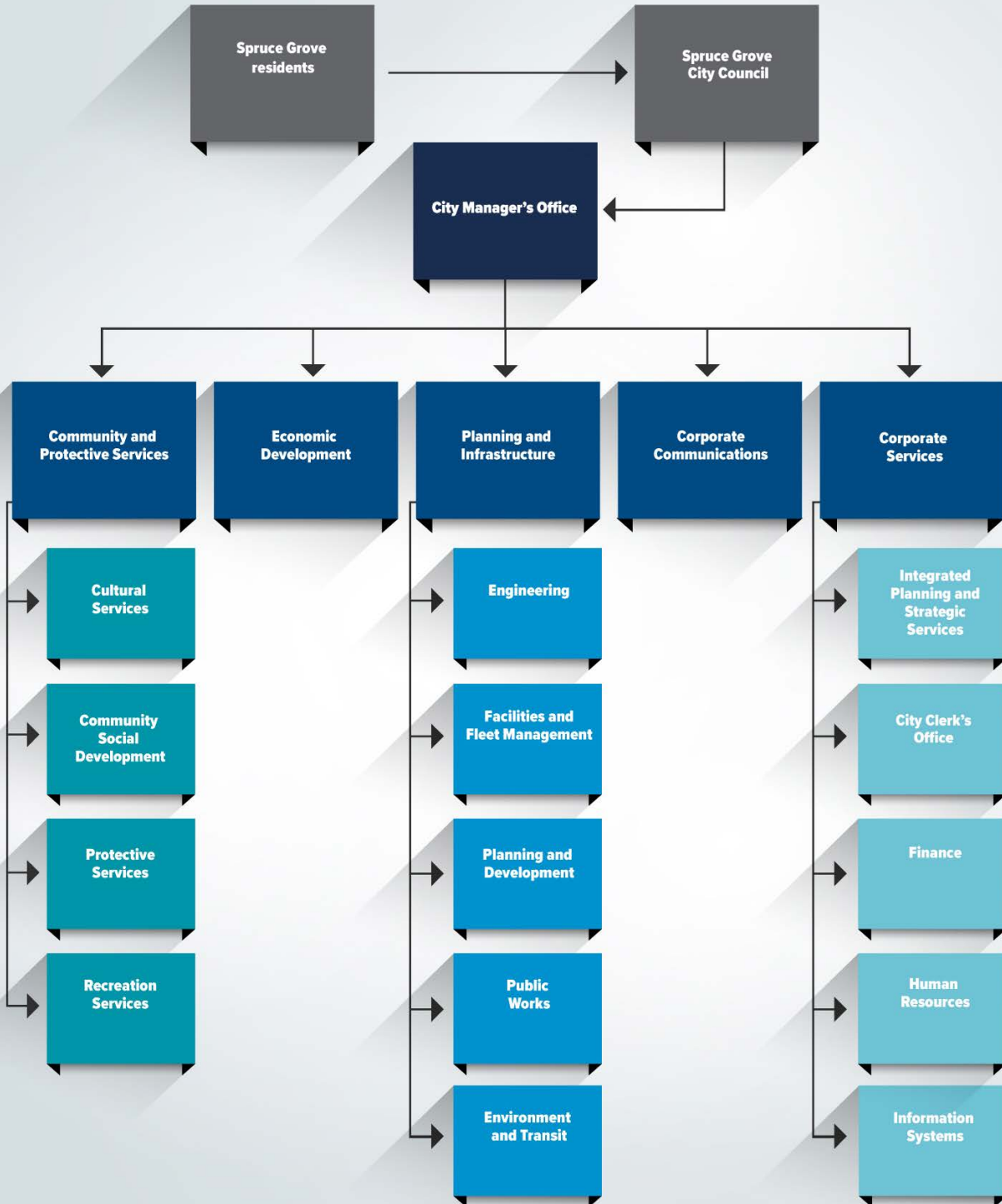
**[council@sprucegrove.org](mailto:council@sprucegrove.org)**

**Pictured left to right:** Councillor Chantal McKenzie, Councillor Dave Oldham, Councillor Erin Stevenson, Councillor Jeff Acker, Mayor Stuart Houston, Councillor Michelle Gruhlke, Councillor Wayne Rothe





# City Administration



## City Manager's Office

The Corporate Office includes the Chief Administrative Officer (CAO) who is responsible for the overall administration of the City of Spruce Grove and provides a key administrative leadership role to the organization. The CAO acts as a liaison between Spruce Grove City Council and Administration and ensures the implementation of City policies and programs. Corporate Communications and Economic and Business Development are also part of this area. Corporate Communications leads communications planning and consulting, branding and visual identity, writing and editing, issues management, crisis communications and media relations for the organization and supports the communication needs of other departments within the City. Economic and Business Development is responsible for facilitating programs and services intended to help local businesses prosper and grow, and attract new business and investment to Spruce Grove.

## Corporate Services

Corporate Services is comprised of several areas that focus on integrated strategic planning, legislative and policy administration, information management, insurance, risk and legal administration, election and census administration and customer service program coordination. Other responsibilities include human resource management, labour and employee relations, financial planning and reporting, information technology and network administration, corporate planning and asset management.

## Community and Protective Services

Community and Protective Services is comprised of several areas with responsibilities including preventative social programming, counselling, indoor and outdoor facility management, open space planning, recreation, community events, Horizon Stage, volunteer development, Enforcement Services and integrated Fire/EMS. In addition, Community and Protective Services works as the City's administrative liaison to the Spruce Grove Public Library, RCMP Officer in Charge, TransAlta Tri Leisure Centre, Specialized Transit Service, Yellowhead Regional Library and Allied Arts Council, and facilitates a number of boards and committees including the Community Police Advisory Committee, Horizon Stage Theatre Advisory Board, and the Joint Use Committee.

## Planning and Infrastructure

Planning and Infrastructure is comprised of several areas that are responsible for long-range planning, construction-related projects, monitoring the construction of new infrastructure by private interests, sustainability initiatives, and the ongoing maintenance of most of the City's traditional servicing infrastructure and physical assets. In addition, Planning and Infrastructure is responsible for providing a number of primary services through contract arrangements, including Spruce Grove Transit, solid waste, organics and recyclable materials collection, and all building, plumbing, electrical and gas inspections for new construction.



## 2019 HIGHLIGHTS

# Parkland RCMP detachment opens in Spruce Grove



The new Parkland RCMP detachment opened its doors in September 2019 and brought together employees from the previous Stony Plain and Spruce Grove detachments along with the RCMP's provincial services.

The \$22 million facility, located at 91 Campsite Rd., was jointly funded by the City of Spruce Grove, the Town of Stony Plain and the RCMP. The detachment features administrative spaces, a work out area, holding cells and vehicle bays, and can house approximately 160 employees.

To celebrate the completed facility, a grand opening event was held in October with community leaders, local RCMP officers and members of the public. Officials took part in a ribbon cutting ceremony and area residents had an opportunity to see RCMP vehicles and equipment up close, including trucks, boats and ATVs.

For more information about the Parkland RCMP, visit [sprucegrove.org/RCMP](http://sprucegrove.org/RCMP).





## 2019 HIGHLIGHTS

# Protective Services Facility nears completion

The City's Protective Services Facility saw a significant transformation in 2019 as work on the expansion wrapped up in August and renovation efforts began in the fall.

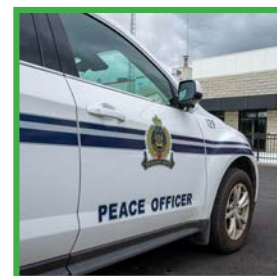
Located at the corner of King Street and Fifth Avenue, the Protective Services Facility is home to Spruce Grove Enforcement Services and Fire Services. In total, the expansion and renovation project cost \$23.6 million and will accommodate 75 staff with room for future growth.

The expanded area added 3,660 square metres to the existing building and features:

- Administrative and training spaces;
- Equipment bays with room for 18 emergency vehicles;
- A three-storey training tower; and
- Custom kitchen table built by Spruce Grove Composite High School students.

Construction on the expansion and renovation project began in July 2018 and was approved by Spruce Grove City Council in December 2016.

For more information and a look inside the building, visit [sprucegrove.org/PSExpansionRenovation19](http://sprucegrove.org/PSExpansionRenovation19).



## PROTECTING US IN 2019: BY THE NUMBERS

**5,249** incidents responded to by Spruce Grove Fire Services

**3,706** files generated by Spruce Grove Enforcement Services

## 2019 HIGHLIGHTS

# City launches local transit service

Residents have another option for getting around Spruce Grove with the launch of a new local transit service last year.

Route 568, which started running in September 2019, operates on weekdays and travels in a counterclockwise direction around Spruce Grove with stops including the TransAltra Tri Leisure Centre and Century Crossing.

To implement the service, the City purchased three new buses with funding through a partnership involving the Government of Canada, the Province of Alberta and the City of Spruce Grove.

The local route complements Spruce Grove Transit's commuter service, which consists of Routes 560 and 561.

For more information about Spruce Grove Transit, visit [sprucegrove.org/transit](http://sprucegrove.org/transit).

### GETTING YOU WHERE YOU NEED TO GO

**148,208** *total trips on Spruce Grove Transit in 2019*

**3,186** *total local transit trips*

**145,022** *total commuter transit trips*

**14** *per cent increase in transit ridership*





2019 HIGHLIGHTS

# Waste audit results



## CURBSIDE COLLECTION IN 2019 (IN TONNES)

Green organics cart: **3,170**

Blue recycle bag: **1,165**

Black waste cart: **7,287**

A residential waste audit was conducted in 2019 to help determine how household waste is disposed of in Spruce Grove. The audit, which included 100 houses from across the city, is completed every three years.

### The 2019 audit showed:

- The total waste diversion rate in Spruce Grove is 48 per cent.
- Residential food waste diversion nearly doubled to 21 per cent since 2016.
- 55 per cent of all recyclable materials are being properly sorted into the blue recycle bag.
- 58 per cent of materials in the black waste cart can be diverted to organics, recycling or the Eco Centre.
- Grass cuttings make up 66 per cent of the material collected in green organics carts in the summer. If left on the lawn instead of being disposed of through the cart system, residents could free up close to three quarters of their green organics cart.

To read the residential waste audit report, visit [sprucegrove.org/wasteaudit](https://sprucegrove.org/wasteaudit).



## SORT WITH SUCCESS

Download the City's waste sorting app and online guide to what goes where. Search individual items and learn how to properly sort household waste. It's easy to use and FREE for any iOS or Android device.

[sprucegrove.org/sort](https://sprucegrove.org/sort)

## 2019 HIGHLIGHTS

# Development highlights in 2019



**\$103.1M** *total building permit value*

**\$36.5M** *commercial, industrial and institutional building permit value*

**704** *development permits*

**668** *building permits*

**220** *housing starts (units that received building permits)*

[sprucegrove.org/permitactivity](http://sprucegrove.org/permitactivity)

## Let's connect

Whether you're looking for information on City Council, local amenities, or programs and services, the City uses a variety of ways to connect online with community members.

### Connecting with you online in 2019

**910,933** *website visits*

**9,205** *Facebook fans*

**6,061** *Twitter followers*

**2,484** *Instagram followers*

### Follow us and stay informed



[sprucegrove.org](http://sprucegrove.org)



[@sprucegrove](https://www.facebook.com/sprucegrove)



[@citysprucegrove](https://twitter.com/citysprucegrove)



[@cityofsprucegrove](https://www.instagram.com/cityofsprucegrove)



[City of Spruce Grove](https://www.youtube.com/CityofSpruceGrove)



[City of Spruce Grove](https://www.linkedin.com/company/cityofsprucegrove)



2019 HIGHLIGHTS

# Redeveloping the City Centre



The City continued work on revitalizing Spruce Grove's City Centre in 2019, focusing largely on creating an Area Redevelopment Plan (ARP) and facilitating public consultation.

Concentrated on enhancing the City Centre from King Street to Calahoo Road and from First Avenue to King Street Mall, the ARP addresses key infrastructure enhancements, design standards and redevelopment opportunities.

In addition to a major transformation of McLeod Avenue, a re-envisioned Columbus Park and creating four distinct precincts within the City Centre, the ARP outlines the following objectives:

- Rehabilitate aging infrastructure, including water lines, sidewalks, traffic controls and roadways;
- Amend the Land Use Bylaw to encourage redevelopment and revitalization;

- Enhance street front vibrancy;
- Increase residential densities in the city core by introducing new housing options; and
- Create a city core that better reflects the ambitions of a growing urban centre.

To ensure local residents could provide input into the ARP, a series of public consultation opportunities were provided throughout the year. This included two public hearings, community workshops and open houses.

For more information about the City Centre Area Redevelopment Plan, visit [sprucegrove.org/citycentreARP](https://sprucegrove.org/citycentreARP).



2019 HIGHLIGHTS

# Improved connectivity

Knowing improved Internet connectivity is essential to the long-term economic success and sustainability of the business community, the City approved a Fibre-Optic Broadband Strategy in 2019.

The strategy, which was developed for the City's commercial and industrial sectors, outlines the current state of business broadband services in the City as well as alternatives that would improve the situation. The strategy also provides a preliminary business case and overview of a potential implementation plan.

Included in the strategy are three key objectives:

- Create partnerships with the private sector to secure improved and competitive broadband services;
- Leverage the City's investment in its own fibre-optic infrastructure to achieve a more integrated network; and
- Establish capacity to achieve an open access network that can be used to promote competition and generate financial return.

Looking forward, the City's next step is to develop a business plan for implementation.

To read the complete strategy, visit [sprucegrove.org/broadbandstrategy](https://sprucegrove.org/broadbandstrategy).



## 2019 HIGHLIGHTS

# Local athletes recognized for excellence

Two local athletes who turned their skills into medals at the Paralympic Games and Olympic Games were inducted into the City's Awards of Excellence program last year.

Team Canada para ice hockey defenceman Steve Arsenault and Team Canada ice hockey goalie Ben Scrivens were both recognized in the Athletics category for their achievements. They were presented with their awards during the City's Canada Day Celebration on July 1, 2019, at Jubilee Park.

The Spruce Grove Awards of Excellence program was established in 2003 as a way for the City to recognize outstanding community members who have made contributions in the areas of athletics, arts, education, the environment, innovation, community service or significant achievement.

This is the highest form of recognition offered by the City and to be eligible, a nominee must have made a significant contribution to the City or have achieved national and/or international recognition in the nomination category.

For more information about the Awards of Excellence program and inductees, visit [sprucegrove.org/AOE](http://sprucegrove.org/AOE).



Ben Scrivens, left, and Steve Arsenault were inducted in the City of Spruce Grove's Awards of Excellence Program in 2019.



Ben Scrivens



Steve Arsenault



## WALL OF FAME

Located in Central Park, the Awards of Excellence sculpture of recognition is a vibrantly coloured piece of public art that displays all the names of the program's inductees.



# Chief Financial Officer's Report

*It is my pleasure to provide discussion and analysis for the Audited Consolidated Financial Statements for the year ending December 31, 2019. Section 276 of the Municipal Government Act outlines financial reporting requirements for municipalities. The financial statements in this document ensure the City of Spruce Grove meets those requirements. An equally important goal is openness and transparency of financial reporting for all stakeholders. Achieving this goal will help stakeholders to increase their trust in the governance decisions of City Council and the financial management of the City. Analysis of the financial statements also provides insight into financial condition thus allowing Council to make informed future decisions.*

*The City is engaged in many relationships that have an impact on financial decisions. The City's closest relationships exist with its tri-municipal region partners, the Town of Stony Plain and Parkland County. There are joint service agreements and shared commitments to capital projects. One facility that showcases this tri-municipal relationship is the TransAlta Tri-Leisure Centre; jointly built and operated by the municipalities through a Part IX company. The City's proportionate share of that facility's operation is consolidated in the financial statements being discussed. The Spruce Grove Public Library is also consolidated within these statements.*

## Roles and Responsibilities

Management bears full responsibility for the preparation of the consolidated financial statements and the integrity, relevance and comparability of the data within the statements. These statements are prepared in accordance with the Canadian Generally Accepted Accounting Principles (GAAP) and standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The external audit firm of KPMG LLP is appointed by City Council to express an audit opinion on the financial statements. The auditors issued an unqualified opinion on these statements; indication that there was no reason to withhold an audit opinion.

## 2019 Financial Discussion

The City of Spruce Grove made progress on major capital infrastructure in 2019. Some of the key projects included storm system upgrades in Brookwood; work on the water main expansion from Century Road to Pioneer Road; transit system growth in local service; water rehab projects;

completion of the new portion of the Protective Services Facility; and completion of the Parkland RCMP detachment jointly built with the Town of Stony Plain. The City looks forward to the completion of the renovation portion of the Protective Services Facility in 2020. This will integrate the bays from the previous facility into the new building.

The City of Spruce Grove's financial position has shifted downward from a net debt position in 2018 of \$26.4 million to a net debt position at the close of 2019 of \$28.9 million. Being in a net debt position implies that future dollars will be required to pay for past decisions. As the net debt is less than actual long-term debt, the future dollars required at this time are for debt payments and not for operations.

The actual debt of the municipality is \$42.1 million in 2019, up from \$38.4 million in 2018. The allowable long-term debt under section 276(2) of the Municipal Government Act for the City of Spruce Grove is \$128.6 million. By City policy, the self-imposed debt limit is 50 per cent of the provincial limit, therefore \$64.3 million. With the City's 2019 borrowing balance of \$42.1 million, it is currently below both of these





# Chief Financial Officer's Report

limits. Actual borrowing represents 32.7 per cent of the provincial limit and 65.5 per cent of the municipal limit. Debt per capita has increased from \$1,103 in 2018 to \$1,178 in 2019. The ratio of financial assets to liabilities also reflects the increased net debt position. At the close of 2018, the ratio of financial assets to liabilities was 0.74. This ratio has declined to 0.67 in 2019. This means that for every dollar of overall liabilities, the City currently has sixty-seven cents available for repayment of the liabilities. If long-term debt were taken out of this ratio, the City would have \$1.20 for every dollar of liabilities in 2018 and \$1.28 for every dollar of liabilities in 2019. This reflects that currently available assets are still able to cover current liabilities and future dollars are only required for debt repayment, which is to be expected.

The accumulated surplus of the municipality is \$516 million of which investment in tangible capital assets represents \$502 million; the cash surplus position of the municipality is therefore \$13.8 million or 2.7 per cent of overall surplus. The cash surplus position has increased from 2018 to 2019. This is still of some concern because the amount of cash position recommended for cash flow management and emergency preparedness is two to three months of expenses. For the City, the recommended amount would therefore be between \$16-24 million. With the current \$14 million cash surplus position, the City is short of this recommended position by \$2-10 million at the close of 2019. The cash surplus position of \$14 million is made up of a municipal surplus of \$21 million, a utility surplus of \$8 million and a developer deficit of \$15 million. By City policy, the municipal surplus is to be 20 per cent of expenses. The expenses for 2019 were \$94.6 million. The municipal surplus should therefore be \$18.9 million. It is currently \$21 million, which represents 22 per cent of expenses and is therefore currently meeting the policy directive.

Operating results in 2019 show an excess of expenses over revenues of \$8 million before other capital items of \$30.7 million, resulting in an overall annual surplus of \$22.7 million. This surplus is due in large part to contributed tangible assets of \$11.6 million and government transfers for capital of \$19.9 million. The overall annual surplus is \$7.2 million short of the budgeted surplus of \$30 million.

The following comments are relevant to this discussion:

- Revenue was short of budget by \$2.6 million due to a few items. There was a shortfall of fines and permit revenue due to the unpredictable nature of these revenues, as they are dependent on the number of infractions. Development permits were down due to a slowdown in economic activity. Sales and user fees were also lower than anticipated as the implementation of the new stormwater utility rate was delayed to Sept. 1, 2020, and water sales came in under budget as the volume consumed was lower than anticipated.
- Budget savings in all expense line items represented can be primarily attributed to cost deferrals and reductions undertaken in 2019 during corporate planning.
- Contributed tangible capital assets came in less than budgeted, as did developer contributions and levies, some of which was representative of a slow-down in developer activity in the community.
- Due to the timing of capital projects, the amount of government transfers – capital accessed in the 2019 year also came in under budget.

Overall revenue per capita in 2019 increased from \$2,319 to \$2,420. Included in this revenue was property taxes; the per capita for property taxes increased from \$1,061 to \$1,129. Expenses per capita in 2019 increased from \$2,597 to \$2,645. Expenses per capita exceeded revenues per capita, hence the deficit from operations before other capital items.



# Chief Financial Officer's Report

## Looking Forward

Council priorities for 2020–2022 called for sustainable growth. To accomplish this, Council called for the establishment of a fiscal sustainability framework to ensure prudent and sustainable growth. This will develop a reliable foundation upon which the City can establish its long-term financial planning. The City has also undertaken a Reframe 2020 exercise that is intended to serve as a springboard to set strategic priorities, bring greater clarity to service delivery and ensure value for money for citizens. This exercise has initially resulted in a pause on capital spending and a review of operational spending, amongst other priorities. This will also help to prepare the City for sustainable growth.

As 2020 unfolds however, the realities created by the coronavirus (COVID-19) pandemic have resulted in a further pause related to spending and measures that are intended to provide financial relief for citizens. Recognizing the significant impact that COVID-19 is having on the economy, the City provided a tax penalty deferral and utility penalty deferral program in 2020 to residents. Council also elected to forego the 3.9 per cent tax increase previously approved in budget and elected to reduce this impact to 0 per cent. A new stormwater utility was originally intended to be implemented in April 2020, but was delayed to alleviate financial pressure. These COVID-19 decisions will likely require the City to undertake some short-term borrowing for cash flow support. This reality effectively demonstrates the ongoing need for the City to build a healthy municipal fund through future policy decisions.

Past policy decisions positioned the City to become reliant on debt and reduced reserves for future spending. In the past, the City paid for development of key infrastructure in advance of development revenue generation in order

to encourage growth. These decisions and practices enabled the City to advance its infrastructure and prepare for future growth but also left the City in an accumulated surplus position that is not optimal for ongoing operation and therefore is not sustainable long-term.

The City is now entering into a time where it can slow its capital spending and also allow development to catch up to the infrastructure already provided. The City will need to rebuild a municipal fund that is healthy enough to carry two to three months of expenses and to help provide for some future capital spending. The City will also need to continue to develop its asset management information, thus paving the way for robust long-term capital planning and evidence based decision making.

The City has been working hard to advance financial literacy for all its decision makers and continually assess its financial condition. This is expected to continue with Council through quarterly reporting and annual updates. The development of a sustainable fiscal policy framework will aid decision making and will contribute to sustainable financial health for the City in the future.

**Louise Frostad**  
MBA, CPA (CMA), CLGM  
Chief Financial Officer  
— April 16, 2020 —



# Financial Summary

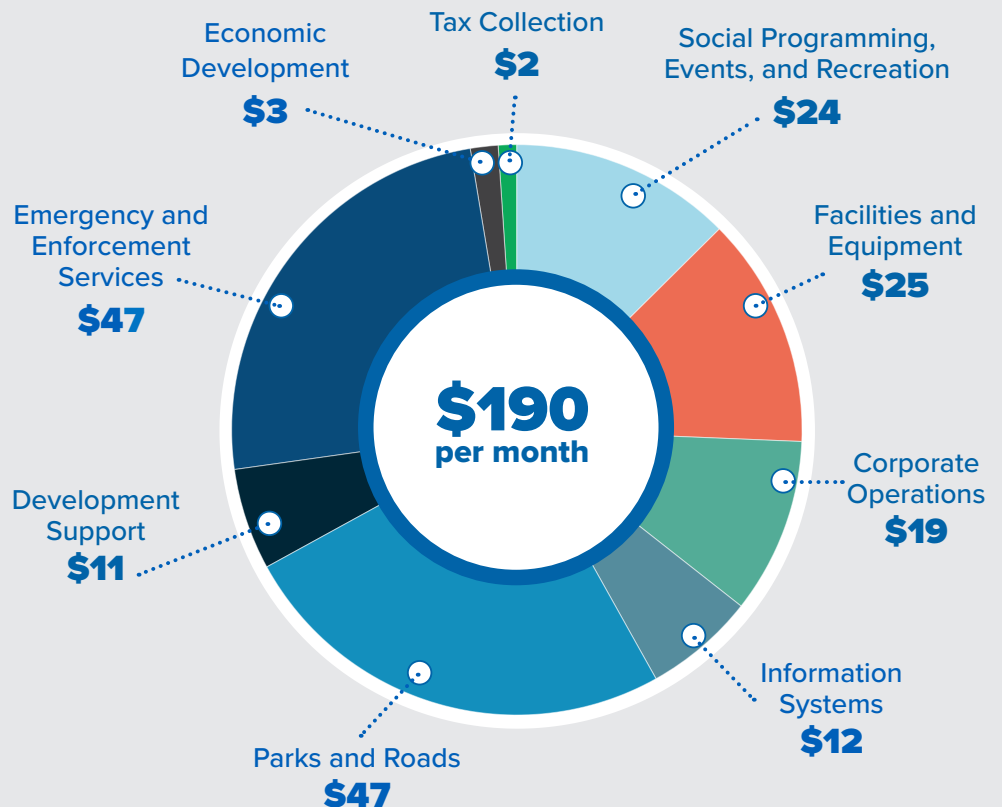
## 2019 Financial Summary

This financial summary is intended to assist with understanding the management of the City of Spruce Grove's resources. It provides an overview of the 2019 financial statements, including the Spruce Grove Public Library and TransAlta Tri Leisure Centre. Unless indicated, all information is presented on a consolidated basis.

### DISTRIBUTION OF TAX DOLLARS

(On a non-consolidated basis)

Homeowners with a house that has a median assessed value of \$361,600 can expect a \$2,283 municipal property tax levy annually, which is equivalent to approximately \$190 per month. The distribution of these tax dollars to various service categories in 2019 is illustrated here.





# Financial Summary

## City revenue sources

The City of Spruce Grove's 2019 revenue came from a variety of sources:

- **34% Property Tax:**  
Paid by Spruce Grove property owners to help cover the costs of the services they use within the City. Residents paid approximately 76 per cent of the total property taxes, while businesses pay the remaining 24 per cent.
- **34% Sales and User Fees:**  
This includes sales to other governments, franchise fees, fines, licenses and permits, and rentals.
- **17% Government Transfers – Capital:**  
Funds the City receives from the provincial and federal government, as well as neighbouring municipalities which are used for the construction or acquisition of tangible capital assets.
- **3% Government Transfers – Operating:**  
Funds the City receives from the provincial and federal governments, as well as neighbouring municipalities which are used for operating programs.
- **2% Developer Contributions and Levies:**  
Funds developers pay directly to the City that are used for new growth for roads, water and sewer, as well as regional parks and recreation facilities.
- **10% Contributed Tangible Capital Assets:**  
Items such as roads and sewers, which are put in by developers and then transferred to the City to own and manage.

The City also collects levies on behalf of the provincial government for education and on behalf of the Meridian Foundation for local seniors housing. The City does not use this funding and passes it on directly to both the Province of Alberta and Meridian Foundation. The City also does not set or control the amount of these levies.





# Financial Summary

## Financial position

At the end of 2019, future revenues of \$29 million were required to pay for past transactions or events.

Surplus funds have accumulated over the history of the City to \$516 million. Virtually all surplus funds (\$502 million) have been used to buy or build roads, utilities, buildings and other capital assets used to deliver municipal services.

<b>Financial position</b> (\$ millions)	<b>2019</b>	<b>2018</b>
Financial assets	60	73
Liabilities	89	99
<b>Net debt</b>	-29	-26
Non-financial assets	545	520
Accumulated surplus	516	494

## Financial activities

The City's financial activities include revenue, operating expenses and capital projects. The result of 2019 operations is an annual surplus of \$23 million and \$45 million was used in the acquisition of capital assets.

The budget tries to predict actual results as accurately as possible. Both 2019 operations and capital projects were under budget.

<b>Financial activities</b> (\$ millions)	<b>Budget</b>	<b>2019</b>	<b>2018</b>
Revenue – operations	89	87	83
Expenses – operations	102	95	93
Annual deficit from operations	-12	-8	-10
Revenue – capital	42	31	16
Annual surplus	30	23	6
<b>Capital asset acquisitions</b>			
Purchased capital assets	46	34	30
Contributed capital assets	14	12	10
Total acquisitions	60	45	39

# Financials

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## MANAGEMENT'S REPORT

The consolidated financial statements of the City of Spruce Grove (the "City") are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements include amounts that are based on the best estimates and judgments of management. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Management maintains systems of accounting and administrative controls to provide reasonable assurance that the transactions are appropriately authorized, accurately recorded, that assets are properly accounted for and safeguarded and that the consolidated financial statements reliably report the City's operating and financial results.

City Council has approved the information contained in the consolidated financial statements.

KPMG LLP, have been appointed by City Council to provide an independent audit opinion on the consolidated financial statements.



Louise Frostad, CPA, CMA  
Chief Financial Officer



Simon Farbrother  
City Manager

April 27, 2020

Spruce Grove, Canada



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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the City of Spruce Grove

### **Opinion**

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

- x the consolidated statement of financial position as at December 31, 2019
- x the consolidated statement of operations and accumulated surplus for the year then ended
- x the consolidated statement of changes in net debt for the year then ended
- x the consolidated statement of cash flows for the year then ended
- x 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, 2019, and its consolidated results of operations, its consolidated changes in net debt 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



## ***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.

## ***Auditors' 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 auditors' 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:

- x 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.

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





- x 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 auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- x 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.
- x 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.
- x Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

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Edmonton, Canada

April 27, 2020

**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

December 31, 2019  
(in thousands of dollars)

	2019	2018 (Note 25)
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 2)	\$ 8,539	\$ 4,077
Accounts Receivable (Note 3)	17,099	30,157
Investments (Note 4)	32,470	37,514
Land Held for Resale (Note 5)	1,746	1,746
	<b>59,854</b>	73,494
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 6)	13,769	16,942
Deferred Revenue (Note 7)	31,579	40,356
Liability for Contaminated Sites (Note 8)	1,300	4,180
Long-Term Debt (Note 9)	42,122	38,464
	<b>88,770</b>	99,942
<b>Net Debt</b>	<b>(28,916)</b>	(26,448)
<b>Non-Financial Assets</b>		
Inventory and Prepaid Expenses	1,082	1,097
Tangible Capital Assets (Note 11)	543,773	518,609
	<b>544,855</b>	519,706
<b>Accumulated Surplus (Note 12)</b>	<b>\$ 515,939</b>	\$ 493,258

**Subsequent Event (Note 27)**

The accompanying notes are an integral part of these consolidated financial statements.

**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

For the Year Ended December 31, 2019

(in thousands of dollars)

	2019 Budget (Note 26)	2019 Actual	2018 Actual (Note 25)
<b>Revenue</b>			
Property Taxes (Schedule 1)	\$ 40,448	\$ 40,372	\$ 37,961
Sales and User Fees	26,049	24,183	23,996
Sales to Other Governments	2,662	2,667	2,665
Franchise Fees	5,709	5,443	4,578
Fines	4,782	3,484	3,939
Government Transfers - Operating (Schedule 2)	3,263	3,440	3,530
Licenses and Permits	2,225	1,609	1,736
Rentals	2,112	2,311	2,091
Penalties	833	970	868
Other	908	1,592	1,197
Investment Income	222	506	115
Local Improvement Levies	-	-	6
	<b>89,213</b>	<b>86,577</b>	<b>82,682</b>
<b>Expenses (Schedule 3)</b>			
General Government	13,995	11,644	12,972
Protective Services	18,157	17,981	16,031
Transportation and Roadway Services	30,692	29,268	28,237
Utilities	21,310	18,896	17,664
Community Services	13,959	13,623	14,404
Development Services	3,540	3,199	3,558
	<b>101,653</b>	<b>94,611</b>	<b>92,866</b>
<b>Annual Deficit before the Undernoted</b>	<b>(12,440)</b>	<b>(8,034)</b>	<b>(10,184)</b>
Loss on Disposal and Transfers of Tangible Capital Assets (Note 11)	-	(2,788)	(106)
Government Transfers - Capital (Schedule 2)	22,824	19,948	5,554
Contributed Tangible Capital Assets	13,795	11,581	9,651
Developer Contribution and Levies	5,735	1,974	905
	<b>42,354</b>	<b>30,715</b>	<b>16,004</b>
<b>Annual Surplus</b>	<b>29,914</b>	<b>22,681</b>	<b>5,820</b>
Accumulated Surplus, Opening	493,258	493,258	487,438
<b>Accumulated Surplus, Closing</b>	<b>\$ 523,172</b>	<b>\$ 515,939</b>	<b>\$ 493,258</b>

The accompanying notes are an integral part of these consolidated financial statements.



**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT**

For the Year Ended December 31, 2019

(in thousands of dollars)

	2019 Budget (Note 26)	<b>2019 Actual</b>	2018 Actual (Note 25)
<b>Annual surplus</b>	\$ 29,914	\$ <b>22,681</b>	\$ 5,820
<b>Change in Inventory and Prepaid Expenses</b>	(61)	<b>15</b>	(306)
<b>Tangible Capital Assets</b>			
Contributed	(13,795)	<b>(11,581)</b>	(9,651)
Purchased	(46,316)	<b>(33,858)</b>	(29,846)
Proceeds on Disposal	-	<b>463</b>	205
Loss on Disposal and Transfers	-	<b>2,788</b>	106
Amortization	16,074	<b>17,024</b>	15,450
	<u>(44,037)</u>	<u><b>(25,164)</b></u>	<u>(23,736)</u>
<b>Change in Net Debt</b>	(14,184)	<b>(2,468)</b>	(18,222)
Net Debt, Opening	<u>(26,448)</u>	<u><b>(26,448)</b></u>	<u>(8,226)</u>
<b>Net Debt, Closing</b>	<u>\$ (40,632)</u>	<u>\$ <b>(28,916)</b></u>	<u>\$ (26,448)</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2019

(in thousands of dollars)

	2019	2018 (Note 25)
<b>Cash Provided by (Used For):</b>		
<b>Operating Activities</b>		
Annual Surplus	\$ 22,681	\$ 5,820
<b>Items not involving cash:</b>		
Amortization	17,024	15,450
Loss on Disposal and Transfers of Tangible Capital Assets	2,788	106
Contributed Tangible Capital Assets	(11,581)	(9,651)
<b>Change in non-cash working capital balances:</b>		
Decrease (Increase) in Accounts Receivable	13,058	(11,315)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(3,173)	2,350
(Decrease) Increase in Deferred Revenue	(8,777)	17,354
Decrease in Liability for Contaminated Sites	(2,880)	-
Decrease (Increase) in Inventory and Prepaid Expenses	15	(306)
	29,155	19,808
<b>Capital Activities</b>		
Purchased Tangible Capital Assets	(33,858)	(29,846)
Proceeds on Disposal of Tangible Capital Assets	463	205
	(33,395)	(29,641)
<b>Investing Activities</b>		
Purchased Investments	(34,276)	(23,395)
Proceeds on Disposal of Investments	39,320	17,716
	5,044	(5,679)
<b>Financing Activities</b>		
Long-term Debt Issued	5,600	15,129
Long-term Debt Repaid	(1,942)	(1,198)
	3,658	13,931
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	4,462	(1,581)
Cash and Cash Equivalents, Opening	4,077	5,658
<b>Cash and Cash Equivalents, Closing</b>	\$ 8,539	\$ 4,077

The accompanying notes are an integral part of these consolidated financial statements.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

The City of Spruce Grove (the "City") is a municipality in the Province of Alberta, Canada and operates under the provisions of the *Municipal Government Act*.

**1. Significant Accounting Policies**

The consolidated financial statements of the City of Spruce Grove are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards. Significant accounting policies adopted by the City are as follows:

**a. Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the City, and are, therefore, accountable for the administration of their financial affairs and resources.

The reporting entity includes all divisions and departments that comprise City operations, the City of Spruce Grove Library Board and the TransAlta Tri Leisure Centre. Inter-organizational transactions and balances between these entities have been eliminated.

The City is associated with various other boards, commissions and other organizations that are not part of the government reporting entity.

Property taxes levied include requisitions for education and seniors housing organizations that are not part of the government reporting entity. The consolidated financial statements exclude any trusts under administration for the benefit of external parties.

**b. Financial Assets**

**i. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and cash equivalents that are highly liquid. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes.

**ii. Investments**

Investments are recorded at amortized cost. Should there be a loss in value that is not considered temporary, the respective investment is written down to recognize the loss.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income earned on deferred revenue is added to the deferred revenue balance.



**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**1. Significant Accounting Policies (continued)**

**b. Financial Assets (continued)**

**iii. Land Held for Resale**

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes amounts for acquisition, sales commission and interest. Interest is capitalized whenever external debt is issued to finance the acquisition of land held for resale. Repayments of interest from third parties reduces the amount of capitalized interest.

**c. Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

**i. Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the tangible capital assets. The cost, less residual value of tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful life as follows:

Asset	Useful Life in Years
Engineered Structures	20 - 75
Machinery & Equipment	4 - 20
Buildings	25 - 50
Vehicles	8 - 25
Land Improvements	15 - 25
Leasehold Improvements	Life of the Lease

Amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Construction in progress is not amortized until the asset is available for productive use.

**ii. Contributions of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

**iii. Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**1. Significant Accounting Policies (continued)**

**c. Non-Financial Assets (continued)**

**iv. Works of Art and Cultural and Historic Assets**

Works of art and cultural and historic assets are not recorded as tangible capital assets and are not amortized.

**v. Inventory**

Inventory is comprised of supplies held for consumption and is recorded at the lower of cost and replacement cost.

**d. Revenue Recognition**

**i. Revenue**

Revenues are recognized 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.

**ii. Tax Revenue**

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisition over-levies and under-levies arise from the difference between the actual tax levy made to cover each requisition and the actual amount requisitioned. Where the actual levy differs from the requisition, the requisition tax rate is adjusted in the subsequent year.

**iii. Developer Contributions**

Developer contributions are recognized as revenue in the period they are used for the purpose specified.

**iv. Developer Offsite Levies**

Offsite levies are collected from developers upon the execution of a development agreement as per the offsite levy bylaw. These funds are restricted to fund the construction of specific infrastructure and are recognized as revenue once the infrastructure has been built and the City has provided a construction completion certificate.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**1. Significant Accounting Policies (continued)**

**d. Revenue Recognition (continued)**

**v. Government Transfers**

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. These transfers are not the result of an exchange transaction, and are not expected to be repaid in the future, or the result of a direct financial return. Revenue is recognized in the period when events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

**e. Expenses**

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

**f. Liability for Contaminated Sites**

A liability for remediation of a contaminated site is recognized at the financial statement date, when:

- (a) an environmental standard exists;
- (b) contaminations exceed the environmental standard;
- (c) the municipality owns the land; or is directly responsible; or accepts responsibility;
- (d) it is expected that future economic benefits will be given up; and
- (e) the liability can be reasonably estimated.

The liability is estimated to cover remediation, post remediation operation, maintenance and monitoring costs based on information available at the financial statement date.

In some cases, environmental standards are created by internal policy and voluntary compliance with such environmental standards may create a liability.



**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**1. Significant Accounting Policies (continued)**

**g. Use of Estimates**

The preparation of the consolidated financial statements of the City requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results may differ from those estimates.

Estimates have been used to determine provisions for accrued liabilities, liability for contaminated sites, useful lives of tangible capital assets, fair values of contributed tangible capital assets, and provisions made for allowances for doubtful receivable accounts.

In addition, developer contributions and offsite levies utilize forecasted development costs, staging and financing requirements.

**h. Changes in Accounting Policies**

The City has prospectively adopted PS 3430, Restructuring Transactions effective January 1, 2019. The adoption of this standard has not resulted in any measurement or disclosure changes in the consolidated financial statements.

**i. Future Accounting Standard Pronouncements**

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2020, the City will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translation (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Standard	Name	Effective Date
PS1201	Financial Statement Presentation	April 1, 2021
PS3450	Financial Instruments	April 1, 2021
PS2601	Foreign Currency Translation	April 1, 2021
PS3041	Portfolio Investments	April 1, 2021
PS3280	Asset Retirement Obligations	April 1, 2021
PS3400	Revenue	April 1, 2022

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

**2. Cash and Cash Equivalents**

	<b>2019</b>	<b>2018</b>
Cash	\$ 4,783	\$ 4,037
Cash Equivalents	3,756	40
	<b>\$ 8,539</b>	<b>\$ 4,077</b>

Cash equivalents include investments that have an effective interest rate of 2.40% (2018 - 2.05%) that mature in less than 3 months.

**3. Accounts Receivable**

	<b>2019</b>	<b>2018</b>
<b>Property Taxes</b>		
Current Taxes and Grants in Place of Taxes	\$ 2,247	\$ 1,859
Arrears	490	618
	<b>2,737</b>	<b>2,477</b>
<b>Other</b>		
Government Transfers	4,174	14,769
Local Improvements	3,991	4,271
Trade and Other	3,215	3,623
Utility	2,194	2,059
Developer Contributions and Levies	588	2,210
Goods and Services Tax	251	684
Interest Receivable	223	294
Allowance for Doubtful Accounts	(274)	(230)
	<b>14,362</b>	<b>27,680</b>
	<b>\$ 17,099</b>	<b>\$ 30,157</b>

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

**4. Investments**

	<b>Amortized Cost 2019</b>	<b>Market Value 2019</b>	<b>Amortized Cost 2018</b>	<b>Market Value 2018</b>
Bonds	\$ 13,026	\$ 13,134	\$ 12,662	\$ 12,419
GICs	1,190	1,190	13,293	13,313
Notes	6,335	6,377	6,267	5,933
Other	11,919	11,919	5,292	5,301
	<b>\$ 32,470</b>	<b>\$ 32,620</b>	<b>\$ 37,514</b>	<b>\$ 36,966</b>

Investments in bonds have effective interest rates of 2.35% to 3.29% with maturity dates from February 2020 to April 2029. Investments in guaranteed investment certificates (GICs) have effective interest rates ranging from 1.50% to 1.91% and with maturity dates from February 2020 to May 2020.

Note investments have variable interest rates and maturity dates. Three of these notes are based on any positive price return of the S&P/TSX 60 Index, with maturity dates ranging from May 2022 to July 2023. Another note is auto-callable, with an interest rate based on Canadian Growers Index with a maturity date as of August 2029. The City also has an investment in a low volatility index deposit note earning returns based on the CDN Equity Index with a maturity date of August 2022.

Other investments include a premier investment account (PIA), a tiered-rate interest account with interest based on monthly average prime less a percentage based on the average monthly balance held in the account. Included in this investment is a high interest notice account, which is currently paying 1.20% and requires 31 days' notice to redeem. There is also an investment in a High Interest Savings Account ("HISA") with CIBC which is currently paying 2.40% and requires no notice to redeem.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**5. Land Held for Resale**

The City hold an interest in lands in the amount of \$1,746 (2018 - \$1,746) representing the costs related to the Westwind land assembly undertaken by the City. The City has entered into an option agreement with the developer to dispose of the assembled land in parcels. That agreement is set to expire on March 21, 2020. The developer and the City are currently in the process of exchanging letters of understanding extending the deadline to November 2020 in order to allow for further negotiation of a longer term.

During the year, interest on long-term debt in the amount of \$18 (2018 - \$17) was capitalized and subsequently reimbursed by the developer.

**6. Accounts Payable and Accrued Liabilities**

	2019	2018
Trade and Accrued Liabilities	\$ 6,256	\$ 7,986
Wages and Benefits	3,107	2,764
Holdbacks	2,403	3,456
Deposits	1,226	1,081
Developer Commitments	729	1,601
Debenture Interest	48	54
	\$ 13,769	\$ 16,942



**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**7. Deferred Revenue**

	2018	Amount Received and Receivable	Interest and Other	Amounts Recognized	2019
<b>Developer Contributions</b>					
Administration	\$ 86	\$ 2	\$ 2	\$ -	\$ 90
Neighborhood Parks	970	11	19	173	827
Municipal Reserve	186	-	4	-	190
Parks - South	1,659	-	40	-	1,699
Regional Parks	-	11	-	11	-
Cash in Lieu of Parking	103	-	2	-	105
Downtown Redevelopment	3	-	-	-	3
	<u>3,007</u>	<u>24</u>	<u>67</u>	<u>184</u>	<u>2,914</u>
<b>Developer Offsite Levies</b>					
Water	225	1,014	-	1,239	-
Transportation	-	69	-	69	-
Sewer	-	482	-	482	-
	<u>225</u>	<u>1,565</u>	<u>-</u>	<u>1,790</u>	<u>-</u>
<b>Developer Contributions and Offsite Levies</b>	<b>3,232</b>	<b>1,589</b>	<b>67</b>	<b>1,974</b>	<b>2,914</b>
<b>Government Transfers - Capital</b>					
Gas Tax Fund	2,072	4,042	26	2,946	3,194
Other	1,318	1,347	23	2,549	139
Sustainability	31,763	5,255	642	14,453	23,207
	<u>35,153</u>	<u>10,644</u>	<u>691</u>	<u>19,948</u>	<u>26,540</u>
<b>Government Transfers - Operating</b>					
Policing	25	701	-	701	25
Social	-	821	-	821	-
Sustainability	-	239	-	239	-
Other	145	1,651	1	1,679	118
	<u>170</u>	<u>3,412</u>	<u>1</u>	<u>3,440</u>	<u>143</u>
<b>Other Revenue</b>					
Sponsorships	691	567	-	525	733
Property Taxes	189	9,836	-	9,561	464
User Fees	921	5,758	-	5,894	785
	<u>1,801</u>	<u>16,161</u>	<u>-</u>	<u>15,980</u>	<u>1,982</u>
	<u>\$ 40,356</u>	<u>\$ 31,806</u>	<u>\$ 759</u>	<u>\$ 41,342</u>	<u>\$ 31,579</u>

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2019  
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**8. Liability for Contaminated Sites**

	<b>2019</b>	2018
Historic Public Works Yard - salt impacted soil	<b>\$ 200</b>	\$ 2,480
Pioneer Cemetery - salt impacted soil	<b>1,100</b>	1,100
Historic Nuisance Grounds - site closure and post closure	<b>-</b>	600
	<b>\$ 1,300</b>	\$ 4,180

The fair value of the liability for contaminated sites is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted using the consumer price index. Subsequent to the initial measurement, the obligation will be adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation are recognized in the consolidated statement of operations and accumulated surplus.

There was a reduction in the estimate that resulted in a \$1,878 decrease to the liability which is reflected as a reduction in the general government expenses in the consolidated statement of operations and accumulated surplus, finance department in schedule 3 and contracted and general services in the segmented disclosure note 14.

The estimated undiscounted future remediation expenditures is \$1,300 and a discount rate of 3.00% (2018 - 3.00%) has been used. The City plans to remediate the sites over a 4-year period with an expected completion date of December 31, 2023 (2018 - December 31, 2023).

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**9. Long-Term Debt**

	2019	2018
<b>Alberta Capital Finance Authority</b>		
Agrena	\$ 855	\$ 1,023
Library	801	943
Local Improvements	3,941	4,255
Public Works Facility	4,650	4,813
Storm Upgrades	2,200	-
TransAlta Tri Leisure Centre	601	858
Protective Services Facility	5,683	6,000
	<b>18,731</b>	<b>17,892</b>
<b>CIBC</b>		
Development Facility	14,049	12,250
RCMP Facility	8,703	7,650
	<b>22,752</b>	<b>19,900</b>
<b>Other</b>		
Other	187	220
Westwind Land Assembly	452	452
	<b>639</b>	<b>672</b>
	<b>\$ 42,122</b>	<b>\$ 38,464</b>

The required repayments for the Alberta Capital Finance Authority debt and expected repayments for all other debt are as follows:

	Principal	Interest	Total
2020	\$ 3,401	\$ 1,120	\$ 4,521
2021	3,011	998	4,009
2022	2,810	904	3,714
2023	2,810	825	3,635
2024	2,706	751	3,457
Subsequent	27,384	4,278	31,662
	<b>\$ 42,122</b>	<b>\$ 8,876</b>	<b>\$ 50,998</b>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.68% to 6.38% per annum and matures in periods 2021 to 2039. Debenture debt is issued on the credit and security of the City.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**9. Long-Term Debt (continued)**

In 2019, the City converted the infrastructure loan facility with Canadian Imperial Bank of Canada ("CIBC") that was used to provide funds for new development transportation and water infrastructure projects, into a fixed term loan with CIBC with an effective interest rate of 2.50% and matures May 2034.

In 2019, the City converted the second infrastructure loan facility with CIBC that was used to provide funds to pay for its share of the costs to build a new RCMP facility with the Town of Stony Plain into a fixed term loan with CIBC with an effective interest rate of 2.59% and matures in July 2039.

In 2010, the City borrowed \$8.9 million from Pacific Western Bank of Canada (now Versabank) to finance the purchase of the Westwind Lands. This loan bears interest at prime plus 0.9%. The terms of this loan are interest only payments for 10 years, with principal payments due when land is sold and not later than March 2020. The interest only payments were extended five years as authorized by Council on March 9, 2020. The City has entered into an agreement with a developer to reimburse any interest incurred on this loan.

The City has an existing revolving demand facility with CIBC for \$5 million. The City does not have an outstanding balance as of December 31, 2019.

Interest on long-term debt amounted to \$1,283 (2018 - \$915). The City's interest expense for the year is \$1,265 (2018 - \$898) while the remaining \$18 (2018 - \$17) relates to Westwind lands and was capitalized as part of land held for resale during the year. The City's total cash payment for interest in 2019 is \$1,294 (2018 - \$951).

**10. Debt Limits**

Section 276 (2) of the Municipal Government Act requires that debt and debt limits are defined by Alberta Regulation 255/200 for the City be disclosed as follows:

	2019	2018
<b>Total Debt Limit</b>		
(1.5 times revenue, as defined in the regulation)	\$ 128,643	\$ 125,224
Total Debt	(42,122)	(38,464)
<b>Amount of Debt Limit Unused</b>	86,521	86,760
<b>Debt Servicing Limit</b>		
(0.25 times revenue, as defined in the regulation)	21,440	20,871
Debt Servicing	(4,521)	(3,248)
<b>Amount of Debt Servicing Limit Unused</b>	\$ 16,919	\$ 17,623

Revenue as defined in Alberta Regulation 255/2000 is calculated using the total revenue for the reporting year less capital government transfers and contributed tangible capital assets recognized in the year.



**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

**11. Tangible Capital Assets**

2019	Land	Land Improvements	Leasehold Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	2019
<b>Cost</b>									
Balance, Opening	\$ 156,227	\$ 24,348	\$ 872	\$ 66,675	\$ 391,911	\$ 24,771	\$ 8,917	\$ 22,621	\$ 696,342
Acquired	700	1,011	1	12,504	12,150	2,787	2,052	2,653	33,858
Contributed	2,227	219	-	-	9,061	74	-	-	11,581
Disposals and Transfers	(2,428)	-	-	-	(1,251)	(1,068)	(188)	-	(4,935)
Transfers	-	327	132	21,481	102	-	494	(22,536)	-
<b>Balance, Closing</b>	<b>156,726</b>	<b>25,905</b>	<b>1,005</b>	<b>100,660</b>	<b>411,973</b>	<b>26,564</b>	<b>11,275</b>	<b>2,738</b>	<b>736,846</b>
<b>Accumulated Amortization</b>									
Balance, Opening	-	9,648	872	15,714	134,851	13,424	3,224	-	177,733
Amortization	-	1,231	11	2,150	10,770	2,157	705	-	17,024
Disposals and Transfers	-	-	-	-	(787)	(733)	(164)	-	(1,684)
<b>Balance, Closing</b>	<b>-</b>	<b>10,879</b>	<b>883</b>	<b>17,864</b>	<b>144,834</b>	<b>14,848</b>	<b>3,765</b>	<b>-</b>	<b>193,073</b>
<b>Net Book Value, Closing</b>	<b>\$ 156,726</b>	<b>\$ 15,026</b>	<b>\$ 122</b>	<b>\$ 82,796</b>	<b>\$ 267,139</b>	<b>\$ 11,716</b>	<b>\$ 7,510</b>	<b>\$ 2,738</b>	<b>\$ 543,773</b>

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**11. Tangible Capital Assets (continued)**

2018	Land	Land Improvements	Leasehold Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	2018
<b>Cost</b>									
Balance, Opening	\$ 153,434	\$ 23,789	\$ 872	\$ 66,675	\$ 366,422	\$ 24,540	\$ 8,854	\$ 14,973	\$ 659,559
Acquired	76	482	-	-	10,045	2,217	335	16,691	29,846
Contributed	2,717	112	-	-	6,761	61	-	-	9,651
Disposals and Transfers	-	(35)	-	-	(360)	(2,047)	(272)	-	(2,714)
Transfers	-	-	-	-	9,043	-	-	(9,043)	-
<b>Balance, Closing</b>	<b>156,227</b>	<b>24,348</b>	<b>872</b>	<b>66,675</b>	<b>391,911</b>	<b>24,771</b>	<b>8,917</b>	<b>22,621</b>	<b>696,342</b>
<b>Accumulated Amortization</b>									
Balance, Opening	-	8,307	872	14,243	125,217	13,136	2,911	-	164,686
Amortization	-	1,377	-	1,471	9,941	2,084	577	-	15,450
Disposals and Transfers	-	(36)	-	-	(307)	(1,796)	(264)	-	(2,403)
<b>Balance, Closing</b>	<b>-</b>	<b>9,648</b>	<b>872</b>	<b>15,714</b>	<b>134,851</b>	<b>13,424</b>	<b>3,224</b>	<b>-</b>	<b>177,733</b>
<b>Net Book Value, Closing</b>	<b>\$ 156,227</b>	<b>\$ 14,700</b>	<b>\$ -</b>	<b>\$ 50,961</b>	<b>\$ 257,060</b>	<b>\$ 11,347</b>	<b>\$ 5,693</b>	<b>\$ 22,621</b>	<b>\$ 518,609</b>

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**11. Tangible Capital Assets (continued)**

**a. Construction in Progress**

Construction in progress having a value of \$2,738 (2018 - \$22,621) has not been amortized. Amortization of these assets will commence when the assets are put into service.

**b. Contributed Tangible Capital Assets**

Contributed tangible capital assets have been recognized at fair value at the date of contribution. Contributed tangible capital assets consisting of land, land improvements, roads, stormwater, water and wastewater infrastructure received during the year have a value of \$11,581 (2018 - \$9,651).

**c. Disposal and Transfers of Tangible Capital Assets**

In 2019, loss on disposal and transfers of tangible capital assets on the consolidated statement of operations and accumulated surplus includes \$2,400 related to three parcels of land that were classified as school reserve and were subsequently transferred to Parkland School Division.

**d. Cultural and Historical Tangible Capital Assets**

The City owns original artworks that are on permanent display at City Center. The artworks were purchased by the City and have significant cultural and historical value in perpetuity.

**12. Accumulated Surplus**

	Budget (Note 26)	2019	2018
Municipal	\$ 13,252	\$ 21,069	\$ 16,954
Utility	1,353	7,778	8,792
Developer (Note 13)	(14,116)	(15,011)	(13,084)
	489	13,836	12,662
Investment in Tangible Capital Assets	522,683	502,103	480,596
	\$ 523,172	\$ 515,939	\$ 493,258

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**13. Developer Deficit**

	2018	Transfer In	Transfer Out	Other Adjustments	2019
Transportation	\$ (3,400)	\$ 69	\$ (2,825)	\$ 1,383	\$ (4,773)
Sewer	(7,380)	482	(456)	(188)	(7,542)
Water	-	1,239	(1,435)	(149)	(345)
Regional Parks	(2,304)	11	-	(58)	(2,351)
Neighborhood Parks	-	173	(173)	-	-
	<b>\$ (13,084)</b>	<b>\$ 1,974</b>	<b>\$ (4,889)</b>	<b>\$ 988</b>	<b>\$ (15,011)</b>

Other adjustments include long-term debt issued to fund transportation and water infrastructure projects, as well as associated interest and principal payments. It also includes adjustments made to appropriately present receipts, expenditures and interest charges in the City's offsite levy fund balances.

The City paid for certain transportation and water infrastructure projects on behalf of developers and financed this development with long-term debt in order to advance the construction of these projects. The developer deficits are expected to be repaid with proceeds from future developer levies. Long-term debt in the amount of \$14,049 (2018 - \$12,250) was taken out by the City as offsite levy fund balances are currently insufficient to pay for future development's share of these project costs.

**14. Segmented Disclosure**

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the financial statements. Allocation methodologies are employed in the preparation of the segmented financial information. User charges and other revenue have been allocated to the segment based upon the segment that generated that revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges and developer levies are allocated to the segment for which the transfer was made. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide are as follows:

**a. General Government**

General government is comprised of Council and General Administration. Council makes decisions regarding delivery and service levels on behalf of the municipality in order to balance the needs and wants of City residents in a financially responsible manner. General Administration is responsible for the administration of the municipality as a whole.



**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**14. Segmented Disclosure (continued)**

**b. Protective Services**

Protective Services is comprised of Safe City – Enforcement Services, Police and Fire. Safe City – Enforcement Services provides enforcement in the areas of Provincial Acts and Municipal Bylaws; developing proactive educational safe city programs; and management of the Automated Traffic Enforcement contract. Fire is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; detection or extinguishment of fires; and advanced life support to Alberta Health Services 24/7.

**c. Transportation and Roadway Services**

Transportation and Roadway Services is comprised of the Engineering Services and the Public Works departments. They are responsible for the planning, development and maintenance of roadway systems.

**d. Utilities**

The City is responsible for environmental programs such as the engineering, operation and maintenance of Water, Wastewater and Stormwater networks and facilities and Solid Waste Management .

**e. Community Services**

Community Services provides recreational and cultural services, activities which promote the health and well being of its citizens, and activities related to parks and cemetery maintenance and operation.

**f. Development Services**

Development Services is comprised of Planning and Development Services and Economic Development. Planning and Development Service manages long term planning, current planning and subdivision, development permits and safety code disciplines. Economic Development is responsible for facilitating programs and services intended to help local businesses prosper and grow, and attract new business and investment in the City.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**14. Segmented Disclosure (continued)**

2019	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total	Budget (Note 26)
<b>Revenue</b>								
Property Taxes	\$ 40,063	\$ -	\$ -	\$ -	\$ 309	\$ -	\$ 40,372	40,448
Sales and User Fees	135	1,071	777	19,821	2,295	84	24,183	26,049
Sales to Other Governments	-	2,667	-	-	-	-	2,667	2,662
Franchise Fees	5,443	-	-	-	-	-	5,443	5,709
Fines	-	3,484	-	-	-	-	3,484	4,782
Government Transfers - Operating	-	701	842	-	1,858	39	3,440	3,263
Licenses and Permits	-	3	68	34	-	1,504	1,609	2,225
Rentals	-	4	393	-	1,913	1	2,311	2,112
Penalties	885	-	6	79	-	-	970	833
Other	357	1	437	37	432	328	1,592	908
Investment Income	350	-	25	-	33	98	506	222
	47,233	7,931	2,548	19,971	6,840	2,054	86,577	89,213
<b>Expenses</b>								
Salaries, Wages & Benefits	8,465	8,636	7,466	2,093	7,736	2,201	36,597	37,000
Contracted & General Services	1,772	2,145	5,306	3,926	3,017	853	17,019	22,032
Materials, Goods & Supplies	153	685	2,891	473	1,236	14	5,452	5,992
Purchases from Other Governments	-	5,439	2,250	8,832	-	-	16,521	18,686
Transfers to Government, Agencies & Other Org	66	26	-	-	84	-	176	260
Bank Charges	141	-	-	-	26	-	167	167
Interest on Long-Term Debt	12	-	1,030	2	126	95	1,265	1,038
Other	339	-	-	11	40	-	390	404
Amortization	696	1,050	10,325	3,559	1,358	36	17,024	16,074
	11,644	17,981	29,268	18,896	13,623	3,199	94,611	101,653
<b>Annual Surplus (Deficit) before Undernoted</b>								
	35,589	(10,050)	(26,720)	1,075	(6,783)	(1,145)	(8,034)	(12,440)
Loss on Disposal of Tangible Capital Assets	(43)	-	(298)	(28)	-	(2,419)	(2,788)	-
Government Transfers - Capital	(7)	-	19,954	-	1	-	19,948	22,824
Contributed Tangible Capital Assets	-	-	5,751	3,529	74	2,227	11,581	13,795
Developer Contribution and Levies	-	-	253	1,721	-	-	1,974	5,735
	(50)	-	25,660	5,222	75	(192)	30,715	42,354
<b>Annual Surplus (Deficit)</b>	<b>\$ 35,539</b>	<b>\$ (10,050)</b>	<b>\$ (1,060)</b>	<b>\$ 6,297</b>	<b>\$ (6,708)</b>	<b>\$ (1,337)</b>	<b>\$ 22,681</b>	<b>29,914</b>

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**14. Segmented Disclosure (continued)**

2018	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total
<b>Revenue</b>							
Property Taxes	\$ 37,652	\$ -	\$ -	\$ -	\$ 309	\$ -	\$ 37,961
Sales and User Fees	140	1,092	916	19,198	2,501	149	23,996
Sales to Other Governments	-	2,665	-	-	-	-	2,665
Franchise Fees	4,578	-	-	-	-	-	4,578
Fines	-	3,939	-	-	-	-	3,939
Government Transfers - Operating	-	742	764	-	1,767	257	3,530
Licenses and Permits	-	4	64	42	-	1,626	1,736
Rentals	-	9	145	-	1,936	1	2,091
Penalties	806	-	-	62	-	-	868
Other	186	32	375	63	390	151	1,197
Investment Income	(32)	-	16	-	28	103	115
Local Improvement Levies	-	-	-	-	-	6	6
	43,330	8,483	2,280	19,365	6,931	2,293	82,682
<b>Expenses</b>							
Salaries, Wages & Benefits	8,058	8,395	7,190	1,460	7,591	2,216	34,910
Contracted & General Services	3,537	2,150	5,707	3,238	3,208	1,185	19,025
Materials, Goods & Supplies	205	541	3,016	245	1,370	25	5,402
Purchases from Other Governments	-	4,553	1,991	9,312	-	-	15,856
Transfers to Government, Agencies & Other Org	89	26	-	-	728	-	843
Bank Charges	138	-	-	-	26	-	164
Interest on Long-Term Debt	6	-	637	-	154	101	898
Other	298	-	-	11	9	-	318
Amortization	641	366	9,696	3,398	1,318	31	15,450
	12,972	16,031	28,237	17,664	14,404	3,558	92,866
<b>Annual (Deficit) Surplus before Undernoted</b>	30,358	(7,548)	(25,957)	1,701	(7,473)	(1,265)	(10,184)
Loss on Disposal of Tangible Capital Assets	(38)	-	(69)	(72)	73	-	(106)
Government Transfers - Capital	778	-	4,251	-	525	-	5,554
Contributed Tangible Capital Assets	-	-	2,327	4,546	61	2,717	9,651
Developer Contribution and Levies	-	-	656	249	-	-	905
	740	-	7,165	4,723	659	2,717	16,004
<b>Annual (Deficit) Surplus</b>	\$ 31,098	\$ (7,548)	\$ (18,792)	\$ 6,424	\$ (6,814)	\$ 1,452	\$ 5,820

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**15. Salary and Benefits Disclosure**

Disclosure of salaries and benefits for municipal officials and the chief administrative officer is required by Alberta Regulation 313/2000. This information is not presented in thousands of dollars.

	2019 Salaries	2019 Benefits	2018 Salaries	2018 Benefits
Mayor Houston	\$ 123,285	\$ 16,954	\$ 111,740	\$ 15,944
Councillor Gruhlke	56,303	13,125	49,272	11,715
Councillor McKenzie	61,139	13,254	51,197	11,872
Councillor Oldham	53,296	13,063	48,772	11,836
Councillor Rothe	52,235	12,879	50,527	11,748
Councillor Stevenson	56,751	10,311	56,365	9,022
Councillor Turton	13,943	3,741	46,545	11,639
Councillor Acker	23,427	5,995	-	-
	<b>440,379</b>	<b>89,322</b>	414,418	83,776
Former Chief Administrative Officer	129,016	25,826	237,585	46,802
Interim Chief Administrative Officer	31,532	6,963	-	-
Current Chief Administrative Officer	134,291	19,370	-	-
	<b>294,839</b>	<b>52,159</b>	237,585	46,802
	<b>\$ 735,218</b>	<b>\$ 141,481</b>	\$ 652,003	\$ 130,578

Salaries include remuneration and per diem paid to elected officials, including a basic honorarium, and a meeting per diem. Benefits include the employer's share of all benefits paid on behalf of elected officials and include Canada Pension Plan, health care, extended health care, dental, group life, accidental death and dismemberment insurance, dependent life insurance, a home office expense allowance, car allowance, and WCB coverage. Employees are also eligible for Employment Insurance, Long Term Disability, Local Authorities Pension Plan, APEX Plus Pension Plan and memberships to the TransAlta Tri Leisure Centre. Council is eligible for a matching RRSP contribution of up to 4% of their annual salary.



**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**16. Local Authorities Pension Plan**

Employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. LAPP is financed by employer and employee contributions and by investment earnings of the LAPP fund.

The City is required to make current service contributions to LAPP of 9.39% (2018 - 10.39%) of eligible pensionable earnings up to the year's maximum pension earnings and 13.84% (2018 - 14.84%) on pensionable earnings above this amount. Employees are required to make current service contributions of 8.39% (2018 - 9.39%) of pensionable salary up to the year's maximum pensionable earnings and 12.84% (2018 - 13.84%) on pensionable salary above this amount. Contributions for current service are recorded as expenses in the year in which they become due.

Total current service contributions by the City to LAPP in 2019 were \$2,340 (2018 - \$2,458). Total current service contributions by the employees of the City to LAPP in 2019 were \$2,128 (2018 - \$2,254). Total optional service contributions by the City to LAPP in 2019 were \$73 (2018 - \$158).

City employees are able to buy back their first year of service within five years from their start date with LAPP. The City is obligated to pay the employer portion of any prior service buy-back. In 2019, the City's potential liability for optional service buy-back is \$48 (2018 - \$86).

At December 31, 2018, LAPP disclosed a surplus of \$3.5 billion.

**17. APEX Supplementary Pension Plan**

The APEX supplementary pension plan, and Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pensions Plans Act commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees (approximately 116 beneficiaries). The plan supplements the Local Authorities Pension Plan.

The prescribed class of employees and the City make contributions. Employees and the City are required to make current service contributions to APEX of 2.84% and 3.78% respectively of pensionable earnings up to \$151 (2018 - \$147).

Total current service contributions by the City to APEX in 2019 were \$394 (2018 - \$378). Total current service contributions by the employees of the City in 2019 were \$296 (2018 - \$284).

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**18. TransAlta Tri Leisure Centre**

The City, Parkland County and the Town of Stony Plain jointly developed, constructed, and are now operating the TransAlta Tri Leisure Centre (the "TLC"). The building is jointly owned by the City, Parkland County and the Town of Stony Plain. The City's proportionate share of the building is 42.0% (2018 - 42.0%).

The Tri-Municipal Leisure Facility Corporation (the "Corporation") operates and manages the TLC. The City, Parkland County and Town of Stony Plain provide annual contributions for a total of \$2,442 (2018 - \$1,852) to support the operations of the TLC, with the City's proportionate share being 49.5% - (2018 - 49.5%).

The City's proportionate share (49.5%) of the financial position and operations of the TLC is as follows:

	2019	2018
<b>Financial Position</b>		
Financial Assets	\$ 1,385	\$ 1,259
Liabilities	(693)	(754)
<b>Net Financial Assets</b>	692	505
Non Financial Assets	1,211	1,283
<b>Accumulated Surplus</b>	1,903	1,788
<b>Operations</b>		
Revenue	4,370	4,689
Expenses	(4,255)	(4,115)
<b>Annual Surplus</b>	\$ 115	\$ 574

**19. Related Parties**

Transactions with related parties are included within these consolidated financial statements.

Related parties include key management personnel which the City has determined to include the Mayor, Council and members of the City's senior leadership team. In the normal course of operations, key management personnel incur various costs on behalf of the City. Such transactions between the City and key management personnel are recorded at a value similar to that which would have been arrived at if the parties were unrelated.

**20. Alberta Municipal Insurance Exchange**

The City is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the City could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**21. Developer Agreements**

Developers have entered into agreements with the City in the amount of approximately \$176,000 and are committed to installing and constructing certain works to serve the development of lands within the City. The City has taken security from the developers in the form of letters of credit in the amount of \$24,000 to secure the performance by the developers under the agreements.

**22. Financial Instruments**

The City's financial instruments consist of accounts receivable, investments, accounts payable and accrued liabilities, liability for contaminated sites, and long-term debt. It is management's opinion that the City is not exposed to significant interest or currency risks arising from these financial instruments.

The City is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that taxpayers and entities to which the City provides services may experience financial difficulty and be unable to fulfil their obligations. The large number of diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying values of all the City's financial instruments approximate their fair value.

**23. Contractual Obligations**

As at December 31, 2019, authorized costs for capital projects and transfers committed through a purchase order or other contractual agreement, but not yet expended, amounts to \$1,474.

The City has ongoing operating leases for facilities. The future minimum payments are as follows:

Year	Basic Rent
2020	\$ 298
2021	230
2022	230
2023	122
2024	68
Thereafter	406
	\$ 1,354

**24. Contingent Liabilities**

The City is defendant in various lawsuits as at December 31, 2019. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of the 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. No amounts have been recorded at December 31, 2019 (2018 - nil).

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**25. Comparative Information**

During the year, the City reclassified comparative information in its consolidated statement of operations and accumulated surplus and in note 13 segmented disclosure to better align its reporting of revenues and expenses by function with current accountabilities.

In addition, certain other comparative information has been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

**26. Budget**

City Council approved the 2019 - 2021 Corporate Plan on November 26, 2018, which formally approved revenues, expenses and tangible capital asset acquisitions for 2019.

**27. Subsequent Event**

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these consolidated financial statements, the City has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Deferred utility and tax payments without penalty for up to 90 days
- Eliminated the 3.9% tax increase included in the 2020 approved budget
- The City is in the process of extending the existing revolving demand facility with CIBC to supplement operating cash flow
- TransAlta Tri Leisure Centre was temporarily closed to the public March 14, 2020 indefinitely
- City of Spruce Grove Public Library was temporarily closed to the public March 13, 2020 indefinitely
- Temporarily closed all facilities for walk-in access from March 20, 2020 indefinitely
- Experienced temporary decline in the fair value of investments and investment income
- Working from home requirements have been setup for those able to do so, as well as segregated work units
- Temporarily suspended fares on Spruce Grove Transit routes; with one route being permanently cancelled
- Some part-time and seasonal employees have been temporarily or permanently terminated
- Deferred the first reading of a proposed business improvement area tax bylaw

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. Estimates and assumptions have been made by management to try and quantify the financial effect of these activities on the consolidated financial statements. The City prepared a spring budget adjustment that will incorporate some reductions and deferrals to better reflect the financial impacts of COVID-19.

**CITY OF SPRUCE GROVE**  
**SCHEDULE 1 - PROPERTY TAXES**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

	2019 Budget (Note 26)	<b>2019 Actual</b>	2018 Actual
<b>Property Taxes</b>			
Residential	\$ 44,439	<b>\$ 43,641</b>	\$ 41,648
Non-Residential			
Commercial	10,821	<b>10,673</b>	10,024
Industrial	2,404	<b>2,360</b>	2,274
Linear	317	<b>334</b>	318
Agricultural	2	<b>2</b>	2
	<b>57,983</b>	<b>57,010</b>	54,266
<b>Less Requisitions</b>			
Alberta Education	14,745	<b>13,996</b>	13,734
Evergreen Catholic Schools	2,556	<b>2,341</b>	2,296
Meridian Foundation	234	<b>301</b>	275
	<b>17,535</b>	<b>16,638</b>	16,305
	<b>\$ 40,448</b>	<b>\$ 40,372</b>	\$ 37,961



**CITY OF SPRUCE GROVE**  
**SCHEDULE 2 - GOVERNMENT TRANSFERS**

For the Year Ended December 31, 2019

(in thousands of dollars)

	2019 Budget (Note 26)	<b>2019 Actual</b>	2018 Actual
<b>Government Transfers - Capital</b>			
Gas Tax Fund	\$ 3,384	\$ <b>2,946</b>	\$ 2,419
Other	2,250	<b>2,549</b>	26
Sustainability	17,190	<b>14,453</b>	3,109
	22,824	<b>19,948</b>	5,554
<b>Government Transfers - Operating</b>			
Policing	675	<b>701</b>	688
Social	821	<b>821</b>	821
Sustainability	231	<b>239</b>	237
Other	1,536	<b>1,679</b>	1,784
	3,263	<b>3,440</b>	3,530
	\$ 26,087	\$ <b>23,388</b>	\$ 9,084

**CITY OF SPRUCE GROVE**  
**SCHEDULE 3 - EXPENSES BY DEPARTMENT**

For the Year Ended December 31, 2019

(in thousands of dollars)

	2019 Budget (Note 26)	2019 Actual	2018 Actual
<b>General Government</b>			
City Clerk	\$ 1,679	\$ 613	\$ 1,512
City Manager	574	620	668
Corporate Communications	1,068	1,028	971
Corporate Services Administration	716	553	746
Council	715	690	646
Finance	3,090	938	3,092
Human Resources	1,476	1,663	1,559
Information Services	4,677	4,463	3,778
Integrated Planning and Strategic Services	-	1,076	-
	<b>13,995</b>	<b>11,644</b>	<b>12,972</b>
<b>Protective Services</b>			
Fire	8,178	8,965	7,871
Municipal Enforcement and Safe City	3,721	2,896	3,156
Police	6,258	6,120	5,004
	<b>18,157</b>	<b>17,981</b>	<b>16,031</b>
<b>Transportation and Roadway Services</b>			
Engineering	1,564	1,851	2,294
Facilities and Fleet Management	6,328	6,158	5,295
Planning and Infrastructure Administration	693	680	635
Public Works	18,920	18,064	17,765
Transit and Sustainability	3,187	2,515	2,248
	<b>30,692</b>	<b>29,268</b>	<b>28,237</b>
<b>Utilities</b>			
Storm Utility	80	1,153	-
Waste	3,601	2,752	2,970
Wastewater	4,909	4,543	4,618
Water	12,720	10,448	10,076
	<b>21,310</b>	<b>18,896</b>	<b>17,664</b>
<b>Community Services</b>			
Agrena/Sports Park	1,856	1,758	1,757
Community and Protective Services Administration	564	302	1,040
Community Social Development	679	578	405
Culture	1,559	1,540	1,554
Family and Community Support Services	1,292	1,368	1,374
Leisure Centre	4,450	4,580	4,878
Library	1,904	1,785	1,754
Recreation	1,655	1,712	1,642
	<b>13,959</b>	<b>13,623</b>	<b>14,404</b>
<b>Development Services</b>			
Economic and Business Development	1,289	1,055	1,397
Planning and Development	2,251	2,144	2,161
	<b>3,540</b>	<b>3,199</b>	<b>3,558</b>
	<b>\$ 101,653</b>	<b>\$ 94,611</b>	<b>\$ 92,866</b>

# Statistics

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# General Statistics



<b>General Statistics</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Population	36,012	35,766	34,881	33,640	32,036
Municipal Employees stated in Full Time Equivalents	305	285	289	272	256
Municipal Employees per 1,000 population	8.58	7.97	8.29	8.09	7.99

Source: Government of Alberta Municipal Affairs

<b>Infrastructure</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Municipal Area (in hectares)	3161	3165	3165	3165	3237
Number of Dwellings	14120	14120	14120	13786	13183
Roads (KM)	209.21	209.21	197.74	227.11	191
Watermains (KM)	190.33	187.63	186.48	183.77	172.31
Wastewater Mains (KM)	173.73	171.76	168.26	164.59	156.34
Storm Drainage Mains (KM)	130.27	128.3	123.6	122	144.31

Source: Government of Alberta Municipal Affairs

# General Statistics

Permit Statistics	2019	2018	2017	2016	2015
<i>Development and Building Permits Value</i>					
Residential	62,802,005	90,267,062	84,577,093	89,341,023	129,099,127
Commerical	2,214,000	23,985,187	20,862,396	10,635,600	22,785,900
Industrial	6,768,897	3,577,047	3,700,000	1,100,000	6,265,000
Institutional	-	19,845,693	16,309,780	4,602,768	16,423,972
Alterations/Additions Value	31,294,284	12,826,368	10,086,905	8,480,330	14,263,233
Electrical	114,860	131,948	121,563	143,219	200,104
Gas	65,313	82,318	79,719	92,241	133,423
Plumbing	51,871	75,499	66,599	89,933	125,093
Total Value	103,311,231	150,791,123	135,804,055	114,485,114	189,295,852

Permit Statistics	2019	2018	2017	2016	2015
<i>Number of Permits</i>					
New Construction Permits	222	307	331	467	589
Permits for Alteration/Addition	446	466	425	345	670
Electrical	1241	1320	1208	1412	1266
Gas	668	784	814	943	1209
Plumbing	279	432	393	523	697
Total Number of Permits	2,856	3,309	3,171	3,690	4,431

Consumer Price Index Change	2019	2018	2017	2016	2015
Alberta	2.3%	2.1%	1.6%	1.0%	1.1%
Canada	2.2%	2.0%	1.6%	1.4%	1.1%

Unemployment Rates	2019	2018	2017	2016	2015
Alberta	7.0%	6.4%	7.8%	7.0%	6.0%
Canada	5.6%	5.6%	6.3%	8.1%	6.9%

CPI and Unemployment Rates obtained from Statistics Canada



# Financial Statements

(in thousands of dollars)

<b>Revenue by Source</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Property Taxes	40,372	37,961	35,563	33,860	31,248
Sales & User Fees	24,183	23,996	23,653	22,946	21,673
Sales to Other Governments	2,667	2,665	2,695	2,614	2,606
Franchise Fees	5,443	4,578	4,597	4,330	3,874
Fines	3,484	3,939	4,889	5,442	3,297
Government Transfers	23,388	9,084	10,987	10,647	-1,087
Licenses & Permits	1,609	1,736	1,918	1,810	2,411
Rentals	2,311	2,091	1,120	959	706
Penalties	970	868	814	781	783
Other	1,592	1,197	4,424	1,679	4,431
Investment Income	506	115	388	169	212
Local Improvement Levies	-	6	60	126	1,293
(Loss) Gain on Disposal & Transfer of Tangible capital Assets	-2,788	-106	17	1,741	614
Contributed Tangible Capital Assets	11,581	9,651	16,432	19,808	27,333
Developer Contribution & Levies	1,974	905	6,050	7,344	11,249
<b>Total Revenues</b>	<b>117,292</b>	<b>98,686</b>	<b>113,607</b>	<b>114,256</b>	<b>110,643</b>
<b>Expenses by Function</b>					
General Government	11,644	12,972	11,938	11,134	9,664
Protective Services	17,981	16,031	15,562	16,405	13,115
Transportation & Roadway Services	29,268	28,237	24,529	23,202	25,388
Utilities	18,896	17,664	16,009	15,102	14,932
Community Services	13,623	14,404	12,726	13,290	11,614
Development Services	3,199	3,558	3,043	4,146	7,498
<b>Total Expense by Function</b>	<b>94,611</b>	<b>92,866</b>	<b>83,807</b>	<b>83,279</b>	<b>82,211</b>
Annual Surplus	22,681	5,820	29,800	30,977	28,432
Accumulated Surplus, Beginning Year	493,258	487,438	457,638	426,661	398,229
Accumulated Surplus, End of Year	515,939	493,258	487,438	457,638	426,661

# Financial Statements

(in thousands of dollars)

## Expenses by Object

	2019	2018	2017	2016	2015
Salaries, Wages & Benefits	36,597	34,910	33,267	31,717	28,499
Contracted & General Services	17,019	19,025	15,835	18,317	22,324
Materials, Goods & Supplies	5,452	5,402	4,966	4,826	7,328
Purchases from other Governments	16,521	15,856	14,013	12,477	10,711
Transfers to Government, Agencies & Other Org.	176	843	250	1,779	244
Bank Charges	167	164	165	156	146
Interest on Long-Term Debt	1,265	898	634	494	533
Other	390	318	261	251	400
Amortization	17,024	15,450	14,416	13,262	12,026
Total Expenses by Object	94,611	92,866	83,807	83,279	82,211



# Taxation

(in thousands of dollars)

<b>Tax Rate (in mills)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Municipal – Residential	0.0062247	0.0059158	0.0055652	0.0052042	0.0052736
Municipal – Non-Residential	0.0088484	0.0084727	0.0084886	0.0079486	0.0079188
Annexed – Residential	0.0040878	0.0039673	0.0038728	0.0037755	0.0037498
Annexed – Non-Residential	0.0081755	0.0079345	0.0077455	0.0075509	0.0073526
School – Residential	0.0025721	0.002559	0.0025319	0.0022844	0.0022666
School – Non-Residential	0.0036674	0.0037096	0.0036922	0.0033545	0.0030358
TransAlta Tri Leisure Centre	0.0000524	0.0000526	0.0000719	0.0001164	0.000127
Meridian Foundation	0.000051	0.0000472	0.0000446	0.0000393	0.000038

<b>Assessment Values</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Residential and Farmland	4,847,462	4,772,741	4,781,632	4,328,086	3,893,179
Commercial and Industrial	1,007,846	978,088	978,884	876,090	729,953
Linear and M&E	49,886	49,046	49,550	44,025	35,742
Total Assessment	5,905,194	5,799,875	5,810,066	5,248,201	4,658,874

<b>Collection of Taxes</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Municipal Taxes	40,372	37,961	35,563	33,860	31,248
Current Year Uncollected	1,806	1,692	1,882	1,894	1,550
More than One Year in Arrears	490	618	450	487	691
% of Current Tax Year Levied Uncollected	4.47%	4.46%	5.29%	5.59%	4.96%



# Taxation

(in thousands of dollars)



<b>Taxation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Residential	43,641	41,648	39,262	36,894	33,907
Commercial	10,673	10,024	9,546	8,789	8,010
Industrial	2,360	2,274	2,270	2,163	1,778
Linear	334	318	291	291	286
Agricultural	2	2	2	2	2
<b>Total Taxes</b>	<b>57,010</b>	<b>54,266</b>	<b>51,371</b>	<b>48,139</b>	<b>43,983</b>
<b>Requisitions</b>					
Alberta School Foundation Fund	13,996	13,734	13,256	11,939	10,649
Evergreen Catholic Separate	2,341	2,296	2,298	2,114	1,886
Meridian Foundation	301	275	254	226	200
<b>Total Requisitions</b>	<b>16,638</b>	<b>16,305</b>	<b>15,808</b>	<b>14,279</b>	<b>12,735</b>
<b>Municipal Taxes</b>	<b>40,372</b>	<b>37,961</b>	<b>35,563</b>	<b>33,860</b>	<b>31,248</b>



# Long Term Debt

(in thousands of dollars)

<b>Long Term Debt</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Tax Supported	12,590	13,637	19,333	13,091	10,056
Supported by Other	25,591	20,572	452	452	452
Supported by Local Improvements	3,941	4,255	4,748	5,226	1,581
Total Long Term Debt	42,122	38,464	24,533	18,769	12,089
Population	36,012	35,766	34,881	34,066	32,036
Long Term Debt per Capita	1,169.67	1,075.43	703.33	550.96	377.36
<b>Debt Limits</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total Debt Limit	128,643	125,224	134,259	131,868	130,593
Total Debt	42,122	38,464	24,533	18,769	12,089
Total Debt Limit Available	86,521	86,760	109,726	113,099	118,504
Percentage of Debt Limit Used	32.74%	30.72%	18.27%	14.23%	9.26%





# Long Term Debt

(in thousands of dollars)

<b>Net Financial Debt</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual Surplus	22,681	5,820	29,800	30,977	28,432
Change related to Tangible Capital Assets	-25,164	-23,736	-29,644	-34,759	-38,395
Change related to Other Non Financial Assets	15	-306	139	-132	79
Increase/Decrease in Net Financial Assets	-2,468	-18,222	294	-3,914	-10,350
Net Financial Debt, Beginning of Year	-26,448	-8,226	-8,521	-4,607	5,277
Net Financial Debt, End of Year	-28,916	-26,448	-8,226	-8,521	-4,607

<b>Accumulated Surplus</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Municipal Surplus	21,069	16,954	18,712	15,319	13,378
Utility Surplus	7,778	8,792	8,620	7,948	7,984
Developer Deficit	-15,011	-13,084	-10,684	-12,542	-14,000
Equity in Tangible Capital Assets	502,103	480,596	470,790	446,913	419,299
Accumulated Surplus	515,939	493,258	487,438	457,638	426,661

# Acquisition of Tangible Capital Assets

(in thousands of dollars)



<b>Tangible Capital</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Land	2,927	2,793	8,688	5,468	12,052
Land Improvements	1,230	594	2,848	590	2,383
Leasehold Improvements	1	-	-	-	-
Buildings	12,504	-	1,174	12,764	2,922
Engineered Structures	21,211	16,806	19,821	20,939	19,030
Machinery & Equipment	2,861	2,278	1,970	3,112	2,868
Vehicles	2,052	335	2,362	2,107	89
Construction in Progress	2,653	16,691	7,775	3,623	11,867
Total Acquisition of Tangible Capital Assets	45,439	39,497	44,638	48,603	51,211



City Hall

315 Jespersen Ave. T7X 3E8

Phone: 780-962-2611

Monday to Friday 8:30 a.m. – 4:30 p.m.

[www.sprucegrove.org](http://www.sprucegrove.org)

